



Submission in response to
Productivity Commission's Draft
Report – Reforms to Human
Services

UnitingCare Australia

14 July 2017

Contact:
Claerwen Little
National Director
UnitingCare Australia

*UnitingCare Australia is the national body for social services in the Uniting Church in Australia,
supporting service delivery and advocacy for children, young people, families, people with disabilities,
and older people*

Table of Contents

UnitingCare Australia	3
1 Introduction	4
2 Government Involvement in Human Services	4
3 Introducing greater user choice, competition and contestability.....	4
4 End of Life Care	5
5 Social Housing	6
6 Family and Community Services.....	11
7 Services in Remote Indigenous Communities	13
Summary	13



UnitingCare Australia

UnitingCare Australia is the national body for the UnitingCare Network, one of the largest providers of community services in Australia. With over 1,600 sites, the network employs 40,000 staff and is supported by the work of over 30,000 volunteers. We provide services to children, young people and families, Indigenous Australians, people with disabilities, the poor and disadvantaged, people from culturally diverse backgrounds and older Australians in urban, rural and remote communities.

UnitingCare Australia works with and on behalf of the UnitingCare Network to advocate for policies and programs that will improve people's quality of life. UnitingCare Australia is committed to speaking with and on behalf of those who are the most vulnerable and disadvantaged, for the common good.



1 Introduction

UnitingCare Australia is pleased to provide the following feedback on the Productivity Commission's Draft Report on the topic of Reforms to Human Services – Introducing Competition and Informed User Choice into Human Services. This document builds on the previous submissions made by UnitingCare Australia.

2 Government Involvement in Human Services

UnitingCare Australia agrees with the points made in the Report around stewardship arrangements including greater coordination, more transparency and smoother transitions. However, we believe there is a need to more clearly emphasise the real need for greater coordination between both Commonwealth and state governments before any changes are made to increase competition in human services.

Additionally, further work around enabling smoother transitions is necessary. Lessons can be learned from the NDIS in supporting better outcomes for clients by informing and supporting the sector to prepare for transition to new ways of working and delivering services. In particular Uniting Church service providers have had to restructure their workforce, introduce new IT and accounting systems and review organisational policies and procedures which has required significant resources and time. Additionally our service providers have played a key role in assisting clients to prepare for transition.

3 Introducing greater user choice, competition and contestability

As detailed in UnitingCare Australia's previous submissions, there is a difference between informed choice and empowered choice. When clients are seeking to access services because of market failure or lack of capability they are not empowered and, as a result, increased competition may not necessarily deliver benefits to them.

We support the statement in the Commission's Report: "the characteristics of family and community services do not lend themselves to the introduction of greater user choice at this time. Instead governments need to focus on practical reforms to improve the way they select providers on behalf of users, and to plan and contract services in a way that puts users at the centre of service provision".

The Report also states that "in the right circumstances, competition provides powerful incentives to deliver more effective services". It is critical that the Productivity Commission clearly outlines these circumstances. Additionally the Commission should articulate under which circumstances competition is not effective and explore whether there are specific clients who will not benefit from increased competition.

There is some evidence to indicate that switching from 'increasing competition wherever possible' to 'optimisation' results in benefits for all stakeholders, the environment and society in general.¹.

4 End of Life Care

DRAFT RECOMMENDATION 4.2

Provide sufficient additional funding to residential aged care facilities to ensure that people living in residential aged care receive end-of-life care that aligns with the quality of that available to other Australians

UnitingCare Australia is supportive of this Draft Recommendation as it is our experience as service deliverers that there are additional costs incurred by residential aged care facilities to deliver quality end-of-life care.

DRAFT RECOMMENDATION 4.4

The Australian Government should amend the aged care Quality of Care Principles to require that residential aged care facilities ensure that clinically trained staff hold conversations with residents about their future care needs. This should include helping each resident (or their family or carers) to develop or update an advance care plan (or to document that the resident would prefer not to complete an advance care plan) within two months of admission to the facility.

UnitingCare Australia agrees that palliative care should be recognised as a service to which the Aged Care Quality Framework applies (and therefore the Quality of Care principles to the extent there should be consistency between the Principles and the Framework). We also support the concept that advanced care planning should be encouraged for all care recipients, regardless of whether they receive care through residential or other modes of delivery.

In our submission to the Australian Government on the proposed Framework, we expressed our support for more discussion around recognising when consumers are nearing the end of their lives (where possible) and encouraging open discussions about care choices with consumers and families. End of life and advance care planning are considered best undertaken by the consumer (if capable), their family and their GP. We advise that the recommendation be redrafted to ensure that the service provider role does not extend beyond:

¹ Stanley, MB, A New Approach to Competition Policy: *Optimisation as the Primary Goal*, 2017. Available at:

http://www.tjryanfoundation.org.au/dbase_upl/Stanley_Competition_policy_optimisation.pdf

- a. facilitating access to resources and appropriate support people if a client requests an end of life plan
- b. inclusion of copies of Advance Health Care Directives/end of life plans in aged care plans
- c. ensuring that staff and volunteers act in accordance with the wishes expressed in them.

