

27 October 2016

Professor Stephen King
Commissioner
Human Services Inquiry
Productivity Commission
Locked Bag 2, Collins Street East
Melbourne Vic 8003

Dear Professor

**RE: Introducing Competition and Informed User Choice into Human Services:
Identifying Sectors for Reform: Productivity Commission Preliminary Findings**

Family & Relationship Services Australia (FRSA) recognises the Australian Governments' ongoing commitment to ensure all Australians can access timely, affordable and high-quality human services that are appropriate to their needs.

As a peak agency representing family and relationship services in Australia, FRSA would like to take this opportunity to respond to the Australian Productivity Commissions' **Human Services: Identifying Sectors for Reform: Preliminary Findings Report** (Productivity Commission's Preliminary Findings Report) into introducing greater competition, contestability and informed user choice. Our main focus is your consideration of the reforms being applied to the *grant-based family and community services sector* and *human services to remote Indigenous communities*.

We have concerns regarding just how the Productivity Commission has identified already heavily under-funded *grant-based family and community services* as among those best suited for reform. Our largest areas of concern about the costs and risks to introducing into our sector greater competition, contestability and informed user choice are in regards to:

1. The lack of evidence that services provided by government funded, grant-based family and community service sector is not money well spent;

2. the lack of evidence that the proposed reforms work in any sector; in sectors in which clients, or users, have long-term, ongoing identified service needs let alone sectors in which users do not;
3. the lack of evidence and reasoning for selecting *grant-based family and community services* and *human services to remote Indigenous communities* for reform, and the impact on family and relationship service delivery;
4. the limitations and implications of competitive tendering, including International evidence of competitive tendering not working (it is imperative the Australian Productivity Commission incorporates these findings from the UK into the production of its forthcoming Study Report);
5. the uncertainty that identified flaws to existing commissioning processes will be 'fixed' through the reforms;
6. the costs and risks to vulnerable recipients of family and relationship services in emergency situations needing to compare and choose services offerings;
7. the existing limitations and impracticality of benchmarking service delivery outcomes of one service provider against that of another only continuing if contestability and the proposed concept of an outcome framework is introduced; and
8. the lack of evidence and reasoning that proposed reforms will improve the problems in the current arrangements for purchasing and delivering human services not fully meeting the needs and preferences of Indigenous Australians living in remote communities (in other words, there is a real risk that the introduction of the reforms will further widen the gap between Indigenous and other Australians that the nation's government and people have been investing in so much to close).

FRSA is mid-consultation phase with our sector regarding the costs and barriers in data and client outcome collection and report and can provide more detailed feedback from mid-November. We will also have more information to share regarding the pros and cons of benchmarking.

We welcome the opportunity to further discuss with you our feedback to the Report in your upcoming consultations and roundtables to inform the preparation of the Study Report.

Please do not hesitate to contact me or Senior Policy Officer Dr Adam Heaton to discuss the points raised in this submission.

Yours sincerely

Jackie Brady

FRSA Executive Director



Summary

FRSA, as a peak agency representing 170+ member organisations that deliver family and relationship services in Australia, has concerns regarding the real risks and costs to service users, providers and the nation in introducing greater competition, contestability and informed user choice.

While there is scope to explore how some (not all) aspects of competition, contestability and informed user choice could be introduced into some (not all) areas of services in some (not all) sectors, there is as yet no evidence that such reforms work in achieving better outcomes for service users.

There has not been evaluation of the efficiencies as well as continuing costs to users and providers in the sectors in which the reforms are underway, namely disability services, mental health services and vocational education and training. More so, as this submission elaborates on, the similar *Big Society* reforms in the UK have been found to not work. FRSA questions the introduction of unproven and internationally questionable reforms into more service sectors in Australia, and particularly into sectors like ours in which service users experience different forms of medium to extreme vulnerabilities and needs.

