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Delivering quality care more efficiently – Interim report – submission

Thank you for the opportunity to contribute to the Productivity Commission's 'five pillars' program of work. In this submission, Relationships Australia National Office is commenting on the Interim Report, *Delivering quality care more efficiently*, as part of the Government's priority to lift Australia's productivity. Relationships Australia's interest in this inquiry is fourfold:

- our national federation of organisations provides family and community support services which intersect with aged care, disability and veterans' services, including:
 - therapy services, such as specialist counselling and other relational services to people with disability, specialist family violence services, family counselling and dispute resolution, case management and mediation services for older adults affected by abuse and mistreatment, and Family Group Conferencing in child protection matters¹
 - allied health
 - social connection services in residential aged care facilities in South Australia (funded by a PHN), and
 - services to respond to violence, abuse, neglect and mistreatment of older adults, regardless of their residential arrangements
- our clients include people living in Commonwealth-funded aged care services, people with disability, and veterans
- the recommendations in the Interim Report, relating to regulatory alignment, collaborative commissioning and greater investment in prevention, contemplate eventual extension across the sectors that provide family, relationship and community services;² as a leading provider of family and relationship services, the Relationships Australia federation has a vital interest in how the recommendations put forward by the Productivity Commission can later be adapted to boost productivity in our work, and
- the Interim Report describes funding shortfalls, poor data collection and use, and inflexible administration as significant barriers to improved productivity in the sectors it examines; the same issues were recently identified as key barriers to higher performance in the Family Relationships Services Program (FRSP) funded by the Commonwealth Attorney-General's Department (Metcalf Review, 2024).

The purpose of this submission is to highlight the commonality of issues faced by Relationships Australia, and identify our federation as a key stakeholder in the development and

¹ See Interim Report, Box 1.2, p 17.

² See, eg, Interim Report, p 17.

implementation of policies relating to improving productivity in the family and community services, health and justice sectors. There are clear synergies between the challenges and opportunities identified in the Interim Review, and those identified in the Metcalfe Review. Mr Metcalfe acknowledged the strong track record of providers of services under the program, most of whom are trusted non-profit organisations, and identified challenges to improved service provision, including:

- prevalence of complex needs not in contemplation at the establishment of the FRSP, which are addressed through fragmented and disparate jurisdictions and systems (eg concurrent intimate partner violence, mental ill-health, and harmful use of alcohol, drugs and gambling – each of which present in the health, aged, disability and veterans' affairs sectors)
- lack of geographic equity, especially in rural, regional and remote areas, and especially for First Nations women
- lack of services tailored for marginalised cohorts (including adolescents)
- inconsistent fee structures
- the limitations of data collection through DEX,³ the data collection system mandated by the Department of Social Services, and the failure to leverage data that is collected by DSS to drive service improvement and innovation
- lack of access to high quality, authoritative and contemporary information about available services
- duplicative and inefficient data collection
- duplicative and inefficient compliance reporting⁴
- failure to use and share collected data to drive innovations and efficiencies that enhance productivity by improving user outcomes and generating savings in acute and tertiary health, justice, labour market and social services, and
- static baseline funding.⁵

The Metcalfe Review identifies key opportunities to enhance service provision, including:

- greater flexibility in program structure, including to allow more scope for service integration and innovation

³ See, eg, pp 7, 13, 14, 22, 113, 158, 159. For the criticality of effective data collection and use by governments as part of their role as market stewards, see King, 2025.

⁴ Service providers are often forced to patchwork together bits of funding from various disjointed funding envelopes that exist in functional isolation from each other. For example, a separating family being supported by a Relationships Australia organisation is likely to need multiple services (Carson et al, 2018) – such as couples counselling, individual counselling, Family Dispute Resolution, access to a Children's Contact Service, counselling for children and young people, participation in a Men's Behaviour Change Program and a Parenting Orders Program. In addition, we might also be providing support for harmful gambling or harmful use of alcohol and other drugs (see Family Law Council, 2015 and 2016). To do this lawfully, we must comply with the criteria in multiple sets of grant guidelines and multiple sets of reporting and other governance arrangements. All of this has an opportunity cost in terms of time and resources that could more productively be directed at serving the family.

⁵ See pp 62, 69-70 of the Metcalfe Report, available at <https://www.ag.gov.au/families-and-marriage/publications/support-separating-families-review-family-relationships-services-program>.

- establishing Family Relationship Centre Hubs and embedding and funding case management, to lift from service users the burden of dealing with fragmented services and programs
- establishing multi-functional service hubs for separating or separated First Nations families, delivered by ACCOs
- providing additional services in population growth areas
- more specific outcomes measures, and
- improvements to information sharing within and across governments.

The work of Relationships Australia

Relationships Australia is a federation of community-based, not-for-profit organisations with no religious affiliations. Our services are for all members of the community, regardless of religious belief, age, gender, sexual orientation, lifestyle choice, cultural background or economic circumstances. Relationships Australia provides a range of services, including counselling, dispute resolution, children's services, services for victims and perpetrators of family violence, services for older people, and relationship and professional education. We aim to support all people in Australia to live with positive and respectful relationships, and believe that people have the capacity to change how they relate to others.

Relationships Australia has provided family relationships services for over 75 years. Our State and Territory organisations operate approximately one third of the Family Relationship Centres (FRCs) across the country. In addition, Relationships Australia Queensland operates the national Family Relationships Advice Line and the Telephone Dispute Resolution Service.

In 2023-2024, Relationships Australia member organisations:

- served more than 175,000 clients across more than 100 locations and 97 outreach locations
- employed 2,000 staff to offer more than 380 unique services/programs
- launched more than 25 new programs
- participated in over 29 research projects, and
- offered more than 27 articles and submissions, which reflected and amplified what we learn from clients and through research projects,⁶ to support legislative and policy development, and continuous improvement and innovation in service delivery.

Framing principles of this submission

Principle 1 - Commitment to human rights

Relationships Australia contextualises its services, research and advocacy within imperatives to strengthen connections between people, scaffolded by a robust commitment to human rights.

⁶ Relationships Australia (2024) Annual Impact Report for Family Relationships Services Programs. Accessible at <https://www.relationships.org.au/wp-content/uploads/RA-Impact-Report-24-FINAL.pdf>

Relationships Australia recognises the indivisibility and universality of human rights and the inherent and equal freedom and dignity of all.

Principle 2 – Commitment to inclusive and universally accessible services

Relationships Australia is committed to universal accessibility of services, as well as inclusive and culturally safe services. Our clients (and staff) experience stigma, marginalisation and exclusion arising from diverse circumstances and positionalities, including:

- ‘postcode injustice’ in accessing health, justice and other social services that are of consistent standards of quality and safety, regardless of location⁷
- poverty
- status as users of care and support
- disability and longstanding health restrictions (including poor mental health)
- intimate partner violence, abuse or neglect as an older person, and/or child maltreatment
- family separation
- being an adult informal carer for a child or other adult
- being a young person caring for a child or an adult
- housing insecurity and instability
- employment precarity, unemployment and under-employment
- misuse of alcohol and other drugs, or experience of gambling harms
- people who come from culturally and linguistically marginalised backgrounds (including people who have chosen to migrate and people who have sought refuge)
- people affected by complex grief and trauma, intergenerational trauma, intersecting disadvantage and polyvictimisation
- survivors of institutional abuse
- people experiencing homelessness or housing precarity
- people who identify as members of the LGBTIQ+ communities, and
- younger and older people.

