

# Productivity Commission *Inquiry into competition and informed user choice in Human Services*

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## Introduction

In October 2017, the Productivity Commission (the Commission) completed its *Inquiry into competition and informed user choice in Human Services* and reported to the Commonwealth Government. On Monday 26 March 2018, this outcome report was released to the public.

The report argues that change is needed in the human services sector to enable people to have a stronger voice in shaping the services they receive and who provides them.

The Commission identified six services it believes will benefit from the introduction of greater user choice, competition and contestability and outlines specific reforms for the following areas:

- End-of-life care services
- Social housing
- Family and community services
- Services in remote Indigenous communities
- Patient choice over referred health services
- Public dental services.

The federal government is currently preparing its response to the report.

## The Commission's conclusions

The Commission makes a number of recommendations about the application of increased competition, contestability and informed user choice to the human service system.

In relation to end-of-life care, the Commission recommended that governments increase the availability of community-based palliative care, so people wishing to die at home can access support to do so. In relation to social housing, the commission called for the introduction of a single system of financial assistance for eligible tenants.

### Family and community service recommendations: A snapshot

The Commission's recommendations in family and community services cover the following actions:

- Analyse the characteristics and needs of the service user population to assist with system and program design and targeting
- Develop and publish data-driven maps of existing family and community services
- Develop plans to coordinate services for each region and for people with complex needs
- Increase default contract lengths to seven years
- Agree on indicators of the wellbeing outcomes of people who use family and community services and apply them consistently across all such services

- Improve systems for identifying the characteristics of service delivery models, service providers, programs and systems associated with achieving positive outcomes for users
- Evaluate service providers, programs and systems, publish the lessons of these evaluations, and release de-identified data on family and community services.

## The Centre's position

In its report, the Commission asserts that 'unlike some of the other services considered in this inquiry, family and community services are not well-suited to the widespread introduction of greater user choice at this time'. The Centre welcomes the Commission's acknowledgement that increased competition is not an automatic solution to inefficiencies in the provision of family services.

In our submission to the Productivity Commission, the Centre highlighted a number of concerns surrounding an increase in competition in the delivery of human services. In particular we warned that improved service delivery for clients with complex needs requires collaboration rather than competition.<sup>1</sup>

Governments need to ensure that the introduction of greater competition does not undermine the ability of human services to be collaborative, flexible and innovative. In our submission we pointed to some of the undesirable outcomes associated with the marketisation of Australia's employment assistance services.

The Commission's recommendations recognise the importance of integrating collaborative practice, data collection and evaluation, information sharing, flexibility of contracts and user-centred design in the family and community service sector.

The Commission notes that the current scheme of short-term, inflexible contracts diminishes collaborative efforts of community organisations.<sup>2</sup> We welcome the Commission's call for longer contract lengths for the provision of family and community services. As described in the report:

Seven-year default contracts would allow for time for setup (...including workforce capacity and building relationships in the community) and time for a smooth transition to a new provider at the end of the contract.<sup>3</sup>

This recommendation may also assist organisations who have been awarded a tender to build internal knowledge, processes and competencies over a seven-year period and result in improved services for families. However, inter-agency collaboration also needs to be supported by clearly defined processes and procedures.

The Centre is particularly supportive of recommendations to improve evaluation processes and data coordination. Robust and systematic evaluation is essential to learn and share what does and does not work, and to improve quality of services. Evaluation can result in potential benefits for children, families and communities and the government. We also recognise that data relating to the characteristics and needs of service users will be valuable to family service providers.

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<sup>1</sup> See Centre for Excellence in Child and Family Welfare [submission](#).

<sup>2</sup> Productivity Commission 2018, *Inquiry into competition and informed user choice in Human Services*, Productivity Commission, Melbourne, pp. 245.

<sup>3</sup> Productivity Commission 2018, pp. 261.