**Australian Government**

**Productivity Commission**

PRODUCTIVITY COMMISSION

INQUIRY INTO REFORMS INTRODUCING INFORMED
USER CHOICE IN COMPETITION IN HUMAN SERVICES

MR R SPENCER, Commissioner
MR S INNIS, Special Adviser

TRANSCRIPT OF PROCEEDINGS

AT MANTRA ON MURRAY, 305 MURRAY ST, PERTH
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# INDEX

**MR SPENCER:** Thanks very much, everybody. To begin with, I have a series of things I'd like to read out about the hearing, so I'll go through that first and then we'll move into the day.

Good morning, everybody, welcome to the public hearings for the Productivity Commission inquiry into introducing informed user choice and competition into human services. My name is Richard Spencer and I'm one of the Commissioners on this inquiry, Sean Innis is the special advisor on the inquiry.

I'd like to begin by acknowledging the traditional custodians of the land on which we're meeting today, I would also like to pay my respects to elders past and present.

The Commission was requested by the Australian Government to undertake this inquiry in April 2016. This inquiry was to be undertaken in two stages, the first stage study report, and the second stage inquiry report. The purpose of the study report was to identify the services best suited to reform. The final study report was released in December 2016 and identified six services as best suited to reform; end of life care, social housing, family and community services, services in remote Indigenous communities, public hospitals and public dental services.

Following the release of the study report the Commission commenced its inquiry to identify and assess reform options in each of the priority services. A draft inquiry report was released in June which presented the Commission's draft recommendations for each of the services.

We have talked to representatives from the Australian, State and Territory Government, service providers and their peak bodies, unions, academics, researchers and individuals with an interest in the issues and held round tables throughout the inquiry. We have received over 580 submissions over the course of the inquiry. We are grateful to all the organisations and individuals that have taken the time to prepare submissions and to appear at these hearings.

This is the fourth and final public hearing for this inquiry. We've heard public hearings last week in Sydney, Canberra and Melbourne. Following the hearings we will be working towards completing a final report, having considered all the evidence presented at the hearings and in submissions, as well as other informal discussions.

The final report will be submitted to the Australian Government in October. Participants and those who have registered their interest in the inquiry will be advised of the final report's release date by Government, which may be up to 25 Parliamentary sitting days after completion.

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The purpose of these hearings is to facilitate public scrutiny of the Commission's work and to give feedback on the draft report. We like to conduct all hearings in a reasonably informal manner, but I remind participants that a full transcript is being taken. For this reason comments from the floor cannot be taken, but at the end of today's proceedings I will provide an opportunity for anyone who wishes to do so to make a brief presentation.

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Participants are not required to take an oath, but are required under the Productivity Commission Act to be truthful in their remarks. Participants are welcome to comment on the issues raised in other submissions. The transcript will be made available to participants and will be made available from the Commission's website following the hearings. Submissions are also available on the website.

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For any media representatives attending today some general rules apply. Please see one of our staff for a handout which explains those rules. I don't think we have any members of the media here, do we? No, right, okay, thank you.

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To comply with the requirements of the Commonwealth Occupational Health and Safety Legislation, you are advised that in the unlikely event of an emergency requiring the evacuation of this building, you should exit through the main hotel entrance. A Mantra staff member will coordinate the evacuation of the room. Please follow the instructions given by the designated staff member at all times. The meeting point is on the Murray Street Mall to the right of the hotel, in front of the train station, corner of William and Murray Street. Please assemble there and await further instructions.

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I would now like to welcome the WA Council of Social Service, and just as to how we conduct the hearings, if you could, for about five minutes or so, give us your opening statement, the points you want to draw our attention to, and then we'll enter into some discussion. So thanks very much. To begin with, could you each state your name and position so that we can record that for the transcript please?

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**MS GIOLITTO:** Louise Giolitto, CEO of WACOSS.

**MS GRAY:** Jennie Gray, Deputy CEO, WACOSS.

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**MR TWOMEY:** And Chris Twomey, Leader Policy Development and Research for WACOSS.

 5   **MR SPENCER:** Thank you.

**MR TWOMEY:** I'd also like to start by acknowledging the Whadjuk people of the Noongar Nation as the traditional owners, (Aboriginal language spoken).

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We very much welcome the shift in direction that we've seen with the discussion paper that's come out. I wanted to comment on just a couple of points very briefly. I thought one of the interesting things in the discussion was that it seemed to come to this fundamental question about how best to

15   put the user of the heart of social services.

I suppose our feeling is that contestability of services, competition and different forms of user choice are some of the different mechanisms for doing this. I also wanted to highlight that we've focused on some other

20   mechanisms here in Western Australia and reforms as well, where we've looked at co-design processes, where we've looked at greater service integration, particularly across disciplines and portfolios and different program areas.

25   One of the concerns I suppose that we've had is for choice and competition to be fair and effective it really needs to be based on reliable information about service outcomes. Our concern is that in the lack of good information on outcomes you either end up getting competition that's based on price, where it comes down to service user discussions, it's obviously

30   focused around what's the advertising, what's the perception of the service rather than good information on the outcomes. Or otherwise you see where that competition is in the contracting arena, it's who can write the best contract.

35   One of the concerns that we've had evolving has been as we've seen a loss of capacity at the kind of regional and local level within the different government departments and agencies, and this particularly happened as well with Commonwealth agencies, around that local knowledge and expertise, both in service delivery and in knowing who's there on the

40   ground, you can see some perverse outcomes where if someone writes a nice tender and claims to have very good relationships with local services, but doesn't actually have them, you can actually see that loss of local capacity.

So certainly around how, making sure that you've got that quality in decision making, but also then what are we doing to make sure that we're actually looking at and effectively measuring the outcomes of services, and then what's the process by which we share that information with service users so they can make informed choices. We think that stuff's really critical.

We've also thought that the co-design stuff is really important, so we've been putting a lot of work into that area and we've recently released a co-design toolkit, which we'll be happy to share with you on notice. There are two parts to that, one of the parts is how do you much better engage service users in the design and evaluation of services, how do you make sure that you've got services that are meeting their needs and aspirations, how do you make sure that where you've got that lived experience of dealing with the problems and interacting with the services, you can actually bring that in to make sure you're improving the quality of service.

The second part of that is how do you make sure that you've got service providers and service funders and some experts in outcomes and evaluation all interacting on talking about the service model. One of the places we particularly focused on that is how do you do the regional and local stuff about that place-based service integration where you're trying to break down individual programs and have more of a wrap-around approach.

So we think those areas are some of the places where we can best drive, getting that better quality of services, better integration of services. One of the biggest challenges that we've seen there is how do we get more transformative and sustained outcomes out of services. Which is why we focused on more intensive kind of wrap-around services and also about how do you use better information about the risks that people face so you can actually find that sweet spot where you can intervene early to be more effective without having services that have a very wide catchment and aren't actually catching those most at risk.

So I guess those have been the areas where we've seen that there's the greatest opportunity. One of the other things that I noted was picked up in the report was this stuff around service mapping, actually being able to understand what services were in the community and also how they interact with each other.

The other thing I wanted to comment quickly on was the discussion around family and community services. We tended to agree with your argument, saying that the characteristics of those services do not lend themselves at the moment to that move towards greater user choice. But that greater user input into those services, in the form of co-design and

co-evaluation, we think is really needed, and certainly being able to look to a way we can move forward so that people have great input into those services and can get greater information back to tell them what's effective in meeting their aspirations and the outcomes they're after.

I suppose our concern was that the focus should not simply be just on better provider selection, but also actually getting to that element of program design, how do we make sure that we're doing that side of things effectively. And really so far while we've heard some aspirations around co-design coming from the Commonwealth, we actually haven't seen those processes hitting the ground, and the approach still tends to be very top down and very consultative in that way. We think to be able to drive that to the next step, there needs to be more work done on how do you actually develop meaningful and useful outcomes frameworks that are driving that and helping you measure the outcomes.

We also agree with the comments about systematic mapping and looking to move to longer term contracts, we think this is a good idea. The one concern or caution that we have there is around the sustainability of funding in those contracts, particularly where we've seen a lack of adequate indexation being applied to funding and also then very rigid contracting environments that can effectively lock you into a service model that may work in the first couple of years, but over time, without the indexation, you're actually struggling to maintain the levels of service or the levels of quality.

So I suppose there needs to be that element of flexibility and a process whereby you can come back and review and reform so that you can have continual improvement over the life of the contracts.

Finally, I also wanted to comment around the discussion on services in remote Aboriginal communities. We thought the comments that you had there were really quite good. I suppose there were a couple of other things we wanted to highlight, one was this idea around the need to have an Aboriginal human services workforce development strategy, which is one thing that we've been very much kind of advocating and emphasising at state level at the moment.

Certainly we've seen a lot of focus around some kind of general areas at the state government level of more contracting to Aboriginal organisations, but what we're not seeing is actually a strategy around how do we build and develop the capacity of Aboriginal community controlled services. And we think there's a lot that can be learnt there from building on the developments that we've seen in Aboriginal Community Controlled

Health Services and partnerships between those health services and family and community services at a local level.

We also draw your attention to the partnership principles that have been developed by the national peaks, ACOSS and the national Aboriginal peaks, have been involved in. I suppose we've been concerned, how do you make sure that you bring those principles into your contracting of services so you can have effective partnerships between developing Aboriginal local services and larger mainstream providers that actually effectively allow you to transfer control over time, so that you can genuinely build those services up over the life of a seven or 10 year contract to look to the end of it, they're delivering the service with maybe some minor back office support.

Yes, I think that's probably more than enough to be going on with.

