



Government of **Western Australia**
Department for **Child Protection**
and **Family Support**

Our ref: 2016/15816
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Human Services Inquiry
Productivity Commission
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Dear Mr King and Mr Innis

**PRODUCTIVITY COMMISSION REPORT: INTRODUCING COMPETITION AND
INFORMED USER CHOICE INTO HUMAN SERVICES: IDENTIFYING SECTORS
FOR REFORM**

Thank you for the opportunity to provide comment from the Department for Child Protection and Family Support (the Department) upon the draft preliminary findings report. The Department's comments on the draft report are attached.

I understand that this information will contribute to the development of the study report to be published in November 2016.

Please contact Robyn Antenucci, Manager, Individual and Family Support,
if you require any further information.

Yours sincerely

Emma White
DIRECTOR GENERAL

 November 2016

Department for Child Protection and Family Support Response to

Productivity Commission Preliminary Findings Report: *Introducing Competition and Informed User Choice into Human Services: Identifying Sectors for Reform*, September 2016

Introduction

The Department for Child Protection and Family Support (the Department) welcomes the opportunity to comment on the draft Productivity Commission Preliminary Findings Report, *Introducing Competition and Informed User Choice into Human Services: Identifying Sectors for Reform*, September 2016 (the report).

The report identifies six priority areas where introducing competition and user choice could offer the greatest benefits to service users. This response provides comment with regard to the identified service areas most relevant to the Department:

- Social housing.
- Services in remote Aboriginal communities.
- Grant-based family and community services.

Overall, the Department supports the preliminary findings detailed in the report (Appendix A), with an emphasis on improving outcomes for at risk children, young people, families and communities. Comment is provided regarding current Department activities in line with the report's findings and aspects which require more detailed consideration and examination.

The Department provides funding through contracted community sector services to achieve the following outcomes:

- Families and individuals are assisted to overcome their risks and crises, are kept safe and are diverted from the child protection system.
- Children and young people needing protection are safe from harm and abuse.
- Children and young people in the Chief Executive Officer's care receive a high-quality of care and have much improved life chances.

The Department's client group is made up of the most disadvantaged and vulnerable children and families within the community. The Department has a critical role in providing and funding earlier services to divert families from the child protection system. Reducing the over-representation of Aboriginal children in the child protection system is a priority for the Department; given that currently 53 per cent of children in care in Western Australia are Aboriginal.

Social Housing

The report takes a national perspective on the trends and issues relevant to social housing. In Western Australia (WA), the government Housing Authority takes lead responsibility for social and community housing. WA's Affordable Housing Strategy has a clear focus on broadening options across the housing continuum beyond public housing. Innovative new models and partnerships to leverage private capital have emerged; with positive social and economic outcomes achieved to date. The Department works closely with the Housing Authority and Community Housing providers to consider opportunities to increase affordable housing options and deliver services to meet the needs of individuals and families on the housing continuum including crisis and transitional accommodation and programs for individuals and families experiencing homelessness.

Community Housing Capacity

The report finds that community housing providers outperform public providers in some indicators such as tenant satisfaction and property maintenance. Increased use of community housing provision is supported, contingent on the capacity to meet the specific needs of the Department's client group. However, the current tenant profile in social and community housing may impact on performance in relation to tenant satisfaction and property maintenance. Some issues need to be considered around the capacity of community housing providers to meet the needs of the most vulnerable target group (including those at risk of disruptive behaviours and rental arrears) prior to extending the transfer of social housing. It also would be difficult to introduce competition and contestability where there is no market – for example in Aboriginal communities.

Meeting Demand

It is acknowledged that the demand for social housing outstrips the supply. The Department supports reform options to address supply constraints and increase housing options for prospective social housing tenants to better match their needs. It is important that there is no reduction in financial support for tenants, irrespective of their housing type. System change needs to consider the interaction between the types of housing assistance currently available. Commonwealth and States need to work together to:

- Increase entry-level housing supply and recreate home ownership opportunities for average income workers;
- Create an intermediate rental market to bridge the gap between social and market rentals for those on low incomes;
- Continue to reform social housing so it is both a social safety net for the most vulnerable and a time-limited pathway for others; and
- Adjust the social and economic policy settings that work against supply, affordability and innovation.

Introduction of 'User Choice' systems

While competition, contestability and user choice could improve the effectiveness of the social housing system in meeting tenant outcomes, the Department is concerned some tenants with high needs may be unable to navigate a choice based system. Vulnerable children and families with high needs, especially Aboriginal families and communities may require considerable support to participate in a choice based system.

This concern also applies to the notion of contestability and competition. The Department's experience is that private landlords remain reluctant to offer housing to some client groups, a particular issue for Aboriginal families. An inquiry conducted by the Equal Opportunity Commission in 2008, detailed in the report '*Accommodating Everyone*' found substantial evidence of racial discrimination in the private housing rental market.

Services in remote Aboriginal communities

The Department recognises that the current range of services are not improving outcomes experienced by Aboriginal people, particularly in remote communities. Introducing greater competition is unlikely to be the most effective model for improving outcomes for these users. A mix of strong, well-functioning service providers is needed to meet community need, with long term funding security to enable the development of relationships and trust in local communities and embed systems change as needed.

Service Provision

The Department supports preliminary finding 7.1 that improvement in service provision is more likely through better coordination; place-based service models; increased community voice in service design and delivery; stable policy settings; and flexible service models and providers. The reform work currently being undertaken by the Department reflects these approaches.