None of these circumstances, experiences and positionalities exists at the level of an individual or family. They become barriers to full enjoyment of human rights and full participation in economic, cultural, and social life through the operation of broader systemic and structural factors including:

- legal, political and bureaucratic frameworks
- beliefs and expectations that are reflected in decision-making structures (such as legislatures, courts and tribunals)
- policy settings that inform programme administration, and
- biases or prejudices that persist across society and that are reflected in arts, culture, media and entertainment.

⁷ As acknowledged in the Interim Report: p 14.

Principle 3 – An expanded understanding of diverse ways of being and knowing

Relationships Australia is committed to working with Aboriginal and Torres Strait Islander people, families and communities. Relationships Australia is also committed to enhancing the cultural responsiveness of our services to other culturally and linguistically marginalised individuals, families and communities. Our commitment to human rights necessarily includes a commitment to respecting epistemologies beyond conventional Western ways of being, thinking and doing.

Of acute importance is a commitment to respecting epistemologies and experiences of Aboriginal and Torres Strait Islander people as foundational to policy and programme development, as well as service delivery. Connection to Country, and the context-specific experiences of kinship, for example, do not countenance the hyper-individualism that pervades Western assumptions about distribution of resources and obligations between the Western nation-state and individuals, and among individuals. Centring the epistemologies and experiences of Aboriginal and Torres Strait Islander people is a necessary (although not of course sufficient) step in achieving the targets in the National Agreement on Closing the Gap, as well as preventing entry into poverty, ameliorating its effects, and hastening transitions out of poverty.

Principle 4 - Commitment to promoting social connection and addressing loneliness as a serious public health risk

Loneliness is a complex social problem and a public health concern. It stems from dissatisfaction with our relationships, a lack of positive and respectful relationships, or both of these, and is often caused by experiences of exclusion due to structural and systemic social realities that form obstacles to participation in social, economic, cultural and political life. As a public health concern,⁸ loneliness has been linked to physical health risks such as being equivalent to smoking 15 cigarettes a day and an increased risk of heart disease.⁹ Loneliness is a precursor to poorer mental health outcomes, including increased suicidality.¹⁰ It is therefore clear that interventions that address loneliness decrease the burdens on acute and tertiary health care services, and are far less expensive to undertake.

Further, policy, regulatory and service interventions that strengthen connections and reduce isolation are the most promising and feasible avenues for reducing the risk of abuse and exploitation of people who face structural and systemic barriers to their full participation in society. For example, social support has emerged as one of the strongest protective factors identified in elder abuse studies:

....Social support in response to social isolation and poor quality relationships has also been identified as a promising focus of intervention because, unlike some other risk

⁸ Heinrich & Gullone, 2006; Holt-Lunstad et al, 2015; Mance, 2018.

⁹ Valtorta, 2016.

¹⁰ Calati et al, 2019; McClelland et al, 2020; Mushtaq, 2014.

factors (eg disability, cognitive impairment), there is greater potential to improve the negative effects of social isolation.¹¹

Relationships Australia is a foundation member of the Ending Loneliness Together network¹² and has, since 2013, been the custodian of Neighbours Every Day,¹³ the primary purpose of which is to equip and empower individuals to build sustainable, respectful relationships with those around them. It is an evidence-based campaign aimed at reducing loneliness by raising awareness and, importantly, providing tools to combat social isolation.

Principle 5 – Intergenerational stewardship and equity

Fairness to future generations should not be viewed through a reductionist fiscal lens. Relationships Australia takes seriously obligations of stewardship for future generations, which transcend the national balance sheet and require us to invest in social infrastructure (tangible and intangible). This includes fit for purpose human rights infrastructure which anchors the care and support economy.

Principle 6 – Commitment to centring lived experience in policy and service design, delivery and evaluation

Centring lived experience (including through authentic co-design¹⁴) in policy and service design supports the development of policy, legislation and services that uphold human rights – especially human rights of individuals and groups who have traditionally been marginalised and excluded from policy discourse, or been the ‘objects’ of such discourse. In addition, centring lived experience can enhance the transparency and public accountability in policy and programme development, and the efficiency of government services, by supporting the delivery of outcomes that are valued by service users, not just administrators.

Other relevant submissions

This submission is informed by various submissions which Relationships Australia has made in recent years, and which can be found at <https://relationships.org.au/what-we-do/#advocacy>. Submissions containing recommendations of particular relevance to the Commission’s concerns about fragmentation (of legislation and regulation, as well as service design and delivery), poor

¹¹ See Dean, CFCA 51, 20, Box 7, citing the United States of America population study described in Acierno et al, 2017; citing also Hamby et al (2016); Pillemer et al (2016).

¹² The campaign Ending Loneliness Together has released a guide that explains how community organisations can use validated scales to measure loneliness: https://endingloneliness.com.au/wp-content/uploads/2021/08/AGuidetoMeasuring-Loneliness-for-Community-Organisations_Ending-Loneliness-Together.pdf

¹³ Neighbours Every Day is an evidence-based campaign, evaluated by the Australian National University, aimed at reducing loneliness by raising awareness and, importantly, providing tools to combat social isolation. With adequate resourcing, we are confident that Neighbours Every Day could be scaled to reach a greater number of Australians, in all communities and at all stages of the life course. For recent international endorsement of Neighbours Every Day, see: From loneliness to social connection - charting a path to healthier societies: report of the WHO, 2025.

¹⁴ For discussion of the abasement of the term ‘co-design’, particularly in First Nations policy, see eg Butler et al, 2025.

data collection and usage practices, the adverse effects on service users of short-term and uncertain funding arrangements, limitations imposed by Budget process rules, and the benefits of greater collaboration, are:

- submission to the Commonwealth Attorney-General's Department on the draft National Plan to End Abuse and Mistreatment of Older People 2024-2034
- the pre-2025/2026 Budget submission
- submissions to the Commonwealth, as well as state and territory governments, about domestic and family violence, gendered violence, sexual violence, abuse and mistreatment of older adults, and child maltreatment
- submissions to Parliamentary inquiries into Australia's family law system, as well as submissions responding to the issues paper and discussion paper produced as part of the Australian Law Reform Commission's inquiry into that system
- submissions to Commonwealth agencies concerning their dealings with people experiencing circumstances of vulnerability
- submissions relating to the Royal Commission into Aged Care Quality and Safety and to the Government during the development of the *Aged Care Act 2024* (Cth), as well as submissions:
 - to inquiries into the use and regulation of restrictive practices in aged care services, and
 - relating to the development of the 2024 Aged Care Act
- submission to the Department of Social Services regarding the National Carer Strategy
- submission to the House of Representatives Standing Committee on Social Policy and Legal Affairs about the *Carer Recognition Act 2010* (Cth)
- submission to the Department of the Prime Minister and Cabinet about the draft *National Care and Support Economy Strategy 2023*
- the submission to the Senate Standing Committee on Community Affairs in relation to its inquiry into the extent and nature of poverty in Australia, and
- the submission to the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability and the submission responding to the NDIS Consultation Paper: *Supporting you to make your own decisions*.

Recommendations

Recommendation 1 That the Productivity Commission:

- partner with the Australian Human Rights Commission to ensure that Australian governments can be confident that productivity reforms are anchored in, and explicitly support, human rights, and
- itself explicitly recommend that all productivity reforms be grounded in human rights.