**MR SPENCER:** Great, thanks very much. Any other comments that you would like to add to that?

**MS GIOLITTO:** I think Chris summarised our paper pretty well.

**MR SPENCER:** Thanks very much, thanks, Chris. Just to dive in to explore some of those issues, the one of selection of providers and provider attributes. You had raised the issue about what could assist government to be able to deliver more on those aspirations of selecting the right providers in the right circumstances and to minimise some of the risks you talked about in terms of losing local knowledge, local capacity.

You raised the issue of performance indicators within government; could you tell us more about how you think that might help, from the government's point of view, to be more attuned to the right provider for the right situation and what that could look like?

**MR TWOMEY:** I suppose one of the challenges is how do we make sure that when it comes down to reporting on and evaluating services, we're genuinely doing outcomes and not outputs. But one of the challenges that we've had there and one of the kind of stumbles, I suppose you might say, in the move to outcome-based contracting at the state level has been unless you've actually got some independent work being done around developing outcomes frameworks, you've got every different service, every different program coming up with its own outcomes, and they're not necessarily commensurate, they're not necessarily linking up to tell you are you actually achieving the outcome that you want to get at an individual cohort or a community level.

So I suppose both making sure that the resources are there within the programs and contracting, but perhaps also that there's some independent expertise being developed that actually sits outside of both services and the funders, that it's actually providing some of that evaluation.

One of the things that's been interesting has been some of the developments that we've seen in New Zealand where they've had a separate SUPERU, Social Policy Evaluation and Research Unit, which was their old Families Commission, that's actually kind of had a level of independence. We don't know if that's necessarily the best model, but certainly, how do we bring some kind of independent expertise there and also how do we provide some of those outcomes frameworks that can help drive some of that consistency.

I suppose what we've seen here is that out of the genuine desire to deliver better services and to better integrate their own services internally, a lot of our larger providers have all gone out and looked for and grabbed hold of and developed their own different outcomes frameworks or different things, from results-based accountability, social return on investment and so on, but they're all being implemented slightly differently and they're not necessarily measured.

That does I suppose highlight another thing, in that often when government is looking at service delivery it's looking through the lens of what are the programs we're delivering, without necessarily being aware, well, we've got a number of service providers here who are actually delivering a service at the community level which is funded out of five or six different programs and grant streams, where that kind of integration and wrap-around has happened at the local level, that government may not necessarily be aware of because it's funded across different departments and at different levels of government.

**MS GIOLITTO:** I'd like to add to that. I still think there's very much a strong focus on the outputs not the outcomes, and especially when you're contracting at a national level, so what works – I'm sure you've heard this before – what works in Sydney doesn't necessarily work in Karratha. So there's still a focus on you must employ X amount of people, this is the service that you must be delivering. Instead of allowing that community to actually manipulate – or not manipulate, to sort of work that contract which will best meet the community.

I think there's some good examples of that in the youth space, and getting young people back into school, where these are the guidelines, this is how you must work with those young people, which won't necessarily work within that community. So it really needs the focus, we keep talking

about outputs versus outcomes, but the focus still very much is on outputs. So I think that's a major shift that needs to occur in the contracting, to give those people, within local communities, the knowledge and the power of working within their communities of how they deliver that service will work best.

**MR SPENCER:** Can I just explore there a couple of issues you've raised. The length of the contracts, as you noted, we're suggesting seven years in family and community, 10 years in remote Indigenous. But combined with that, more time up front for better analysis of what the needs are and therefore better planning up front.

Chris, you mentioned that as you progress through those seven years, things change, so we're suggesting that some of the concepts of relational contracting should come into that space to avoid the rigidities that you referred to. Can you comment on that as to how you think that can be done really effectively, or what we might be able to add to our comments on that to make it a more dynamic relationship, if you like, between providers and government through the course of a contract of that length?

**MR TWOMEY:** Sure thing. You may have something to add to this in a bit, Jennie. Certainly that idea of spending more time at the front is really important, but particularly setting it up so that you've got that cycle of design and evaluation, and that you've actually got the opportunity through your seven or 10 year contract to actually be kind of progressing and evaluating what you're doing.

So in terms of how you actually get that relationship between the provider and the government right, I suppose a key part of that is what's your governance or oversight mechanism that's actually involving some independent evaluation and some engagement with the service users. I think kind of having those two parts in there could be really critical.

Again, it depends on where's your area, where have you got service users who have both kind of the lived experience but also the ability to engage. In some places that's current ones, in other places, for instance say like youth services or young people who have come through the child protection system, it's a little bit further down the track where they get to the point where they can kind of engage in that way. But certainly seeing how you can develop some effective mechanisms for doing that through the life of the contract I think is really important. Do you want to add to that?

**MS GRAY:** Yes, probably not much more, other than to say building in the mechanisms for review throughout the life of the contract as well, sort of for checking in points, and just to reiterate what Chris said around

appropriate lead in time, not just for collaboration between the contracted and the contractor, but also chances for local agencies to develop partnerships, which is an imperative in lots of our tendering right now.

But often we find that agencies simply don't have the time to develop the collaborative pathways to deliver joined up service delivery.

**MS GIOLITTO:** I'll pitch it again, in the co-design toolkit that we've just actually developed, we always speak of tendering and the procurement processes, only at the very beginning and only account for a very small proportion, but it's where our concentration seems to focus on. So we do need a longer lead-in time, we do need good data and good research and it does need to be co-designed, but then as Chris has already mentioned, building in that mechanism that we're constantly reviewing. It becomes more of a partnership between the service providers – and often there's multiple – and government about how do we constantly improve this. So actually there's an information sheet we've also built in that co-design.

So taking those principles and behaviours at the beginning and threading that all the way through the contract. It could be something as simple as, at the beginning of the contract, you were concentrating on 10 to 12 year olds, for example, but then through the life journey it might be a different cohort within that particular community that you need to concentrate on that's the touch point, so building in that flexibility in those contracts.

**MR SPENCER:** Sean?

**MR INNIS:** Thank you, guys. I guess we're swirling around what we captured under the banner of stewardship in the report, and I was interested in the role the partnership approach has in WA and whether that's a type of mechanism that could do some of these things around being a springboard for the analysis, being a springboard for the outcomes framework et cetera. I'm just interested in your views about that.

**MR TWOMEY:** Certainly that's what we've been thinking and aspiring towards. We're in a little bit of a hiatus, redesign thing, a change of government at the moment, but that's been a good opportunity because it's allowed us to reflect on both what were some of the promises and achievements but also where we'd seen some of these barriers. And certainly where we'd seen the barriers in being able to do that integrated in placed-based stuff really came down to two things: one was around the ability to have that flexibility around funding.

So it was how do you actually enable the pooling of funding at a local level across multiple government departments or even just multiple programs, and youth services is a classic example of that where you can have 15 different government agencies funding youth services in one particular location, none of which are coordinated, all of which are short term, fragmented and don't have identified outcomes.

Which is the second part, I suppose, that we focused on; was that we had developed an outcome-based contracting mechanism but we didn't actually have anything that was informing the outcomes at a kind of systematic level. So we had seen those two things, the ability to pool the funding, the ability to set some very clear and meaningful targets, but then how do you get the accountability right, so that that's accountability across government, that's whole of government, to the Parliament and to the people, rather than going back through the individual ministerial channels or departmental channels that tended to fragment things back out into individual areas.

Do you guys want to add to that?

**MS GRAY:** I guess just to add to what you were saying, Chris. The piecemeal approach to developing outcomes is very commendable; the individual agencies are doing it. There is a lot of synergy between different outcome frameworks, but the reality is they're not connected in – you know, explicitly connected across agencies or across the community service sector and government departments, and they're not connected in time either.

So I think definitely we've seen moves towards outcomes, but the implementation has been fragmented.

**MR TWOMEY:** I'll add one more thing on the partnerships, because I think the starting point that we had were some very high level partnerships with the premier, DGs and some sector leaders, but what we haven't got right yet is how we do we do those partnerships at a kind of place-based or regional level? How do we actually get those partnerships happening in a very practical way? And I suppose one of the barriers that we had found was that we were having these high level discussions that weren't connecting through to implementation as effectively as they needed to be.

**MR INNIS:** So just pursuing that just for a second. In health we're seeing quite a sophisticated regional planning approach emerge. It's got a long way to go, but with the PHNs and the local hospital districts or health districts, depending on where you are in the country, is that sort of structure something that would be worth considering in the broader social services delivery world?

**MR TWOMEY:** Yes, with some reservations, I suppose I'd say. Certainly we've seen that as progression, and while we haven't gone into looking at what the primary health networks are doing here in great detail, it seems to be a good step forward. I mean, we've got the challenge here they are – kind of local region is greater than most of the rest of the country.

**MR INNIS:** Yes, it's too big.

**MR TWOMEY:** But at the same time we've also seen very good collaboration happening at the state level across the primary health networks. So certainly we think that's a good model. We have some concerns then as well about what's the interaction between what's been contracted through primary health versus the overlap into some community services, how does that work in mental health, how does that work in Aboriginal services, do you actually have the knowledge and expertise being tapped into in the primary health networks to enable you to do that most effectively. But certainly we think that model and approach is a step forward. Would you guys add to that?

**MS GRAY:** Yes, I'd agree with that. But I guess – yes, just what you said, Chris, some reservations, and some kind of cultural shift probably needed to see it fully realised.

**MR SPENCER:** I just wanted to come back to this issue of – because look I think for many years the aspiration of getting beyond silos has been there.

**MR TWOMEY:** Yes.

**MR SPENCER:** So I suppose the obvious question is why haven't we been able to get beyond that. You mentioned at a high level, at premier, ministerial, head of department level there's obvious – there's usually quite strong agreement that, "Yes, of course we must do that", but it doesn't, for want of a better term, operationalise at another level.

So I guess that raises two things, and I'd be curious as to how you see it. One is the capability of those people who have to actually try and bring this into reality. Is there a capability issue within government? Secondly, there could be a structural element as well, that good intentions is one thing, but are we set up to be able to make this happen? So could you comment on both of those?