We note that if the Framework incorporates a new standard requiring/enabling services to undertake end of life planning, it will need to be supported by further development/ guidance to ensure that advance care planning and end of life planning is undertaken in accordance with:

- minimum standards of expected conduct
- by suitably qualified staff members.

DRAFT RECOMMENDATION 4.5

The Australian, State and Territory Governments should ensure that there are sufficient data to enable governments to fulfil their stewardship functions by monitoring how well end-of-life care services are meeting users' needs across all settings of care.

Governments should work together to develop and implement an end-of-life care data strategy that leads to the provision of, at a minimum, linked information on:

- place of death
- primary and secondary diagnoses
- details of service provision at time of death (what, if any, health or aged care did they receive, at what level and for how long)
- whether they had an advance care plan.

UnitingCare Australia acknowledges the importance of monitoring end of life services. However, it is important for governments to work with providers to identify the most streamlined data collection processes.

5 Social Housing

UnitingCare Australia believes that the Report understates the importance of housing stability for all households. Any initiatives in the social housing sphere should be complemented by initiatives which increase stability for low income households in the private rental market. Research shows that there are attributes of public housing that improve long term outcomes for clients and efforts should be made to extend these conditions across all forms of housing assistance².

² Johnson, G, Scutella, R, Tseng, YP, Wood, G, *How Do Housing and Labour Markets Affect Homeless Entry and Exits?* 2016. Available at: http://www.pc.gov.au/data/assets/pdf_file/0004/209272/subpfr299-human-services-identifying-reform-attachment.pdf

DRAFT RECOMMENDATION 5.1

The Australian Government should enhance Commonwealth Rent Assistance (CRA) by:

- extending CRA to cover tenants in public housing
- increasing the current maximum CRA payment by about 15 per cent to address the fall in the relative value of CRA caused by average rents rising faster than the consumer price index since 2007
- indexing the maximum CRA payment amount to reflect changes in rental prices nationally.

Care must be exercised in setting the level of CRA, noting the potential for this to have an inflationary effect and impact on low income households that do not receive this assistance. Consideration should be given to direct forms of assistance, eg: energy vouchers, to reduce other forms of financial stress impacting on low income households.

The Commission has recognised the importance of indexing and that rental prices are increasing at a great rate than CPI is a great start. However, using the weighted average of eight capital cities rental index from the CPI needs further consideration:

- CRA should not be decreased in the case of a negative index. A negative index would not result in a reduction of rent for tenants. Therefore, a decrease in CRA would cause financial hardship for low-income households.
- The rental index is flat compared with other sources of data on movements in rental prices. This means that the index will not reflect the actual increases in rent that people experience.

Furthermore, neither the current rates for CRA, nor the indexing methodology proposed, take into consideration the vast regional differences in rental markets across Australia.

DRAFT RECOMMENDATION 5.2

State and Territory Governments should abolish the current assistance model for social housing where rents are set at a proportion of the tenant's income and enhance user choice by:

- providing a high-cost housing payment funded by State and Territory Governments for eligible tenants, such as those with a demonstrated need to live in a high-rent area
- delivering the high-cost housing payment to the tenant in a way that would enable it to be used in either the social or private rental markets
- offering existing tenants in social housing an option between continuing to pay rent set at a proportion of their income for up to ten years, or electing to move to the new assistance model
- charging market rents for tenants in social housing.

Uniting Care Australia believes that any change to the current financial assistance model in social housing needs to be implemented with caution. State reforms for social housing provision (such as in NSW) have incentivised Community Housing Providers (CHPs) to invest in building housing. Although this is resulting in new housing stock, it also places risk on CHPs that was previously held by government. If poorly designed and implemented, changes to the

financial assistance model in social housing have the potential to leave CHPs with housing stock that cannot be rented as community housing. Where housing was designed for a specific high-needs cohort, this stock may not be suitable for mainstream private rental.

Grandfathering existing arrangements is essential. However, grandfathering may create financial incentives to remain in inappropriate housing. In particular, it may create a financial barrier for people to leave domestic and family violence. The grandfathering arrangements need to be flexible enough so people are not financially disadvantaged if they need to move into alternative housing.

Calculating market rent is complex. Many models only consider the median rent of units/houses in a suburb. The rental market is more complex. Market rent should be calculated using a heuristic model that takes into account factors such as: location to transport and services, bedroom, dwelling size, condition and age of dwelling.

DRAFT RECOMMENDATION 5.3

State and Territory Governments should introduce choice-based letting for tenants entering into, and transferring between, social housing properties.

