



SYFSSubmissionPCHumanServicesIssuesPaperFebruary2017

9<sup>th</sup> February 2017

Human Services Inquiry  
Productivity Commission  
LB 2, Collins Street East PO  
Melbourne. Victoria, 8003

Dear Commissioner,

***Re: Comments on Reforms to Human Services Issues Paper – December 2016***

Thank you for the opportunity to comment on the *Human Services Issues Paper* (the Paper) referenced above. The comments in the sections below relate equally to Grants-Based Family and Community Services and Social Housing. Our comments have been clustered into the following sections for the sake of brevity:

- Background about Southern Youth and Family Services (SYFS)
- User Choice (Mutual Obligation versus Human Rights)
- Market Based Systems and Individual Funding
- Reform Fatigue
- Competitive Tendering
- Coordination between Federal and State Governments
- Funding and Performance
- Evidence and Investment Strategy
- Affordable Housing

**Background about Southern Youth and Family Services (SYFS):**

SYFS is a Not-For-Profit; community-based organisation that delivers a uniquely integrated model for disadvantaged young people aged 12-24 years and their families in the Illawarra, Shoalhaven, Southern Tablelands, Queanbeyan, and Far South Coast areas. SYFS delivers supported accommodation; social housing; outreach services; family / youth early intervention support and counselling programs; mediation and home visiting; education (as an approved alternative school) and training services; pre-employment support and work experience; support for those newly arrived in this country (including refugees); youth health services; out of home care; and supported independent living programs. Our clients include those who are homeless or at risk, those involved in the child protection / out of home care / justice systems and those seeking to engage in employment, education, or training.



The SYFS model integrates mainstream / specialist government funded programs, with philanthropic and self-funded services, including a social enterprise. SYFS is a nationally registered Tier 2 Community Housing Provider and the largest specialist youth social housing company in Australia. Its continuum of housing and support programs has earned it an international reputation of excellence. This success is also evidenced via formal evaluation by the University of Wollongong and various awards, including most recently, the “NSW Premier’s Award for Reducing Youth Homelessness – 2016”. SYFS was also awarded the “National Award for Excellence in Supporting Pathways to Employment or Education” and was highly commended for the provision of quality Homelessness Services at the inaugural National Homelessness Services Achievement Awards. Other outcomes are identified in the SYFS Annual Report 2015-16.

### **User Choice (Mutual Obligation and Human Rights):**

SYFS is a strong advocate of user choice and promotes this by ensuring all clients are well informed and engaged in decision making about their lives. Active participation lies at the heart of everyday practice and is clearly identifiable in the development and implementation of Therapeutic Case Plans. The challenge for SYFS in providing user choice is not only building the capacity of clients to make informed decisions but ensuring clients can access a diverse range of responses to meet their needs.

SYFS works extremely hard to maintain its support of clients and not exclude them when they make poor life choices which impact either themselves, significant others, or the community. This is because most clients supported by SYFS are victims of abuse/neglect. Their trauma is deeply embedded in their physical, cognitive, and emotional self, and often expressed by poor self-worth, learned helplessness, and challenging behaviour. Many clients also live with an intellectual disability, personality disorder, and/or mental health issue which can compromise their ability to manage their experiences of trauma.

SYFS does not believe the current policy emphasis on principles of mutual obligation enhance user choice. Mutual obligation empowers governments/services to determine who is most deserving of their scarce resources and empowers society with reasons to avoid entrenched structural poverty and inequality. Mutual obligation makes the plight of traumatised clients an individual problem. It means those who cannot scale the mountain of poor self-worth, learned helplessness, and challenging behaviour, must fend for themselves.

SYFS believe the answer to increased user choice is to agree on a set of basic human rights. The experience in Scotland outlined by Watts (2014)\* demonstrates the benefits of clear and simple legal rights, to minimise service provider discretion, enhance user assertiveness, and reinforce the legitimacy of such assertiveness in the community. The effect of these rights in Scotland occurs without fatally undermining the self-reliance of users and community expectations of mutual obligation. On the contrary these rights actually increase self-reliance by arming those with poor self-worth or learned helplessness with a genuine sense of entitlement.