**MR TWOMEY:** Yes. I think you are right in saying that there's issues around capability and there's issues around structure. I suppose I was alluding to a couple of those structural issues where I was saying one of the

problems is around how do you actually access resources, and if your resources are locked into announcements made by individual ministers around individual programs, that can actually be where you get stuck, because all the effort goes into how do we make a quick announcement, how do we get this on the ground quickly, which is one of the interesting things that you've seen that they kind of shifted that nexus a bit in New Zealand with having longer term strategic plans for their agencies.

But then there's an issue around capability and there's an issue around cultural change that you would say. So certainly making sure that you've got that knowledge and expertise within both the public and the community sectors around how you do that. Often the barriers to that are about risk as well. And people when they're feeling cautious or threatened around what if something goes wrong, here's something new, tend to want to fall back onto, well, this is how we've done it and I know if I do it this way I don't get into trouble.

So I think some of that, there's a level of inertia there, just around this is how we've always done things. I think there's a challenge about how do you get consistent messages actually kind of moving through the services to actually say, no, we really are changing the way that we do things, this is about how you do it.

I suppose that's also why we've kind of focused on doing some of this practical work that we've started around the co-design toolkit, so it's not just a high level message saying, well, we're trying to do things more collaboratively. You've got to, actually, got to give some people, well, here's some examples around how you do this, here's a process, here's a timeline, here's some tools, here's who you might talk to, how you might step through things.

**MR INNIS:** As we're talking about the toolkit, something I'd be interested in. In a lot of evidence we've heard, people aspire to co-design but the conversation seems to be government/providers. I can see that you've stepped to users which is very, very welcome. I'm interested in what needs to happen to make that work well. And apologies for - - -

**MR TWOMEY:** We'll come back to you in a sec. I'd say we've been pushing and trying to step towards engaging the users, it's been done well in a couple of areas in Western Australia, so disability services and mental health in some places have done that very well, particularly some of the mental health stuff more recently around the 10 year plan. There's still been a barrier around how do you get from the plan to implementation that's around resources and decision making.

But really when it comes to most community services, we're still pushing to actually see greater engagement of service users in those co-design processes. There's also then the challenge around what processes and what forums do you have, at which points in the decision making are you engaging service users versus providers and funders. And there are a pile of discussions around a lot of the kind of administration and logistics and so on which for a lot of service users aren't particularly meaningful. But the stuff around their lived experience of how the service looks like, what are the targets and aspirations, those sort of things can be really critical.

So there are challenges there, and part of what we've tried to pick up in the toolkit is saying, who do we involve when, how do we kind of inform them, prepare them through the processes, how do we make sure we're capturing that by capturing it in a way that people actually at the end of it can say, yes, we've really been heard, we feel like our views are being reflected in this.

**MS GIOLITTO:** I think for this one it's really important to actually link that to having the outcomes framework, because knowing what you actually want to achieve, it sounds quite simple, and then taking it to the consumers and they themselves tell you how to actually get there. So it's a bit like understanding the outcomes framework, what we want to get, and going straight to the consumers.

I think in the youth field and the youth industry they've actually done this for years. Youth workers and service providers in the youth industry have always connected with young people and listened to them and heard them, and that's how they've actually developed their programs. I think this also links to when we were talking about Aboriginal communities and self-determination, about what is it that community wants to achieve, what are the outcomes they want to achieve. So hearing their voices first and then how we get there will naturally follow.

But going back to the other question about being a structural issue, I think is the point when we talk about co-design and integration of government services and working in silos. I think structural is the biggest barrier that we're actually coming across in that particular space. Again, if we take it back to a co-design process, it takes time, so often people will call it co-design but it's just simply a consultation or information that's actually provided.

But it also takes a bit of resources up front initially to make sure you actually do it well. Then one of the issues that I will talk about structurally was accountability within government. We're seeing it more and more at a

State level, but governments are going back into their silos in some respects as money is getting tighter, so this is our primary responsibility.

We saw it recently in the youth space in detention centres and young offenders, that their primary purpose was to work with young offenders, so that all the youth diversionary type work that was done, that money got lost. So as money gets tighter I think the structural issues of the silo thinking is becoming more apparent and we're actually going back in some senses.

So one way I believe that we can combat that, when we talk about an outcomes framework there needs to be an outcomes framework around governance and integration of government services. So making government departments accountable themselves that how they collaborate, work together and provide really good evidence that leads back to an overarching outcomes framework that they're all feeding into.

**MR SPENCER:** Just another question about the directory for emergency relief that you have created, and I'm just curious as to how – what lessons can we take from that or what advice would you give us when you're doing service mapping? That seems to be an initiated directory, if you like, by the sector itself.

But how easy is it to do that, how difficult is it to maintain it, how does it actually operate in practice and how might that help us if we're giving advice to government about wider service mapping?

**MR TWOMEY:** Do you want to comment on that, Jen?

**MS GRAY:** Yes. So the platform that you're referring to is called ER Connect, and it is an opportunity for services to register and give quite a detailed account of the sort of things that they provide and it allows anyone to go on and use different search functions, algorithms, to get the specific service that they want. I think the beauty of ER Connect is that it's a bit like a Wikipedia where it relies on individual providers to upload their details, which means they're also responsible for the maintenance and the upkeep.

So if details are incorrect, then the consequence is there. And that's also probably the greatest challenge of ER Connect. So from WACOSS's point of view, our maintenance is really encouraging the people who are on to keep their details up to date and then encouraging other people, other providers to also list their services. I guess what we see, particularly in the community relief and resilience space, is that it has a critical mass where you're disadvantaged if you're not listed. So we'd really like to expand that to include broader services as well, so it started in emergency relief, it's

been broadened to community relief and resilience, so it includes services like accommodation and financial counselling.

But the more that are on, the more that actively maintain their details, the more people that use it, then the better it will become.

**MR TWOMEY:** Certainly I suppose that contrasts with, we know of at least half a dozen existing service directories within individual government departments or programs where you've got one or two people working constantly on updating those, and as soon as they're updated they're out of date.

**MR INNIS:** Out of date.

**MR TWOMEY:** One of the biggest challenges that we've had is that often the contracting information that we have access to simply tells you where head office is. There's very little information to tell you this is where on the ground these services actually sit. There's been an exercise the state government have done as part of their regional reforms where they've had a team of people spending 18 months just trying to find out what services are actually on the ground in the regions.

So I suppose what we've been arguing is, is the model of something like ER Connect, where it's almost a kind of social media platform in terms of people have got the responsibility and the opportunity of updating their services, if you can link it through to making sure in your contracting you're actually requiring the provision of simple but informative information about what the services are, where they actually are.

Once it gets to that kind of critical mass where it's actually really useful to the service providers to be there for people being able to access the services, we hope that'll get around some of those issues. The more that you can have a single point where you go into, that's giving you information across a whole suite of services, potentially the more useful that is, but certainly whatever we can do to make it so that there are things that drive the information being up to date, that it's very easy for people to keep their information up to date, and it's in their best interests.

**MR INNIS:** Do you see, and I'm conscious we will run out of time, but do you see this potentially evolving to include user ratings of services? Could it be evolved into that direction to provide – we talk a lot about users need more information, is that a potential?

**MS GIOLITTO:** It definitely could be a potential that the users themselves, after using a service, could – a bit like hotel bookings that you

go in and say how you actually found the service. I think we're still a fair way off from there, as Chris has already mentioned. In this State alone it's more than five, we did a bit of a scan of the amount of databases that are out there about finding services, and if you include local government as well, it's very extensive and a lot of money is spent in that space.

So I think our real interest in this point is obviously for the consumers to have really easy access to the services they actually need, but we see a lot of mapping and a lot of mapping occurring by consultants that cost government, State and Federally, a lot of money. If we had a really good database or a directory system, the technology's there, getting the analytics out of it behind the scenes is really quite easy and it can answer a lot of questions. So I think that's our real push about – and that will enable us to see, where there are holes and gaps in services.

**MR TWOMEY:** But certainly that thing around service user rating, provided you had the checks and balances around there so it couldn't be gamed, could be a very useful thing to have.

**MR SPENCER:** Great. Thanks very much indeed for coming in today to share those insights with us and extremely helpful for us to get that feedback to our draft, so thanks very much again.

**MS GIOLITTO:** Thank you.

**MR SPENCER:** Could I invite the representatives from Community Employers WA to come to the table please, and then if you could both just state your name and your position, just for the record, thanks very much?

**MR BOUFFLER:** Sure. Thanks, Commissioner. My name is John Bouffler and I'm the Executive Director of Community Employers WA.

**MR KYRWOOD:** My name's Ross Kyrwood, and I'm a board member on Community Employers WA.

**MR SPENCER:** Good. If I can hand over to you then for an opening statement.

**MR BOUFFLER:** Thanks very much. We'd like to begin also by acknowledging the original custodians of the land on which this hearing is being conducted, the Noongar people, and pay our respects to the elders, past and present. Thanks very much for the opportunity to present, and for coming to WA to conduct some public hearings, we certainly appreciate it. For the record, Community Employers WA represents not-for-profit employers in the non-government community services sector of Western

Australia. We currently have 135 members who in turn employ over 24,000 staff.

We'd firstly like to commend the Commission on the opportunity for the open consultation and note that the recent drafts, as Chris touched on, seemed to evidence an increasing appreciation for the complexities of the human services sector. Having said that, there's a couple of formal areas we'd like to highlight, and then we can have a bit of a conversation.

Also, just to follow on from what WACOSS was saying, we work closely with WACOSS as well, we certainly concur with the benefits of the co-design toolkit, with the need for a greater focus on integrated services. We believe that there's a need for a strategic framework, an overarching view from government. We found in the DSS tender, going back to 2014 for example, that it was quite disjointed. There wasn't any effective co-design or meaningful consultation. We had situations where, one example, financial counselling was moved from Margaret River to Bunbury, which is 100 kilometres away and there's no transport between the two. And to expect people to be just popping over to Bunbury, they probably looked at a map and didn't quite understand some of the distances and nuances and local issues. So just one small example.

