



Human Services Inquiry
Productivity Commission
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Melbourne Vic 8003

To Whom It May Concern

Thank-you for the opportunity to provide a submission to this inquiry investigating how to introduce competition and informed choice into human services.

As Minister Morrison stated at the release of the Terms of Reference, the human services sector plays a vital role and finding innovative ways to improve the efficiency and cost effectiveness of the sector is important to ensure high-quality affordable service provision leads to improved outcomes.

The Productivity Commission has been asked to examine the application of competition and user choice to services within the human services sector and develop policy options. The first stage will deliver an initial study report identifying services within the human services sector that are best suited to the introduction of greater competition, contestability and user choice.

As stated, “human services” encompasses a range of activities that address many of an individual’s fundamental needs, including health, education, employment, shelter and safety. This submission relates to the specific experience, in Australia, of Triple P International Pty Ltd in its delivery of services relating to parenting education.

Triple P International Pty Ltd

Our submission draws on the experience of 15 years as a private sector provider of services to the sector in Australia and internationally.

Triple P International Pty Ltd was established in 2001 with the goal of taking the Triple P – Positive Parenting Program to the world. Triple P was developed as a system of parenting interventions and support by Professor Matt Sanders and colleagues at The University of Queensland with the initial work beginning in

1978. Triple P involves training people working in human services to deliver a range of courses and counselling sessions aimed at improving parenting practices leading to a range of positive outcomes for children and their families. An online intervention which can be delivered direct to parents has also been developed. The Triple P system is owned by The University of Queensland and Triple P International was granted an exclusive licence, through the University's technology transfer company, UniQuest, to promote and disseminate this system of training and parenting resources globally. Triple P International is a self-financed, for-profit company that has an arms-length, commercial relationship with UniQuest.

The licensing of Triple P is widely regarded as one of the most successful intellectual property transfer agreements by a university in the human services sector in the world. Triple P is available in 25 countries and resources have been translated into 19 languages. More than 70,000 practitioners have been trained to deliver Triple P and an estimated four million children and their families have benefited from its dissemination.

It is also the most rigorously evaluated system of parenting programs in the world, with more than 200 randomised controlled trials, more than 100 of which have been conducted independently of program developers, proving its effectiveness.

Challenges

In the Issues Paper (p 17), the Commission states it is *seeking information on the supply characteristics of specific human services including:*

Where 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

Triple P International has been operating successfully in the human services sector using a commercial model. However, this has not come without challenges and it is understandable why many other private sector firms might choose not to participate in the human services sector. In particular, I would like to highlight the following related issues that have impacted on Triple P International's ability to operate in the market:

- 1) Barriers to achieving cost savings through taking interventions to scale;
- 2) Barriers to participation through government procurement that includes unreasonable intellectual property requirements;
- 3) Barriers to participation through government service delivery grants explicitly excluding for-profit providers.

Cost savings through taking interventions to scale

The Commission identifies “*Economies of scale and scope*” (Figure 2, p 10) as a supply characteristic that influences consideration of whether a service is suited to reform. For suppliers of population-level interventions or systems of interventions, such as Triple P International, scale doesn’t only produce lower unit costs of delivery, it also produces benefits at a population level. In the case of Triple P, the benefits extend across entire populations because the system of programs, when working in concert, is designed to shift population health indices for both children and parents.¹

However, developing an intervention that can be taken to scale requires considerable investment in ensuring that a) it is effective b) it can be delivered successfully in multiple contexts and c) it achieves efficiencies without losing effectiveness. Making an investment in developing a scalable intervention is contingent on being able to achieve a return on that investment through repeated use. When the investment is made and a scalable intervention is produced, the customer is only paying a part of the cost of providing and delivering the intervention and ensuring the sustainable delivery of that program.

Too often, human services agencies are so concerned with targeting particular groups they don’t consider the trade-offs between a customised solution and a solution that can be scaled. As a consequence, the human services sector has many examples of one-off interventions where procurement included the costs of designing a new solution that cannot be used again. As well as being inefficient, this also mitigates against market entrants that are capable of providing scalable interventions, some of which have already been developed and proven at scale.

The Australian Government’s *Child Family Community Australia* initiative² through the Australian Institute of Family Studies includes an attempt to encourage service providers to utilise evidence-based interventions with families. By definition, an evidence-based intervention has been used at least once and has been evaluated. A rigorous approach to ensuring human services providers were utilising evidence-based interventions across the human services sector would encourage the private sector to invest in developing scalable interventions that are able to be used repeatedly.

