



25th July 2016

Australian Productivity Commission  
GPO Box 1428  
Canberra City ACT 2601

### **Submission to Inquiry into Human Services**

#### **About the Illawarra Forum**

The Illawarra Forum is the peak body working for community services organisations and for communities in the Illawarra and the Shoalhaven. We support community organisations, promote expertise and innovation in community development, foster industry development and advocate for social justice.

For more than twenty years, the Illawarra Forum has taken a leadership role in the local community services sector, which currently consists of more than 300 organisations across the Illawarra and Shoalhaven areas of NSW.

As part of our leadership role, we engage with those organisations, services and individuals engaged in supporting senior and disadvantaged community members to collect their opinion, expertise and recommendations.

The Illawarra Forum works closely with numerous organisations which provide support to vulnerable people across the region including:

- Services for individuals and families with multiple layers of social and financial disadvantage;
- Home Support services;
- Residential services;
- Services for people with disability;
- Support for victims of domestic violence and sexual assault;
- Youth work programs;
- Social housing and homelessness services;
- Community health services, including mental health and drug/alcohol services;
- Community development and community capacity building programs.

The Illawarra Forum welcomes the opportunity to submit to the Productivity Commission.

## ABOUT THE AREA

The Illawarra and Shoalhaven covers approximately 5784 square kilometres sprawled along the south east coast of New South Wales. The region is extremely diverse, with urban centres such as Wollongong City (NSW's third largest city), Shellharbour City, and Nowra; large suburban sprawl, many outlying villages, and rural areas.

**Wollongong** Local Government Area covers an area from Helensburgh in the north to Lake Illawarra in the south. Wollongong has a population of approximately 200,000, spans an area of 714km sq, and is the third largest city in New South Wales (Sydney and Newcastle are 1<sup>st</sup> and 2<sup>nd</sup> largest), and the tenth largest city in Australia.

**Shellharbour** Local Government Area ranges from Albion Park Rail to Dunmore, has a population of approximately 66,000, and spans an area of 154km sq.

**Kiama** Local Government Area covers an area of 256km sq from Minnamurra River in the north to Gerroa in the south. Approximately 21,000 people live in the Kiama LGA.

**Shoalhaven** Local Government Area, with a population of approximately 98,000, consists of forty-nine towns and villages over an area of 4,568 km sq on the South Coast of New South Wales. This geographic area also includes the Jervis Bay Territory with an important Aboriginal community at Wreck Bay.

The Community Services Industry is part of the largest employment sector in the Illawarra, and 35% growth is projected over the next ten years. Currently, in Shoalhaven, 4,784 people are employed in the Health and Community Services Industry (14% of all employed). In Wollongong 11,112, (or 13.4%) and Shellharbour 3,579 (13.1%) are employed in the industry (ABS 2013). These figures show that not only is this our biggest area of employment, but that we currently exceed the state average of 11.6% (ABS 2013).

## THE ISSUES

The Community Services industry in the Illawarra and Shoalhaven is diverse and vibrant, comprised of organisations ranging from small place-based centres to large businesses operating at regional, state and even national level.

This diversity within the industry means that vulnerable consumers across this vast and varied area are able to receive services tailored to their needs. They often rely on small, place-based organisations which understand the impact of where they live and the contextual requirements involved in delivering vital services.

The Illawarra Forum is greatly concerned about the impact of offering large, contestable contracts which seem attractive to large private sector organisations. Unless these organisations have a thorough understanding of the impacts of service delivery across the vast area, and the remoteness of many clients, their tenders will undoubtedly underestimate

the true cost of service delivery. The result of this will be the lessening or total withdrawal of services for the most vulnerable and isolated individuals.

We are also concerned that should 'for-profit' private sector organisations be successful in tendering for Human Services, there will be an inevitable erosion in both the quality and variety of services being offered. Private sector organisations will inexorably be driven to deliver profits to owners and shareholders, and this can only be done at the expense of vulnerable consumers. The Illawarra Forum strongly advises that public money should be entirely directed to the support of vulnerable individuals, not to delivering profit for private enterprise.

We strongly urge the Productivity Commission not to treat Human Service delivery in the same economically-rational way as other services which can be released for tender in the open market. It is important that community service projects are not viewed as cost centres or a drain on the public purse. These are essential services delivered through contracts with government to the region's most vulnerable people. The profit they deliver is in human terms, and as a rule, non-profit community organisations are able to deliver significant results for the funding they receive.

There is growing fear amongst the Boards, management and staff of smaller, place-based community organisations due to changes and funding reforms. Chief among their concerns is the apprehension that contestability and competitive tendering processes will impact on the current willingness amongst organisations to partner and collaborate, as it effectively pits organisations against each other in the bid to secure funding. There is also a move towards more comprehensive service delivery models which seems to reflect a lack of recognition of the value of specialist or niche services.

Should the Productivity Commission recommend the unbundling of services to facilitate more choice and control by consumers, such unbundling must be facilitated by the resourcing and supporting of collaborative practice. For vulnerable consumers and families, best practice would suggest having services which 'wrap around' the consumer or family. Such a high degree of collaborative practice and service integration can only occur if it is underpinned by the infrastructure, staff training, and policies which enable integrated case-planning, sharing of case notes and client information, and regular case meetings.

Due to the numerous reviews and reforms, there is growing uncertainty about the future of individual organisations and projects, and this is having a serious impact across the region. Boards and management are unable to plan for the future, and staff are becoming increasingly anxious. Most at risk are our small, locally based organisations which are deeply embedded in their local communities. Their connection to their community, and their role in building cohesive, inclusive and dynamic communities cannot be overstated. These organisations are also best able to recruit local support and volunteers through their community connections and local loyalty which has been built over the long term.

In an era when the number of funding contracts has been greatly reduced, there is also a fear that large organisations will monopolise funding opportunities as they have the resources to write better applications and are able to demonstrate economies of scale.

However, it is most important that Government recognize that small place-based organisations are closely connected to their communities, have strong understanding of community need, and are able to quickly respond to changes in the local environment. These organisations play an important role in building community cohesion and capacity, and add diversity to the unique characteristics of our various communities.

Finally, one of the greatest assets the industry has is the skilled and professional staff, however many valued workers are feeling the uncertainty and are seeking new jobs, with many not knowing if they will be employed in just a few months. This includes many workers who are leaving the industry in the hope of more stable employment.

Thank you for the opportunity to comment on the Productivity Commission Inquiry into Human Services. Please feel free to contact this office for further information.

Sincerely,

Nicky Sloan  
CEO  
Illawarra Forum Inc