This response mainly addresses one of the six 'priority areas' for reform identified in the Preliminary Findings report that family and relationship services most lie within: *grant-based family and community services*. It also address the priority area *human services to remote Indigenous communities*, but, as the report says, many of the ideas discussed under *grant-based family and community services* apply to *human services to remote Indigenous communities*.

FRSA's largest areas of concern about the costs and risks to introducing greater competition, contestability and informed user choice in our sector that this response addresses include:

1. The lack of evidence that services provided by government funded, grant-based family and community service sector is not money well spent;
2. the lack of evidence that the proposed reforms work in any sector; in sectors in which clients, or users, have long-term, ongoing identified service needs let alone sectors in which users do not;
3. the lack of evidence and reasoning for selecting *grant-based family and community services* and *human services to remote Indigenous communities* for reform, and the impact on family and relationship service delivery;
4. the limitations and implications of competitive tendering, including International evidence of competitive tendering not working (it is imperative the Australian Productivity Commission incorporates these findings from the UK into the production of its forthcoming Study Report);
5. the uncertainty that identified flaws to existing commissioning processes will be 'fixed' through the reforms;

6. the costs and risks to vulnerable recipients of family and relationship services in emergency situations needing to compare and choose services offerings;
7. the existing limitations and impracticality of benchmarking service delivery outcomes of one service provider against that of another only continuing if contestability and the proposed concept of an outcome framework is introduced; and
8. the lack of evidence and reasoning that proposed reforms will improve the problems in the current arrangements for purchasing and delivering human services not fully meeting the needs and preferences of Indigenous Australians living in remote communities.

Key points:

1. *The lack of evidence that services provided by government funded, grant-based family and community service sector is not money well spent*

During his address to the FRSA Senior Executives Forum on 24 February 2016 (<http://christianporter.dss.gov.au/speeches/family-and-relationship-services-australia-senior-executive-forum>), the Minister for Social Services, the Hon. Christian Porter, said the “very large amount of grant funding is under increasing scrutiny as an inquiring media and sophisticated stakeholders seek to inform taxpayers about what value is being achieved in terms of quantifiable measurable outcomes...In the past the determination of what expenditure and effort in this area has achieved has been guided essentially by instinct. The reality has been that our efforts to measure our performance have been limited to two substantive criteria: reach and satisfaction with service”.

As part of the reforms to the family and community services sector introduced in 2014, the Department of Social Services has embarked on a process in which it aims to better capture the outcomes of the sector through the DSS Data Exchange (DEX). This is a reform process that the family and relationship services sector is actively engaged in and has dedicated a great deal of resourcing conforming and adapting to this reform agenda. As the Minister himself indicated, the DEX tool will ‘shift the of performance measurement for outputs to outcomes’.

This *shift* is indeed a work in progress. It is an area of work that the sector is committed to but it is also an area of work that will require some time before data can be adequately and appropriately captured and assessed. It also important to acknowledge the broad range of approaches to outcomes measurement across the mix of service providers within the membership of FRSA that operate separate to the DEX framework. These may have been established to meet internal agency objectives and/or the requirements of other funders, including other Federal Government agencies, state and Territory Government or philanthropic and/or social enterprise endeavours.

FRSA supports the Productivity Commission's key point around the question of data in that "High Quality data are central to improving the effectiveness of human services" (page 2 of the Productivity Commission's Preliminary Findings Report). FRSA also asserts the position that any analysis of current 'value for money' questions especially relating to 'Scope for Improving effectiveness: Quality; Equity; Efficiency; Accountability and Responsiveness' as identified by the Productivity Commission's work in "Identifying services best suited to reform" (Figure 2 of the Productivity Commission's Preliminary Findings Report on page 12) cannot be fairly and justly assessed with any robust measure in relation to the grant-based family and community services sector at this point in time.

2. The lack of evidence that the proposed reforms work in any sector; in sectors in which clients, or users, have long-term, ongoing identified service needs let alone sectors in which users do not

FRSA represents family and relationship service providers that meet the multiple, complex and diverse needs of vulnerable clients or 'users', including victims of family violence, families in the midst of family breakdown and vulnerable and 'at risk' children.