¹ Prinz, R.J., Sanders, M.R., Shapiro, C.J. et al “Population-Based Prevention of Child Maltreatment: The US Triple P System Population Trial”, *Prevention Science* (2009) Vol 10, Issue 1, pp 1 – 12

UNESCO Child and Family Research Centre *Parenting support for every parent: A population-level evaluation of Triple P in Longford and Westmeath*, June 2014

² See <https://aifs.gov.au/cfca/about-child-family-community-australia>

Intellectual property procurement requirements

Many times Triple P International has encountered state and federal government procurement requirements that require a service provider to assign intellectual property developed in the course of the contract and/or provide a broad licence to background intellectual property. Triple P International must either negotiate these requirements out of agreements or refuse to compete for the work as controlling the intellectual property in the Triple P interventions is essential to our business (and required by our licensing agreement with UniQuest).

For a number of years now, Triple P International has been earning the majority of its revenue in international markets. The Australian Government human services market benefits from international investment in developing and improving Triple P, and our experience operating in 25 countries. This would not be possible if Triple P International was unable to secure the intellectual property rights in our products.

Here is an excerpt from a recent state government agreement that was present to Triple P International:

Except as otherwise agreed by the Minister, the Service Provider agrees that title and Intellectual Property rights in all Materials will vest in the Minister.

Another state government's agreement reads:

The Supplier grants (and must procure that relevant third parties grant) the Customer an irrevocable (subject to this clause), perpetual, royalty-free, non-exclusive, worldwide, transferable and sublicensable licence to exercise all such Intellectual Property Rights which are incorporated into any Goods, Services and Deliverables provided to a Customer under the Contract, for any purpose of the Customer, as part of those Goods, Services and Deliverables and future development of those Goods, Services and Deliverables.

Federally, the current Department of Social Services Comprehensive Grant Agreement for Agreements entered into from 13 May 2014 reads:

You grant us a licence to use, reproduce, publish, adapt and exploit the Intellectual Property Rights in Agreement Material and Existing Material, (excluding Secret and Sacred Material) for any Commonwealth purpose. This licence is permanent, irrevocable, free, worldwide, non-exclusive and includes a right of sublicense.

Given that "Commonwealth purpose" is not a defined term, this clause would allow the Commonwealth to commercialise the product itself or license another company to distribute it.

In the case of the digitised version of Triple P, Triple P Online, Triple P International has developed this evidence-based product at considerable cost. Triple P Online has been the subject of two randomised controlled trials and is

recognised internationally as an effective, low-cost intervention suitable for most families, including those with complex needs.

However, historically, in the area of e-health solutions, government practice has been to call for investment in the development of new products which the government then owns and disseminates for free.

Development of interventions is extremely risky and may not produce an effective product or generate a return on investment. In contrast, purchasing an off-the-shelf product that is proven to work is likely to be more cost-effective. Governments only pay for the number of instances the product is used, with considerable discounts for bulk sales. Despite robust scientific evidence of its value as an e-mental health solution, Triple P Online is disadvantaged under government procurement requirements which favour the not-for-profit sector or which prevent private organisations with existing interventions, such as Triple P Online, access to funding dedicated to the development of new applications which will be provided free by the government.

Consequently, Triple P International suggests that government procurement rules should be fit for purpose and not lead to the government securing intellectual property rights it normally has no intention of using and which discourage investment in developing interventions. These intellectual property requirements narrow the pool of potential service providers, including potentially eliminating organisations such as Triple P International that are custodians of evidence-based interventions that have been proven to be scalable.

We also suggest that opening up procurement to for-profit companies such as Triple P International which can take clinically tested evidence-based interventions to scale will generate high-quality service provision in the sector by allowing the entry of a rigorously evaluated model into the market as well as generating greater returns on investment for government.

Criteria for service delivery grants

Another barrier to participation in service-delivery provision are government selection criteria for service delivery grants which explicitly exclude for-profit providers from applying or weighting criteria such that for-profits only will be considered if a not-for-profit is not suitable or unavailable. This approach prevents government purchasers of human services from being able to procure the best value solutions because they are not considering the full range of options.

Procurement decisions should not be made on the false assumption that a particular organisational structure will produce a more effective or even a lower cost solution. Like not-for-profit entities, Triple P International and other for-profit providers strive to provide the best service to their customers. For-profit companies should be able to compete on an equal basis with other service providers.

Future discussions

I would welcome the opportunity for further involvement in the Commission's inquiry to provide more information on Triple P International's perspective as a private sector provider operating in the human services sector.

Yours sincerely

Des McWilliam
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25 July 2016