Recommendation 2 That, in planning for implementation in the prioritised sectors, Australian governments ensure that the tempo, activities and

resourcing of regulators in other parts of the care and support economy (including family and relationship services) do not create perverse incentives for bad actors to move to those parts.

- Recommendation 3** That the final report of this inquiry align with the upcoming programme of work in relation to worker screening in the early childhood education and care sector to avoid exacerbating regulatory fragmentation and mitigating risks of ‘soft targets’ in parts of the care and support economy that are not included in the ECEC program.
- Recommendation 4** That reporting frameworks and data repositories be designed and developed with partnership between governments, providers, service users and researchers at the centre.
- Recommendation 5** That, in ensuring “*a consistent approach to the regulation of artificial intelligence across the aged care, NDIS and veterans’ care sectors,*” the Commonwealth, state and territory governments must centre human rights and ethics. Regulation of AI in these sectors must not be viewed through merely technocratic or regulatory practice lenses.
- Recommendation 6** That the Productivity Commission engage with the Commonwealth Ombudsman on risks and opportunities for using AI to enhance productivity in the care and support sector.
- Recommendation 7** That the Productivity Commission advise governments to incorporate consideration of environmental (and subsequent public health) impacts of the use of AI.
- Recommendation 8** That Government review its approach to funding agreements to adequately support collaboration in the care and support economy.
- Recommendation 9** That, before implementing collaborative commissioning in a sector, governments should identify and implement means of encouraging efficiency, effectiveness and innovation other than competitive tendering, which has failed to deliver the benefits described by the Industry Commission in 1996, while undermining the capacity of the sector to collaborate effectively.
- Recommendation 10** That the Productivity Commission consider examining issues such as short term funding, poorly timed evaluations, and eleventh hour extensions in further detail in advising governments how they can contribute to lifting productivity.
- Recommendation 11** That all service providers, whether or not they partner with ACCOs and ACCHOs, ensure that their services, service outlets and workers are culturally safe, so that First Nations people have choice about whether to go to an ACCO service or another service, and are culturally safe regardless of their choice.
- Recommendation 12** That the proposed National Prevention Investment Framework should explicitly include support for universally accessible services that operate among the general population.

Recommendation 13 That Budget Process Rules not merely allow for, but actively encourage cross-portfolio offsets and downstream savings (or ‘second-round effects’) (including beyond the Forward Estimates and out years) to be taken into account when considering new policy proposals.

Recommendation 14 That, in Box 3.3 (Interim Report, p 63), the Productivity Commission propose that the design of prevention activities be led by Aboriginal and Torres Strait Islander people (not merely designed in partnership).

Comments on Interim Report

Overarching comments

Human rights lens on productivity

Consistent with the framing principles of this submission, Relationships Australia urges the Productivity Commission to explicitly position human rights at the core of policy, legislative and regulatory reforms to lift productivity. We welcome the description, in the Interim Report, of the provision and regulation of aged care and disability services as being anchored in human rights (p 17, Box 1.2). However, while the Convention on the Rights of Persons with Disability anchors the NDIS and disability policy,¹⁵ there is no equivalent convention on the rights of older persons. This lacuna has led directly to the *Aged Care Act 2024* relying on the hospital and sickness powers in the Constitution – powers that inherently pathologise and medicalise ageing and older adults, and view them through a deficit lens.¹⁶ This difference in Constitutional head of power is likely to limit the Commonwealth’s ability to fund prevention activities in aged care services.

Relationships Australia has consistently recommended that the Australian Government commit to actively supporting and participating in the development of an international convention on the rights of older persons.¹⁷ We are part of the EveryAGE Counts campaign, the Rights of Older Persons Alliance and the Human Rights as We Age Network recently established by the Australian Human Rights Commission.

Further, reliance on consumer rights models, rather than human rights, in aged care service provision, has not served older adults well. Consumer rights make a range of assumptions about the relative positions of providers and consumers which do not reflect the practicalities

¹⁵ Noting that the Commonwealth Attorney-General’s Department has a current consultation open about the *Disability Discrimination Act 1992* (Cth). Relationships Australia National Office intends to make a submission to that consultation.

¹⁶ Except in respect of First Nations people: Commonwealth Constitution, placitum 51(xxvi).

¹⁷ See, for example, Recommendation 2 of our 29 August 2025 submission to the Attorney-General’s Department consultation on Australia’s draft national report for the Fourth Periodic Review; Recommendation 25 of our February 2025 submission to the Attorney-General’s Department on the draft National Plan to End Abuse and Mistreatment of Older People (<https://www.relationships.org.au/wp-content/uploads/Relationships-Australia-Submission-regarding-AMNEOP-draft-planFINAL.140225.pdf>) and Recommendation 6 of our 2023 submission to the inquiry of the Parliamentary Joint Committee on Human Rights into Australia’s Human Rights Framework (<https://www.relationships.org.au/wp-content/uploads/PJCHRhumanrightsframework.FINAL.pdf>).

of aged care service provision in Australia, which includes thin markets, geographic inequities, and structural asymmetries in knowledge and power.¹⁸ We were dismayed to see users of aged care services described as ‘consumers’ in the draft Aged Care Regulatory Statement under consultation until 5 September 2025.¹⁹ We are uneasy, also, at the references throughout that Statement to ‘older people’, rather than simply ‘people’; this language implicitly others users of aged care services.

Even more concerning is that:

- while section 23 of the Aged Care Act enumerates rights of users of aged care services, subsection 24(3) removes from such users any standing to enforce the section 23 rights, or to vindicate breaches of these rights in a court or tribunal; instead, enforcement of rights is left to the complaints mechanism in the Act²⁰
- the regulator has a dual responsibility of upholding users’ rights (indeed, being their advocates)²¹ and supporting providers; in the draft Regulatory Strategy, the regulator describes itself as a partner of both users and providers;²² we consider this to be a built-in conflict of interest – a conflict that has existed in the past, and which previous regulators have conspicuously failed to manage, to the detriment of service users²³
- the draft Regulatory Strategy currently under consultation explicitly prioritises protection over rights, giving rise to the perception that, at its best, the regulator will default to benevolent paternalism over autonomy,²⁴ and
- the Act as passed in 2024 has failed to move towards reducing and eventually eliminating the use of restrictive practices, which can amount to egregious human rights violations, or progress towards eliminating their use in aged care services.²⁵

¹⁸ See, eg, Cochrane et al, 2021; King, 2025.

¹⁹ See the Aged Care Regulatory Diamond at p 14 of the draft Strategy (<https://www.agedcarequality.gov.au/sites/default/files/media/draft-regulatory-strategy-2025-26.pdf>).

²⁰ For more information about how the regulator envisages managing complaints, see the draft Regulatory Strategy. At p 12, King (2025) notes that ‘Human service providers, including government providers, are subject to standard laws such as competition and consumer protection laws’. The 2024 Aged Care Act exempts aged care providers, in an environment where there are serious risks to human rights, from ‘standard laws’.

²¹ See the draft Regulatory Strategy, p 15.

²² See the draft Regulatory Strategy, p 19.

²³ We welcome the clarity with which the Strategy describes increasing intensity of supervision response: see p 17. We are concerned, however, that the draft Strategy indicates that ‘Only a small number of providers will be assigned into heightened supervision, representing a cohort that is the highest risk caseload and one the Commission has most concern about’ (p 18). Assignment into that category should simply about risk, not about a proportion or number of providers. If an unexpectedly large number of providers is engaging in high risk conduct, then all of those providers should received heightened supervision.