There is a real and great risk and cost to users, providers and the nation in introducing reforms that are not based in evidence. While there is the *potential* that some (not all) aspects of contestability and user choice 'could' lends themselves to some (not all) services in some (not all) locations to some (not all) sectors more than others, *potential* is not good enough. The word 'could' in regards to the potential of the proposed reforms is used well over 100 times throughout the report (e.g. 'users' needs *could* be better met', 'contestability *could* achieve better outcomes', etc).

Greater consultation is required, and for initiatives in sectors in which the reform is underway to be evaluated before rolling out reforms that 'could' work into other sectors (e.g. NDIS). Factors that have been found to not work, include (amongst others) the lack of adequate safeguards in introducing the reforms in the vocational education and training (VET) sector (presented in Box 1.1 on page 34 of the Preliminary Findings report) must be strongly factored in to any further roll out into other sectors.

There are numerous unsubstantiated statements in which there is no evidence and reasoning provided, even in statements that introduce a proposed reform, including:

'The scope for improving the effectiveness of family and community services largely relates to the way they are commissioned by governments, rather than the use of contestable processes' (Productivity Commission's Preliminary Findings Report, page 28).

Claims for the value of contestability are also unproven, including:

'A contestable market (including one with a single provider), with the credible threat of replacement, can enable the better performing service providers to expand their service offering and keep current providers on their toes.' (Productivity Commission's Preliminary Findings Report, page 37).

There is also no evidence that the proposed reforms will foster more – or good – innovation.

There are some cohorts and sectors that *on paper* and in some (not all) ways or aspects do lend themselves to competition, contestability and informed user choice. People who have already identified their medium or long-term needs and who know what services are available to them may benefit from some aspects of the reform, including people receiving disability services, mental health services and vocational education and training; sectors in which the reforms are already underway.

However, these introduced reforms among these cohorts have not yet been evaluated to identify the *some* aspects of the reform that are working and the *some* aspects that are not resulting in better outcomes for users. FRSA opposes introducing the reforms into the family and relationship sector when the aspects of the introduced reforms have not as yet been found to work among the cohorts and sectors that, *on paper*, do suggest they *could* work. The needs of users of family and relationship services are certainly variable and often non-defined at the point of intake. Users will not always know what services are available to them, let alone be in a position to be able to make informed choices about the type of service they require and/or the best service to access in the midst of their personal and family crisis.

It is FRSA's view that a full and conclusive evaluation of the introduction of the reforms in disability services, mental health services and vocational education and training be undertaken first before findings are contextualised in discussion and consultation with family and relationship service providers and users prior to attempting to identify how and what aspects of competition, contestability and user choice be introduced into our service sector and any of the six identified 'priority areas'.

This said, there is the potential that some aspects of informed user choice **could** be suitable and valuable as a vehicle for personal agency where users wish to exercise choice and they are in a position to be able to do so, but these aspects need to be identified and implemented with great care. FRSA strongly suggests that family and relationship service providers and users be thoroughly consulted in determining which aspects of informed user choice (if any) be implemented in our service sector — and how.

3. *The lack of evidence and reasoning for selecting grant-based family and community services and human services to remote Indigenous communities for reform, and the impact on family and relationship service delivery;*

There is a degree of consistency in the family and community services sector's response to the notion of competition and contestability in the family and relationship sector. Given the complex and various service response interventions that any given client (including groups of people) may require, the ability to deliver wrap-around services/client centred service is a critical factor for success. A significant issue regarding competition and contestability is that it does not provide

the most favourable environment or conditions for fostering cooperation and/or coordination between service providers.

There are specific ramifications that small and specialised not-for-profit organisations delivering family and relationship services face significant structural disadvantage in competitive tendering processes despite providing crucial and unique services, developed out of long and deep connections to their communities and a wealth of experience in service delivery.