But greater need for co-design, and Louise touched on, co-design takes time, it's not just about having a consultation and then we'll roll out the tender. That can take months and months and months, or longer. So we're certainly supportive and encouraging of that.

The three areas in particular I wanted to touch on, first one is about models of service provision, and I know the Commission in the draft report has spent some time touching on this as well. We've included it in each of our three submissions to the Commission, around the construct of civil society. We've outlined the differentiating characteristics, which go well beyond the economic and efficiency drivers that are key aspects of the inquiry.

Without listing all of those differentiating characteristics, three of the key ones that we see, which you have to get your mind around a bit and think about, are around social capital, social cohesion, and social connectedness, social cohesion and connectedness, and these are often what we call by-products of the provision of service but are really important.

We note that the Commission made a comment that no one type of organisation has a monopoly on doing good, and in box 2.6 of the report there were detailed comments around provider motivations and different types of service provision. Whilst the comment about doing good sounds

fair enough, our perspective is that good isn't just about being efficient and effective in service delivery. We know that there's a lot more.

So I thought in trying to explain it I'll give you one small example from one of our members. It's a small $250,000 revenue organisation based in a working class suburb of Perth, they've got two part-time workers providing emergency relief and welfare to people in need in the community. They recently collated data on the in-kind support they receive from a wide range of activities, and I'm sure this could be broadened to many organisations across the sector, from free premises that they operate from, volunteer financial counsellors, $10,000 worth of bread per annum that they receive, 500 Christmas packages at $50 a package, a multitude of other donations and time from schools, school students, local service clubs and various churches.

They estimate that that total dollar value is $750,000 of in-kind support. So they receive 250,000 and they generate a further 750, so they're putting a million dollars back into the community in one way or another. And all of that's not to mention the unmeasurable social connectedness that I referred to before and the goodwill instilled in a lot of the people who provide that support. There's a lot of support, what we call the feel good factor, in a men's shed putting things together for a local community service, volunteering time, resources and skills.

So I'd like to think that the majority of us would be supportive of such an organisation doing good works in the community, both for the people that they support and the people who support their good works and it would be a real shame if it closed down. And yet, that's that crossroads they face at the moment. Their limited government funding which keeps them going is at imminent risk of loss, the tenders are looking for consolidation of partnering for even greater efficiencies, more reporting and more compliance.

My point is that for-profits in many cases are highly unlikely to go that extra mile unless there's a dollar in it. They're also highly unlikely to get the sort of support that this organisation receives. They're driven by return on shareholders' funds and they won't attract the goodwill and support of the nature I've just described. Furthermore, any assets of a not-for-profit by law are required to be used for charitable or community purposes, as prescribed in their constitutions. This is not the requirement faced for for-profit entities.

There's no doubt that for-profits do have a role in society, we've invested in them, we're supportive, many of us are shareholders of them. However, in the human services sector, as we've seen in other jurisdictions,

any perceived short term savings around efficiency and effectiveness can be lost quickly and longer term implications for the sort of community support many of us believe is good and where we'd like to live.

As we've previously highlighted and you touched on briefly, Sean, in your comments, the partnership principles as detailed in the Delivering Community Services in Partnership Policy – it's a bit of a mouthful – the DCSP Policy, provide a good framework to start recognising the importance of improving outcomes, and we believe they should be incorporated into the Commission's recommendations.

I'm sure Stewart and Anna have seen that, there's a document that you can see online, and it sets out at one page about the principles and behaviours and the nature of the relationship that go more broadly to the construct of what we call civil society.

The second point that I'd like to make is around indexation, and I know WACOSS touched on it, so we'll expand a little bit more on that. We note and are supportive of the Commission's draft recommendations, 7.5 and 8.1, that the default contract length be set at seven years for family and community services and 10 years for human services in remote Indigenous communities.

We concur that this will enable service providers and service users to have a period of certainty and stability to implement services, build relationships, enhance and further develop service design and achieve outcomes over the longer period. However, one aspect we'd ask to be included in your draft recommendation is a comment on the need for annual indexation.

Over recent years many service providers have found that the Federal Government has provided no or minimal indexation, forcing service providers to either cuts costs, which are predominantly wages, or reduce services when demand as we know already exceeds supply. If contract terms are extended to seven and 10 years, questions around the sustainability of services will undoubtedly arise through the term of those contracts.

Most recently, the 3.3 per cent national wage case decision has resulted in significant increases for not-for-profits at a time when many are already struggling. By way of example, and it's a little bit State-based, but it still has relevance to the Federal sphere, the Equal Remuneration Order handed down by the Fair Work Commission in 2012 legislated pay increases of between 23 and 45 per cent over a nine year period for workers covered by the SACS Award.

Fortunately this has been partially off-set by the Commonwealth but not by the State. Additionally there are State wage cases handed down each year. As I mentioned earlier, wages generally comprise between 70 to 80 per cent of the total expenses of a service provider, so you can perhaps appreciate the challenges for boards of organisations in balancing budgets when salaries are increasing by 5 to 6 per cent per annum and there's no increase in your revenue line, particularly if you extrapolate that over a seven to 10 year contract.

Unlike other service systems, not-for-profits cannot offset such costs by increasing the price of services to their clients or customers. It is this aspect that makes the adequate indexation crucial to organisational sustainability for not-for-profits, especially in regards to long term contracts.

The third and final point is that we believe the Commonwealth should change its policy on the clawback of unspent funds. Briefly, if an organisation enters into a funding arrangement to deliver services and achieves all the outcomes agreed upon, and there are funds left over, our understanding is that the Commonwealth Government in some sectors requires the funds to be returned.

In WA State funding arrangements, this isn't the case. WA Government policy is that as long as funded organisations achieve agreed outputs and outcomes, then, like any other contracted provider, surplus funds can be retained by the NFPs to assist in other service areas or to provide for new initiatives.

Our recommendation would be that the Commonwealth changes its current policy, its existing approach risks creating a culture which encourages the inefficient use of excess moneys rather than encouraging the enhancement of service systems and the extension of existing interventions or the creation of additional programs.

So they're our opening comments, if you like. Ross, did you want to add some other comments from your perspective?

**MR KYRWOOD:** No, I'll pick my comments up in any questions you might ask.

**MR SPENCER:** Thanks very much, John. This issue of the provider type, I mean, we've obviously been wrestling with this one as well, and I think what we've really tried to do in our draft report is to really encourage government to be very thoughtful about what are you trying to achieve in a

particular situation, what type of provider attributes will maximise the chances of achieving what you're setting out to and therefore, motivation and some of the issues you've raised in respect of not-for-profits comes into that.

Do you think we've gone far enough? Are there other things we should be putting in there to help government make wise decisions about when they do, if you like, favour one provider type over another?

**MR BOUFFLER:** It's not easy; I certainly acknowledge that, partly because some of it is not easily measurable. You asked earlier on a different question about how do we encourage them to do it. If it's measurable and accountable and people are held to be accountable for it, then you're more likely to do it.

A lot of this goes to the construct of civil society and what sort of society do we want, and is it just about contestability, user choice and competition and how do we increase it and how do we get more efficient and effective? Or is it about broader relationships and how do we build and maintain and sustain those relationships. We believe that it's more about the latter, but you need the former as well. You need to be efficient and the tax dollars are limited and we need to use them wisely, we understand that.

It also involves the broader aspect of how we're improving lives for the community, and as a whole, that integrated community, not just the siloism. We're trying to break down the siloism across government, which is hard in the Westminster system, because the minister gets a budget they're accountable for their budget and Treasury aren't going to give them any more, and so it flows down.

In WA they've just merged four departments, if you like, so that will be really interesting to see how housing and disability and community service and DLGC come together to be more integrated in what they do. And if they can make it measureable and accountable, then it's more likely.

So your question around not-for-profits, I think you could go further. I think it's about more actively supporting the work that not-for-profits do, which isn't easy because it's not always measurable, and yet we know that it's there. We know that the men's sheds do good things, we know that a lot of those volunteer charities out there that are household names that have been around for 150 years do good work, but it's not always on the bottom line and how we actually say that they've gone out and done those 30,000 home visitations and Vinnies or wherever it be, that that is evident and transferable into a dollar outcome, and it's how do we continue to do that.

So the partnership principles and the behaviours are perhaps one way to look at that more closely. So I'd encourage you to read through that document and that part in particular, and that might help elicit a bit more thinking in that regard.

**MR KYRWOOD:** I think potentially it's also the wrong question. I don't necessarily think the question is about does for-profit or not-for-profit bring about – or competition bring about greater quality. The YMCA in WA would be called by others a social enterprise. Our enterprise is in the childcare sector where there's clear for-profit and not-for-profit players going on. What's increased the standards, which means that in regional or remote WA a childcare centre would have the same quality standards as in downtown Perth, is actually the fact that there's a curriculum, there's actually a learning framework that's owned right across the whole of Australia and by all the players that play in that particular space.

It also has an angle that talks about the development of the industry. So what's also happened in that transition is moving from childcare to early learning and the professionalization of what it means to actually be an educator, we now have requirements where you must have a school teacher in every single child care centre across Australia. So there's this potential big myth that competition creates that uplifting (indistinct), where in fact working the system or working the process and having a similar curriculum and a similar framework and outcome framework is what creates that.

The other comment I'd make, picking up on perhaps outcome and frameworks and culture, that both WACOSS and – and we've spoken about and you discussed earlier, is there's a recent report that talks about what makes a successful hierarchy at an organisational level is actually the culture that you create in the organisation from the board ownership down. And that's the preparedness to invest, it's the preparedness to change your capacity, it's also a preparedness to be able to make harder and more effective decisions based upon the outcomes you're realising you're getting through an actual assessment of that process.

