



Trades Hall, Suite 204,
4 Goulburn Street,
Sydney NSW 2000, Australia

Tel: 02 9283 0123

Fax: 02 9283 0112

Email: ja@justiceaction.org.au

www.justiceaction.org.au

Productivity Commission Human Services: Identifying Sectors for Reform

25/7/2016

1. Introduction

Justice Action mostly finds itself standing alone defending the most vulnerable in the community, whilst those we protect have immense sums of government money spent on them. In the forensic mental health area, the National Mental Health Commission stated that up to a \$1,000,000 a year was spent on each person. Our publication “Mad in Australia” was [commended](#) as carrying their voices. We are the people in prisons and locked hospitals, take no money from government and fund ourselves to protect our independence.

In the [Our Pick Report](#) we analysed what was happening around us, accused the health industry of corruption and proposed a solution. We suggested that a fixed percentage say 0.1% of the mental health budget be set aside for the mandatory funding of consumer groups democratically responsive to that community. We said carefully: “this is not our job! Consumers need a direct voice”.

The principles of the NDIS are refreshing to us. If the disabled get such a significant advantage from the power of choice of services allocated for their benefit, surely the abled would do at least as well with that choice. We followed with our analysis we called [Consumer Controlled Funding](#) looking to the empowerment of those most disadvantaged.

In our sector where we are physically and socially excluded, our voices are the most powerless. Our health services are [directed against us](#), more feared than the guard. We stand alone whilst service providers privately admit the problem, but are complicit in the acts. Our [education services](#) are stripped, and cloaked as improvements without our involvement. We have \$3.8 billion allocated in the NSW current budget for new accommodation, and all of it in cells causing [greater social damage](#) to us and our communities, without any discussion of alternatives. And no discussion or negotiation at all with our community. We are totally and openly powerless, whilst being central to the problems and the solutions.

We propose a new model for allocation of funds to vulnerable people. We are concerned about the privatisation model where NGO’s and private companies compete for the attention of consumers under the NDIS. Some aspects of service delivery aren’t easily expressed or

quantified. Trust, empathy and community are three. Information to assist choice is also problematic.

We propose communitisation of services where the consumers themselves control the funding of the delivery of their services, rather than third parties who have only financial interests in the process. This builds and empowers the specific community rather than raise a new market that previously didn't exist. The model of women's refuges is a good example. Training, jobs and direction must be from the affected community. It legitimises what exists in reality. A community of shared values. [Our paper](#) makes that point.

Alternatively we propose the Medicare model where the service providers are individuals, who gain trust from the consumer. But we propose that there be a [Directory](#) of those people where they can be rated by the consumers who use them. Models for such directories exist in the open market for services generally where the volume of use, others' experiences and reports are read and recommendations made.

We submit this paper as the beginning of an essential conversation to properly allocate taxpayers funds to those for whom they are intended. Currently it is distorted by powerful entities who exploit the weakness of vulnerable people to use the money for their own benefit and to actually do damage. This is all about power and must be seen in those terms.

In an open-market economy, individuals determine and satisfy their needs when they have the power to do so. The delivery of Human Services must be evaluated from the perspective of the consumer. Justice Action is concerned about the disintegration of public services in order for private companies and NGO's to supply the services. Altering the funding method raises a number of issues, namely the quality of user choice and user-led service. We believe that empowerment of the consumer can and should be structural, and is more important than the greed of companies and NGOs.

2. NDIS: Should the disability service be privatized? Why?

Initially, the National Disability Insurance Scheme was proposed in order to give consumers greater control on their service. It was a solution for the unfair and inefficient provision of service. If the services are privatized, the original meaning will be lost as the government basically select the providers for the consumers instead of the other way around.

The National Disability Insurance Scheme (NDIS) is speculated to be privatised during its rollout. There exist mixed issues with this move by the government. The ABC provides an excellent overview of the issues associated with this move: <http://www.abc.net.au/news/2015-03-01/warnings-ndis-privatisation-could-lead-to-dodgy-operators/6271502>.

