



20 July 2017

Professor S King  
Commissioner  
Productivity Commission - Inquiry into Human Services  
Level 12, 530 Collins St  
Melbourne Victoria 3000

Dear Professor,

### **PRODUCTIVITY COMMISSION INQUIRY INTO HUMAN SERVICES**

GIFSA is a significant regional community development Not-for-profit (NFP) benevolent organisation employing 120 local people and supports over 250 people with disability, their families and carers.

Unfortunately we were unable to meet the 14 July 2017 comment deadline, however we seek your indulgence and accept this submission because we are able to provide a regional perspective that would prove valuable to the Commission.

GIFSA's operational area covers the vast 771,000km<sup>2</sup> Goldfields-Esperance region of Western Australia. Within the region there are three distinct sub-regions; Ngaanyatjarra Lands, Goldfields and Esperance.

The Goldfields-Esperance region is unique in that it is three times the size of Victoria, 2.4 times the size of the Barkly (NT) region and with a population of only 65,000 people.

As the only regionally headquartered NFP Disability Service Organisation that covers the entire region, the communities we service are intrinsically connected to the organisation.

GIFSA appreciates the opportunity to comment on the draft report and wish to focus attention on the following matters:

- Whilst we agree with the thrust of recommendation 7.2 we would however, like to see a clearer delineation between Not-for-profits (NFP) and For-profits (FP) organisations. NFP's are critical for regional community development sustainability and we have no confidence that FP's will have the best interests of regional communities at heart i.e. regional communities will be significantly negatively affected.

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- Regional communities rely on NFPs that are mission-based and have the best interest of the community at heart whereas FP's are likely not to meet the needs of regional communities because of lower rates of return i.e. minimal or no profitability. We are already seeing this trend in the disability sector under the National Disability Insurance Scheme (NDIS) whereby FP's are not venturing into that market because the financial returns are too low.
- We take issue with the design selection criteria because we believe attention will be taken away from the far-reaching advantages to regional communities that have a robust NFP sector. In regional communities relationships are development and nurtured over many years and those relationships often trump market forces or manipulations thereof.
- Successive Western Australian Governments have fostered and encouraged the NFP sector and indeed have policy settings to ensure that continues to be the case. Any diminution of years of built goodwill will be unceremoniously dumped.
- In regional Western Australia the real cost of service delivery is not well understood nor appreciated. Western Australia is a vast state and indeed, the region in which we operate, as mentioned in our introduction, presents significant challenges for Government when it comes to understanding the real and efficient cost of service delivery. That is, Western Australia must be considered differently and a "one fits all" approach will ultimately lead to market failure; a situation the Government would be wise to avoid. NFP's are already feeling the pressure of diminishing or eroding indexation support and this matter, in itself, is a significant issue for regional NFPs.

Again, thank you for the opportunity and we wish the Commission well as it deliberates. We hope the Commission comes to the right conclusions so regional communities, through their NFPs, are not left out in the cold.

Yours sincerely

Robert Hicks  
Chief Executive Officer