

Human Services Inquiry
Productivity Commission
Locked Bag 2, Collins Street East
Melbourne Vic 8003

25 July 2016

Dear Sir/Madam,

Re: Productivity Commission Issues Paper – Human Services: Identifying Sectors for Reform

The comments below are a general response to the Productivity Commission's Issues Paper. They have been kept brief for the purposes of this submission.

Youth, Family and Community Connections provides a range of community based services for young people, families, adults and communities across the North West Coast of Tasmania. These services include supported accommodation, drug and alcohol treatment and support and family support.

Firstly, we urge the Government to rethink its overall position in relation to introducing further competition and contestability in the human services sector. We do not believe this in itself will result in improved outcomes for consumers.

Our reasons are as follows:

- There is already robust competition in the sector due to existing tendering processes. These same processes already create high levels of efficiency and effectiveness.
- Such a change will result in a complete structural and philosophical change for the sector where consumers are no longer at the centre and profits are.
- When the “for profits” realise there are no substantial profits to be gained in the human services sector, they are likely to withdraw from this area, or seek to recover costs from the consumer, leaving many consumers unable to access vital services. This has been the case in the United States.
- Unnecessary and/or extensive competition and tendering often results in the “baby being thrown out with the bath water”. Prior learning, research as to what works, and services that have been achieving excellent outcomes for consumers tend to be overlooked.
- Often well-established networks break down.
- Often those in rural and regional areas do not receive a service due to the higher cost of service provision.
- Often those with multiple and complex needs do not receive a service due to the higher cost of service provision.
- The proposal assumes “informed user choice”. Often consumers are not in a position to make informed choices. This is particularly the case for those in crisis, those with multiple and complex needs and for young people/children.
- The support required to ensure “informed user choice” has a substantial cost.

- Smaller Regional Organisations will find it difficult to survive in this extremely competitive market as they don't have the financial resources to maintain or create marketing campaigns and as such there will be a lessening of the ability to attract consumers. In turn meaning the "dying out" of the smaller Organisations, and less choice.
- The desire to make profit will inevitably lead to erosion of the quality of services that are provided to clients in need. In a bid to win tenders big business may undercut the true cost of service provision. This means poor quality services for clients and communities, and increased workloads for staff.
- The burnout rate and stress levels amongst staff will considerably increase due to the added insecurity of funding and employment instability. This is already an issue with our sector due to the increased levels of competitive tendering but will certainly increase with additional competition and contestability.

We would urge Government to instead consider a robust framework for reporting on outcomes, to ensure services are meeting the desired requirements for the funding they receive.

Yours sincerely,

Roslyn Atkinson

Chief Executive Officer