

20 July 2016

**Vision Australia Submission
To the Productivity Commission's inquiry into
Human Services**

Submission to: www.pc.gov.au/inquiries/current/human-services/identifying-reform

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Introduction

Vision Australia is pleased to have the opportunity to make a submission to the Productivity Commission's inquiry into the reform of Human Services based on principles of competition, contestability and informed user choice.

As self-directed funding schemes like the NDIS roll out across Australia we believe policy reform with an emphasis on user choice, competition and contestability will for the most part drive improvement of service quality and outcomes for consumers. In our submission we outline recommendations which we encourage the commission to take into account when working on the reform of Human Services.

Addressing requests for information

- 1. The Commission is seeking participants' views on what constitutes improved human services. Do the concepts of quality, equity, efficiency, responsiveness and accountability cover the most important attributes of human services? If these are the most important attributes, how should they be measured or assessed?**

Vision Australia agrees with and supports the definitions of the concepts as outlined in the discussion paper. The key considerations for our community on how they should be applied are identified in the responses to other questions below.

- 2. The Commission is seeking feedback on whether the factors presented in figure 2 reflect those that should be considered when identifying human services best suited to the increased application of competition, contestability and informed user choice.**

Vision Australia supports the factors displayed in figure 2 of the discussion paper, although caveats are identified in the remainder of our response.

The Productivity Commission should ensure that new funding rounds take into consideration the size of the grant and the organisation, and that they are not encumbered with unreasonable reporting and acquittal processes.

Vision Australia notes that we have an increased red tape burden with the introduction of the NDIS and My Aged Care. The Commission should consider the need to avoid the imposition of additional compliance and reporting requirements for existing providers and reduce the need to run parallel systems or to engage multiple departments to access government portals. For example, AUSkey and My Aged Care/NDIS requires engagement with multiple agencies and is uncoordinated, clunky

and burdensome. There should be recognition by Department agencies of existing accreditation so that for-purpose organisations may spend more time and resources serving the community, and less time on duplication of reporting requirements.

3. The Commission is seeking participants' views on which human services have the greatest scope for improved outcomes from the increased application of competition, contestability and user choice. Where possible, this should be supported by evidence from performance indicators and other information to show the extent to which:

- current and expected future outcomes — measured in terms of service quality, efficiency, equity, accountability and responsiveness — are below best practice
- competition, contestability and user choice do not exist under current policy settings, or are not as effective as they could be in meeting the goals of quality, equity, efficiency, accountability and responsiveness.

The Commission welcomes participants' views on how best to improve performance data and information in the human services sector.

The NDIS *Quality and Safeguarding Framework* has not been implemented, even as full rollout begins. There are no plans for a nation-wide independent regulator of disability services. The consultation paper for the *Framework* noted in 2015: as Government will no longer be purchasing specialist disability services 'the current quality assurance arrangements, and some of the current safeguards, will therefore no longer apply'. This presents unacceptable risks for service quality and consumer safety. That this can happen in disability services, an area known for increased risk and incidence of abuse and failure to meet quality standards, is deeply concerning.

There have been many Government Inquiries and independent research that have shown deep flaws in the current State-based oversight models in the disability sector. The Productivity Commission must recommend as preconditions for lowering the barriers to entry in human services:

- the implementation of a strong Quality and Safeguarding framework, and
- the establishment of an independent regulator with sufficient powers to enforce standards, as recommended in the *Harper Review*.

Vision Australia has requested that the NDIA disaggregate data of the blindness cohort from 'other sensory/speech' where the NDIA currently categorises blindness. Vision Australia believes that to accurately measure service performance, blindness must be counted as a stand-alone disability by human services.

4. Participants are invited to submit case studies of where policy settings have applied the principles of competition, contestability and user choice

to the provision of a specific human service. Such case studies could describe an existing example or past policy trial in Australia or overseas.

Participants should include information on the:

- pathway taken to achieve the reform
- effectiveness of the policy in achieving best practice outcomes for quality, equity, efficiency, responsiveness and accountability
- applicability of the case study to the provision of human services in Australia if it is an overseas example.

The NDIS presents a useful case study, although there are concerning elements in the evolution of 'Tier 2' from the Productivity Commission's Lifetime Care and Support final report, to the current Information, Linkages and Capacity Building (ILC) Framework. The changes risk undercutting supports for consumers where market supply fails, and especially in thin markets. Lowering barriers to entry in this environment may have adverse effects on service provision.