I think there's a challenge where government needs to shift that culture as well. My assumption would be, and I don't know if I've got hard empirical evidence around that, that point would be the same for government as much as it is for an organisation. There actually has to be a genuine culture shift to value and understand the outcome and impacts, and to change the way you do things as a result of measuring against that outcome and impact.

My president, the PWC person, he'd talk about the culture of failing fast and learning quicker. We don't have that dynamic. My concern around

the seven or 10 years is we don't create a space where we're actually able to learn what we're actually achieving and how we might adjust over a seven to 10 year cycle. We create this in the human services sector, this furphy that we can design an impact or a program that's going to last for seven or 10 years now, back – and right now it gets three or so years, but we don't actually allow ourselves to fail, we don't actually allow ourselves to be able to evaluate the business, and then readjust as you go along.

Again I'll give an illustration around that, the YMCA recently had run a significant Indigenous program called Swim for Life, it basically taught young Indigenous kids how to become lifeguards and solved both a problem for community because it actually brought lifeguards in swimming pools and prevented drowning. It was a model that seemed to work in the Pilbara, through a recent innovation fund grant; we tried to apply it across four other regions in WA. What's interesting around that is there was no conversation around what we've learnt or failed around that, it just didn't work. So we had to give the money back.

What comes out of innovation in every other business concept is how you learn, fail and try to apply again. I think they're some of the cultural differences that can take place when you talk about an outcome hierarchy decision making process, and also when you're looking at getting better inefficiency is through the improvement of the industry, not just the improvement of an association. I would argue that not-for-profits overtly want to play in that space in partnership with universities to achieve those outcomes.

**MR INNIS:** Thank you. I think you've touched on some very important issues and I want to explain one of the things our recommendations were trying to do. At the moment it looks like the only way to innovate is to run a new tender. Part of what we're trying to do with the longer and more certain contracting framework is to encourage more partnership approaches and more innovation within contracts. So some of the flexibilities you talked about, we don't see waiting until the end of a seven year period and then you'll include the new innovation. In fact what we want to create is an ability to innovate as you go, focused on the outcome rather than the outputs. So I just wanted to explain that.

Come back to this issue of not-for-profits and supporting civil society. The Commission has previously, and said in this report, that it's very important for governments to support civil society, but we've got a tension between how it's done. So you gave a lovely example of a service that drew on a lot of community support to deliver outcomes, government can either rely on that and say, "Well, you've got to get all your support from elsewhere and we'll give you a little bit of money to deliver a fundamental

service", or government can do as we've recommended and say, "This is now a fundamental service, we need to fund it fully and properly". And indeed, your indexation point I think goes to the heart of funding services fully and properly.

So the support for pure community civil society activities comes through things like the tax concessions et cetera, et cetera that exist. We've been trying to effectively say, where government thinks it's a fundamental service, actually has recommended you fund it fully. Take the point about indexation, I think it's implicit in what we write, but maybe not explicit, and I'll just get you to comment on that.

**MR BOUFFLER:** So just on that, I think it would be good if it was explicit rather than implicit, because it's easier for people to miss those.

**MR INNIS:** I understand that.

**MR BOUFFLER:** I hear what you're saying with regards to government could and should fully fund those services. The reality, I feel, is that government's never going to have enough money to fund all those services, and the funding is only one aspect of it.

So even if the government in that very small example gave a million dollars, right, the 250 that it gives and the 750 in-kind and said, "Here's a million dollars, go and do good works", it's not just about the money. It's also about the social connectedness that those people have in coming together to support people in their communities. And it's much broader than the dollar aspect of providing that. Because if the government provides the money - and this is one of the concerns, I think, about NDIS - if the government provides the money then the community is more likely to say, "Well, you've got all your money, what do we need to have the Activ Run for, or why do we need to have the Rocky Bay or the Million Paws Walk or the whatever else it is, because you've got $22 billion, please, I'm out of here". It's about the community and society coming together to help those that are less fortunate.

And that helps me when I'm on the phone, at Lifeline for the last 25 years, talking to people about – as a volunteer, about their issues, or about other things that you or everybody does in their lives. It's that feel good factor or that contribution and that connectedness that we make that goes well beyond the dollar value and trying to prescribe a dollar value to it.

**MR INNIS:** No argument.

**MR BOUFFLER:** The other risk, just to finish on that, in my perspective, is that government will have to make hard decisions. The budget is in significant deficit already, and programs will and are being cut. So somewhere in the system someone will say, well, that's $250,000, I'm sorry, we just don't have that money, that will now be covered by some other organisation somewhere else, they have to send somebody in. The effectiveness of service delivery will atrophy, that's what we've seen in other circumstances.

**MR INNIS:** So, John, are you suggesting about that service money, this other community - - -

**MR BOUFFLER:** It will disintegrate, that's the core that keeps it going, and then these people have enough energy - - -

**MR INNIS:** So what if the money was not given via a service it was given as support to community organisations?

**MR BOUFFLER:** We continue with that example you mean, the $250,000? If it was given to others then the connectedness and relationships that have been built up over the 30 years that they've been going may well just dissipate. It's not to say therefore everything has to stay status quo and we can never change and things don't change, they do, but we do it very judiciously and we try our best to recognise the added benefits to civil society that not-for-profits bring.

**MR SPENCER:** John, just to pick up on that theme, because once again it's a great example that you described earlier, it seems to me, perhaps be slightly provocative, that a lot of organisations will talk about that but not actually measure it in the way that you did and that organisation did, which makes for a quite compelling argument as to, well, how do we not lose the value of that and what role does government have to play in that.

So do you think it would be helpful – and this is a little bit leading up to when governments go out to purchase services through tender rounds, the time to prepare for that, for organisations to put their case forward, and I suppose it's a bit of the co-design element in here, that what is government purchasing at the end of the day, and if that's part of what it wishes to purchase, the leveraging of its funds more widely into community civil society, that there's an opportunity for that to be considered.

**MR BOUFFLER:** I agree, and I think the sector and organisations need to get better at doing that as well, at telling their story of the value that they add to the community. Some do it well and some there's room for improvement, I guess.

**MR KYRWOOD:** One of the things I think it's left to the organisation to lead that. So if it was driven by an external driver, so as part of the tender process, the amount you actually value of your ability to articulate your connection to your community, the ability that you are able to articulate the value-add to what you're doing through your fundraising and your connections. If that was given greater focus, and potentially more points in terms of decision making frameworks around who wins and who loses a tender, I think that behaviour will see – or that would drive the behaviour that would see not-for-profits starting to articulate that, giving value to measuring those sorts of, type of outcomes.

I've been in the sector for 30-odd years; I think our sector is amazingly good at following the lead of government in their tenders. On a micro of that, we work with local government, we know when a local government in their decision making framework gives 20 points of their 100 points to a decision making outcome that says you've got to show that you're connected to your community, versus competing against the for-profit provider in that space who, quite frankly, can't, they'll kill us on efficiency, they'll kill us on their ability to get other funding and maybe investment funding through the share market or whatever, but we absolutely beat them on community connectedness. But if they only give it five points and they give financial 70, then that's where its priority is.

**MR SPENCER:** Do you think, to follow on from that, it's fair and reasonable if government says, right, okay, we get that and that's what we're going to proceed on that basis, therefore, within those arrangements, that are to be accountability for the organisation about delivering on its goals for social capital building and there'd be some measurement and accountability around those?

**MR BOUFFLER:** I do. I think both on government and on the sector more broadly, there does need to be measurement and accountability. If you don't measure it and you don't track it, how do you know that it's happened. And that's why many are struggling with outcomes, everybody's talking about outcomes, right, we've moved from counting it to measuring the outcomes. Outputs was kind of easy, outcomes is really hard, and government is really struggling with it and lots of universities are doing research and writing papers and you can line up a room full of professors to talk about it for a week. It's very hard. It's a great idea and a great concept and you've written 438 pages and a fair bit of it, but it's very hard.

**MR SPENCER:** Absolutely. Sean, any final questions?

**MR INNIS:** No, I think that's been very useful, thank you.

**MR SPENCER:** Thanks very much, John. Thanks guys.

**MR BOUFFLER:** Appreciate your time.

**MR SPENCER:** That's really helped out, thank you.

**MR BOUFFLER:** And also to acknowledge the work of Stewart and Anna, because I know that often the people that do a lot of the work don't get recognised, so I also wanted to put on record, we appreciate them also.

**MR SPENCER:** That's very good of you to do that, you're absolutely right, and thank you for doing that.

**MR BOUFFLER:** We all say you're not doing a lot, you are.

**MR SPENCER:** No, we know who the true workers are. Thanks very much. We'll take a short break and then we'll resume in another 10 minutes or so. So thank you.

**ADJOURNED** [10.41 am]

**RESUMED** [10.59 am]

**MR SPENCER:** Thanks very much, everybody. We are attempting to do something about the varying temperature of the room, so hopefully we'll achieve a comfortable level soon. So we'll resume this public hearing and invite Shelter WA now to present, and just for the purposes of the transcript, Michelle, if you could identify yourself and your role, that would be great, thanks.

**MS MACKENZIE:** Good morning, everybody, I'm Michelle Mackenzie; I'm the Manager of Policy and Strategy and Shelter WA here in Perth.

**MR SPENCER:** Thanks, Michelle. Michelle, would you like to, for about five minutes or so, really just outline the points that you would like to explore with us today and what you would like us to be aware of? Thank you.

**MS MACKENZIE:** In terms of my presentation here to the Commission, I was under the impression I had half an hour, so I've actually got a 20 minute discussion.

**MR SPENCER:** No, exactly. If you want to take a bit more, by all means, yes, and then there's time for discussion. Thank you.

