

11 July 2016

Human Services Inquiry  
Productivity Commission  
Locked bag 2, Collins Street East  
Melbourne Vic 8003

To Whom It May Concern

**Re: Productivity Commission Issues Paper – Human Services: Identifying sector for reform**

Thank you for the opportunity to provide feedback on the Productivity Commission Issues Paper.

The Australian College of Mental Health Nurses (ACMHN) is the peak professional organisation representing mental health nurses in Australia. A primary objective of the ACMHN is to enhance the mental health of the community through the pursuit of efforts of mental health nurses. The ACMHN also sets standards of practice for the profession and promotes best practice of mental health nursing.

The overall comment the ACMHN would make, in relation to the issues paper and the terms of reference, is that the Commission needs to not only consider cost-effectiveness of services or possible reforms, but the outcomes that services provide to individuals and the community. This is in terms of the quality of the services delivered and the positive outcomes received from services. While the Commission notes quality of life and the needs of vulnerable or disadvantaged populations as being considerations, the needs of the person receiving the service must be the main consideration. This is not just in terms of competition, but also whether competition would actually deliver the desired outcome of improved service.

The Commission notes in the issues paper that there are services which may not be appropriate for competition and contestability. The ACMHN would contend that the majority of services for people living with a mental illness, in particular homelessness and housing services, would not be appropriate. In areas such as homelessness, user choice in terms of knowing where to go and being able to readily access information is not likely to be possible due to the nature of the living conditions. The same approaches adopted for other areas, such as aged care, would not be applicable in the homelessness and other areas of the housing sector.

The below information addresses specific sections and the request for information in the issues paper.

**Overview of Human Services**

The inquiry lists the following as examples of human services that should guide participants as to the scope of the inquiry – health, education, community services, job services, social housing, prisons, aged care and disability services. With many health and community (including mental health) services, introducing the element of cost would change the nature of the services delivered, as many would not have previously attracted a cost. The inclusion of this element must take into account the nature of the population the service targets, such as homelessness and mental health, and to ensure the needs of

associated vulnerable populations are accounted for. Mental health covers each of the areas included in the scope of the inquiry.

*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?*

A significant issue which isn't adequately considered in the attributes that constitute human services, is the outcomes that services deliver in terms of the quality of the services delivered and the positive outcomes received from services. Quality of life is recognised in the Quality concept, however, a separate concept of *outcomes* should be included. Outcomes data should be used to measure this and while this isn't always readily available, it should be a priority of government to develop such measures.

The ACMHN doesn't disagree that competition can bring benefits to service users and providers. However, the fact should not be lost that the qualifications, skills and ability of people to deliver services is crucial. In mental health, someone with lesser qualifications may be able to deliver a service at a lower price, but they may not have the skills and qualifications to address the complex care needs of their clients. This factor isn't currently considered in the attributes of human services in the issues paper.

The motivation of providers should also be factored into the concept areas. This should include examining the costs and benefits of the public versus private provision of services, or where government provides services and instances where they don't. Any case studies from overseas that examine this would be useful.

### **The Commission's approach**

*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.*

The factors included to identify services best suited to reform should also include the following:

- Outcomes should be a separate, stand-alone area under the *policy settings to achieve best outcomes*. While outcomes is considered across the other areas, it should be a separate area due to the type of outcomes measured being central to whether something is appropriate for competition.
- In User Characteristics, the issues of access is key and should include ability to access.
- In Supply Characteristics, the questions of is it an area likely to attract competition should be included.
- In Cost to users, there should be the added questions of does it attract a cost now and what would be the impact; and if there is a cost, where is it included.



## Information on services best suited to reform

### *Scope for improving outcomes*

*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.*

A key factor in collecting data and making it available is the agreement between state and territory governments and the Commonwealth Government to collect the data and make it available. It will be difficult in some areas, such as community services including for mental health, to have available accurate and wide-spread data. Therefore a significant issue will be the availability of data or evidence to assess areas that are not suitable or suitable, and this may disadvantage some areas either way. This can also be impacted by the nature of the population or group in question, such as people who are homeless.

### *Factors influencing potential benefits of increasing competition, contestability and user choice*

*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.*

As noted above, the ACMHN would contend that the majority of services for people living with a mental illness, in particular homelessness and housing services, do not have the characteristics for competition and contestability. In areas such as homelessness, user choice in terms of knowing where to go and being able to readily access information is not likely to be possible due to the nature of the living conditions. The same approaches adopted for other areas, such as aged care, would not be applicable in

the homelessness and other areas of the housing sector. Employment may be suitable, but would require strong client outcomes measures.

In terms of user characteristics, users of mental health and homelessness and social housing services may not have the ability to make an informed choice, or the actual tools and access to information for this to occur.

*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.*

In mental health and related services the relationship between the client and the services is vital, in particular developing a relationship of trust. The issues paper provides the example of an outreach model of service delivery in relation to homelessness and the desirability of having the same provider address other areas such as health. In this area a relationship of trust is important.

The examples from the issues paper demonstrate why mental health and related services, such as for homelessness, don't involve the type of transaction that would be applicable to contestability, competition and user choice, particularly where an outreach model is necessary.

The main point the ACMHN would make in relation to supply is that cheaper doesn't mean better. The point was made earlier that the fact should not be lost that the qualifications, skills and ability of people to deliver services is crucial. In mental health, someone with lesser qualifications may be able to deliver a service at a lower price, but they may not have the skills and qualifications to address the complex care needs of their clients. This factor isn't currently considered in the attributes of human services in the issues paper.

Regulatory areas such as professional qualifications should not be called 'barriers' as the issues paper does, as they are necessary to ensure that the service delivered is done so by some qualified to assist them.

*The potential costs of increasing competition, contestability and user choice*

The costs to service users also needs to include a consideration of services that have not previously attracted a cost and what could occur if a cost is applied. This is likely to have a disproportionate impact on vulnerable users of human services.

As the issues paper notes, increased competition would require greater oversight by government of service quality and performance. There would also need to be strong complaints processes in place for service users. Therefore the costs of this compliance needs to be factored into any costs and benefits.

The whole premise of the issues paper assumes there are services available for people to access in the first place. In many instances, particularly in mental health, there are existing service gaps and introducing competition and contestability won't address the service issues that already exist – in fact they could exacerbate them.

Yours sincerely

Kim Ryan  
Adjunct Associate Professor Sydney University  
CEO Australian College of Mental Health Nurses

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