Choice based letting provides benefits to tenants and should be a major objective. For tenants to have real choice in practice, rather than just in policy, there needs to be a greater supply of affordable housing. To ensure quality it is not sufficient to only regulate service providers for example through accreditation processes. There is also a need to protect diversity of providers in a competitive market.

DRAFT RECOMMENDATION 5.4

State and Territory Governments should continue to make the management of social housing properties contestable, on a staged basis. The management of social housing properties should be subject to a tender process that is open to all providers, including the government provider.

Transfers of social housing to CHPs is an initiative with a lot of potential to encourage better provision of social housing. As these initiatives are new, UnitingCare Australia believes that governments should commission thorough independent evaluations that look at implementation and impact. However, there is also a need to look at research to ensure that community housing benefits clients in the same way as public housing.

DRAFT RECOMMENDATION 6.1

When commissioning tenancy support services, State and Territory Governments should:

- clearly separate the funding and commissioning of tenancy support services from tenancy management services
- ensure that tenants renting in the private market have the same access to support services as tenants in social housing.

The Commission's recommendation that tenancy support and tenancy management be separated is a positive for tenants. It ensures that the person who builds a supportive relationship with them is not also the person who must manage more negative processes such as rent arrears and rental inspections. Although these two roles should be separate, they should be able to collaborate to identify issues and develop and implement appropriate solutions to ensure tenants are able to sustain their tenancy. Collaboration between providers of tenancy support and tenancy management can also lead to innovating integrated services provision.

Regulation that enforces that these roles be delivered by separate organisations would restrict the ability of large organisations to deliver these two roles through separate sections of the organisation. However, it should be noted that this regulation may be by-passed by organisations that establish separate legal entities for their different functions.

DRAFT RECOMMENDATION 6.2

State and Territory Governments should ensure that the entity responsible for managing social housing assets is separate from the entity responsible for social housing policy. The entity managing social housing assets should be subject to competitive neutrality policies.

UnitingCare Australia supports this recommendation and believes it will result in more transparent accountability.

DRAFT RECOMMENDATION 6.3

State and Territory Governments should ensure that applicants for social housing assistance:

- receive a comprehensive up-front assessment of their eligibility for: a social housing placement; the high-cost housing payment (draft recommendation 5.2); and tenancy or other service support, including support to enable the tenant to choose their home
- are made aware: that the high-cost housing payment would be payable if they chose to live in either the private or social housing markets; and of the extent to which support services available in social housing would also be available in the private market.

We believe the recommendation for needs based assessment for financial assistance and tenancy support is a welcome reform. However, the process should better incorporate the role of the non-government sector. Staff from this sector work with vulnerable people every day, facilitating community groups, providing case management, and delivering specialised services. The rapport they build with service-users enables them to navigate the service system and support people to apply for services they need, such as housing. Traditionally, this sector has been able to provide this support because their staff wages are funded under block funding. As the service provision becomes more market driven, this aspect of support is increasingly unfunded.

Furthermore, some flexibility needs to be designed into the assessment process so that when needs change service providers are able to change the level of service immediately while the formal assessment is undertaken.

DRAFT RECOMMENDATION 6.4

State and Territory Governments, in conjunction with the Australian Institute of Health and Welfare, should improve the data that are collected on:

- the efficiency of social housing
- tenant outcomes, including high-cost housing payment and service recipients who choose to rent in the private housing market.

State and Territory Governments should clearly define the outcomes they are seeking to achieve to support the commissioning of tenancy management and tenancy support services, and put in place frameworks to assess their success in meeting these outcomes over time. Outcomes data should, to the extent possible, be consistent and comparable to that developed for family and community services (draft recommendation 7.3).

UnitingCare Australia requests that data systems and processes ensure:

- That service providers are able to easily access data to monitor and improve service provision
- That the respondent burden for service-users is minimalised as much as possible
- The ethical implications, appropriateness and practicality of some measurement tools (such as client surveys) within some services and for some service-users

As stated in response to Recommendation 5.4 above, Government should commission thorough independent evaluation and research that looks at the implementation of reforms.

DRAFT RECOMMENDATION 6.5

State and Territory Governments should:

- publish information on expected waiting times to access social housing, by region, in a format that is accessible to prospective tenants
- make publicly available the regulatory reports on the performance of community providers that are undertaken as part of the National Regulatory System for Community Housing.

To facilitate choice-based letting, State and Territory Governments should publish information on available social housing properties, such as the rent charged for the property, number of bedrooms and the location of the property. This information should be disseminated across a range of mediums, such as online and printed leaflets.

Publishing wait times and performance indicators is important for decreasing asymmetry of information and increasing choice. There needs to be comprehensive stakeholder engagement to ensure that the indicators used are appropriate and robust.