**MS MACKENZIE:** Great. Firstly, I'd just like to thank the Commission for your work and in particular for the opportunity of meeting here in Perth. For us we believe social housing is the only housing system that guarantees housing affordability, and certainly the social housing system ensures that those who are otherwise unable to gain and to stay in housing through the private market can do so.

Like the Commission, we agree that the market has failed to deliver the housing required, in particular for vulnerable renters, and we absolutely agree with the Commission that the social housing system is broken. We also agree there is a need for greater user choice for social housing tenants and that consumer choice should be at the centre of any social housing system. Like the Commission, we agree that there is a need for rental subsidies for social housing because the market does not supply housing at an affordable cost for low income and often higher need tenants.

In terms of our approach, we had a number of guiding principles, and that was that system changes should not result in any negative impacts on consumers, such as an increase in rental stress, the risk of homelessness or any locational disadvantage. The disconnect between national, state, regional and local housing policy settings must be overcome and there needs to be an integrated whole of system approach to affordable and social housing.

We believe that consultation with the social housing and homelessness sector, tenants, State and Federal Governments, is essential to ensure the whole housing system is configured in a way that will work, and we believe that any recommendations put forward by the Commission should not lead to a loss of funding to existing homelessness or social housing streams or any cost shifting from Australian to the state or local government authorities.

In terms of your draft recommendations, we question that increased competition and contestability will lead to greater user choice in the absence of mechanisms to increase appropriate housing supply. I think that's one of our key points. And we're really pleased in looking at the AHURI submission that they have noted the likelihood is that these reforms will fail to be implemented or realised until supply side constraints are resolved.

So that's probably just an opening statement.  If you like, I can walk you through some of the statistics and then some comments in particular relating to some of your recommendations.  What's your preference?

**MR SPENCER:**  I think we could probably just jump straight into some discussion, which would be great.

**MR INNIS:**  But if we're not getting to the issues want to put on the record, please stop us and - - -

**MS MACKENZIE:**  Okay, great.

**MR INNIS:**  Thank you.

**MR SPENCER:**  I suppose to go to that first major issue, that in the absence of addressing supply you, I think cast out, on what we're recommending.  And you put this into the context of a much bigger issue than simply the one that we've been asked to look at.  So I think one of the things we've been struggling with is how to come up with a set of recommendations which over time could be part of a better, more effective system right across Australia.

So we've been positioning essentially some of these recommendations around a longer term goal, but if I understand correctly, you're really saying you'd prefer not to move on any of those at this point.  Or am I understanding that correctly?

**MS MACKENZIE:**  Well, I think it's a fantastic report in terms of some of the research, but it's conditional.  So you do this, and then you do this, and then that will lead to supply.  We absolutely reject that rents should be shifted from income-based to market rents as the premise to then increase the RA.  So I think if you increase the RA, that would be fantastic.

Fifteen per cent is not enough, we've done some modelling for suburbs here in Perth, and if you were to shift from an income-based rent at the moment, which is what the State Housing Authority provides and some of the community housing providers, to a market-base rent, some of the suburbs that people will think are affordable, like Kelmscott and Gosnells, even with a 15 per cent increase, will mean people are still in rental stress.  They'll be paying over a third or their income on rent, which is just inappropriate.

One of the beauties of the current system is that people can live in Fremantle or Northbridge because there is social housing in some of those more affluent suburbs.  Our worry is that with the marketization of rent,

people will not be able to live in those areas if it shifts to an income-based to a market-based rent. Some of the modelling we've done is that you'd probably need like a 90 per cent increase in CRA not a 15 per cent to compensate, to if you look at the average rent in those suburbs, just not affordable.

We did some research last year with REIWA, the Real Estate Institute of WA, and we found that only 3 per cent of private rentals in Perth were affordable to those on a low income – 3 per cent, and 1 per cent were affordable to those on government income support. So we've absolutely got a market that is not supporting people who are vulnerable and on low income, and our worry is that your recommendation to shift will make that even worse, that it has the potential to make people move to the far-flung suburbs, that that increase will be absorbed in terms of just rent.

We've got a vacancy rate at the moment in Perth of 7.3 per cent, so whilst there are rental properties that are empty, the stock does not meet the needs of people who do need housing, and those are the people in social housing. So absolutely support an increase to the CRA, but it shouldn't be conditional on the shift.

Other things that we don't support in your report is shifting to the non-government – the private sector providing social housing. We think one of the fantastic solutions is supporting the community housing sector. All of the research shows that they're efficient, they're effective; there are great examples here in Perth, like Foyer Oxford in Leederville, where they demonstrate innovation in terms of providing housing for vulnerable people.

I think at the moment the Commonwealth Government is looking at ways through the National Housing and Affordability Agreement to support the growth of the community housing sector, and we'd be worried with your recommendations of making it more contestable, because I think that could undermine that growth and then have an adverse outcome in terms of social housing supply.

**MR INNIS:** Can I ask a couple of questions, but I make a statement, I hope our report doesn't say that our recommendations are the answer to the supply question, because we clearly do not believe that's true. In fact we seek to, but perhaps not completely enough, contextualise our recommendations as being part of what needs to happen, not the whole of what needs to happen. I just wanted to say that.

Second thing is in our recommendation we talk about the development of a high needs payment that is state-based, so the CRA change was to be a

contribution from the Commonwealth, and we're certainly recommending the Commonwealth lift is contribution. But we also see great merit in states making their contribution to rental affordability much more explicit, including potentially varying it, depending on where people live.

I'll explain just what was behind that. So we were quite conscious that we've got more people living outside social housing who are theoretically eligible for social housing than living inside, and we couldn't see a way where a supply response was going to deliver rental affordability to those people efficiently and effectively. So I guess I'll get you to comment on the issue of how do we reach the people who are outside social housing today?

**MS MACKENZIE:** I think you're looking in demand side, which I understand, and I think what we were looking at is that the premises all seem to make sense in theory. So absolutely consumer choice and greater contestability. But the issue is you can't have greater consumer choice and all of the things that you're posing if you don't have enough supply to enable that to occur. So we looked at your recommendation but we couldn't just look at the demand side, the supply side needed to be addressed.

So at the moment, absolutely right, there's inequity in terms of the subsidies that people can get, and it shouldn't matter the nature of the dwelling, it should be your personal circumstances. In terms of the state providing a higher top-up, I'd be interested in where you're able to demonstrate that there's been that discussion with the states and there's an appetite for that to occur. If you look at the way that housing works here in WA, they've got a kind of closed model where the money that they generate internally from land sales and development is used to underpin their public housing system.

So I think at the moment there's a new National Housing Affordability Agreement, I'd be interested in your thoughts on whether your proposal for the state-based top-up subsidy, how that relates to a national agreement where they're looking at how they can provide more social housing. Are you saying it should be substituted or – how does that all work?

**MR INNIS:** Potentially entirely separate discussions.

**MS MACKENZIE:** Yes, and I think that was a - - -

**MR INNIS:** So they don't need to be – so just to understand, I think your submission may suggest, and if I've got this wrong, please tell me, that a concern is that the Affordable Housing Agreement money would be used to

fund the high needs payment or the CRA.  I don't think we've made that link.

**MS MACKENZIE:**  It just wasn't clear in terms of the injection of new money, the appetite by the states to do that.  So our worry was in the absence of any modelling and discussion that showed how the money would flow – so how it currently flows to support tenants in terms of their need for a subsidy so they can rent, and how it flows to increase supply, so that's like a whole system approach, how your recommendations then had the money flowing.  I think in terms of a response from us, that would have been a useful thing to see.

**MR INNIS:**  So a little more detail would help?

**MS MACKENZIE:**  Absolutely, yes.

**MR INNIS:**  That's a fair comment.

**MS MACKENZIE:**  I think it gets back to again people are vulnerable in Perth in the private rental market, and one of the other things that we highlighted in our submission was a report done by CHOICE, I think it was earlier this year or last year, where they interviewed renters and they found that 83 per cent of renters in Australia have no fixed term lease.  So if you were thinking about focusing on the private rental market, there's a whole lot of institutional reforms that need to happen, looking at security and stability of tenure, things like that need to go hand in glove.

I know you mentioned that in the report, but we need to go back to first principles and say, what will provide the most security of housing for vulnerable people in the social housing system, and that seems to be the community housing sector at the moment.  There have been great schemes like NRAS, but I think the beauty of those schemes has been when community housing have taken over the management of those, not private landlords.

**MR INNIS:**  In our report we would consider community housing private – just to let you know, because it's not government, if that makes sense.

**MS MACKENZIE:**  Okay.

**MR INNIS:**  Appreciate the distinction you're making.

**MS MACKENZIE:**  I think that's a really important point of distinction because we don't see the – we see it as a non-government sector housing provider, not a for-profit sector, and I think to be absolutely crystal clear,

because they have a social purpose, and I think the community housing sector have a value-added area that private for-profit providers don't have. Making that point is very clear in terms of how we do describe private.

5  **MR SPENCER:**  No, that's a very good point, there has been some confusion about – private has sometimes been taken to mean for-profit, and private, we've used as being non-government, whether it's for-profit or not-for-profit.

10  **MS MACKENZIE:**  Yes.

**MR SPENCER:**  I suppose just to really try and understand the – where is it possible to make some progress around this extraordinarily tough issue through the lens of our report.  As I said earlier, I guess we were trying to
15  identify some areas that will - over time, could address the inequity.  So just so I understand, if there was much more action, if I can put it that way, on the supply side, do you see the sorts of things we're talking about ultimately making sense, or do you have a more fundamental objection to moving away from an income-based rent system?
20
**MS MACKENZIE:**  So the modelling that we've done and it's a bit like your calculations, a bit back of the envelope, here in Perth is that a shift from an income-based rent we just could not support because it will push people into poverty.
25
**MR SPENCER:**  Can I just explore that a bit further?  So even with a high needs payment appropriately - - -

**MS MACKENZIE:**  But until you do that modelling and show us how that
30  would look, it was difficult.  So as a principle we do not support a shift from the income-based rents at the moment, because that means people have enough money for the cost of living, because it's linked to their income and it's really critical.  I think if you were to say, look, even with the high costs of paying, let's got to a market-based rent, there is a huge chance that even
35  over that 10 year time horizon, that people will be worse off.  It's almost like going to the worst case scenario and equalising everybody badly, as opposed to saying let's have a best case scenario and equalize everybody well.

