

Productivity Commission Inquiry into the increased application of competition, contestability and informed user choice to human services

I work in the mental health sector. We are working hard to adapt to the new environment of customer choices and insurance-style payments for services involved with the arrival of the NDIS. We are already working in a funding environment with contestable contracts and competitive tendering. We are preparing for more of that and also for the likely introduction of more consumer-choice and fee-for-service funding for non-NDIS services.

These adjustments are being made with good will on the understanding that more choice and empowerment for consumers is a good thing which will help with recovery and encourage services to provide quality services.

But the introduction of competition into the community services sector many years ago has undermined the cooperative and consultative nature of the sector and made it difficult for services to work together in the interests of their 'customers'.

For survival, it has made services more conscious of their own corporate interests and less likely to provide services or participate in activities which don't directly contribute to those corporate interests, regardless of the potential positive effects of those activities for the consumers (customers) and the broader community.

The idea that this trend may now be extended to include 'for-profit' businesses into the sector is shocking to say the least. The idea that for-profit businesses will be skimming off 'profits', taken from government grants or consumer fees, for the benefit of their private owners or shareholders is repugnant. Why would we allow this? How can it possibly help improve a sector which is already gearing up to meet the government demands for competitive, efficient and accountable community services provided by not-for-profit services.

The thought of for-profit services 'skimming' off the most profitable services, providing the minimum service at the highest sustainable price, while providing dividends to owners, and then leaving the less profitable, more difficult, parts of the services to the not-for-profit, volunteer-based services is just horrible, but that is a likely scenario.

There are good reasons why schools are not-for-profit and these same reasons are true for the community services sector, particularly in mental health.

Not-for-profits still have the ability to keep a focus on the people they were created to serve. Most of these organisations were created to fulfill a mission for this purpose and still operate in this way, despite the limitations of the competitive environment and the corporatized welfare sector (which was forced upon us).

There is an idea, 'McDonaldisation', which is slowly eroding the quality of welfare services. That idea is that welfare jobs can be done equally well but more cheaply, by dividing them into smaller tasks, which require less skill, and given to lower paid staff who have received less training, as long as they follow manualised procedures and tick the boxes to verify, to their desk-bound managers, that those procedures have been followed.

The idea that the 'McDonaldisation' of welfare services may make them more efficient is built on a complete misunderstanding of welfare service provision and what helps people with their recovery, or whatever it is they need.

It's a corrosive idea which would be exploited to the maximum by 'for-profit' services which would be skilled at defending themselves in front of any regulating body which would, no doubt, be set up to provide the illusion of service quality and safety. Why would the staff at a 'for-profit' service have more commitment to their consumers or improved service quality than well-run and well-regulated not-for-profit services that have a mission? They wouldn't.

The arrival of 'for-profit' services would, for me, probably ruin the not-for-profit sector and eat away at my desire to 'do some good'. Even now, with competitive tendering and corporatized services, it's hard not to feel, why do I bother trying so hard for our consumers when, the government makes it so hard for us, while others don't care and are in it to make money?

I don't want that sort of culture to grow. I want to stay focussed on delivering support and services to consumers (and carers) and not on only doing things that make money for the business. I want to stay inspired by my work and the efforts of people to improve their lives. I don't want to become burnt out by having to do things which are in the interests of the business but are not necessarily in the best interests of our consumers (customers).

Please don't allow for-profit services into the welfare sector, and especially don't allow them to compete for government contracts or funding, or philanthropic funding or grants. It just wouldn't be right.