²⁴ See, for example, p 4, where safeguarding functions rank first and dealing with user complaints (which is the only means of enforcing rights) is ranked fourth, after education and engagement functions, and the function of provider registration.

²⁵ We note the anomaly between the aged care and disability services sector in relation to the regulation of restrictive practice; there is no principled or clinical basis for this to remain and, as acknowledged in the Interim Report, creates unnecessary complexity without improving outcomes for the service user (Interim Report, pp 23, 25-26). See also Inspector-General of Aged Care, 2025, p 49.

In her recently published report on implementation of the Royal Commission recommendations, the Inspector-General of Aged Care remarks that

However, the Act will not deliver a rights-based, person-centred system as clear or as robust as the Royal Commission intended because the pathways available to individuals to assert their rights lack the clarity and vigour to drive real change. Most concerning, section 24(3) provides that the Statement of Rights is not enforceable in the courts or tribunals.²⁶

Its pathologised Constitutional basis, the inclusion of an ouster clause, the failure to move energetically towards eliminating the use of restrictive practices, as well as the dual role conferred on the regulator, all substantially undermine the capacity of the Act to drive meaningful improvements in aged care.²⁷

Because of these fundamental flaws in the yet to commence Aged Care Act, neither the Productivity Commission nor Australian governments more broadly can rely upon it to provide a human rights framework to inform service provision or regulation. For the aged care system to be human rights informed in implementing productivity reforms, Relationships Australia **recommends** that the Productivity Commission:

- partner with the Australian Human Rights Commission to ensure that Australian governments can be confident that productivity reforms are anchored in, and explicitly support, human rights, and
 - itself explicitly recommend that all productivity reforms be grounded in human rights.
- (Recommendation 1)**

An anaemic commitment to the rights of older adults in Australia has also contributed to undermining productivity in the failure of successive Commonwealth, State and Territory governments to progress towards the related policy objectives of embedding supported decision-making and harmonisation of laws relating to enduring powers of attorney, as consistently recommended by a range of inquiries²⁸ Lack of consistency in these laws has adverse impacts:

- depriving adults from exercising their autonomy to the maximum extent
- creating risks of abuse by bad actors who exploit the inter-jurisdictional inconsistencies and the resultant lack of a national register,²⁹ and

²⁶ Inspector-General of Aged Care, 2025, pp 28, and 37 (where the IGAC also notes important rights that are not included in the Act: the rights to liberty, freedom of movement and the right to freedom from restraints).

²⁷ Relationships Australia has elsewhere recommended that subsection 24(3) of the Aged Care Act be omitted, to better support the Act to meet its objectives (see, eg, Recommendation 25 of our submission to the Attorney-General's Department on the draft National Plan to End Abuse and Mistreatment of Older People (<https://www.relationships.org.au/wp-content/uploads/Relationships-Australia-Submission-regarding-AMNEOP-draft-planFINAL.140225.pdf>))

²⁸ See, eg, ALRC Report 124, 2014; the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, Final Report, especially volume 6; ALRC Report 131, 2017; PJC on Corporations and Financial Services, 2024.

²⁹ The Commonwealth previously, and against strong advice from experts, attempted to develop a national register in the absence of more consistent laws. The attempt failed, and wasted over two years of time and effort.

- depriving adults who lack capacity of the protective benefits of sound and reliable advancing planning instruments.

These objectives have languished on the agenda of the Standing Committees of Attorneys-General for over 20 years, consistently de-prioritised relative to other priorities and the subject of parochial special pleading. The adverse effects on the financial and banking industry have long been recognised by the Australian Banking Association. The current Age Discrimination Commissioner has convened an Action Collaboration on financial elder abuse which may offer a focus for further action.

Reform of quality and safety regulation to support a more cohesive care economy

Relationships Australia supports draft recommendation 1.1 of the Interim Report.³⁰

Implementing effective and efficient regulation is a critical element of the role of governments as market stewards in the care and support economy.³¹

Relationships Australia considers that it is vital to conceptualise regulation as an activity emanating from a tripartite relationship between service users, regulators and providers – with users (who are also, in significant numbers, taxpayers and voters) having primacy. In the past, discussions about regulation of the provision of human services, including those in the care and support economy, have been conceptualised within a dyad comprising only (or, at best, dominated by) government and providers. This is incompatible with a human rights based, person-centred system.

Inadequate funding of regulators a barrier to improving productivity through better user outcomes

Historically, regulators have been under-funded relative to the scope of their function – and relative to the resources commanded by some of their regulatory subjects.³² Relationships Australia considers that under-funding of regulators has led to some of the regulatory behaviours evidenced in a series of Royal Commissions - dilution to lowest common denominator/line of least resistance/ritualistic and tick a box regulation, as well as regulators that become complacent or captured. This is particularly problematic in sectors where there is persistent and substantial asymmetry of knowledge and power between service providers and service users, as well as in sectors characterised by thin markets.³³ In such sectors, sufficiently funded regulators are essential to mitigate these asymmetries. Under-resourced regulators in

³⁰ We acknowledge that the Aged Care Quality and Safety Commission indicates that it will seek alignment and co-operation with the NDIS Quality and Safeguards Commission, the Australian Commission on Safety and Quality in Health Care, the Australian Health Practitioner Regulation Agency, the Fair Work Ombudsman, State and Territory Coroners and Police, and State and Territory health complaint entities Draft Regulatory Statement, p 3.

³¹ See King, 2025.

³² Noting that the Interim Report identifies adequate resourcing and appropriate capabilities as a principle of leading-practice regulation (Figure 1.2, p 16).

³³ In the aged care sector, the asymmetry of power exists from several circumstances; one of the most influential is the practical reality of ‘transfer trauma’ to service users if they are forced to move providers (eg if a provider is closed down, or the relationship between user and provider has irretrievably broken down).

such circumstances allow bad actors to flourish and exploit asymmetries of knowledge and power, while not only not providing suitable services, but also causing actual – sometimes irremediable – harm. It is a matter of public record that this has occurred in aged care, disability and veterans’ services³⁴ and early childhood education and care.

For these reasons, too, we are concerned that lowering barriers to entry to provider organisations and individual workers should not be seen as *per se* desirable (see Figure 1.1, p 12). There are instances (for example, in children’s contact services provided under the FRSP) where strong barriers to entry are, in fact, justified. For too long, the care and support economy has been seen as a soft target by unscrupulous actors. Productivity gains, in the form of better user outcomes, will soon dissipate along with public confidence if barriers to entry are not sufficient to deter profiteers.

Regulation must cover the field, or risk ‘soft target’ problems

Relationships Australia acknowledges the practical imperatives of gradual implementation of the Interim Report’s recommendations across the broader care and support economy. We are, however, concerned that phased implementation of regulatory reforms could create a ‘soft target’ problem where bad actors depart aged care, disability and veterans’ services (and, given current developments, the early childhood education and care sector) to move to other services receiving less regulatory attention. In doing so, the effect is simply to move the risk between cohorts of service users.