There is evidence that engaged communities demonstrate better outcomes¹. The importance of genuine engagement with Aboriginal people and communities is also well documented². The Department is committed to engaging local people through their own agencies and institutions, and is developing a strategy to increase the participation and involvement of Aboriginal Community Controlled Organisations (ACCOs) in the delivery of services through co-design where possible.

Department Strategy and Frameworks

The Department's *Aboriginal Services and Practice Framework* identifies the vision, foundation elements, guiding principles and priority areas that will support and build on the Department's commitment to improving outcomes for Aboriginal children, families and communities. The framework acknowledges the Aboriginal historical legacy in Western Australia and impact, with four priority areas of capacity building; community engagement; practice development; and people development supporting the report's preliminary finding outlined in 7.1.

Improved service design, responsive to the needs of Aboriginal Australians is a key aspect of the Department's *Building Safe and Strong Families: Earlier Intervention and Family Support Strategy* (the EIFS Strategy), released in September 2016. Focus Area Two of the Strategy: A Culturally Competent Service System clearly emphasises the importance of a culturally responsive service system, including overarching service standards and strengthened accountability.

Whole of Government Policy and Reform

The Department is extensively involved in coordinated across government approaches such as the Regional Services Reform initiative led by the Department of Regional Development. This reform aims to improve the lives of Aboriginal people in regional and remote Western Australia and bring about long-term, systemic change. The Department supports this work in the Kimberley region.

The Department is also involved in the Aboriginal Youth Services Investment Reforms led by the Department of the Premier and Cabinet through the Implementation and Leadership Group. The Department leads a metropolitan trial site for a more localised, coordinated approach to service delivery to at risk young people.

The Department firmly supports the finding that more stable policy settings and clearer lines of responsibility could improve the wellbeing of Aboriginal people in remote communities. The Department supports a longer term approach aimed at minimising disruption and instability in policies, programs and organisations. It is recommended the report consider bilateral approaches, rather than national approaches given the unique needs of WA, Queensland, Northern Territory and South Australia. It is noted that New South Wales has invested in varied approaches for capacity building for ACCO's, which warrant further examination.

¹ Moore T, McDonald M, McHugh-Dillon H and West S, *Community Engagement: A key strategy for improving outcomes for Australian families*, Child Family Community Australia Paper No. 39 2016.

² Hunt J, *Engaging with Indigenous Australia – exploring the conditions for effective relationships with Aboriginal and Torres Strait Islander communities*, Closing the Gap Clearinghouse Issues Paper No. 5 2013.

Grant-based family and community services

The Department invests significantly in the community sector with funding provided to 165 community sector organisations, predominantly via longer term service agreements rather than short term, specific purpose grants. The commissioning and contract management process is in accordance with the *Delivering Community Services in Partnership Policy* developed by the Western Australian Partnership Forum, a group established in 2010, with senior representation from State government agencies, community sector organisations and consumer advocates.

Policy and Contract Arrangements

The Department agrees that *"improving the way governments select, fund, monitor and evaluate providers of family and community services could improve outcomes for the users of those services"*. The Department has recently commenced a Review of Community Sector Services Expenditure for more effective expenditure on services consistent with the Department's key outcomes. This includes improved needs analysis and planning, service providers and users involvement at the policy design stage and increased focus on outcomes, in line with finding 8.1.

The review proposes that funding be provided for outcome area clusters. The Department has been moving towards outcome based funding in areas such as youth services, family and domestic violence services and homelessness services funded through the National Partnership Agreement on Homelessness (NPAH). Outcomes are developed in conjunction with service providers that are measureable, meaningful and achievable. For example, a recent KPMG review of the Foyer Oxford program, found 90 per cent of young people leaving the service exited into long term positive accommodation, with 71 per cent connected to employment and training.

Use of Data

Greater use of data to measure outcomes is underway, with the Partnership Forum undertaking a project to develop an across sector joint outcomes framework to measure the impact of earlier intervention programs, services and policies. This is being developed in consultation with service users, government agencies, the community sector, Aboriginal organisations and community members. A range of across government data sets are being identified to identify indicators and measures for the outcomes, to improve coordination and service responsiveness and reduce fragmentation within earlier intervention service provision.

Introduction of 'User Choice' systems

While the Department broadly supports *"measures to support user choice.....could create incentives for providers to improve services in some areas"*, the notion of user choice can be complex when applied to the client group of the Department, who can experience significant difficulty navigating the service system and who may not be in a position to make an informed decision when needing to access services urgently. The concept of user choice may present challenges when applied to services for Aboriginal people and communities where community collective, local choice may be more appropriate.

Competition

The preliminary findings suggest greater competition could create incentives for providers to improve services. The Department has observed that competitive tender processes can have smaller organisations experience difficulties competing for funding, leading to mergers with larger organisations. This has reduced options for service provision. Tendering processes with an

emphasis on partnerships and collaboration have found that larger organisations are more likely to work together, rather than in partnership with smaller organisations.

Innovation and improved service delivery can be achieved through effective partnership models, such as the WA Family Support Networks (FSNs), a partnership between the Department and the community services sector that provide a coordinated service response for vulnerable children and families. FSNs are managed by a lead agency with an alliance of local services to respond to multiple and complex needs of families in their area. This partnership approach effectively coordinates services, reduces duplication, identifies service gaps, and assists clients to navigate the services system. Details on the FSNs can be found at www.wafsn.gov.au