The *Lifetime Care and Support Report* helps to illustrate the issue. 'In addition to individual tier 3 supports, other costs were identified in running the scheme. At full operation in 2018-19, these other costs are estimated to be approximately \$1.1 billion, comprising around:

- \$300 million for management and staff (finance, human resources, legal, program management, analysts, researchers, data minors, auditors, monitoring and compliance), assessors, call centres, office space and IT (including an electronic record for people with a disability)
- \$550 million for local area coordinators
- \$13 million for dispute resolution
- \$3 million for advertising campaigns
- \$200 million for capacity building including funding for tier 1 and tier 2, funding for disability support organisations, funding for assisting service providers in transitioning to the new system, an innovation fund, small payments to service providers for handling added referrals from people with disabilities stemming from the NDIS, and funding for an emergency response.' (pp. 776-777)

Vision Australia has invested heavily in making significant transformational changes across its systems, infrastructure, reporting, culture, and work practices to engage with a consumer driven, market based disability and aged care system. We have experienced an added regulatory and staff set up and training burden in registering and complying with the new systems, including the operating systems.

The NDIA and the Department of Social Services have not provided any meaningful direct support to service providers to make the change as envisaged by the Productivity Commission. The latest iteration of the ILC omits support for service providers, and the tender for the Local Area Coordination specifically excludes them. The Practical Design Fund and Sector Development fund did not provide financial

support to organisations to make the necessary changes nor capture the inherent value of specialist supports and services that have been built up by Vision Australia largely without government support. These innovations have come at significant cost to the organisation, with little acknowledgement of the way the for-purpose sector, through philanthropic or fundraising efforts, fills spaces in service provision.

The heavy lifting has been done by Vision Australia and others. This is an example of the for-purpose sector making the necessary investments and delivering ongoing services, which in terms of financial assistance provided by government, are undervalued.

The results of the comprehensive ILC service mapping, and of the NDIA's assessment of the impact of full NDIS/ILC roll-out on the sector have not been shared publically, preventing the sector from identifying the obvious service gaps that may arise. The Inquiry should consider this report, and bear in mind the challenges presented by the change in structure of the NDIS/ILC.

5. The Commission is seeking information on which human services have these characteristics:

- service recipients are willing and able to make decisions on their own behalf and, if not, another party could do so in the best interest of the recipient
- user oriented, timely and accurate information to compare services and providers can be made available to users so they are able to exercise informed choice or, if not, this could be cost effectively addressed
- service recipients (or their decision makers) have sufficient expertise to compare alternative services and providers or, if not, this barrier could be overcome
- outcomes experienced by a service recipient and their family and friends in past transactions can inform which service and provider they choose in the future.

Vision Australia provides evidence of the experience of users engaging with human services. Please refer to "*An Eye to the Future*" at [Appendix A](#)

Additionally, some human services have characteristics which make them inefficient: often these services are not profitable and for this reason may be unreasonably impacted by competition and contestability.

We believe that some inefficient and therefore exposed services must be protected in any reform of human services as they can be valuable to vulnerable members of the community.

6. For specific human services, the Commission is seeking information on the nature of service transactions based on these characteristics:

- the nature of the relationship between the service user and the provider
- whether the service is used on a one off, emergency or ongoing basis
- whether the service can be provided remotely
- the extent to which services to an individual can be unbundled
- whether there is a strong case for the provider to supply multiple services to an individual with complex needs.
- case studies on provision of a specific human service.

We believe that there are certain supports and services that should not be included in the user choice framework because the circumstances of the people who access them mean they are often not in the position to seek out the support they need.

These services are often emergency supports with an outreach focus, and include but are not limited to:

- severe mental illness services/critical response mental health units
- drug and alcohol rehabilitation services
- child protective and family violence services
- food provision for homeless people services
- rough sleeping services
- social housing provision

The proposed unbundling of human services to increase user choice has the potential to impact on the ease of accessing these services. People who are blind or have low vision frequently find that it requires more time and energy to undertake everyday tasks. The complexity of accessing information about services, and seeking to engage with more than one point of entry to services, could place an undue burden on them.