To mitigate this risk of serious harm, Relationships Australia **recommends** that, in planning for implementation in the prioritised sectors, Australian governments ensure that the tempo, activities and resourcing of regulators in other parts of the care and support economy (including family and relationship services) do not create perverse incentives for bad actors to move to those parts. (**Recommendation 2**)

Worker screening

The communiqué from the 15 August 2025 meeting of the Standing Committee of Attorneys-General³⁵ contemplates an upcoming programme of work in relation to worker screening in the early childhood education and care sector. We **recommend** that the final report of this inquiry align with that program to avoid exacerbating regulatory fragmentation and mitigating risks of ‘soft targets’ in parts of the care and support economy that are not included in the ECEC program. (**Recommendation 3**)

‘Report once, use often’ (Interim Report, p 21)

Relationships Australia welcomes the Productivity Commission’s acknowledgement that inefficient regulatory and reporting requirements divert workers from service delivery and

³⁴ As amply demonstrated during Royal Commissions into each of these service provision sectors.

³⁵ Available at <https://www.ag.gov.au/sites/default/files/2025-08/scag-communique-15-august-2025.pdf>

reduces overall productivity.³⁶ Capacity to provide reports is not a proper proxy for delivering human rights centred, high quality, services.

Funding grants, and the grant guidelines supporting them, are structured in alignment with bureaucratic divisions, so that one service provider can, in relation to even a single family, be administering funding for overlapping services from several different government departments, at different levels of government. This imposes substantial administrative burdens and costs (which are not met through funding envelopes).

For example, one of the smaller Relationships Australia organisations, Relationships Australia South Australia, has identified that:

- reporting expectations vary significantly across funders, with one contract requiring 36 reports, another requiring two per annum, compared to an average of 12 reports per contract
- report type (e.g., data, compliance, financial) is entirely funder-driven, requiring bespoke arrangements for each contract
- many reports do not contribute to service quality; instead, they duplicate compliance activities already addressed through service quality standards processes
- funders can unilaterally alter reporting requirements, often without notice, negotiation, or clear rationale
- reporting tends to prioritise scrutiny of administrative processes (e.g., expenditure and overheads), even though government itself creates much of the overhead burden and constrains efficiency, and
- a lack of standardisation and frequent, short-notice changes create significant inefficiencies; the compliance-heavy focus rather than service outcomes focus is a missed opportunity that diverts resources away from service quality and limits our capacity to invest in innovation.

Relationships Australia **recommends** that reporting frameworks and data repositories³⁷ be designed and developed with partnership between governments, providers, service users and researchers at the centre (**Recommendation 4**). To promote transparency and accountability, support user choice, and to drive evidence-based innovation, data should be collected with discernment and published as broadly as possible.

The ‘black box’ data collection and holding practices that were exposed in the Royal Commission into Aged Care Quality and Safety – and that characterise the Department of Social Service’s misleadingly named DEX - should be shelved as relics of poor stewardship practices.³⁸ Governments must lead by example in data-sharing; this should not only be a requirement for

³⁶ Interim Report, p 11.

³⁷ Interim Report, 10.

³⁸ See also Interim Report, pp 13 and 21, and the acknowledgement of limitations of current data collection practices.

service providers.³⁹ For this reason, too, it would be desirable to describe data collection systems not as passive repositories into which data is fed, never to be seen again, but in ways that reflect that the point of data collection about taxpayer funded services is to measure demand, ensure accountability and quality, and drive service improvement and innovation. Data collection is not an end in itself.

Relationships Australia supports draft recommendation 1.1 at the top of page 3 of the Interim Report.⁴⁰

Mutual recognition of audits

Each Relationships Australia organisation is subject to an array of audits and other compliance activities criss-crossing levels of government, different agencies within government, and different branches/sections and other units within the same agencies within the same government. Often, these audits relate to the same service users, and lead not only to duplication, overlap and administrative inefficiency for service providers (and officials), but also to the production of data sets which cannot be confidently relied upon to guide ongoing funding or service refinement and innovation. We support initiatives that would allow for mutual recognition of audits, as suggested by the Interim Report (p 24).

AI-powered regulation

Relationships Australia **recommends** that, in ensuring

*... a consistent approach to the regulation of artificial intelligence across the aged care, NDIS and veterans' care sectors,*⁴¹

the Commonwealth, state and territory governments must centre human rights and ethics. Regulation of AI in these sectors must not be viewed through merely technocratic or regulatory practice lenses. (**Recommendation 5**) There is the potential for great harm to service users (and workers) if governments do not build human rights and ethical dimensions into the use of AI from the outset. We have seen, in social media, how difficult it is to retrofit quality, safety, and human rights into the borderless landscape of the internet. We saw in Robodebt, too, how the lure of using automated decision-making, viewed from a technocratic perspective, coupled with decision-makers' and administrators' stigmatising, de-humanising and negative perceptions of service users, grievously harmed those at whom it was targeted.⁴²

Like the service users in Robodebt, older adults and people with disability are stigmatised and mistreated in health, aged care and disability services.⁴³ It would be naïve to expect that there is no risk that ageism and ableism will not become baked in to AI, including in the aged care,

³⁹ For the expectation that providers be required to develop and implement data-sharing arrangements, see Interim Report, pp 30, 41-42.

⁴⁰ That 'The Australian Government should pursue greater alignment in quality and safety regulation of the care economy to improve efficiency and outcomes for care users.'

⁴¹ Interim Report, 10, 22.

⁴² Also, the use of the term 'customers' by officials enabled the vast asymmetries of power and knowledge as between service users and the Government to remain obscured and unaddressed.

⁴³ See eg North & Fiske, 2013. See also AHRC, 2021; WHO, 2021.

disability and veterans' services, as well as the health sector more broadly; tools such as Grok have already been weaponised to disseminate bigotry at massive scales, and there is much scholarship on the predisposition of the health sector towards therapeutic nihilism driven by ageism and ableism.⁴⁴

Automated decision-making, where it affects people's rights, remains controversial, but some guardrails have been imposed post-Robodebt.⁴⁵ We **recommend** that the Productivity Commission engage with the Commonwealth Ombudsman on risks and opportunities for using AI to enhance productivity in the care and support sector. (**Recommendation 6**)

Finally, having regard to Relationships Australia's framing principle about intergenerational stewardship, use of generative AI (even the use of basic large language models) cannot be considered in isolation from its environmental impact. The adverse health consequences are increasingly recognised, and are likely to become increasingly severe. The use of AI with the intention of improving health outcomes should not be permitted to have the inadvertent consequence of inflicting widescale ill-health. We therefore **recommend** that the Productivity Commission advise governments to incorporate consideration of environmental (and subsequent public health) impacts of the use of AI. (**Recommendation 7**)

Collaborative commissioning

Relationships Australia is interested in exploring how collaborative commissioning would support recommendations made by Mr Andrew Metcalfe AO in his review of the FRSP to establish multi-disciplinary family hubs as an evolution from the highly successful Family Relationships Centres. Relationships Australia has urged the Government to implement these recommendations in their entirety.⁴⁶ However, and to respond to information request 2.3 on p 49 of the Interim Report, we consider that eliminating competitive tendering in the care and support economy is a necessary (but not sufficient) prerequisite to reaping the benefits of collaborative commissioning.

We acknowledge that competitive tendering has long been supported by the Productivity Commission as a means of providing human services, including both those currently prioritised by the Commission and the family and community services provided by Relationships Australia. However, as recognised in King, 2025, experience has shown that there are serious limitations to ensuring that human services delivered within a competitive market meet even minimum standards of quality and safety. These include:

- Australia's geographic and demographic characteristics, which entrench problems of thin markets

⁴⁴ See, eg, Chambers et al, 2012; Hemphill & White DB, 2009; Moore et al, 2013; Hirschi et al, 2017; Jeyasingam et al, 2023; Teaster 2023; Bodner, et al, 2018; Mudge et al, 2021.