FRSA is not convinced that the “Factors influencing the potential benefits of greater competition, contestability and user choice” being utilised by the Productivity Commission to Identify services best suited to reform (presented in Figure 2 on page 12 of the PC report) matches, let alone is best suited to, the characteristics of service provision within the family and relationship services.

'User characteristics'

The Commission considers 'willingness and capacity of users to exercise informed choice', 'access to user-oriented information on price and quality' and 'access to expertise' as being the benefit aspects of 'user characteristics'.

FRSA questions whether **all** family and relationship services lend themselves to these benefits. A key issue in exploring this concept further is levels of vulnerability and capacity for clients/service users to make informed choices.

Clients or users of family and relationship services can be among the most vulnerable of service users, and not always well placed to search for and to make informed choice, and/or to switch to new service providers and offerings.

In relation to the capacity of users to exercise informed choice it is necessary to understand the 'market drivers' for users of family and relationship services. These key concepts require further exploration in determining suitability of clients to make choices. There is a need to better understand the mix of clients who are referred or self-refer into services.

It is also important to acknowledge that a natural market for 'user choice' also exists and is serviced in the family and relationship services sector, particularly in the family law services space. It is also important to acknowledge that users could benefit from increased 'user choice' in some segments of the family and relationship services. FRSA members have noted this can often be the case where service options are restricted due to funding and accessibility, for example, in rural and regional areas. However, depending on the needs of the client/s the ability to provide 'user choice' may not be delivered through competition or contestability but through increased funding.

'Nature of transactions'

The Commission considers 'relationship between user and provider', 'whether the service is used on a one-off, emergency or ongoing basis', 'whether multiple services provided to a user can be unbundled' and 'whether providers offer multiple services to clients with complex needs' as being the benefit aspects of the 'nature of transactions'.

FRSA concurs with the Commission's identification (page 22) of the costs to users (receiving family and relationship services in our case) comprise 'search and switching costs' and 'adapting to new arrangements', and the cost to providers including 'adapting service delivery' and 'complying with regulatory requirements'. FRSA also concurs with the costs to government stewardship include 'oversight of provision', 'consumer protection', 'initiatives to inform users', 'migrating and managing risks, such as the risk of provider failure', 'implementation costs, such as commissioning costs' and costs of complementary policies', and suggest further analysis needs to be conducted to assess the cost benefit of these transactions.

It is FRSA's view that assessment of the benefits or lack of benefits to Government and users, in consultation with our sector is necessary following evaluation of the current introduction of the reforms to disability services, mental health services and vocational education and training.

4. The limitations and implications of introducing concepts of competitive tendering

The introduction in the UK of competition between providers to win contracts on a lowest-cost basis has severely compromised the level of service provision in the family and community service sector both in terms of quality and availability of care in many instances. There have been many failings of the introduction in 2010 of *Big Society* into the UK. The Centre for Health and Public Interest (2013) acknowledges the current system 'incentivises poor care, low wages and neglect, often acting with little regard for the people it is supposed to be looking after' (accessible at <https://chpi.org.uk/wp-content/uploads/2013/10/CHPI-Lessons-from-the-social-care-market-October-2013.pdf>). It is essential that the Australian Productivity Commission acknowledges these learnings from the UK experience into its forthcoming Study Report.

Very much like the proposed reforms in Australia, the *Big Society initiative* in the UK was sold on the basis that its aim was to provide service users freedom and power to help themselves and their communities. Due largely to the *Big Society* initiative, the private sector in the UK now dominates service provision that once largely fell to the public and not-for-profit sectors. There is very limited evidence that for-profit providers achieve better service delivery or client outcomes than not-for-profit community-based organisations. For-profit providers often cost government more than they save. The UK Civil Exchange concluded that *Big Society* failed and the voluntary sector's influence over government has also been reduced (Civil Society News, 2015; accessible at: https://www.civilsociety.co.uk/news/big-society-has-failed--concludes-civil-exchange.html#.V4dTJ_RkmnM).

