Submission to the Productivity Commission Introducing Competition and informed User Choice into Human Services: Reforms to Human Services

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Introduction

About Melbourne City Mission

Melbourne City Mission is one of Victoria's oldest and largest community services organisations. Our mission is to work alongside people and communities who experience marginalisation and support them in developing pathways away from disadvantage.

Melbourne City Mission's service platform spans all ages and life stages across the greater metropolitan area. Our key areas of work include early childhood development, intensive family support, adult justice services, homelessness services, disability services, employment, education and training, and palliative care.

Melbourne City Mission welcomes the Productivity Commission's report regarding the *Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services.* As a large provider of human services across metropolitan Melbourne and in some rural areas of Victoria, Melbourne City Mission is well placed to provide informed recommendations to assist the Commission on its pathway to reform.

Summary of Recommendations

- **Recommendation 1: Intermittent tenancy support required**

  People must be given an opportunity to access support without having to repeatedly access crisis services to get back on track and maintain their tenancy.

- **Recommendation 2: Strengthened coordination efforts**

  Improved interagency and intergovernmental relationships.

- **Recommendation 3: Greater transparency**

  All new contracts and tenders have an evaluation framework built in and incorporated at their commencement.

- **Recommendation 4: Smoother transitions**

  Increase the time frame in which transitioning of services takes place.

- **Recommendation 5: Strengthening incentives**

  Encourage the use of incentive systems to encourage people to build their economic and social capacity and participation.

- **Recommendation 6: Improving commissioning process and cycle**

  Increasing timeframes of commissioning cycle and process for family and community service contracts.

Melbourne City Mission's comments on:
For – profit providers and human services

The Commission's proposed reforms seek to put users at the centre of service provision through:

- Moving to a single model of financial assistance for eligible households that is based on their circumstances, rather than whether they rent social or private housing

- Improving the incentives, and opportunity, for individuals to access the private rental market due to their financial assistance being calculated the same way for both social and private housing.

Melbourne City Mission agrees with the Commission's position regarding for – profit providers supplying human services. A for – profit provider that meets Human Service Standards and compliance requirements should not be disadvantaged from delivering a human service if they are able to demonstrate they are the best candidate through a transparent and fair process.

For profit agencies can bring innovation and efficiencies to the way in which human services are delivered and can increase the range of 'choice' to service users. They can also bring additional resources, such as funding that can assist with growth, development and innovation in the not – for – profit sector.

There are some tremendous strengths that can be found within the for – profit sector. In addition to having the latitude to pursue any goal they wish in the manner they see fit, organisations in the private sector have an advantage of not being reliant upon external sources of funding. This allows for long – term goals to be set based on a more reliable accounting situation.

Recommendation 1

Intermittent tenancy support required

People must be given an opportunity to access support without having to repeatedly access crisis services to get back on track and maintain their tenancy.

An example of how an early intervention response can work effectively can be seen with the **Social Housing Advocacy and Support Program (SHASP)**, which provides tailored case management support to public housing tenants to maintain their housing and prevent homelessness. This program provides an early intervention response that diverts people away from the crisis system – one that is already heavily under stress.

Another example of an early intervention response that can work effectively in the management of tenancies is the **Social Housing Innovation Project: Cairnlea**. In 2006 a partnership between Melbourne City Mission and the Women's Property Initiative (formerly Victorian Women's Housing Association) was established to deliver long term housing and low level support to women exiting prison. The Women's Property Initiative provided the property development, management, tenancy and property maintenance functions and Melbourne City Mission were responsible for undertaking tenant selection and providing low level support on an ongoing basis to tenants. When affordable housing is accompanied by easily accessible long – term support, positive outcomes can be achieved.

The project originally commenced with six properties in 2006 and today there are a total of ten across the Western suburbs. There has been very little turnover in these properties in the eleven years of the program.

The women make contact for support when things are not going well. They are aware they can receive short – term and intermittent support to address an immediate issue. As the women have a long – standing relationship with the organisation, they feel comfortable accessing the agency for support.

This has enabled issues to be addressed quickly and reduces the number of people that present at crisis services. It also enables an early intervention response, diverting people away from the service system.

Recommendation 2:

Strengthened coordination efforts

Stewardship is a core part of the reform and delivery process and the Commission's work on this inquiry has highlighted areas for improvement:

> *Coordination problems can arise between Government, agencies and providers when, for example, services are funded by more than one level of Government, or when services delivered by one provider duplicate or detract from another's. In some cases, policy is developed in Government silos which can lead to competing objectives, and stewards losing sight of the users' overall wellbeing.*

Melbourne City Mission recommends that there is improved interagency and intergovernmental relationships, in addition to establishing mandatory structures and systems that require relevant parts of Government to be involved with the development, allocation and monitoring of contracts with services. Support to increase and strengthen service co – ordination will assist in maximising finite resources, reduce duplication and potentially reduce repetitive and demotivating actions experienced by service users.

