



DISABILITY  
COUNCIL NSW

Official **Adviser** to the NSW Government

Productivity Commission  
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By electronic submission form

To whom it may concern,

### **Inquiry into introducing competition and informed user choice into human services**

The Disability Council NSW (also known as 'the Council') was established under the *Community Welfare Act 1987* (NSW), and was re-constituted under the *Disability Inclusion Act 2014* (NSW) to advise the NSW Government on issues affecting people with disability in NSW. The Disability Council's main responsibilities under the Disability Inclusion Act 2014 are to monitor the implementation of Government policy, advise the Minister on emerging issues relating to people with disability, and advise the Minister about the content and implementation of the State Disability Inclusion Plan and disability inclusion action plans.

The Council has 12 members who have a variety of disabilities and backgrounds. Members include people from Aboriginal or cultural and linguistically diverse backgrounds (CALD), young people and also people from rural and regional NSW. Members are selected on the basis of their experience of disability and their understanding of issues affecting people with disability and their ability to reflect and advise on government policy.

The Council welcomes the inquiry into introducing competition and informed user choice into human services. Council appreciates the opportunity to provide input on the specific benefits and drawbacks of introducing greater competition, contestability and user choice into human services, safeguards that are required and the need to ensure people with impaired or limited decision making ability will not be disadvantaged.

#### Benefits of introducing greater competition, contestability and user choice into human services

Historically, people with disability have been disempowered by the limited opportunities available to exercise choice over the kinds and extent of disability related supports they receive, as well as the limited responsiveness of other mainstream human services like health and social housing to their diverse and sometimes complex needs. Greater competition, contestability and user choice has obvious benefits for people with disability as it has the potential to increase the

range, quantity and quality of services that are available. Choice is empowering and can facilitate greater independence and improve overall quality of life, particularly for people with disability that may have been denied choice and opportunities for self-determination.

In a competitive market-place, in theory, organisations involved in human services will innovate, increase efficiencies and adapt the services and support they offer to meet the needs of consumers in the market. Consumers having greater choice will be an incentive for providers to provide quality services at efficient prices, as people will choose the level of quality they want and reject providers that don't meet their needs or standards. However, as will be outlined, in practice, greater competition, contestability and user choice in human services can lead to poorer outcomes for vulnerable people including people with disability and must be implemented with caution and careful attention to what information and/or additional supports may be required to facilitate choice. Benefits will only be experienced where the balance is right and there is sufficient investment, regulation and safeguards to ensure each human service sector can provide equitable and positive outcomes for all people while achieving the efficiency and quality levels envisaged by a market-driven system.

#### Drawbacks of introducing greater competition, contestability and user choice into human services

The potential of market failure is a real drawback of introducing greater competition, contestability and user choice into human services because market failure often leads to people's human rights and opportunities being compromised. Introducing competition, contestability and user choice into sectors where these concepts have never existed will take time, cultural change and a continuing investment by Government to support the needs of people and organisations in the transition to more competitive market-based systems. People with disability are particularly vulnerable to the introduction of greater competition, contestability and user choice because they may have never had the opportunity to exercise choice before and need support to build their capacity and ability to make informed choices about human services.

Competition and contestability alone will not increase choice and quality in human services because in some areas and for some communities, choice and quality will not exist without sufficient incentive and investment from the government. This is particularly true of rural and regional areas, where a low service user base and high cost of operation can mean particular providers have a monopoly over services, limiting choice. It is also true of culturally and linguistically diverse communities and Aboriginal and Torres Strait Islander communities. Without incentives to provide culturally appropriate services these services may not be available where and when people from these communities need them. Similarly, some people with complex needs may require co-ordinated supports from a range of different human service providers, and without funds available for support co-ordination these people's needs may not be holistically met.

Competition and contestability alone will also not increase innovation, as what is required to develop innovative solutions is to draw on the lived experience of people with disability to determine what will best meet their needs. There is clearly a need for

the Government to continue to invest in developing innovation in human services, including through the process of co-design which brings together families, providers, funders and regulators to collaborate on developing new services or improving existing services. Investment in this innovation needs to continue as service providers may not take up the risk of trialling innovative approaches without sufficient incentives or support.

### Safeguards

Strong consumer protection safeguards and rigorous independent monitoring of human services will be required to ensure that the most vulnerable people are protected from some of the drawbacks of greater competition, contestability and user choice in human services. In NSW, the NSW Ombudsman plays an important role as an independent body that handles and investigates complaints about disability services and inquires into major issues affecting people with disability and disability service providers. As human services become increasingly market-driven it's more important than ever that the NSW Ombudsman and other similar bodies continue to be resourced to provide supports that safeguard the rights of all people.

### The need to ensure people with impaired or limited decision-making ability will not be disadvantaged

It is important to acknowledge that greater competition, contestability and user choice will not deliver better outcomes for people with disability unless people who may have limited ability to exercise choice have the information and/or supports they need to build their capacity to make informed choices about human services. Many people have never had the option to make choices for themselves, and need support to prepare for greater choice and build their independence, self-advocacy, and decision-making skills.

At a minimum, the Government should protect and invest in the provision of reliable information and advice to enable informed choice, as well as appropriate access to decision making supports to build the capacity of people with disability and enable them to exercise choice in human services and have their needs met. This information and support should not only be for disability services and supports, but for all human services. This is imperative to ensuring that people with disability are not disadvantaged by the introduction of competition, contestability and user choice into human services.

Please contact the Disability Council Secretariat

Yours sincerely,

**Disability Council NSW**

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