The market in social care services provides the best available example of what happens to the quality of care and the terms and conditions of the care workforce when competitive pressures are used to bring about a reduction in the cost of care to the taxpayer. Including the deregulation and casualisation of the social care workforce, with many private firms seeking to compete in the market designed to drive down the costs of paying workers reduced of rates pay, which are often below the minimum wage.

Examples of where increasing greater competition and contestability has failed in the UK family and community service sector include:

- the care system for children (failing to provide acceptable standards of care for the most vulnerable in society) (Independent, 2013, accessible at: <http://www.independent.co.uk/news/uk/home-news/revealed-private-equity-firms-are-making-millions-out-of-failing-children-s-care-homes-yet-care-for-8815656.html>);
- adult social care (National Audit Office, 2014, accessible at: <https://www.nao.org.uk/wp-content/uploads/2015/03/Adult-social-care-in-England-overview.pdf>); and
- care homes (LGiU report, 2015, accessible at: <http://www.lgiu.org.uk/report/care-and-continuity-guide/>).

There are limitations and implications of introducing greater competitive tendering in our sector, in regards to it **not**:

- promoting diversity of service provision;
- being effective or affordable;
- catering for our sector (which operates in a fixed labour cost environment); and
- fostering innovation or collaboration

Competitive tendering does not promote diversity of service provision

International evidence shows the adverse effects of the marketisation of social and community services from increasing competitive tendering. This is reported to be the case with introducing the reform to child protection services, homelessness services, mental health services and disability services in the UK, as reported in 2012 by Social Enterprise UK in the Shadow State – A report about outsourcing of public services (accessible at:

http://www.socialenterprise.org.uk/uploads/files/2012/12/the_shadow_state_3_dec1.pdf.

The result of introducing competitive tendering has been the consolidation of service providers. Over 60% of all UK government contracts are with just 100 suppliers with £4 billion with 4 multinationals, including Serco and G4S which recently underwent a similar experiment under its current conservative government, and near monopolies are occurring in some contracted out areas of service delivery. Smaller local social and community organisations are often then cut out of funding opportunities, and the local knowledge and experience in supporting vulnerable people they built up over decades is lost.

Competitive tendering is ineffective and expensive

There is often a cost to family and relationship service providers (and other family and community service providers) in submitting tender applications. To be effective in winning a tender, service providers are required to outlay capital to hire specialist tender writers. This is particularly a barrier for smaller locally based and run social and community services.

There is also a significant cost to government in the development of tender processes, and most of the money spent goes directly to the private sector.

Competitive tendering does not cater for the social and community services sector, which operates in a fixed labour cost environment

The most significant cost for services in the social and community services sector is labour cost. Because the social and community services sector operates in a fixed labour cost environment, efficiencies can only be derived from reductions in quality of service, skills of staff or working conditions and security. Job losses in the UK have been significant, with between 500,000 and 700,000 jobs being scheduled to be cut and more than 60,000 having actually been cut by 2013.

Competitive tendering does not foster innovation or collaboration

The Australian Government as well as the family and relationship services sector understands that social and community services sector must be innovative in order to improve service provision. However, as many FRSA members have said (especially since the 2014 funding reforms), competitive funding environment results in services being less willing to share data, information and outcomes. Also, competitive tendering deters services from experimenting with new approaches, particularly if those approaches do not align with the criteria and metrics used by government to allocate funding.

FRSA concurs with the conclusion in the *Whose Society? The final Big Society audit report* (<http://www.civilexchange.org.uk/wp-content/uploads/2015/01/Whose-Society-The-Final-Big-Society-Audit-final.pdf>) in which it is recommended that less competition and more collaboration between the Government, service providers, communities and volunteers will draw on the strengths of different organisations and achieve greater outcomes for service users.

5. The uncertainty that identified flaws to existing commissioning processes will be 'fixed' through the proposed reforms.