There is a need to consider how people engage with multiple services, and the additional barriers to entry they will face. The Productivity Commission must find a balance between offering user choice, and acknowledging that many people may find it challenging if they are required to access multiple services for similar needs. For instance, the *Clear Focus Report* discussed above emphasises the nature of comorbidity and complexity of ageing and vision loss, noting that 'vision loss prevents healthy and independent ageing and it is associated with the following:

- Risk of falls increased two times
- Risk of depression increased three times
- Risk of hip fractures increased four to eight times
- Admission to nursing homes three years early

- Twice as likely to use health services.’

We believe that to offer multiple services from the one provider is convenient for consumers and provides the stability and comfort that accessing services from multiple providers may not. Services Connect in Victoria is a model of positive reform in human services that reduces the burden on people seeking to access multiple services, and should be considered by the Productivity Commission in ensuring responsiveness to consumer need.

7. The Commission is seeking information on the supply characteristics of specific human services including:

- economies of scale and scope — in terms of costs and service quality — that may be lost by having a larger number of competing providers
- the potential for service provision to be made more contestable because there is capability beyond an existing provider that could pose a credible threat to underperformance
- whether there are barriers to providers responding to change, or new suppliers entering the market, that limit the scope for increased competition, contestability and user choice or, if they do, what could be done to address this
- technological change that is making competition and user choice more viable
- factors affecting the nature and location of demand, such as geographic dispersion of users, the distribution of demand among different types of users, particularly disadvantaged and vulnerable users, and anticipated future changes in demand.

Vision Australia urges the Productivity Commission to acknowledge and include within its consideration of Efficiency that the for-purpose sector is delivering human services to the community which are subsidised by philanthropic funds. Within the three parties identified in the equation proffered by the commission – services users, human services and taxpayers – there should be acknowledgement of relevant issues including:

- That rates paid by government to for-purpose organisations like Vision Australia for specialised services undervalue the cost and the benefit of the services being provided.
- That those who fund services include for-purpose organisations, not just taxpayers and service users.

For example, Vision Australia annual revenue of \$90 million is used to deliver a range of specialised services and supports to more than 27,500 Australians who are blind or have low vision. More than 70% (or 19,250 Australians) are aged 65 years or

older. Yet, the revenue from government for our specialist services to older Australians was less than 5% of total revenue in 2015-16.

In terms of geography, Vision Australia receives just \$80,000 per annum to provide services to older Australians with vision loss for all of Queensland. In the Australian Capital Territory, we receive zero funding. The annual rate paid for delivery of Allied Health Services into a client's home is just \$90 for an hour in metropolitan regions, payable only for direct service and to cover operating costs including personnel, travel, equipment and infrastructure, and in maintaining and complying with necessary quality and service standards. The full cost of our highly specialised services is underwritten by philanthropic efforts and investments.

The benefit of this form of service provision can be highlighted in a number of ways including the *Clear Focus Report* by Access Economics which found that:

'The estimated cost of lost wellbeing from vision disorders for people aged over 40 was estimated at \$9.4 billion in 2009. This represents 57% of the total estimated economic cost of vision loss in 2009. This is significantly higher than the \$4.8 billion cost in 2004 reflecting the inclusion of uncorrected refractive error in the loss of wellbeing estimates and data on co-morbidities.'

We urge the Productivity Commission to include within its recommendations that the for-purpose sector should be adequately remunerated and valued by government, within the human services sector. Failing to account for the full value of inputs will present a skewed picture of human service provision. Vision Australia is happy to provide a more detailed overview upon request.

While technological changes to the provision of human services could make competition and user choice viable it could also result in considerable disruption to people with disability. For example, the increasing use of touch screen technology in the community often presents obstacles to people who are blind or have low vision, and limits their ability to engage with services. The needs of the blindness community and people with disability must be considered when accounting for technological changes in human services reform.

ICT Procurement policies and systems act as a barrier to workforce participation for people with disability. People experiencing permanent and significant vision loss may only need adaptive technology to assist them with performing work functions. These specially designed aides and equipment include software packages like ZoomText.

Over the past two years, multiple complaints have been brought to our attention about public sector employees whose jobs were in jeopardy due to being unable to access adaptive technology in the workplace.

The Productivity Commission should recommend that current or new entrants into the human services sector must ensure workplaces are accessible for people with a disability. The Commission should explore opportunities to progress and improve ICT procurement guidelines. This is an important step in the process to introduce amendments that would support workplace diversity, leading to increased representation of people with disability in the public and private sector workforce.