⁴⁵ We acknowledge the Commonwealth Ombudsman's Better Practice Guide to Automated Decision Making (2025).

⁴⁶ See especially Recommendation 4 of that Report, as well as Recommendation 8 of that Report, recommending funding for specialist First Nations FRC hubs, delivered by ACCOs.

- Australian governments' reluctance or inability to take up their responsibilities as effective system stewards;⁴⁷ by, for example:
 - poor market design, including market design that creates opportunities for corruption, exploitation of service users and fraud on the taxpayer
 - chronically under-resourcing regulators
 - not ensuring that regulators have an adequate suite of regulatory powers
 - failing to understand the maturity of service providers to undertake self-regulation (or co-regulation) while providing services that meet minimum quality and safety standards⁴⁸ (as demonstrated in a series of Royal Commissions across multiple sectors)
 - failing to collect data and information necessary to properly inform themselves about market functions⁴⁹
 - failing to make usable and useful information available to service users, service providers (and researchers), which is a prerequisite of enabling informed choices by service users⁵⁰ and driving improvement and innovation among providers
- health and wellbeing barriers to exercising of user choice between possible providers; for example:
 - entry into services including health and aged care, disability and veterans' services, as well as family separation services, can often occur at times of great stress, impairing the emotional readiness to make effective choices, and
 - in residential aged care, physically moving to another provider can cause 'transfer trauma' (also known as relocation stress syndrome)⁵¹

⁴⁷ King, 2025: 'The stewardship role is broader than overseeing the market and includes understanding the population and its service needs, policy design, regulation, oversight of service delivery, monitoring of provider performance, and developing ways for the system to learn and continuously improve. Stewardship also includes developing institutional and regulatory arrangements to underpin service provision that is responsive to users, accountable to those who fund the services, equitable, efficient and high quality.' (King, 2025, quoting Productivity Commission, 2017, *Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services*, Inquiry report no. 85.)

⁴⁸ The 2016 Roadmap predicted that the industry would soon be in a position to engage with 'co-regulation and earned autonomy', and envisaged that the only necessary government protections would be consumer law: Aged Care Roadmap, 2016, p 13. A Royal Commission was established only two years later. Its findings did not support the Roadmap prediction.

⁴⁹ As acknowledged by King, 2025, p 15, referring to the NDIS as an example where there was 'no mechanism to ensure [limitations] were adequately analysed and rectified in real time....reform to improve the NDIS has been delayed until a point of crisis.' The Inspector-General of Aged Care has also noted that the star ratings system implemented to respond to Recommendation 24 of the Aged Care Royal Commission, while welcome, has 'a range of well-documented shortcomings continue to undermine the effectiveness of star ratings in distilling useful information to older Australians about the performance of aged care homes': p 22, citing the Commonwealth Ombudsman, *Aged Care Star Ratings*, 31 October 2024, and Allen & Clarke Consulting, *Evaluation of Star Ratings for Residential Aged Care*, 19 November 2024.

⁵⁰ King, 2025, p 13: '...consumers must have access to relevant information to guide their choice....Competition cannot be effective in situations where even basic price and quality information is absent'. We acknowledge progress in the aged care sector towards addressing this limitation; there remains, however, much work to be done in this regard. See also p 17.

⁵¹ This can also make regulators reluctant to sanction (even serious) performance failures among service providers.

There were early messages of caution in implementing free market principles in the aged care sector, including from the 1993 Gregory Review.⁵² This caution has been amply vindicated, as the Royal Commission showed. Yet reforms to the delivery and funding of human services continue to be ‘market-focused’, aimed at positioning human services as sold and purchased in a free and competitive market, bargained for between vendors and purchasers with parity of information and power, rather than as essential social services often accessed at times of immense stress between parties in a relationship of yawning asymmetries of information and power.⁵³

When pervasive and serious harms inflicted by human service providers on vulnerable service users do attract attention, it appears that governments assume that the problem is with implementation of competitive market models, rather than the inherent unsuitability of such models, given the limitations described above. Such assumptions seem to have underpinned the Productivity Commission’s recommendations in 2011,⁵⁴ the 2016 Roadmap, and observations made in the Tune Review in 2017. The 2016 Roadmap, for example, suggested that the problem with regulatory arrangements was that they were unduly onerous for market participants. However, the Royal Commission found that these ‘onerous’ requirements ‘often fail[ed]’ to detect ‘poor practices.’

Indeed, the language of ‘consumer empowerment’ renders invisible the persistent asymmetries of knowledge and power between users, providers and government and, in doing so, further entrenches disparities. It seems improbable that the advantages offered by marketisation, such as competition which theoretically enables consumers to purchase what they need and value, at a price that is both affordable and reflects their values, can ever be achieved in the Australian aged care environment.

King (2025) acknowledges that

Human services markets will only be successful if government recognises and actively engages in its roles, particularly its role as market designer and market steward.... Active government stewardship is often missing, or reduced to hurried and ill-conceived interventions when ‘things go wrong’. The result is often limited competition with both government and consumers paying more, and stagnant services with little innovation.
(p4)

Competitive markets for human services appear to require so much regulation to mitigate their risks as to negate the supposed benefits in price for government funders and users and supposed benefits of efficiency for providers. Continued reliance on artificially created markets

⁵² Royal Commission into Aged Care, 2019, p 70, citing R Gregory, Review of the Structure of Nursing Home Funding Arrangement: Stage 1, Department of Human Services and Health, 1993, pp 21, 32, 79.

⁵³ See, for example, the 2016 Aged Care Roadmap. See Department of Health, 2017-18; AIHW, 2019. In its inquiry into elder abuse, the Australian Law Reform Commission expressed its concern about the applicability of market principles in aged care: ALRC Report 131, 2017, pp 106-107.

⁵⁴ See Productivity Commission, 2011.

for human services have left governments and providers chasing speculative outcomes while harming users, who are often experiencing circumstances of extreme and compounding vulnerability.

Over nearly 30 years of relying on competition and contestability, governments have shown little appetite to address these practical limitations. There is no reason to suppose that government behaviours around market design and market stewardship will transform in the ways previously identified by the Productivity Commission, and canvassed more recently by King, in the ways necessary to enable functional competition that consistently enables user choice and delivers acceptable outcomes. Thus, while competition might theoretically improve human services, by improving service quality, reducing prices to governments and users, and empowering users,⁵⁵ there is little reason to suppose that, in practice, it ever will. Repeated attempts to make it work, despite intractable limitations, will continue to victimise and harm (sometimes fatally) service users. It is past time to acknowledge that models relying on competition are not fit for purpose in relation to human services and the care and support economy. Competition is not the only alternative to ‘government paternalism’ and not the only way to support user empowerment, it is merely ‘one way to potentially achieve better outcomes.’⁵⁶

Relationships Australia supports the application of relational regulation, in which proactive regulators demonstrate curiosity, offer high challenge/high support to providers, and – critically, given the regulatory failings identified in a parade of reviews and inquiries – do not allow providers to ‘mark their own homework’.⁵⁷

Collaboration in the family and community services sector

The family and community services sector is replete with examples of effective, stable collaborative relationships that have for many years provided day to day benefits for service users. But these happen in spite of the hostile and mistrustful climate created by competitive tendering processes.