Recommendation 3:

Greater transparency

The provision of information to improve accountability and facilitate performance assessment can benefit all parties within the human services system. Without it, users are unable to assess providers, providers are unable to plan for their services and governments cannot effectively evaluate how providers or systems are performing.

Melbourne City Mission recommends that all new contracts and tenders have an evaluation framework built in and incorporated at their commencement. A database that records inputs and outputs has its purpose, however, ensuring that true outcomes can be measured is crucial in accurately defining how a program is working. Service user feedback must be a key component of ensuring that programs are delivering what they are intended to. The ultimate goal or aim of services should be to assist people to create pathways out of disadvantage and become less reliant on services.

Melbourne City Mission recommends an investment in an evaluation system that monitors true and accurate performance and that can be shared with service users, Government and other agencies.

Recommendation 4:

Smoother transitions

Policy reform in human services is a complex and delicate task. Reforms can be large, costly and disruptive to users and providers, take considerable time to implement fully, and can affect the lives of many, often vulnerable, users. Better planning and preparation for change should aim to preserve continuity of outcomes and minimise any negative effects on users from the transition. Transitioning between providers can also be disruptive as users find new providers and build a relationship of trust with them. Clear and concise communication informing service users of the transition process is crucial, which is inclusive of timelines and expectations.

Melbourne City Mission advocates for increased time – frames in which the transitioning of services takes place: three to six months at a minimum is required for transitions to occur in a way that brings people on board and ensures cross – departmental and organisational collaboration.

Melbourne City Mission advocates for the establishment of a robust planning and transition system framework that ensures clients continue to receive the services they require and expect during transition periods. Melbourne City Mission supports the principles of meaningful co – design and encourages government to include service – users in the design, implementation, evaluation and changes to services and the service system.

Melbourne City Mission recommends a reduction in the number of workers that service users come into contact with during the transition period. One key worker should be responsible for ensuring the transition occurs from one service to another. People that are experiencing crisis or who are in a position of vulnerability should not be burdened with the additional pressure of not knowing who they can contact for support and guidance.

Recommendation 5:

Strengthening incentives

Melbourne City Mission agrees and encourages the use of incentive systems to encourage people to build their economic and social capacity and participation. Where individuals have choice and control, there is a greater likelihood that they will have more positive engagement in their community.

Providing service users with incentives to enable greater opportunities for choice in housing is empowering. Where someone makes choices about where they want their home gives them a sense of control where they are more likely to be satisfied and maintain a tenancy.

One of the times at which people are most in danger of having their dignity diminished is when they need health or social support services. These services are provided when people are at their most vulnerable and so respect for dignity is particularly important. Assisting people to build their individual capacity and by giving the choice and control about where they live can have an immensely positive impact.

Access to tenancy support services

Melbourne City Mission agrees that for some people access to tenancy support is required, regardless of whether they are in private rental or social housing. Melbourne City Mission deliver a number of programs that assist service users to maintain tenancies in private rental properties. However, once service users have had their support period closed they can no longer access the same supports and need to go back through the crisis service loop.

This model of service provision puts significant pressure on a system that is already under considerable strain and causes service users a stressful waiting period before accessing support.

If there was a pathway for people to access early intervention support, as opposed to waiting until they are close to eviction, this would substantially reduce impact on crisis services and reduce stress for families. There would also be a significant reduction in legal costs and fees for managing rental arears or property damage.

Recommendation 6:

Improving commissioning process and cycle

Melbourne City Mission strongly agrees and supports the Commission's proposal for improving the commissioning cycle and process for family and community services. Melbourne City Mission would recommend extending contract periods for seven to ten years, which also allows for services to run for a time that ensures accurate evaluation.

If commissioning cycles are extended, an agency is more likely to make a greater investment in preparing the submission or tender. It also gives agencies incentive to invest more energy and resources when the contract is awarded.

Likewise, the system should be incentivised to encourage services to remain committed to ongoing development, innovation and improvement in the delivery of program and services.

Melbourne City Mission would recommend that agency visits occur throughout the selection process for tenders, in order to view how the organisation operates at a corporate and program level and which can demonstrate their ability to deliver contracts successfully.

Melbourne City Mission agrees with the Commission's proposal of extending tender periods for a longer period of time as well as responding and making decisions. Where an agency is already delivering the service and waiting for an outcome of the next contract, issues can arise with staffing and workforce management.

Melbourne City Mission also welcomes a more forward thinking and forward planning tender calendar. This enables agencies to better plan for the tender development period and work with potential partners, particularly when consultants need to be engaged and recruited. Better forward planning can also ensure tendering organisations are able to more effectively manage and maximise internal resources.