The issues of privatisation are clear when considering the considerable impact NDIS will have for its clients. It is fundamentally, a matter of human rights and empowerment, which enables people with disabilities to integrate smoothly into society. Again, the ABC provides an excellent article on the nature of its capabilities:<http://www.smh.com.au/comment/ndis-is-a-game-changer-20160713-gq4ome.html>

The above information about privatization raises the attention regarding to the quality control and user choice. Thus, we propose the following alternative models.

3. Direct funding: Maintaining 'Choice' in Provision of Services

The Australian Productivity Commission has evaluated 27 U.S. studies for almost 30 years. It resulted that disabled people and their families are more beneficial with self-direct funding instead of agency-based service.¹

Hong Kong

To ensure the serving-targets have sufficient choice to select, the government should subsidize the consumers directly rather than funding the service providers like companies, private corporations. In Hong Kong, the government launched The Elderly Health Care Voucher Scheme in 2009. Qualified elderly are entitled to receive vouchers as a subsidy for them to choose private health care services.² Apart from public health services, they can choose which private one is best suit them. They can then seek consultations from the private doctors for their decisions. They have the right to choose and it would not be limited. This also enhances the quality of service provision since the competition become intense. The consumer holds the power so that the providers have to improve themselves.

Canada

Individualized funding and self directed care is also implemented in Canada. Choices in Supports for Independent Living (CSIL) program was introduced in 1993 for people with disabilities to have more control and flexibility in the home support services they wish to engage with.³ Instead of funding a service provider agency to provide home support, payments directly goes to the individual seeking the services. Under CSIL, individuals can hire, manage and pay their own support workers to meet their care needs. If an individual's disability prevents them from coordinating their support independently, they are still eligible

¹ Australian Government Productivity Commission, Disability Care and Support: Appendix E Impacts of Self-directed funding, vol 11 (E9-E10)

² The Government of the Hong Kong Special Administration Region, *Health care Voucher* <http://www.hcv.gov.hk/eng/pub_background.htm>

³ InclusionBC, Individual Funding. <<http://www.inclusionbc.org/our-priority-areas/supports-children-and-families/individualized-funding>>

for CSIL, providing that a group of family or friends can form a client support group and act on their behalf.⁴

United Kingdom

Similarly, the Direct Payments scheme was established in the United Kingdom in 1996.⁵ Individuals with disabilities are given a certain amount of money to fund their support service of their choice. Individuals under this scheme have the choice of whether they want to be entirely supported by direct payments; they may receive their care needs through both direct payments and traditional methods of care provision and services. Recipients are also free to use the direct payments for other local services that assist their participation in community and promote independence, such as taxis and social events.

Individualized funding is highly regarded and preferred amongst individuals receiving care and their families. Funding consumers directly promotes self-determination, confidence and a greater sense of belonging to the community. It empowers recipients, as they are able to choose the way they want to manage and participate as an active citizen of society. This ultimately results in a better quality of life and better overall health, as they are able to ensure they receive the care most appropriate to them, instead of having to fall under a 'one-size-fits-all' approach. Studies have found that individualized funding is successful in providing 'person-centered' support, and recipients also reported positive outcomes.⁶

4. Alternatives to privatisation: Medicare

To avoid the issues of privatisation, an existing scheme under the Government's Medicare plan exists. Medicare covers a range of healthcare services, including free or subsidised treatment by health professionals such as doctors, specialists and optometrists – and in specific circumstances – dentists, and other allied health practitioners. Additionally, it offers for free treatment and accommodation for public Medicare patients in a public hospital.⁷

However, the ability to assess the competency of the doctor at hand is ultimately lacking, therefore, requiring some method to be introduced to ensure consumers are better informed of the services provided. For instance, all U.S. hospitals have to report to The Joint

⁴Lesley Chenoweth & Natalie Clements, Final Report: Funding and Service Options for People with Disabilities. June 2009 <https://www.griffith.edu.au/_data/assets/pdf_file/0020/153425/funding-support-options.pdf>

⁵Sheilia Riddell, Mark Priestley, Charlotte Pearson, Geof Mercer, Colin Barnes, Debbie Jolly, Victoria Williams. Disabled People and direct Payments: A UK Comparative Study. August 2006 <http://www.docs.hss.ed.ac.uk/education/creid/Projects/10i_Directpyts_FinalRpt_1.pdf>