There is precedence for the recognition of basic human rights in Australia. The NSW Homelessness Action Plan (2009-14) included the following statement: *‘Our response to homelessness will respect and protect the social, economic and civic rights of people who are homeless or at risk of homelessness. People who are homeless or who are at risk of homelessness have the same rights as every other member of the community and these rights must be protected and respected. Our responses to homelessness will treat people with respect and dignity and respect each person’s right to participate fully in community life; access support through the service system; have safe and secure housing and support when it’s needed; and be safe and to live lives free of violence and discrimination. We also recognise and value the right of the individual to participate in decision-making processes about their own future.’*

The context for inclusion of this statement was that the Supported Accommodation Assistance Program (SAAP) had recently been replaced by the Intergovernmental Agreement on Federal Financial Relations (IGAFFR) and the National Affordable Housing Agreement (NAHA). The Supported Accommodation Assistance Act (1994) has still not been repealed and no further bills replacing it have been introduced. This void continues to create confusion around the position of the Australian Government in relation to the rights of those who are homeless and at risk. SYFS support and continue to recognise the Supported Accommodation Assistance Act (1994), particularly the critical importance it continues to play in recognising the rights of those who are homeless and at risk of homelessness.

Strategic policy issues fundamental to the establishment of basic human rights such as 'Economic Security' and 'Social Justice' must also be considered by the Productivity Commission as part of this Issues Paper. This type of thinking is driving work around the 'Social Determinants of Health' in Canada and has been included front and centre in key strategic documents within the USA and the UK. For example:

- Economic Security – In the USA Strategic Plan for Homelessness this theme represents one of five central themes and constitutes two of ten key objectives. It covers employment / financial vulnerability and access to mainstream services.
- Social Justice – In 2012 the UK Government published a Social Justice Strategy called 'Transforming Lives'. It sets out an ambitious vision for supporting the most disadvantaged individuals and families - tackling many of the underlying problems that, if left unchecked, contribute to homelessness. The vision is based on two fundamental principles. First, prevention and early intervention throughout a person's life, with carefully designed interventions to stop people falling off track and into difficult circumstances. Second, a 'second chance society' ensuring that no one is 'written off' and that anybody who needs another chance gets access to the support and tools they need to transform their lives.

### **Market Based Systems and Individual Funding:**

The argument above questions the benefit of mutual obligation for those who are disempowered because their histories of trauma / disadvantage often render them helpless and lacking self-worth. Governments/services exercise discretion over users by assessing their capacity or worthiness to meet principles of mutual obligation and by determining when their scarce resources are allocated.

In a market based system this power imbalance is magnified. The needs of the user are always subservient to the financial viability of governments/services. Moreover, as demand increases and/or resources become scarce; governments/services tend to exercise more discretion over users. Market based systems adapt to increased demand by rationalising their responses and/or limiting the number of clients assisted. They also adjust through reductions in quality, responsiveness, and the equity of services (cherry-picking of profitable / low need clients). Increased demand is also managed by imposing higher standards of mutual obligation upon users. This means that even more people who cannot scale the mountain of poor self-worth, learned helplessness, and challenging behaviour are expected to fend for themselves.

Sectors such as social housing; homelessness; child protection; out of home care; and training/employment support services for those who are disadvantaged, are not able to meet current demand. They are also unable to halt the accelerating trajectory of higher levels of unmet demand. This does not bode well for the introduction of market based systems in an environment where governments at the federal and state level are constantly seeking to curb expenditure, shift more responsibility to users through mutual obligation, and abrogate more unfunded risk to the Not-For-Profit sector. Service providers in this environment will be compelled to compete at all costs – especially that of users - to sustain their financial viability.

The notion that individual funding can provide more user choice in a market based system is also seriously flawed because increased user choice in this context is fundamentally determined by (a) the adequacy of individual funding afforded to users; (b) the volume and diversity of financially viable responses that can be delivered by the Not-For-Profit sector; and (c) the capacity of users to exercise genuine discretion (i.e. the limitations imposed by their environment upon choices). The capacity of users to make informed decisions can be enhanced by advocacy / guardianship bodies and formal client support / feedback mechanisms. However, the capacity of users to exercise genuine discretion (once informed) is more dependent on supply factors within a market; and, the structural inequities that characterise the environment in which that market operates. Without addressing these larger issues it makes little sense to promote greater user choice.

