

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

4 October 2016

Dear Sir/Madam,

Re: Productivity Commission Preliminary Findings Report – Human Services: Identifying Sectors for Reform

The comments below are a general response to the Productivity Commission's Preliminary Findings Report.

Youth, Family and Community Connections Inc. (YFCC) provided an initial submission in response to the Productivity Commission's Issues Paper – Human Services: Identifying Sectors for Reform.

In the Findings Report, YFCC is quoted (at page 132). For the purpose of clarification this statement was provided by YFCC as a reason for NOT introducing further competition and contestability. With increased competition and contestability those in rural and remote regions are likely to receive less service, due to the increased cost of providing services.

In relation to the balance of the report, YFCC seeks to reiterate the following:

- YFCC does not support further competition and contestability in the human services sector.
- There is already robust competition in the sector due to existing tendering processes. These same processes already create high levels of efficiency and effectiveness.
- Introducing a robust framework for reporting on outcomes would ensure services are meeting the desired requirements for the funding they receive.
- Robust frameworks already exist (ACNC) for financial accountability and reporting.
- Existing Quality Accreditation Standards and Quality Improvement processes ensure consumers are afforded protections such as:
 - services are delivered in a respectful way that recognises each consumer's personal worth and individuality
 - consumers' privacy is ensured, information is confidential and the organisation meets legislative requirements
 - eligibility requirements for service and program participation are fair, ethical and transparent
 - informed consent processes are implemented for service and program provision, and when personal information is gathered, stored, shared and used
 - consumers are aware of their rights and responsibilities including complaint, grievance, appeal and conflict management procedures, and these procedures are implemented promptly, judiciously and fairly
 - barriers to service access are identified and addressed, and consumers are supported to access services
 - there are formal and informal mechanisms for consumers to participate in the review, planning and design of services

- the organisation advocates on behalf of individual consumers at their request and at community and political levels as appropriate
- the organisation specifies the ethical standards expected of personnel in service and program provision and in research, and ensures these standards are met
- Further competition and contestability 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 many rural areas of 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.
- Competition causes well-established networks to break down. These working relationships often provide additional leveraging to the value to the funding received. Through combined efforts consumers often receive improved outcomes.
- With increased competition and contestability, those consumers who reside in rural and regional areas find it increasingly difficult to access and receive a service due to the higher cost to the provider of providing that service.
- Often consumers 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 and there are difficulties in ensuring unbiased referral points.
- 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 consumers in need. In a bid to win tenders big business may undercut the true cost of service provision. This means poor quality services for consumers and communities, and increased workloads for staff.
- The burnout rate and stress levels amongst workers will considerably increase due to the added insecurity of funding and employment instability. This is already an issue within the human services sector due to the increased levels of competitive tendering over recent years but will certainly increase with additional competition and contestability.

Yours sincerely,

Roslyn Atkinson
Chief Executive Officer