

## Submission Response

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### Productivity Commission Preliminary Findings Report – Introducing Competition and Informed User Choice into Human Services: Identifying Sectors for Reform

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10 November 2016

The Aboriginal Health Council of Western Australia welcomes the opportunity to provide a brief submission to the Productivity's Commission's Preliminary Findings Report – Introducing Competition and Informed User Choice into Human Services: Identifying Sectors for Reform. This written submission confirms and to some extent builds upon the face-to-face meeting between our Chairperson, Michelle Nelson-Cox, our Principal Policy Officer Cameron Poustie; and your Commissioner Dr Stephen King, Assistant Commissioner Anna Heaney, Research Manager Stewart Turner, and Special Advisor Sean Innis. We apologise for the delay in finalising this submission.

#### 1. KEY FACTS ABOUT OUR SECTOR

The Australian Aboriginal Community Controlled Health Services (ACCHSs) Sector has been operating for 45 years.

Currently, we estimate the Sector nationally sees 350,000 clients annually, who benefit collectively from approximately 2.7 million episodes of care each year.

The Sector currently has approximately 6,000 employees nationally, approximately half of which are Aboriginal and / or Torres Strait Islanders.

#### 2. A NUMBER OF PROPOSITIONS FROM YOUR REPORT, AND OUR RESPONSES

##### *From 'Key Points'*

'Access to high-quality human services, such as health and education, underpins economic and social participation. ... The enhanced equity and social cohesion this delivers improves community welfare.'

Agreed!

'Government stewardship is critical. This includes ensuring human services meet standards of quality, suitability and accessibility, giving people the support they need to make choices, ensuring that appropriate consumer safeguards are in place, and encouraging and adopting ongoing improvements to service provision.'

Agreed!

'Governments are better able to identify community needs and expectations, and make funding and policy decisions that are most likely to achieve intended outcomes.'

Agreed!

**From pages 5 and 6**

'Governments' stewardship role in the delivery of human services is broader than overseeing the 'market'. Stewardship encompasses almost every aspect of system design, including identifying policy priorities and intended outcomes, designing models of service provision, and ensuring that services meet standards of quality, accessibility and suitability for users. Some recipients of human services can be vulnerable, with decisions often being taken at a time of stress.'

Agreed.

**From page 7**

'Some participants were concerned that service models that draw on competitive pressures threaten the ability of not-for-profit providers to generate [more social capital than is measured just by looking at the benefits to the individuals directly served, and families of those individuals].'

This is our view too.

**From page 7**

'Informed user choice places users at the heart of human services delivery. With some exceptions, the user of the service is best-placed to make choices about the services that match their needs and preferences. [Allowing users to choose between alternative providers] lets individuals exercise greater control over their own lives and can generate incentives for service providers to be more responsive to users' needs. Competition between multiple service providers for the custom of users can drive innovation and efficiencies.'

The WA ACCSs Sector is committed to pursuing innovation and efficiencies; being artificially required to compete with (culturally insecure) mainstream primary health service providers has not been necessary for that to become our Sector's way of operating. Continuous Quality Improvement (CQI) has in recent years been an explicit goal within the key primary health care funding agreements of AHCWA's Member Services. Supporting that work at a service delivery level also has been made a specific aspect of the capacity building AHCWA is tasked to deliver to our Sector.

Whether in relation to the prospect of introducing additional service providers with the intention of stimulating innovation, or the prospect of having contestable access to a 'single-provider-sized' (for example) remote community, our Sector also says that we have another key way service users can pressure for the changes they desire: elections to the boards of their local ACCS. Only local Aboriginal people can be members of those ACCSs, so the connection between users of the service and the Board members is close. Thus, this type of accountability mechanism is strong.

**From page 8**

'Competition between multiple service providers is not always possible or desirable. As an alternative, where there would be net benefits, governments can seek to mimic competitive pressures through contestable arrangements to select providers.'

In addition to our response to the quote from page 7 above, we want to note that as part of other consultative processes AHCWA has frequently made written submissions in which we have observed that a ‘fly-in, fly-out’ (FIFO) / ‘drive-in, drive-out’ (DIDO) approach to service delivery into remote communities is simply not working. This is perhaps most acutely borne out by the current crisis in Aboriginal youth suicides in WA.

As currently advised, it is AHCWA’s view that either:

- forcing multiple service providers upon communities who already have access to a high-functioning ACCHS; or, alternatively
- potentially displacing ‘one-stop-shop’ ACCHSs delivering quality care as the sole providers in particular remote communities,

would increase the percentage of services delivered FIFO / DIDO by large, non-Aboriginal organisations. To some extent this has already happened with the widely-criticised first phase of funding under the Federal Government’s Indigenous Advancement Strategy. It is a trend that should be resisted with future IAS allocations and in other government funding processes.

‘A contestable market (including one with a single provider), with the credible threat of replacement, can enable the better performing service providers to expand their service offering and keep current providers on their toes.’

To restate an earlier point, the ACCHS Sector already has processes that deliver ‘the credible threat of replacement’ that keep each ACCHS ‘on their toes’; the Board will regularly be up for election, with the voters also being frequent users of that service.

### ***From page 121***

‘Service providers may face many challenges with the way services are funded, such as uncertainty of funding streams and large administrative burden...’

We agree!

### ***From page 124***

‘About 40 per cent of Indigenous Australians living in remote areas speak an Australian Indigenous language as their main language, compared to 2 per cent for Indigenous Australians living in non-remote areas.’

Needless to say, this factor lends further weight to the importance of ACCHSs. Those local languages are spoken by many of the Board members in the WA Sector, and of course the key staff like Aboriginal Health Workers in the relevant clinics.

### ***From page 126***

‘The characteristics of remote communities mean that service models involving bundling of services might deliver benefits over standalone services. While current arrangements have contributed to fragmentation, there is no reason why bundled services cannot be purchased through tendering processes.’

We agree, and across our Sector in WA our ACCHSs seek to deliver a wider and wider ‘bundle’ of services (which we tend to conceptualise as holistic health care), such as allied health; social and emotional wellbeing; even things like transporting the dead back to be buried on Country. AHCWA expects to have a role in

leading the WA Sector toward an approach more like Victoria, where the equivalents of WA ACCHSs deliver services in the disability, aged care, and housing spaces.

### ***From page 127***

'Expanding community control over human services can lead to better outcomes. Community control has been associated with better outcomes for Indigenous people in Canada...”

Yes!

'Approaches in some areas of human services demonstrate that services designed around the needs of Indigenous communities can improve access to essential services. The Aboriginal Community Controlled Health Organisations (ACCHOs) are an example and are widely used where they are available.'

Yes!

### ***In summary***

In short, then, because of:

- our Sector's existing commitment to CQI;
- the deep understanding of the cultural requirements of the patients by Boards who come from the same Aboriginal community/ies; and
- the additional accountability check of Board elections where the voters are the users,

the existing, high-functioning ACCHSs should be exempted from the Commission's proposed introduction of alternative providers or contestable processes. If a particular ACCHS is demonstrably working well, it should be considered a 'preferred provider' without the need to tender.

Indeed, fragmented service delivery into remote communities in particular could be tackled by bundling other services not generally considered to be part of the health sector (but certainly some of the social determinants of health) and delivering a larger range of outcomes through Australia's existing ACCHSs.

*The Aboriginal Health Council of Western Australia advocates on behalf of 21 Aboriginal Medical Services in Western Australia, to ensure that the health needs of the State's communities are represented at all levels.*