



Submission by Good Shepherd

Australia New Zealand:

Productivity Commission Draft Report
into Introducing Competition and
Informed User Choice into Human
Services



Good Shepherd
Australia New Zealand

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About our organisation

Good Shepherd Australia New Zealand

This submission has been prepared by Good Shepherd Australia New Zealand (GSANZ), a community services organisation that aims to disrupt the intergenerational cycle of disadvantage with a focus on women and girls. We achieve this through services that address social and economic exclusion. A central part of our mission is to challenge the systems that entrench poverty, disadvantage and gender inequality. We do this through research, advocacy and social policy development.

Our specific expertise is in:

- **Safety and resilience** - supporting women to be resilient provides a buffer between an individual and adversity, allowing them to achieve improved outcomes in spite of difficulties.
- **Financial security** - supporting women to ensure they have access to sufficient economic resources to meet their material needs so that they can live with dignity.
- **Educational pathways** - assisting women and girls to overcome the obstacles in their life that hinder them from achieving their educational/vocational capacity.
- **Outcomes and evaluations** - developing evidence-based program designs across all Good Shepherd Australia New Zealand programs and services.
- **Research, Social Policy and Advocacy** - needs research into emerging issues, identifying effective change interventions for program design, policy analysis and advocacy.

We support a sizable group of Good Shepherd Women and Sisters who are consumers of aged care services including community care and residential aged care services.

Good Shepherd Australia New Zealand is part of a global network of services and advocates established by the Congregation of the Good Shepherd, with representation at the United Nations as a Non-Government Organisation.

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Acronyms

CPI	Consumer Price Index
CRA	Commonwealth Rental Assistance
RACF	Residential Aged Care Facilities

Introduction

Good Shepherd Australia New Zealand (Good Shepherd) welcomes the opportunity to contribute to the Productivity Commission's ('The Commission') *Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services, Draft Report* (The 'Report').

We strongly support the underlying principle that people who access human services need to be at the centre of decision making in relation to those services. The unpacking of the concept of choice within the report reflects the importance of viewing choice in human service delivery in nuanced ways. We welcome the fact that the Commission has considered this carefully - that choice pertains to: which provider; which service; and where, when and how that service is delivered (page 5 of the Report). For those service users who may be limited in their capacity to make certain choices due to cognitive difficulties, trauma, crisis or other challenges, a nuanced understanding is important. There are also many who access human service not through choice, and that the idea of choice means something different in this context.

We also welcome the observation made by the Commission that government needs to retain a role in the provision of human services, at the very least as stewards of human service delivery. The understanding that markets left to their own devices do not ensure quality or equity of service delivery is critical. There is also a role for government in terms of ensuring service effectiveness, including greater coordination, and facilitating and encouraging collaboration between services providers.

However, we maintain the position that the delivery of many human services through the for-profit sector is fraught, particularly for services in the areas of Family and Community, and services to Indigenous communities.

The particular value-add from the in-kind, voluntary and community-based responses to needs that is provided by non-profit community-based organisations must be recognised. This value would potentially be lost if the primary motive for service delivery was profit. We ask that the Commission reconsiders the for-profit sectors' involvement in particular areas of human services. At the very least, we ask that the Commission recommends that government ensures clear limits and safeguards are in place to ensure equity in service delivery beyond the capacity of the person receiving supports to pay. Further, protections are essential to ensure that quality services are delivered to those most in need.

In the absence of these protections and safeguards, there could be a continuation of tiered levels of care and support, which is one of the issues the review was intended to remedy.

End of life care

We support the recommendations made by the Commission in regards to quality end of life care, and that there needs to be greater choice and service provision for people to die at home. Too often, people are moved from home or from care facilities to a hospital setting when their needs become more complex, because of lack of alternatives.

We welcome initiatives that enable more services for in-home palliative care. We believe it is also critical to look at the support available to those who are in Residential Aged Care Facilities (RACF). Although, the draft recommendations propose reforming the funding models of end-of-life care in RACFs, which is very much needed, we affirm the argument there is a need for better access to specialist palliative care support services for RACFs staff. Greater funding alone will not ensure specialist palliative care are available in RACFs. We recommend that access to hospital outreach services for people at the end of life is extended to include those in RACFs, as well as though who wish to die at home.

Suggested inclusion 1: The Commission includes in its recommendations that greater palliative care options include extension of hospital outreach services to RACFs.

Social housing

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.

Response to draft recommendation 5.1

We strongly support the recommendation that the Australian Government review and enhance Commonwealth Rental Assistance (CRA). For many of the people we work with - including young people who are not able to live at home and women and children experiencing family violence - the private rental market is unaffordable. However, the lack of access to social housing means attempting to enter the private rental market is often people's only option. It is critical that the

CRA is increased to better reflect the costs of housing in Australia, and the disproportionate increase in housing costs relative to CPI. We therefore support the recommendation that changes to the level of rent assistance should reflect changes to the cost of rents rather than the CPI.