Whilst FRSA certainly concurs with the flaws to the sectors' commissioning processes identified in the Preliminary Findings Overview report (pages 27-28), we have strong doubts that extending the proposed reforms into family and relationship services will rectify these flaws.

In relation to The general lack of an overarching framework based on improving outcomes for service users to inform service planning and determine how objectives should be achieved FRSA has questions regarding the role of the DSS DEX and SCORE outcomes measurement tool that has emerged as a central component of reform in the Family and Relationship services sector since 2014.

From our perspective, the development and implementation of an 'overarching framework' or standardised outcomes framework as identified in the Productivity Commission's Preliminary Findings Report (also mentioned on pages 28 and 141 of the Preliminary Findings report) is in fact a work in progress. There are imperfections in that model but the experience of the sector to date certainly indicates that there is a strong commitment from the Department of Social Services and the Family and

Relationship Services sector to the ongoing development and refinement of that outcomes measurement tool. Whether or not that model is an appropriate tool for performance benchmarking especially given that it attempts to measure outcomes by different service providers in different locations with different costs, funding and goals in delivery services to clients with very different needs certainly requires more intensive exploration. At present, DSS has indicated that it will not be used to benchmark services for use in future tendering rounds.

FRSA recommends that the Productivity Commission investigates more thoroughly the vast and intensive work undertaken in the family and relationship services sector since the 2014 DSS Discretionary Grants Funding round in relation to DEX and SCORE.

As part of this assessment it would also be beneficial for the Productivity Commission to ensure that the approach to information collection, performance monitoring and reporting is not creating excessive burdens on services providers but is in fact meeting the core objective of ensuring that services are contributing to achieving outcomes.

6. The costs and risks to vulnerable recipients of family and relationship services in emergency situations needing to compare and choose service offerings.

The Productivity Commission in its own report makes the following acknowledgements that user choice is not always possible, and FRSA concurs that users of family and relationship services are often the 'some exceptions' to users being 'best placed to make choices about the services that match their needs and preferences':

It will not always be the case that users are well-placed to make decisions on their own behalf. People vary enormously in their ability to make informed choices about the services they need or want, as does the level of assistance and user-oriented information needed to support user choice. Not everyone can, is willing to, or should exercise choice (page 135)

The very young or those with severe cognitive impairment, for example, may not be well-placed to make decisions There are also circumstances when a user's agency is explicitly removed, such as being placed under a court order to attend drug rehabilitation (page 8)

Many are temporarily or permanently in a vulnerable position, such as victims of family violence, children removed from a home and parents denied access to children. These and other users of family and relationship services will often neither know the extent of their own and their dependents' needs, nor what different agencies and programmes offer, let alone the service offering that will best meet their needs. For the main part they have never experienced what they are currently experiencing, and hence their engagement with services is a process of learning for them. Concepts of user choice could confuse, delay and/or prevent their access to timely services. Family and relationship service users can currently experience long waiting times before receiving required services, escalating what would have otherwise been a preventable service to an emergency response. People accessing

services in emergency situations will often have diminished capacity to exercise choice.

It is uncertain, even doubtful, how proposed reforms would improve this situation.

The current and future impact on vulnerable users in regards to the welfare reforms

Regarding the impact on vulnerable users, the current direction of welfare reform being pursued by Government has the potential to be at odds with its preference for increased competition or contestability. Benefit recipients are increasingly being required to comply with mandatory measures or risk having their benefits reduced or cut. This may well undermine the capacity to exercise choice and/or remove it in certain circumstances.

7. The existing limitations and impracticality of benchmarking service delivery outcomes of one service provider against that of another only continuing if contestability and the proposed concept of an outcome framework is introduced.

Taking into consideration earlier commentary in this submission regarding the DSS Outcomes Framework, DEX, FRSA agrees with the Productivity Commission that 'providers require data to analyse and improve their services' and 'governments need data to identify community needs and expectations, the demand for services and gaps in service provision' (Productivity Commission's Preliminary Findings Report, page 8), the need for government to properly understand (contextualise) data before using it to make funding decisions (including if new contestability approaches are introduced) is paramount.