The other change required to increase the level of genuine discretion held by users is to reduce the prescriptiveness of current government programs/service models. These create artificial boundaries that rule out access or limit the continuum of responses available to users. Many of these programs/service models have emerged historically and have different eligibility criteria / contract conditions which bare no relationship with the natural pathways / life stages / or flow of events that lead clients to require assistance. These eligibility criteria / contract conditions also seek to drive unrealistic efficiencies and unnecessary accountability requirements. More work is needed to breakdown program silos and move away from micro-management and the prescription of input controls by government (e.g. vacancy management systems). These artificial boundaries are unnecessary if governments at all levels are genuinely interested in outcomes based funding and not concerning themselves with the operational minutia of service delivery.

### **Reform Fatigue:**

A lot of energy is focused on initiating new reforms, which are not properly justified, when the last reform has not even finished. No consideration is given to the waste in resources and the fatigue caused by such overlap. The attractiveness of international models which have no relevance to the Australian context, overfunded pilots which service small minorities, short-sighted catch phrases, silver bullet solutions, new buzz words and the endless call for partnerships characterise the relentless pursuit of new reforms, without any true understanding of the structural and systemic barriers that must be overcome to deliver meaningful change. Ultimately these reforms become yesterday's news and administrators move on to new roles, leaving a vacuum of information and an environment full of distrust and confusion for the Not-For-Profit sector. The mess that emerges is often masked by new funding to calm disquiet, disbursed in a hurry without sufficient consultation, causing more chaos and criticism of the failure by government to listen to the sector.

The balance between strategy and practice is also rarely achieved. Long-term visions for reform are articulated through high-level principles and theoretical objectives that sound quite reasonable but do not provide a tangible platform or end state from which to have meaningful discussion. For example, 'Outcomes Based Contracting' has been used to conflate multiple reforms in out of home care and homelessness, which are extremely complex and share a range of interdependencies, into one basic proposition. More work is needed to tease out the detail and identify the structural and systemic barriers the sector face implementing reforms to facilitate their journey and avoid perverse consequences.

### **Competitive Tendering:**

There are also many other ways to do procurement outside competitive tendering. It is but one of many approaches to procure services yet has become increasingly common as the preferred option of Government Human Service agencies. Other options include: renewable funding based on good performance; direct negotiation/allocation based on market analysis; co-development and co-design; and one-off or time-limited funding to seed change. The choice of method should always be informed by proper sector analysis to gauge the existing strengths and weaknesses of the service system however are seldom undertaken by Government.

Factoring past performance should become more central to procurement because in many cases it would indicate there is no need to competitively tender. Slow and gradual reform through on-going contract / performance management and negotiation with the sector are more beneficial than ‘big bang’ reforms that involve tenders because they typically have unintended consequences, which are not properly taken into account, when determining the preferred method. Competitive tendering also gives rise to:

- High costs in staff time and resources for both the sector and government;
- Uncertainty which impacts the sectors capacity to retain staff, plan, budget etc. There should be specific recognition that long processes, especially those without clear timelines, or which experience delays, undermine the ability to deliver outcomes for people and communities.
- Disadvantage to small and medium NGOs, who unlike larger NGOs, do not have access to tender writing teams and are more compromised by tight timeframes (i.e. length of notice and application time). It also disadvantages small to medium NGOs applying across multiple locations / programs and/or developing consortia based proposals, which need more time.
- Perverse outcomes such as forced partnership or inexperienced NGOs operating services in program areas without relevant expertise or in geographic areas without a legitimate service footprint. These issues are compounded after the fact by the absence of appeals processes and proper advice to NGOs about their rights to complain about such outcomes.