40  So we don't support that.  Absolutely think an increase to the CRA is warranted, but it shouldn't be conditional to a shift to the way incomes are calculated.  So if you can get a CRA increase, that will be sensational, because it hasn't gone up, it's not enough at the moment.  But then I think also – and this wasn't your Terms of Reference – you need to look at the

whole income support system. Because it's a subsidy for renters, as a other Commonwealth benefit, so they how they all kind of lock in together.

**MR INNIS:** Michelle, can I just confirm? So our recommendations are that existing social housing tenants effectively be grandfathered for 10 years.

**MS MACKENZIE:** Yes, that's right.

**MR INNIS:** And we're proposing that new people get access to both the CRA and potentially the high needs payment. They're certainly not worse off as against their current state, because they're living in private rentals now. Is that right?

**MS MACKENZIE:** But I think what we're saying is that people that are living in private rentals, like you pointed out, are financially not as well off. So the best case scenario is using income-based rents, because then there's a guaranteed your rent's this net of your income, and then you've got money to afford other expenses in life. So why can't that system be the one that's chosen as opposed - - -

**MR INNIS:** So just help us understand how you would propose that be implemented.

**MS MACKENZIE:** We haven't done that modelling, so what we're proposing to you is that we think that would be a useful piece of work for the Commission to do, to look at other scenarios as opposed to just the scenario that you've put forward. And again, I get back to the point that if you look at the rental market in Perth, it's not affordable for people on low and very low incomes, so it's hard to see even with the top-up payment and the way that rents are set over time that that won't be eroded.

**MR INNIS:** So just to make sure I understand the message, you're saying that even the potential level of injection into affordability that we propose that's unlikely to be enough to address affordability, noting that you can deliver affordability by giving people money to spend on housing as well as building new houses and then subsidising the rent that way.

**MS MACKENZIE:** Yes.

**MR INNIS:** So it's just not enough.

**MS MACKENZIE:** I think it gets back to the fundamentals, that people have a right to have housing, so there should be enough supply so then there is opportunities for user choice. So net of all of theoretical stuff around the

modelling, in the absence of having enough supply, it becomes a bit of a moot point. So we're not sure how the demand side work or increase the supply side need, and we're saying the supply side need is critical.

5        So in terms of opportunities to grow supply, we think harnessing the strengths of the community housing sector is fantastic. Some of the budget initiatives the Commonwealth put in place that will flow through the National Housing Affordability Agreement are great, like the bond aggregator, the managed investment trusts, things that are trying to support

10      the community housing sector to grow.

        Some of the things in your report around tendering and things we're a little bit concerned about because one of the value – some of the value of the community housing sector is the niche providers, like the Indigenous

15      housing organisations and those that support clients with high and specific needs, so we haven't talked about the tendering process, but we certainly don't support the way that you've recommended that supply is tendered, moving forward. Have I answered your question, or have I rabbited on?

20      **MR INNIS:** Yes, I think so. And I'll just try and confirm, Michelle, that you would see the priority for government needs to be developing additional stock for community housing providers to manage. That's the best pathway in your eyes to addressing the problems of social housing.

25      **MS MACKENZIE:** Of supply, absolutely, yes. Along with increasing CRA and maintaining income-based rents.

        **MR SPENCER:** Can I go to a slightly different issue, because once again our Terms of Reference, as we mentioned earlier, are fairly specific and this

30      is part of a much bigger issue.

        **MS MACKENZIE:** Yes.

        **MR SPENCER:** So the element of choice, you raised an issue around

35      choice with community housing providers. You had some concerns about choice and that compromising community housing providers' ability to select who would be – within a community who was appropriate to be in a community. Have I understood that correctly?

40      **MS MACKENZIE:** No. I hope that's not what I indicated. So we posit that community housing providers, there's a spectrum of them. Some of them are quite large, some of them are niche providers. And moving forward, there needs to be the opportunity for niche providers to continue to exist. Our concern is with some of the procurement models outlined in

45      your report that even if the tendering processes aren't appropriate, that

there's a great chance that some of the smaller niche providers may not come out favourably against some of the larger providers in terms of cost and value. So it's just being very sure that procurement models aren't a competitive tender.

We've got some great examples here in Perth of collaboration. There's been a lot of work done on co-design processes. So it's just thinking about the outcome required and how you harness the strength of the NGO sector in a non-competitive way.

**MR SPENCER:** Yes, my question went I guess more to the individual who's offered the property and that they have choices to which property they will go to. A little bit informed, a little bit like the UK experience. But I thought there were some reservations about the choice that an individual can make.

**MS MACKENZIE:** No.

**MR SPENCER:** Not at all?

**MS MACKENZIE:** No, we support choice-based letting, as long as it's real choice. The concern, and I think this was highlighted in your report, is that there's the opportunity under choice-based letting potentially to choose the clients that are less disruptive or seen as less disruptive. So there needs to be a degree of equity so marginalised people aren't disadvantaged in that choice-based letting. I suppose while it may be a clumsy comparison, if you look at the private rental market, that's an absolute choice-based setting market because anyone could choose whatever they want, and we've seen the outcome in terms of vulnerable people, they cannot get houses, they cannot afford houses. So in principle we support choice-based letting, as long as you've got enough supply

**MR SPENCER:** Yes. So I suppose, Michelle, just to in a sense turn the question around, given our Terms of Reference, what would you be recommending? What would you like to see us recommending, as opposed to perhaps what we've got there at the moment?

**MS MACKENZIE:** An increase in CRA, so do some modelling and 15 per cent is a great first start. Is it enough? And that's a question I'd ask you - - -

**MR INNIS:** You don't see the states making a contribution to – effectively a subsidy to – tenants through a contribution they make?

**MS MACKENZIE:** I think that gets back to our, in our submission saying we require the broader modelling, because they do at the moment. It's an implicit subsidy; it's not one that's seen. But they provide public housing, it's income-based, and so tenants pay, and they don't get CRA. So I suppose you could say that that's the balance of what the state - - -

**MR INNIS:** Community housing providers get CRA.

**MS MACKENZIE:** Sure. But tenants in public housing don't. So it's like an implicit subsidy that the state would provide, and I suppose that's where our concern is, if you're talking about top-up payments and now public housing tenants get CRA, how does all of that money flow so people aren't disadvantaged? So it's just getting a degree of understanding of what your recommendation means in terms of the money flow through the system, current state and future state, to enable us to see, yeah, it does make sense, just that understanding from the states in terms of their appetite to do that top-up payment.

Are you saying that top-up payment will be equivalent to their kind of implicit subsidy? I'm not sure how that would work. And given we are in the process of having a new Affordable Housing and Homelessness Agreement, how your recommendations kind of dovetail in with that figure, SPP, that's about housing.

I think one of the other things that's probably not in your Terms of Reference but it's stepping back and saying there's a whole housing system, what will increase social housing supply. And I look at my colleagues here from WALGA, things like planning reform is really critical, taxation reform, harnessing the private sector in a way that will deliver benefits from tenants. So it's a whole system and I think it's hard to talk about one component without looking at the whole system. And given supply is so broken, it makes it even harder to comment about your demand-side approach.

**MR SPENCER:** Just a question, this is changing topic slightly, but family and community services, I'm just wondering, the recommendations were made in there that – this is slightly, but does overlap I think with areas of your interest – but have you got any thoughts on the recommendations we're making around family and community services and the commissioning processes?

**MS MACKENZIE:** We didn't look at that section of your report.

**MR SPENCER:** Okay.

**MR INNIS:** But you've got a general concern about tendering processes.

**MS MACKENZIE:** We think there's an opportunity to harness the NGO sector through more of a collaborative approach as opposed to a competitive tendering approach. There are examples here in Perth, and I'll use the RUAH 50 Lives 50 Homes, where it's a huge alliance of over 20 NGO providers who are taking a consumer choice focusing on the tenant and then providing the wrap around services from a housing first perspective. So provide people with the house and then provide the services to sustain the tenancy.

I think in a competitive tendering environment, that sort of collaboration is a lot more difficult to negotiate. So it's just looking at more creative ways.

**MR INNIS:** We'd agree that the system should be more supportive of collaboration and try to at least frame some recommendations that would help. Can I ask, if tendering is not the right way for selecting providers, what would you recommend? Because governments will have to choose who gets money, how much money they get somehow, so what's the mechanism?

**MS MACKENZIE:** You do need a robust and transparent procurement process. So there's a spectrum of your hard, competitive tendering which are dollar driven, through to a more collaborative approach, where people can form alliances, they can work together with government in kind of like a co-design process. I think WACOSS probably will talk more about that, they're seen as experts in WA in terms of co-design. In a way where you're not pitting people who have a lot to offer against each other, that's drawing on the strengths of the NGO sector and what they can offer.

**MR INNIS:** If I hear this right, your primary concern about the tender approach is governments get too focused on price and price alone, and as a result, miss some of the other value that people might bring. Is that fair?

**MS MACKENZIE:** That is fair. And I think in terms of if you have a tender process, it's who's involved in designing the tender without compromising integrity down the track in terms of the tender itself.