Barriers to collaborative commissioning (and other forms of collaboration) in the family and community services sector include:

- the continued reliance on competitive tendering as a method of reliably delivering the most efficient and effective services, but which has fostered distrust and hostility among otherwise complementary services and which creates strong disincentives against effective collaboration⁵⁸

⁵⁵ The beneficial impacts of competition identified by King, 2025, at p 9, citing Productivity Commission, 2016, *Introducing Competition and Informed User Choice into Human Services: Identifying Sectors for Reform*, Study Report.

⁵⁶ King, 2025, p 9.

⁵⁷ See also Inspector-General of Aged Care, 2025, p 33.

⁵⁸ Relationships Australia has some concerns about the kind of financial incentives described at footnote 8 on p 45, because reducing funding for each hospital acquired complication might, over time, compromise patient care at that facility. It would seem, from the explanation, that the wrong people are being punished for the occurrence of

- differing views and ideologies about causality of, and appropriate responses to, the problems that services aim to address (eg gender-based violence, family separation, gambling harms, abuse and neglect of older adults, suicidality and mental ill-health)
- the time and effort to build trust is not reflected in funding envelopes, or considered an appropriate use of funding; in practice, workers are at capacity to get through each day serving clients; much of the work that goes into building effective collaborative relationships happens in workers' own time and is unpaid, and
- tensions between different professions operating in the same service ecosystem, including tensions arising from actual or perceived hierarchies.

Even where professionals are disposed to develop collaborations, funding envelopes do not accommodate the time and effort needed to build durable and effective collaborations.

Thriving collaborations too often depend on the good will and discretionary effort of hard-pressed staff already buckling under their existing client workloads, administrative duties (such as data collection and compliance reporting) and continuing professional development. Given the gendered demographics of the care and support economy, this reliance on unpaid labour further entrenches pay inequity.

For collaborative commissioning to meet the objectives identified in the Interim Report, funding envelopes must reflect this effort. Accordingly, Relationships Australia **recommends** that Government review its approach to funding agreements to adequately support collaboration in the care and support economy. (**Recommendation 8**)

We **recommend** that, before implementing collaborative commissioning in a sector, governments should identify and implement means of encouraging efficiency, effectiveness and innovation other than competitive tendering, which has failed to deliver the benefits described by the Industry Commission in 1996, while undermining the capacity of the sector to collaborate effectively. (**Recommendation 9**)

Fragmentation is a hard barrier to collaborative commissioning

Almost every submission from Relationships Australia National Office over the past eight years has identified fragmentation as one of the principal barriers in getting the right services to the right people at the right time and at the right dosage. In nearly every submission, we have identified the unwillingness, or inability, of Australian governments to lift the burden of fragmentation from the shoulders of those least equipped to bear it – service users – by improving intra- and inter-governmental collaboration. In legal services and family relationships policy areas, siloes within and between governments have proved intractable, despite overwhelming evidence that fragmentation causes its own harm, compounding the harms and trauma which has led service users to seek help in the first place. Forcing service

HACs. This would inform our views about unintended consequences (see information request 2.2 on p 47 of the Interim Report).

users to shoulder the burden of fragmentation is the opposite of trauma-informed or person-centred, and undermines human rights.

Accordingly, Recommendation 1 of our 2025 submission to the Commonwealth Attorney-General's Department about the draft *National Plan to End Abuse and Mistreatment of Older People 2024-2034*, was that

That an additional principle and Focus Area be included: That Australian Governments engage in efficient and effective intergovernmental co-ordination and collaboration, to achieve results where burdens of governmental fragmentation are removed from older people.

Our commitment to accessibility underpins our advocacy for systems and processes that lift from the shoulders of those least equipped to bear them the burdens of fragmented, siloed, complex and duplicative laws, policies, programmes, and administering entities. The complex co-morbidities and intersectionalities experienced by many victim survivors⁵⁹ can limit their capacity to navigate the multiple services and agencies with which they are brought into contact. In the context of women experiencing or escaping 'domestic financial abuse' in the United States of America, Canada and the UK, Glenn, 2019 cautioned that policy makers, service providers and financial institutions need to have an:

[u]nderstanding that system complexity and lack of cognitive bandwidth means many survivors can't or don't access the limited support available ...and should be working to simplify systems and processes and improve access to resources.⁶⁰

Fragmentation endangers victim survivors who need wraparound services, including navigation services.⁶¹ Relationships Australia acknowledges recent Government initiatives to reduce the extent to which individuals and families must shoulder the burden of fragmentation across the family law, family violence and child protection systems. We have also welcomed recommendations from the Australian Law Reform Commission, the Joint Select Committee on Australia's Family Law System, the Social Policy and Legal Affairs Committee of the House of Representatives, and as well as the report on the Review of the Family Relationships Services Program that urge better integration of service delivery.

Fragmentation in the family law system (of which many Relationships Australia services are integral components) arises from the following circumstances:

- limits on Commonwealth Constitutional power, and its relationship with State powers to legislate
- separation of powers in the Commonwealth Constitution, which limits what functions can be undertaken by the Federal Circuit and Family Court of Australia

⁵⁹ See, eg, ALRC, 2018, Discussion Paper 86 (esp Chapters 1 and 4); Family Law Council reports, 2015 and 2016.

⁶⁰ Glenn, 2019, p 53.

⁶¹ See, eg, the RISE Model used by Relationships Australia Queensland. The Inspector-General of Aged Care has recently noted the shortcomings of the care finders programme established following the Royal Commission, and of Services Australia's Aged Care Specialist Officers initiative: IGAC, 2025, p 22.

- interacting legal frameworks, including:
 - child protection and welfare
 - criminal law - family violence
 - criminal law – other
 - adult guardianship law, and
 - succession law
- disciplinary, including:
 - social sciences
 - medical and health sciences and allied therapies
 - law, and law enforcement
- bureaucratic structures at all levels of government
- budgetary – funding grants are often structured in alignment with bureaucratic divisions, so that one service provider can, in relation to even a single family, be administering funding for overlapping services at different levels of government, from several different government departments within levels of government, and within different units within the same department, imposing substantial administrative burdens and costs (which are not met through funding envelopes).

We therefore welcome the application, by the Productivity Commission, of

...a lens to reforms that will enhance the connections between care sectors and break through the current siloed approach to government decision-making. The fragmented nature of the care economy was a common theme through our engagement. The care economy must be able to respond to our increasingly complex and overlapping care needs, often spanning multiple sectors.⁶²

Short-term thinking as an obstacle to collaborative commissioning

A further obstacle to collaborative commissioning in other parts of the care and support economy is the reliance on short term funding to align with electoral and budget cycles. We welcome the Productivity Commission's acknowledgement of the need for secure, long-term funding (complemented by periodic reviews) to support successful collaborative commissioning.⁶³ We have recently welcomed moves to five year grants in some areas, but this can still be problematic, particularly for establishing new services, or services in new locations, or where grant guidelines require purpose-built (or highly specialist) premises.

Similarly, evaluations are often undertaken prematurely, limiting the value of their findings and precluding the testing of adjustments to address emerging insights and observations once a pilot commences.

Finally, short-term and eleventh hour extensions of funding are seriously disruptive for service users as well as providers (and their staff). Relationships Australia organisations are too often

⁶² Interim report, p 7.