### **Coordination between Federal and State Governments:**

Poor integration and coordination across mainstream service systems is a significant problem that restricts user choice. This occurs because of differing accountabilities / priorities and insufficient resources. A genuine nationwide whole of government governance and accountability framework is needed to achieve better integration. More rhetoric about the need for Not-For-Profit services to integrate, collaborate, and coordinate better at the local level will not address this issue and understates the true difficulty agencies like Health, Education, Justice, Police, and the NDIA have extending their focus beyond their core program areas and does not recognise the true magnitude of effort / resources required on the part of mainstream government agencies to address this issue. The Productivity Commission Issues Paper must accept this lack of funding and integration across federal and state mainstream agencies from the outset and the limitations it imposes on user choice and the capacity of services to function effectively, irrespective of the market environment or funding methodology in operation.

### **Funding and Performance:**

Another thing to consider is the dysfunctional nature of the current funding environment across and within jurisdictions. It is plagued by poor program management – particularly the way in which funding is administered and performance is monitored. It is also inflexible and bogged down by complicated contracting arrangements. There is disconnection between programs that should complement each other (especially the timing of funding cycles). Compliance and reporting requirements are onerous. There are high levels of duplication in accreditation / quality systems and a multiplicity of registration points. Governments are unaware of the impact such measures have on the sector in terms of added pressure, cost, and time wasted. Governments must genuinely attempt to reduce red tape and have the courage to act on poorly performing organisations (and action the credible threat of competition). This should occur as needed in a measured and timely manner rather than implementing blunt sector-wide reforms which upset the entire service system and make life complicated for high performing services. This type of instability also undermines user choice because services have to arbitrarily chop and change their profiles to meet new program guidelines - which are imposed by governments in the absence of single client view.

## **Evidence and Investment Strategy:**

A key obstacle to convincing government and the community to invest in Grants-Based Family and Community Services and Social Housing is building a social and economic argument about the increasing trajectory of unmet demand and the relative cost to government and communities of not doing more (e.g. impact on employment, productivity, and well-being). For example, AHURI has developed some important work on the cost of homelessness and the net benefit of homelessness programs; public housing and support programs; and tenancy support programs. This Issue Paper should include a commitment to build on this work and make an argument for more investment. Better access to data held by governments at the federal and state level and the linking/integration of these data sets is critical to this end.

## **Affordable Housing:**

Affordable housing is a structural issue that must be taken up by the Productivity Commission if it is genuine in promoting more user choice in Social Housing. This lies at the heart of many problems faced by SYFS, especially the shortage of housing and supported accommodation models required to meet the diversity of client needs, and the paucity of long term exit options for young people in crisis or transitional accommodation who are homeless (or at risk of homelessness) and leaving the out of home care or juvenile justice systems. It is critical that a variety of models and services are available as there is no one solution. Affordable long term exit options are also essential to support women and children escaping domestic violence; people trying to stabilise their lives with a mental health problem; and anyone seeking to achieve financial independence by engaging in some form of education, training, or employment.

There are many supply based solutions to affordable housing that medium-sized Community Housing Providers like SYFS, which have significant capital portfolios and revenue streams, could be engaged to pursue with the governments and the private sector. Unfortunately these options are typically explored with larger Community Housing Providers who lack the expertise and specialty to deal with key target groups such as youth. In addition, there is a critical demand for capital funding to build and renovate properties to realise the diversity of housing and supported accommodation models needed, especially for young people (often required until they achieve full independence).

## **Conclusions:**

Rather than pursue another reform which is unlikely to deliver real change for users of Grants-Based Family and Community Services and Social Housing, SYFS recommend the Productivity Commission seriously assess the gains that could be made by introducing a basic set of human rights, which ensure at a minimum, all people in our society are equally valued and empowered. That we treat all people with respect and dignity and respect each person's right to participate in decision-making processes about their own future. This includes participation in community life (including engagement in pre-vocational skill development, training, education, employment, or some form of valued community activity); access to support through mainstream and specialist service systems; safe, secure, and affordable housing (and support when it's needed); and to be safe and live free of violence and discrimination. All people in our society must have the capacity to earn or access a minimum income to live above the poverty line. Each of these rights must be supported by properly resourced and administered systems and complementary federal and state government policies which significantly reduce government interventions and better integrate mainstream services.

Yours Sincerely,

Narelle Clay, AM  
CEO