We note the Commission has not undertaken an analysis of the costs and benefits of reform to tenancy rights, nor made draft recommendations in this area (p.186 of the Report), however, we urge a clear recommendation that Federal and State governments act to improve security of tenure in the private rental market to ensure housing stability. For state governments this will require action to provide for longer leases for private rental and to ensure that this can occur more frequently. We believe a benefit of social housing - one of stability of tenure - should be extended to the private rental market. Housing insecurity is also related to the limited supply of low cost rental properties, which the bond aggregator proposed in the Federal budget may in part address, however this is arguably a limited response. We support efforts for the supply of affordable housing stock to be monitored for improvements and thus we urge that the National Housing Supply Council is reinstated to monitor housing demand, supply and affordability in Australia, and to highlight current and potential gaps between housing supply and demand.

Suggested inclusion 2: The Commission develops an additional recommendation within 5.1 requiring Federal and State Governments act to improve security of tenure in the private rental market to ensure housing stability, including changes that will provide for longer leases and measures to monitor housing demand, supply and affordability. The re-introduction of the National Housing Supply Council may be one such measure.

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.

Response to draft recommendation 5.2

We **notionally** support aspects of this recommendation. However, charging market rents for social housing effectively removes social housing as an option for people with complex needs. While we support the intent of this type of reform (to make housing assistance more equitable) we do not agree that charging market rents will achieve this end. The current model means that people with the capacity to pay market rents in social housing do so and those who do not have the capacity are charged a percentage of this salary or income support payments. We believe this to be equitable. The inequity in housing support is primarily because of the lack of proportionate support for people in private rental. To this end, we support the concept of a ‘high-cost housing payment’ for people who are in the private rental market and who experience high levels of housing stress. We contend that access to affordable housing would be improved if government were to invest more in social housing to improve its availability for low income tenants, and to improve financial support for low income people in the private rental market.

Suggested inclusion 3: The Commission reconsiders the recommendation to charge market rents for social housing, and mechanisms to improve housing supply should be considered such as further government investment in housing stock.

Draft Recommendation 5.3

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

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

Response to draft recommendation 5.3-5.4

We will defer to community housing providers input regarding this recommendation.

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.

Response to draft recommendation 6.1

We support this recommendation as our clients require stability of housing - whether private or social - *and* continued access to support services. We draw your attention to our suggested inclusion 2 to ensure tenants in the private rental market have security of tenure.

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.

Response to draft recommendation 6.2

We support this recommendation **in principle**, however will defer to social housing providers regarding the specificities.

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).

Response to draft recommendation 6.4

We notionally support this recommendation with the caveat that any outcomes frameworks are developed in partnership and collaboration with service users and service providers. Appropriate support (systems or otherwise) must be provided for organisations to collect and report on outcomes.

Suggested inclusion 4: The Commission makes explicit in its recommendations that housing services outcomes frameworks are developed in partnership and collaboration with service users and providers.

Suggested inclusion 5: The Commission makes explicit the need to support infrastructure (such as a common database) for providers to collect and report against outcomes measures.

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.

Response to draft recommendation 6.5

We notionally support this recommendation but will defer to housing providers regarding the detail.

➤ 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.

Response to draft Recommendation 7.1

We **notionally** support this recommendation. In order for service providers to develop best responses, data needs to be shared, analysed and distributed to enable a better understanding of need. This work should be done in partnership with community and academic sectors to ensure it is needs driven and rigorous. There is a great deal of existing and ongoing work being undertaken to understand service user populations which should be included as part of this process. Those closest to the communities they serve are best placed to provide input into their communities' needs. This understanding needs to be included as a critical source of data for the purposes of this recommendation.

Suggested inclusion 6: The Commission makes explicit the need for government to collaborate with community and academic sectors in the mapping of and planning for, vulnerable populations. The expertise and information from services 'on the ground' must be included as a source of data for the purposes of planning.

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).

Response to draft Recommendation 7.2

We **support** the first and third parts of this recommendation, however, we **strongly oppose that the distinction between organisational types is removed**. There are inherent risks in opening the provision of most human services to the for-profit sector. Learning from recent experiences in higher education and aged care indicates that without the appropriate level of oversight, profit can come at the expense of quality of care. This argument was included in our initial submission and we ask the Commission reconsider this recommendation.

Suggested inclusion 7: The Commission reconsiders the evidence presented during the inquiry regarding the for-profit sectors involvement in the provision of community services. There are inherent risks to service participants and to the broader community in the weakening of community organisations, community involvement, philanthropy and volunteerism.