And while FRSA agrees that 'better use of data could help service providers and governments identify and disseminate effective practices' (pages 29; 58-9; 142), what is meant by 'better data' must be unpacked. The report identifies on page 28 that better system design by government is required, including the development of an outcomes framework against which individual services could be planned and their performance monitored and benchmarked.

As noted earlier in this submission, while our sector supports service delivery evaluation for improving its reach to users, the use of outcomes frameworks for benchmarking services against one another is of concern. Services, even when in the same location and meeting the needs of the same users, deliver different needs of clients in different ways. Benchmarking and outcomes frameworks, unless very carefully planned in collaboration with service providers and users to allow for flexibility in reporting organisations' unique goals and outcomes, do not allow for these different and unique forms of service delivery that attempt to meet the multiple and nuanced needs of users in a holistic manner.

The report itself indirectly identifies that concepts of benchmarking one service against another is not appropriate, or, at least, needs very careful consideration and design:

the provision of human services needs to account for a range of features, including ... the outcomes the services are intended to achieve, the nature of the services and the dynamics of the markets in which the services are provided; the characteristics and capabilities of users; and the diversity in purpose, size, scale and scope of providers (Productivity Commission's Preliminary Findings Report, page 8).

From recent consultation with family and relationship service providers, numerous organisations have indicated they have experienced barriers in meeting DeX reporting requirements (including client or user outcome reporting in SCORE), including:

- ongoing costs associated with data collection and reporting;
- accuracy and functionality in reporting;
- data confidentiality and security; and
- contextualising user outcomes data and the possible use of this data by government benchmarking for the government and our sector.

Should the Productivity Commission be interested, in November 2016 FRSA can share more detailed feedback from our member organisations about the costs and barriers to data and outcome collection and reporting in DeX and SCORE.

FRSA is also able to provide input to the Commission's Inquiry into *Data Availability and Use*. As the report identifies on page 9, 'effective data collection and analysis are not costless' (page 9). This applies not only to government but to the collectors and reporters of the data – service providers themselves. It is also not easy; particularly analysing it in a way that contextualises users' needs and service providers' goals.

8. *The lack of evidence and reasoning that proposed reforms will improve the problems in the current arrangements for purchasing and delivering human services not fully meeting the needs and preferences of Indigenous Australians living in remote communities.*

FRSA agrees that current arrangements for purchasing and delivering human services are not fully meeting the needs and preferences of Indigenous Australians living in remote communities.

However, there is a lack of evidence to suggest that the proposed reform of introducing contestability (more so than competition) and user choice in the purchasing and delivering of human services to this very vulnerable cohort will achieve better outcomes for them. There is nothing to suggest that the reforms would improve the aspects of service delivery dot pointed under Preliminary Findings 7.1 (on page 36):

- Improving the quality of services and providing services in a more culturally appropriate way *could* improve outcomes for Indigenous Australians living in remote communities.

- Better coordination of services to address people's needs *could* overcome some of the problems that arise from service fragmentation.
- Place-based service models and greater community voice in service design and delivery *could* lead to services that are more responsive to the needs of people in these communities.
- More stable policy settings and clearer lines of responsibility, *could* increase governments' accountability for improving the wellbeing of Indigenous Australians living in remote communities.

FRSA suggests that very careful thought be given by government, in close consultation with remote Indigenous people and communities – including family and relationship service users and providers, to identify which aspects of contestability and user choice not only *could* but would empower Indigenous people and communities to identify and access services they most prefer and need — and *how* these aspects be introduced. What aspects are introduced and how they are introduced are critical questions.

Such consultation should occur following a thorough evaluation of the reform currently underway within disability services, mental health services and vocational education and training, and taking into consideration the failings of introducing Big Society in the UK since 2010, to identify what aspects of these reforms should be tested in delivering family and relationship services to Indigenous Australians living in remote communities.