6 Family and Community Services

DRAFT RECOMMENDATION 7.1

The Australian, State and Territory Governments should work together to develop and publish:

- data-driven maps of existing family and community services
- analysis of the characteristics and needs of the service user population to assist with system and program design and targeting
- service plans to address the needs of people experiencing hardship.

Providing clear data that is accessible to service providers and clients is a positive way forward. For example, we recognise that data around the analysis of characteristics and needs of service users will be valuable to our service providers to inform service improvements as well as the development and implementation of services that meet the needs of clients.

DRAFT RECOMMENDATION 7.2

The Australian, State and Territory Governments should adjust provider selection processes in family and community services to reflect the importance of achieving outcomes for service users. Governments should:

- design selection criteria that focus on the ability of service providers to improve outcomes for service users
- not discriminate on the basis of organisational type (for-profit, not-for-profit and mutual for example)
- allow sufficient time for providers to prepare considered responses (including the development of integrated bids across related services).

UnitingCare Australia is supportive of focussing selection processes on the ability of service providers to deliver outcomes for service users. In addition, we agree that there is a need for sufficient time to prepare quality responses and collaborate where appropriate on service delivery options.

DRAFT RECOMMENDATION 7.3

The Australian, State and Territory Governments should prioritise the development of user-focused outcome measures for family and community services — indicators of the wellbeing of people who use those services — and apply them consistently across all family and community services.

Governments should also identify outputs from family and community services that can be used as proxies for outcomes or measures of progress toward achieving outcomes.

In developing outcome measures and outputs, governments should define the indicators broadly so they can be used in provider selection, performance management and provider, program and system-level evaluations across the full range of family and community services.

Prioritising user-focused outcome measures that are applied consistently across all services is a positive way forward. UnitingCare Australia has expertise in developing and implementing outcomes measurement processes and would welcome the opportunity to work with governments on this initiative.

DRAFT RECOMMENDATION 7.5

The Australian, State and Territory Governments should set the length of family and community services contracts to allow adequate time for service providers to establish their operations, have a period of stability in service delivery and for handover before the conclusion of the contract (when a new provider is selected).

To achieve this the Australian, State and Territory Governments should:

- increase default contract lengths for family and community services to seven years
- allow exceptions to be made, such as for program trials which could have shorter contract lengths
- provide justification for any contracts that differ from the standard term
- ensure contracts contain adequate safeguards to allow governments to remove providers in any cases of serious failure.

UnitingCare Australia is supportive of increasing the default contract lengths for family and community services to seven years. This will allow a period of stability for service providers and provide the opportunity to develop and implement quality services, recruit and retain quality staff and provide security of service delivery for clients.

We support the inclusion of safeguards around serious failure of service delivery. However, we also acknowledge the need for strong stewardship by government to ensure providers continue to deliver quality services that meet the needs of clients and avoid poor practice. We would encourage the Commission to review the learnings from overseas experience in marketisation and reduction of red tape.

DRAFT RECOMMENDATION 7.6

The Australian, State and Territory Governments should provide payments to providers for family and community services that reflect the efficient cost of service provision.

It is critical that this recommendation be linked to others in this section of the Report and that it not be implemented in isolation. While it is important that governments provide funding that reflects efficient cost of service provision, it is also essential for service providers to achieve quality outcomes for service users.

Government must also recognise the variation in delivery costs because of factors such as geographical location and workforce restrictions. Additionally, as service providers operate in a complex and rapidly changing environment and often have a key role in crisis response, funding must be adequate to ensure sustainability and therefore stability for service users. The priority must always remain on delivering quality outcomes and preventing poor client experiences.

7 Services in Remote Indigenous Communities

DRAFT RECOMMENDATION 8.1

The Australian, State and Northern Territory Governments should set the length of human services contracts in remote Indigenous communities to allow adequate time for service providers to establish their operations, have a period of stability in service delivery and for handover before the conclusion of the contract (when a new provider is selected). The contract period should take into account the additional challenges of service delivery in remote communities.

To achieve this the Australian, State and Northern Territory Governments should:

- increase default contract lengths for human services in remote Indigenous communities to ten years
- allow exceptions to be made, such as for program trials which could have shorter contract lengths
- provide justification for any contracts that differ from the standard term
- ensure contracts contain adequate safeguards to allow governments to remove providers in any cases of serious failure.

UnitingCare Australia is supportive of increasing the default contract lengths for human services in remote Indigenous communities to 10 years. However, there is a need for strong stewardship of contracts by governments to ensure quality services are being delivered that meet the needs of clients.

Summary

UnitingCare Australia is supportive of many of the recommendations provided in the Commission's Report and has provided feedback based on expertise and experience in service delivery. We recognise the collaborative and consultative process that the Commission has undertaken in producing this Report.