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.

Response draft recommendation 7.3

We support an outcomes focused approach in the delivery of human services. It is critical, however, that outcomes measures are developed in a way that does not overly burden service users, and that are reflective of the lived experiences of service users and service providers. We advise the purpose of outcomes measurement is made explicit. The overview of the draft report notes outcomes measures provide “the foundation for more effective commissioning” of services. We

suggest that the purposes of outcomes measurement are made explicit, particularly in how data may be used by Government in commissioning of services.

Suggested inclusion 8: The Commission makes explicit purposes of data collection endeavours and that outcomes measures are grounded in the experience of service providers and services users.

Draft Recommendation 7.4

The Australian, State and Territory Governments should improve systems for identifying the characteristics of service delivery models, service providers, programs and systems that are associated with achieving outcomes for the people who use family and community services. To achieve this, governments should:

- monitor the performance of providers of family and community services in achieving outcomes for service users
- evaluate service providers, programs and systems in ways that are commensurate with their size and complexity
- proactively support the sharing of data between governments and departments, consistent with the Commission's inquiry report *Data Availability and Use*
- release de-identified data on family and community services to service providers and researchers
- develop processes to disseminate the lessons of evaluations to governments and service providers.

Response to draft recommendation 7.4

As per our response to the previous recommendation, we strongly support outcomes-focused approaches to the delivery of human services with the caveat that the process of consultation and collaboration is included. Further, we strongly support sharing of consistent data across government and service providers to streamline reporting and inform decision making.

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.

Response to draft recommendation 7.5

We strongly support this recommendation. Allowing sufficient time for the establishment of services, and having a level of funding security will enable greater service innovation and better outcomes for service users. The stop/start nature of contracts leads to a loss of staff, fragmented service delivery for people who need support, and the exclusion of smaller for-purpose organisations with specialist knowledge. Having a better structure and more time for organisations to develop proposals for service delivery will foster greater service collaboration and diversity within the community sector.

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.

Response to draft recommendation 7.6

We support this recommendation and the Commission's view that payments to providers need to reflect the true cost of service delivery.

Draft Recommendation 7.7

The Australian, State and Territory Governments should:

- train staff to increase their capacity to implement outcomes-based approaches to commissioning and relational approaches to contract management
- trial relational approaches to contract management in family and community services.

Response to draft recommendation 7.7

We support this recommendation and reiterate the points made regarding collaboration.

➤ Conclusion

We welcome the opportunity to provide feedback on the draft report. The report is considered in its analysis and recommendations, and we commend the Commission for its work in bringing different views together. Choice, competition and contestability are important concepts, particularly as they apply to the design, delivery and evaluation of human services. Our primary concern is the orientation of human services delivery through the for-profit sector: the principal motivation for provision of human services must not be profit.

Thank you again for your consideration of these issues.

➤ Summary of recommended inclusions

Commission Recommendation	Suggested inclusion	Further detail in this submission
4.1-4.5	Suggested inclusion 1: The Commission includes in its recommendations that greater palliative care options include extension of hospital outreach services to RACFs.	6
5.1	Suggested inclusion 2: The Commission develops an additional recommendation within 5.1 requiring Federal and State Governments act to improve security of tenure in the private rental market to ensure housing stability, including changes that will provide for longer leases and measures to monitor housing demand, supply and affordability. The re-introduction of the National Housing Supply Council may be one such measure.	6-7
5.2	Suggested inclusion 3: The Commission reconsiders the recommendation to charge market rents for social housing, and mechanisms to improve housing supply should be considered such as further government investment in housing stock.	7-8
6.4	Suggested inclusion 4: The Commission makes explicit in its recommendations that housing services outcomes frameworks	9-10

	<p>are developed in partnership and collaboration with service users and providers.</p> <p>Suggested inclusion 5: The Commission makes explicit the need to support infrastructure (such as a common database) for providers to collect and report against outcomes measures.</p>	9-10
7.1	<p>Suggested inclusion 6: The Commission makes explicit the need for government to collaborate with community and academic sectors in the mapping of and planning for, vulnerable populations. The expertise and information from services ‘on the ground’ must be included as a source of data for the purposes of planning.</p>	11
7.2	<p>Suggested inclusion 7: The Commission reconsiders the evidence presented during the inquiry regarding the for-profit sectors’ involvement in the provision of community services. There are inherent risks to service participants and to the broader community in the weakening of community organisations, community involvement, philanthropy and volunteerism.</p>	12
7.3	<p>Suggested inclusion 8: The Commission makes explicit purposes of data collection endeavours and that outcomes measures are grounded in the experience of service providers and services users.</p>	12-13