

Aboriginal Peak Organisations Northern Territory

An alliance of the CLC, NLC, CAALAS, NAAJA and AMSANT

Human Services Inquiry
Productivity Commission
Locked Bag 2, Collins East Street
Melbourne VIC 8003

By email: humanservices@pc.gov.au

Friday 24 February 2017

Dear Commissioners,

RE: Productivity Commission inquiry into the increased application of competition, contestability and informed user choice to human services (second stage)

APO NT is appreciative to the Productivity Commission for granting an extension to provide a response to the Productivity Commission's second Issues Paper, *Reforms to Human Services*.

In our submission of 2 August 2016, we noted that competitive tendering in relation to Aboriginal service provision is inherently counterproductive, and would undermine aims to support sustainable Aboriginal employment, increase community engagement, foster self-reliance and improve service delivery. We are encouraged that the Issues Paper recognises the need for:

“...communities, and community organisations, playing a larger role in identifying service needs and objectives, and strategies to improve community-level organisations” (Issues Paper, p 44).

We reiterate our position that services to Aboriginal communities are most effectively delivered by Aboriginal organisations and submit that this model, rather than a model based narrowly on interests of competition or market forces, should underpin service provision in Aboriginal communities. In achieving this aim we also reiterate our advocacy of the NGO Partnership Principles as a key enabler in improving the capacity of Aboriginal organisations to undertake service delivery roles.

We believe that this position is in line with a number of the Terms of Reference of the second Issues Paper:

2(b)(ii) – Factors affecting consumer use of services

The Commission must recognise that Aboriginal consumers face a significant number of barriers to accessing services, including cultural and communal factors. Aboriginal control of and involvement in service provision is crucial to removing those barriers.

2(b)(iii) – Role of government

The Commission must recognise that the historical relationship Aboriginal people have had with government impacts their engagement with human services today. Service provision in Aboriginal communities must be based on re-building trust and empowerment, recognising their aspirations to take responsibility for their communities.

2(b)(v) – Role of private sector and not-for-profit providers

The APO NT Partnership Principles affirm the need for non-Aboriginal service providers to partner with Aboriginal-controlled organisations. The role of the private sector and not-for-profit providers must be seen in this light as enablers of Aboriginal capacity building. As noted in our previous submission, this approach has been endorsed by eighteen NGOs working in this space.

2(b)(vi) – Benefits and costs of applying competition

Competition principles are not the overriding concern for service provision in Aboriginal communities. Experience to date has shown that competition in the form of competitive tendering of service funding has resulted in suboptimal outcomes, including increased duplication, fragmentation, lack of coordination and less accessible and culturally appropriate services. Competition principles will also not necessarily advance Aboriginal engagement, employment or self-reliance, all of which are crucial to addressing the chronic and systemic challenges Aboriginal people face. As argued in our previous submission, government investment would be better placed in supporting and developing Aboriginal organisations.

Term of Reference 2(b)(viii) – Challenges facing human services in rural and remote communities

As has been recognised in the second Issues Paper, Aboriginal communities face unique challenges, and these challenges are especially acute in remote areas. Competition principles are not relevant in this context, as these communities suffer either from chronic under-servicing, or from too many different organisations operating in the same space. Aboriginal people must be engaged in driving solutions, including in the identification, design, development, implementation and monitoring and evaluation of human services.

A key challenge facing human services in rural and remote Indigenous communities is ensuring services are culturally safe, appropriate and accessible. Aboriginal service providers, such as Aboriginal community controlled health services, are uniquely placed to provide quality services with standards of culturally competency that are not matched by non-Indigenous providers.

Term of Reference 2(b)(ix) – Need to improve Indigenous outcomes

Evidence shows that empowerment is key to improving Indigenous outcomes. As such, the Government's priority should be on developing and supporting Aboriginal-controlled organisations, not on introducing competition into Aboriginal service delivery.

APO NT is encouraged by some of the findings in the second Issues Paper, but there are a number of proposals that are concerning.

Of concern, firstly, is the way in which some of the objectives of human services have been framed (second Issues Paper, p 3). 'Quality' in an Aboriginal context must include broader measures of wellbeing, such as cultural or spiritual wellbeing, and not restricted to narrower conceptions of health outcomes. In this light, empowerment becomes a critical aspect of ensuring that Aboriginal services are 'quality' services, because of the impact that empowerment has on Aboriginal people's sense of self-worth. Similarly, 'efficiency', as narrowly defined in the Issues paper, should not be an overriding concern for Aboriginal service provision, at least not if it comes at the expense of involvement and empowerment. APO NT recommends that the Government adopt a forward-looking approach – fund Aboriginal-controlled organisations with a view to building capacity, rather than opening them to competition in a field that is presently far from even.

Secondly, APO NT is concerned by the Commission's emphasis on contestability (p 45), especially if framed in a way that makes it incompatible with the principle of Aboriginal control. Rather than replace underperforming Aboriginal management, the Government should work with the organisation to build capacity, and improve performance for the future. Many Aboriginal-controlled organisations have begun from positions of disadvantage, and as noted in our previous submission, there is insufficient Aboriginal capacity to deliver services in many areas. It is this problem, rather than any current levels of performance themselves, that the Government should address.

Thirdly and lastly, the Commission's consideration of integrated service delivery is also of concern (p 46), if it effectively means that Aboriginal-controlled organisations would be replaced with other large or private organisations. APO NT is encouraged by the Commission's recognition of the problem of service fragmentation in Aboriginal communities (p 45), but the solution to that problem should not be to centralise service provision through major organisations, if that comes at the cost of Aboriginal empowerment and involvement.

Despite these concerns, APO NT is encouraged by a number of the Commission's findings. The recognition that the frequency of policy changes disrupts service provision in Aboriginal communities (p 46) is reassuring, and is an argument for keeping service provision with community-controlled organisations. Similarly, the acknowledgment that a one-size-fits-all approach will not work for Aboriginal communities makes a similar case (p 46). Lastly, APO NT is heartened by the Commission's commitment to adopt an evidence-based approach to Aboriginal service provision, as the evidence has long shown the positive impact that empowerment and involvement will have on Aboriginal outcomes.

If you have any questions or queries relating to this submission, please do not hesitate to contact the APO NT Coordinator, Brionee Noonan

Yours sincerely,

John Paterson
CEO, AMSANT

On behalf of the APO NT CEO's:

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