We believe the following matters should be investigated by the Commission and responded to:

- Conduct an immediate review of ICT Procurement Guidelines and consider adopting the approach taken in the European Accessible ICT Standard (EN301 549 – Standards Australia are in the process of considering how to adopt this standard, in the development of Australian accessible ICT standards)
- Appoint a Director for ICT Procurement to oversee a strategic review process, and to ensure accessible ICT systems form part of action plans.
- Include accessibility and disability procurement standards in all government tendering guidelines and ensure government contractors also meet minimum requirements – especially with respect to Information and Communications Technology (ICT) procurement policies.
- Audit recruitment practices and agencies and mandate affirmative steps to support applicants with disability, especially those who are blind or have low vision. This should include considering setting employment targets and quotas.

High quality human services must continue to be available to smaller cohorts like the blindness community, where the incidence rate is low. Reforms must also ensure, that, for example, people in rural areas have access to the human services that they need: consideration should be given to ensuring against supply failure in thin markets. There is an inherent risk of relying on the volunteer base of organisations: frequently this is already stretched and should not be relied upon to address gaps or 'low intensity' service provision where market coverage is marginal.

8. The Commission is seeking information on:

- the costs that consumers would incur by becoming more active in selecting the services they receive, adapting to changes in how providers supply services, and switching services when a decision is made to do so

- the regulatory arrangements and other initiatives that governments would have to modify or establish as part of their stewardship role, including to inform users about alternative services and providers, maintain service quality, protect consumers (especially disadvantaged or vulnerable users) from being exploited, and to fine tune policies in response to any problems that emerge
- how the compliance costs faced by service providers will be affected by changes in government stewardship, and the adjustment costs that providers will bear in order to shift to a more user focused model of service provision
- the extent to which such costs are one off or an ongoing impost.
- the Commission welcomes information from participants on the costs faced by different types of providers, with different motivations and governance structures, when shifting to a more user focused model of service provision.

As noted above, the protection of human services quality by the introduction of an independent regulator and a strict quality safeguarding framework is imperative to ensure the best user outcomes. The commission must have a consultative approach in the development of new systems to ensure that new systems do not add to the regulatory burden and do not impose additional costs to providers to meet new system needs.

Additionally, in relation to the compliance costs faced by service providers arising from changes in government stewardship, and the adjustment costs please see our response at Question 4 – the support identified by the Productivity Commission has not been forthcoming in relation to the NDIS; and Question 7 – the need to account for the true inputs from the for-purpose sector when considering the cost of service provision.

About Vision Australia

Vision Australia is the largest provider of services to people who are blind, deafblind, or have low vision in Australia. We are a significant, for purpose provider delivering human services in disability, aged care, employment and job services, education and health.

Our vision is that people who are blind, deafblind, or have low vision will increasingly be able to choose to participate fully in every facet of community life. To help realise this goal, we provide high-quality services to the community of people who are blind, have low vision, are deafblind or have a print disability, and their families. The service delivery areas include:

- independent living
- early childhood

- orientation and mobility
- employment
- accessible information (including alternate formats and library services)
- recreation
- aids and equipment
- social support
- Seeing Eye Dogs
- advocacy, and working collaboratively with Government, business and the community to eliminate the barriers our clients face in making life choices and fully exercising rights as Australian citizens.
- We are a registered My Aged Care and NDIS provider.

Vision Australia has gained unrivalled knowledge and experience through constant interaction with our 27,500 clients and their families, and also through the involvement of people who are blind or have low vision at all levels of the organisation. Vision Australia is therefore well placed to provide advice to governments, business and the community on the challenges faced by people who are blind or have low vision fully participating in community life.

We have a vibrant client consultative framework, with people who are blind or have low vision representing the voice and needs of clients of the organisation to the Board and Management.

Vision Australia is a significant employer of people who are blind or have low vision, with 14.5% of total staff having a vision impairment.

Vision Australia also has a formal liaison arrangement with Blind Citizens Australia (BCA) through a Memorandum of Understanding for a number of purposes, including collaboration, so that Vision Australia's systemic advocacy and public policy positions are, wherever practicable, consistent with the programs and policies of Australia's peak body representing people who are blind or have low vision