⁶³ Interim Report, p 42.

in the unhappy position of losing highly skilled and experienced staff when decisions to extend are left until the last moment. Continuity of therapeutic relationships also suffers, unnecessarily diminishing the productivity gains to be had in areas such as health spending and labour market participation if therapeutic intervention is completed with a minimum of disruption.

Overall, short term funding, poorly timed evaluations, and eleventh hour extensions all contribute to dragging down productivity in the care and support economy. All of these are within the prerogative of governments to fix. We **recommend** that the Productivity Commission consider examining these issues in further detail in advising governments how they can contribute to lifting productivity (**Recommendation 10**).

Service provision by ACCOs/ACCHOs does not relieve other providers of the obligation to be culturally safe

We support the emphasis on working in partnership with ACCHOs, and note the importance of PHNs and LHNs being culturally safe; if they are not, partnerships are doomed to failure. We further **recommend** that all service providers, whether or not they partner with ACCOs and ACCHOs, ensure that their services, service outlets and workers are culturally safe, so that First Nations people have choice about whether to go to an ACCO service or another service, and are culturally safe regardless of their choice. (**Recommendation 11**)

Investment in prevention

The importance of universally accessible services to effective prevention

Relationships Australia brings a public health lens to our work, and acknowledges the compelling evidence that prevention and early intervention can avert catastrophic outcomes. An important element of prevention is the existence of universally accessible services that can provide a 'soft', non-stigmatising entry into services. We know that cost and stigma operate as tough obstacles, deterring people from help-seeking for a wide range of health and social issues, including harmful gambling, child maltreatment, and abuse and mistreatment of older adults. We also strongly endorsed recognition that benefits of prevention 'fall across sectors and levels of government, and over extended timeframes.' (p 1) Accordingly, Relationships Australia **recommends** that the proposed National Prevention Investment Framework should explicitly include support for universally accessible services that operate among the general population. (**Recommendation 12**)

Fragmentation as a barrier to investment in prevention

Relationships Australia strongly supports draft Recommendation 3.1.⁶⁴ We agree that

⁶⁴ That Government 'Establish a National Prevention Investment Framework to support investment in prevention, improving outcomes and slowing the escalating growth in government care expenditure.'

...siloes within government, short-term budget and election cycles, and limited evaluations of preventive policies all pose barriers to government funding of prevention.
(Interim Report, p 51)

Accordingly, we support the suggested funding mechanisms described at p 68 of the Interim Report, and the proposals to modify budgetary processes for prevention programs.

Short-term thinking compounds the effects of fragmentation to inhibit prevention investment

Relationships Australia notes the concerns, expressed throughout the Interim Report, about the need for Australian governments to commit to maintain momentum in productivity reform activities. It has been our experience that rigidly short-term thinking by governments undermines productivity in family and community services sectors in multiple ways, including through:

- budget process rules that inhibit cross-portfolio offsets, artificially constraining service provision in programs such as the FRSP, despite the benefits of that Program pervading health, justice, and employment/education participation portfolios and leading to budgetary savings in those areas; the Attorney-General's Department has limited scope to offset against other programs, because:
 - it has few other programs against which to offset; one of the most notable, legal assistance, is quarantined by the terms of the National Access to Justice Partnership
 - other activities administered by the Department, such as court infrastructure for Chapter III courts, Commonwealth law enforcement and national security, are also – in practice – out of bounds for offsets
- budget process rules that limit taking into account future savings, creating powerful disincentives to funding prevention initiatives and programs
- addiction by governments to short-term pilots aligned to election and budget cycles, undermining stability and continuity of funding and service provision and disincentivising retention of skilled workers
- use of short term contracts as a proxy for accountability and openness to service innovation, and
- as noted in the Interim Report (p 26) - competing priorities; there will always be other priorities, but enhancing productivity across the care and support economy would enable them to be met more efficiently and effectively.

As acknowledged by the Metcalfe Review, the FRSP is a critically important program to separating families. Yet the Department of Finance has historically forced the Attorney-General's Department to find offsets within other key social programs that are intended to benefit most vulnerable in our community, such as legal assistance. Nor has the Attorney-General's Department been permitted to rely on second order savings (which, of course, accrue to other portfolios, notably health and social services. Both FRSP and the Family

and Relationships Program administered by the Department of Social Services⁶⁵ are being relied on to make up the shortfall in funding in other portfolios. For example, when people are unable to access specialist mental health services because of lengthy waiting lists or lack of specialist services in their location, they are presenting for FRSP and FaRS services. Against this background, the historical approach by Finance is demonstrably irrational. By rigid adherence to budget process rules that are not fit for purpose, the Department of Finance has, for decades, functioned as a barrier to increasing Australia's productivity, including in the key care and support economy. In term of its role in stewardship of the Commonwealth's resources, it has achieved literally the opposite of its purported mission.

Accordingly, Relationships Australia welcomes the emphasis, in the Interim Report, on the need for Australian governments to maintain momentum and 'stay the course' (p 9) in improving productivity in the family and community service sectors. Fewer people needing hospitalisation from a reduction in domestic and family violence should not, for example, be treated as a hazard to health appropriations. Yet departments asked to provide cross-portfolio offsets treat such approaches as existential threats and akin to negative externalities, and implicitly view the ultimate service users of preventative activity as akin to free riders.

We also **recommend** that Budget Process Rules not merely allow for, but actively encourage cross-portfolio offsets and downstream savings (or 'second-round effects')⁶⁶ (including beyond the Forward Estimates and out years) to be taken into account when considering new policy proposals. (**Recommendation 13**) In the absence of such an environment, commitment to prevention will never be realised, and the productivity gains associated with it lost to the community.

Relationships Australia further **recommends** that, in Box 3.3 (Interim Report, p 63), the Productivity Commission propose that the design of prevention activities be led by Aboriginal and Torres Strait Islander people (not merely designed in partnership). (**Recommendation 14**)

Finally, where there is evidence that prevention reduces or eliminates harm, there is not merely a productivity imperative for governments to act; there is a moral imperative, too. To not enable prevention through a more sophisticated approach to the budget process should be seen as shameful. This has not been sufficiently recognised, and the rhetoric of governments around their commitment to prevention has not been matched by concrete action. We consider that, on p 67, the Productivity Commission should urge governments to 'become', not 'remain'

... mindful of the high value of prevention investment – both in terms of future avoided costs and improved outcomes for the community.

⁶⁵ Currently under evaluation, with a report to Government expected by December 2025.

⁶⁶ See Interim Report, p 59.

Conclusion

Thank you again for the opportunity to comment on the draft Interim Report. As improving productivity in human services is vital for Australia's economic success, improving user experience and choice is vital to uphold our human rights and sustaining a society in which all of us have the benefit of living with dignity and participating across the domains of society. In working towards these outcomes, governments must be wary of dividing us into taxpayers vs service users. That is a false binary. Most of us are both – at the same time, as well as at different times – in our lives.

As the attention of the Productivity Commission turns towards other elements of the care and support economy, we would be grateful for an opportunity to discuss how outcomes for our clients can be improved, and productivity enhanced. Please do not hesitate to contact me at

[REDACTED] or our National Policy Manager, Dr Susan Cochrane, at

[REDACTED] .

Kind regards

[REDACTED]

Nick Tebbey
National Executive Officer

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