



Council to Homeless Persons – Human Services: Identifying sectors for reform – Response to preliminary findings

The Council to Homeless Persons (CHP) welcomes the opportunity to provide a response to the Productivity Commission's 'Introducing Competition and Informed User Choice into Human Services: Identifying Sectors for Reform' preliminary findings report.

CHP is concerned to see that Specialist Homelessness Services (SHS) have been identified as a sector suited to the introduction of greater competition, contestability and user choice.

As detailed in our original submission, CHP firmly believes that the homelessness service system is ill suited for such reform for a number of reasons:

- People seeking a service are usually in temporary crisis and have no knowledge of services available – consequently they need a system that provides a clear pathway to help, not a mélange of options.
- Demand for services greatly exceeds availability, and consequently collaborative processes that efficiently and equitably allocate services are important – competition would undermine these processes.
- Competition would risk creating perverse incentives to assist people who least need support, and to deny support to those who most need it. This would have disastrous consequences for the most vulnerable service users, and for the broader health, human services and justice systems.
- Specialist homelessness services in Victoria are already effectively contestable within the community services sector. The need for for-profit providers to generate a profit means this option offers poor value to funders.
- Informed user choice is already incorporated within the service model, although broader reform is needed to increase the availability of the housing options people seek.

Within Victoria, there is significant investment already underway to reform the homelessness and housing sectors. The Victorian Government is working with the sector to improve the efficiency of access and referral to services, empower social housing tenants, enhance private rental assistance and access to housing and look at developing outcome focused individual support.

Building on the strength of an existing environment of strong service collaboration, these initiatives will result in a highly efficient and effective service system that is likely to be compromised by the introduction of new providers and more competitive models.

We urge the Productivity Commission to more fully consider and respond to the risks and impacts of greater competition, contestability and user choice on homelessness service delivery before proceeding further.