⁶Australian Government, Department of Families, Housing, Community Services and Indigenous Affairs. Occasional Paper No. 29 Effectiveness of Individual Funding Approaches for Disability Support. 2010 <https://www.dss.gov.au/sites/default/files/documents/05_2012/op29.pdf>

⁷Australian Government, Department of Human Services, *Medicare Services* <<https://www.humanservices.gov.au/customer/subjects/medicare-services>> at 21 July 2016

Commission since January 2014 for tracking core measures of quality in perinatal care.⁸ In February 2016, a new set of measures of physician performance was released by the federal government and industry.⁹ Its targets are Medicare, patients and other consumers to assess quality and determine pay.¹⁰ This ensures the two-pronged effect competency and competition amongst health providers. It also provides a communicating platform for the general public and creates valuable information for quality monitoring. This evidence-based measurement is crucial to the consumers' decision-making processes.

5. Other Models of Service Delivery other than Private Companies

Shared Services

"Shared services means two or more authorities providing a given service to their electorates on a joint basis." For example, the East Midlands Shared Services is a partnership between Nottingham City Council and Leicestershire Council. According to the Briefing Paper by Sandford on Alternative models of service delivery, this is an efficient way to cut down the costs as it intended to bring savings of £1 million.¹¹

Joint Service

Joint service is quite similar to shared services. They can include both front and back office services although the exact arrangements depend on the actual situation. For example, there is a Joint Service provision across Worcestershire. The six district councils within Worcester: Bromsgrove; Redditch; Wyre Forest; Worcester; Wychavon and Malvern Hills, work together with the County Council in joint commissioning and sharing of service.¹² The joint committee mainly provides licensing, registration, street trading and trading standards.

Shared services and joint service provision are both efficient solutions on cost reduction. While this may seem a good idea as the government authorities are still the driven ones in services provision, the issue accountability may appear. This may not serve the best interests of the consumers.

⁸ OBG Management, Tacking Quality measures improved perinatal care.

<http://www.obgmanagement.com/home/article/tracking-quality-measures-improved-perinatal-care/57683e0aba3b7baef038b20784d39f87.html> at 21 July 2016

⁹ Jordan Rau, Insurers And Medicare Agree on Measures Tracking doctors' Quality. February 16, 2016<<http://khn.org/news/insurers-and-medicare-agree-on-measures-tracking-doctors-quality/>>

¹⁰Jordan Rau, Insurers And Medicare Agree on Measures Tracking doctors' Quality. February 16, 2016 <<http://khn.org/news/insurers-and-medicare-agree-on-measures-tracking-doctors-quality/>>

¹¹ Grant Thornton, Responding to the challenge: alternative delivery models in local government. January 2014 <http://www.grant-thornton.co.uk/Documents/Alternative-Delivery-Models-LG.pdf>

¹²Grant Thornton, Responding to the challenge: alternative delivery models in local government. January 2014 <<http://www.grant-thornton.co.uk/Documents/Alternative-Delivery-Models-LG.pdf>>

According to the Grant Thornton, New models of delivery are usually designed and adapted mainly for the government rather than the consumers. Consumers are losing engagement and opportunities to choose while the government solely concerns about the fiscal conditions. In the England, £462 millions of efficiency savings was resulted in 2015 because of shared service. This was from a press release.¹³ Instead of putting the focus on the consumers, the press put the spotlight on financial control. It also doesn't include consumers' engagement.

Another problem raised is the accountability for the service. More significantly, when provision of services is shared, responsibilities are always remained unclear. Thus, it causes confusion for the consumers to establish who is responsible for the managing when the joint partners may avoid accountability. This is another concern to the consumers.

6. Conclusion

As a suggestion, Medicare Benefits Schedule (MBS Online) already offers a listing of the Medicare services subsidised by the Australian government. This can be amended to also include individual assessments of health service providers on the nature of their competency. Direct funding can serve the best interests of the consumers as well.

¹³ Grant Thornton, Responding to the challenge: alternative delivery models in local government. January 2014
<<http://www.grant-thornton.co.uk/Documents/Alternative-Delivery-Models-LG.pdf>>