**MR INNIS:** Sure.

**MS MACKENZIE:** And it's making sure that the needs of the consumer is front and centre in that tender and it's not just dollar-driven. As I said earlier, there are niche providers and it's quite often a cost to put in tender bids, so how do you not disadvantage those that have a lot to offer? Also

in terms of the tender process, tenders have a certain life, so if you're a consumer, what's the issue and the impact on you in terms of tenders that may roll over or you may get different providers. So it's thinking from the consumer perspective.

**MR SPENCER:** Good.

**MS MACKENZIE:** One of the things I wanted to touch on was the cost savings to government of providing housing. And I'm not sure if that came up in your report, but there's been some great research here in WA that have shown the savings to government of providing a house to people. It was done by AHURI and it looked at the impact on the health system of people who are chronically homeless that continue to go to hospital. And they worked out that it was a $16 million saving to government by providing people with housing, as opposed to having them churn through the health system. It's not insignificant.

I know Eileen Baldry has done some work in New South Wales on Lifecourse, cost of homelessness, and I think one of the opportunities in your recommendation might be looking at the savings to government, medical savings to the individual, of investing in appropriate housing for people. I'm happy to provide links to those reports as required, but their costs were around the reduction in stays in emergency departments and et cetera, et cetera.

**MR INNIS:** Michelle, thank you, and that sort of investment approach, taking those costs into account is very important. A final question from me, in looking at all of the people who are potentially eligible for social housing, and homelessness or risk of homelessness is a small group within that pool, is that the group that governments should focus first on and most on within that broader group?

**MS MACKENZIE:** It's interesting, because housing is often spoken of as a continuum, and part of a reason there's a pressure on the social housing system is there's not enough affordable housing so people kind of slide down. So one of the key things is getting all the policy levers right so we have an affordable housing system that reduces the need for social housing, and I think that's part of the broader context that we're interested in your work being situated in.

So absolutely, people that are homeless, that's a sign of a failed housing market, in our eyes. So you need to look across the spectrum, you need to have the right sorts of dwellings and stock in the right locations that's affordable, with the right policy settings, so people don't fall off the housing continuum into homelessness.

One of the things I haven't touched on is people in the private rental market. I think one of your recommendations was that they should have access to the services that people have in social housing, and we absolutely agree with that, that no one should be disadvantaged based on their dwelling type. It's just a matter of getting the right structures in place so people who are in the private rental market can access those services. Though the caution again goes back to the CHOICE report that shows that people when they front up for a private rental, who may be in receipt of a government benefit or may have a mental health issue, are very disadvantaged in the private rental market.

Again, it's thinking where do you focus your effort to get – your best effort to give your outcome, and we would say it's community housing not the private rental market.

**MR SPENCER:** Thanks very much, Michelle. That's been helpful.

**MR INNIS:** Sorry about the confusion on location.

**MS MACKENZIE:** No, that's me; I'm from Perth and should have picked the right Mantra on Murray. Thanks to the fellow that I rang, pointing me in the right direction.

**MR SPENCER:** Stewart, who's sitting at the back of the room.

**MS MACKENZIE:** And I'm glad I wasn't around, Jodie.

**MR SPENCER:** Thanks, Michelle. Could I ask the Western Australian Local Government Association representatives to now come to the table? Good morning. So just for the transcript, could I ask each of you just to say your names, please, and your position with WALGA?

**MS HOLBROOK:** Certainly. If I may, I would like to put in apologies first. This week is our annual convention and our annual general assembly, so our CEO Ricky Burges wanted to express her apologies for today. My name is Jodie Holbrook; I'm the Policy Manager of Community at WALGA.

**MR SPENCER:** Thank you.

**MS HEWSON:** I'm Nina Hewson, Senior Policy Advisor at Community.

**MR SPENCER:** Thank you, welcome. So perhaps if we could hand to you at this point to identify the issues you'd like to focus on.

**MS HOLBROOK:** Certainly. We do have a submission, we have not finalised it yet. Our board meets in a couple of weeks so we need to go through a process before we can provide it. However, we did provide Stewart with some dot points. We would like to take the opportunity to say thank you for a great piece of work, it was a huge piece of work for us to go through, and in terms of what is within both this report and the former report, we have quite broad comments to make and we do go across most of the areas, so we're happy to have a discussion across all of them today. Nina, did you want to add any?

**MS HEWSON:** We were just going to give an overview on WALGA, if you'd like, to start off with?

**MR SPENCER:** Yes, thank you.

**MS HEWSON:** So the WA Local Government Association represents 138 local governments within Western Australia, to support the business of local government. We're a part of a network of local government associations within Australia, so at current we liaise often with the other local government associations, as well as the Australian Local Government Association.

We're in a state of reform at the moment, so in terms of WA as a State Government, we're going through changes within the machinery of government, as it were. We're also in a reform process within local government itself; we're currently reviewing the Local Government Act. I just wanted to provide some focus on what we'll be talking about today, around the Local Government Act and the roles of local government.

Importantly, local government obviously has statutory obligations within the Act, but local governments also have some flexibility as to the services they provide their communities, dependent on each individual local government. So local governments are not homogenous, which is a really important point I think, which will be brought out through each of the categories that we talk about today.

**MS HOLBROOK:** So if you like, what we can do is just go through a couple of the key points.

**MR SPENCER:** Yes, thank you.

**MS HOLBROOK:** It may be useful actually to start on social housing, just following from Michelle. In terms of our support for the recommendations, we too had concerns that the recommendations fostered

a disconnect between affordable forms of housing and affordable living. We have done a lot of work in terms of what local governments can do under our planning frameworks and how we work with our partners also. So we do work with Shelter WA, we do work with AHURI as well, and one of the key concerns for us is around supply.

So Michelle made the point earlier that there's a greater focus on community housing and we too would be supportive of that. Our focus in terms of the local government and what we provide is around infrastructure. So depending on where our housing will be, it's usually cheaper in areas that typically are fully serviced by infrastructure, so I'm talking about the public transport, talking about key opportunities for employment or key opportunities for health.

When you look at Western Australia, we are a really large State, and this is also an additional challenge that we will find. It's always for us foremost around equity, and we do have supply issues. We do also acknowledge though the paper is very much focusing on demand. We do also support the need, and Michelle, we reference it as well, around the 150 lives, talking about the wrap around service. I think that gets back very much to the other part in the report around family services and community services, but also servicing Aboriginal communities. We see that as a model that would be most readily used in discrete Aboriginal communities too.

So in terms of the association's position on measurements around moving – we use the word transitioning – transitioning people away from social housing, our planners at the association put forward the recommendations around the state's Keystart Home Loan. They think as a model it's an excellent model to look at, and there's a body of work that the association has done around housing affordability, what planning controls can be changed, policy levers, how we can align them better across state, local government and the Commonwealth, and that body of work is also reflected in our submission.

In terms of moving on to family and community services, there's a lot of work that's been done in the state, probably over the last decade, and there was a great body of work, which was actually led by Michelle back in 2007, looking at the role of the not-for-profit sector and looking at the role of local government and where we came together and where we separated.

WALGA has referenced this body of work in our submission, because it was an interesting discussion around if we were to be changing the role of the not-for-profit sector and the not-for-profit sector leading more community service delivery, what would that look like for local

government.  So what we've seen over the past decade is a number of local governments are stepping out of direct service delivery and moving more into a facilitation role.  And that's been brought about as well from changes in the Local Government Act, so local governments have to do strategic plans now, it's been in since 2013.

But because they are responding to the community, they're looking for partners on how they can deliver the services that the community are identifying that they need.  On the flip side of that though, is there are communities that are identifying issues that may not reflect the aspirations of council as well, so that's where they have to make a decision.

A great example that I'll use is in Manjimup.  So Manjimup had a service provider which was Silver Chain delivering home and community care services.  Silver Chain could no longer deliver those services so local government had to make the decision of where they invested their money. Was it going to be in support for what Silver Chain was delivering or were they going to continue with business as usual.  The council decided to, in the interests of the community, to pick up the services that Silver Chain was offering, but that is again, at the cost of something else.  So local governments often will become the provider of last resort, but there is a cost for them to do so.

**MR INNIS:**  It's probably worth just to keep – you go through the lot and we'll interact at the end, if that's all right.

**MS HOLBROOK:**  No.  No problem at all.  We did have a lot of conversation as well, in WA we are a little bit different with the introduction of the NDIS and the impacts on HACC services.  At the moment we're still not clear whether the state government will remain with the local NDIS or move back to the Commonwealth-directed NDIS.  But nett of that we've done a body of work to look at what the role of local government is, and we will provide that to the Commission.  It is a report-in-confidence, but we did provide it to you as well for your NDIS inquiry too.

**MR SPENCER:**  Excellent, thank you.  That's very good, thank you.

**MS HOLBROOK:**  My pleasure.  In talking about that though, one of the things that many of our members have raised is gap filling, and also concerns around legislative frameworks.  So at the moment local governments deliver a range of services and they do so under their disability access and inclusion plans, which are legislated under our State Disability Act.

Local governments are wanting a way to broaden their role to include other vulnerable people in the communities, and we see it more so on the East Coast, where you have access and inclusion plans, and then looking at how you deliver wrap-around services. So that's just something that we would want to see moving into the future, and then how you actually develop frameworks to measure the outcomes that are being achieved.

That's probably an overarching comment from the association about the need for better consistency and better outcomes and abilities to measure those outcomes long term. They're often very short term and they're often pilot funding that comes and it's very hard to maintain long term outcomes.

The other thing that we'd like to talk about as well, in terms of public hospitals, of course local governments don't deliver hospitals, however, we have a very strong role in supporting health services, particularly in regional and remote areas. We do support the general intent of the recommendations, but we'd probably just want to highlight that local governments are providing funding, and the funding that they do provide is either from their general operating revenue or from their financial assistance grants.

There is new legislation in Western Australia which is the Health Services Act, which had a great model in it, and I do think it's changed, but we will clarify this, for health services boards. These health services boards were to direct what the needs of the community were in a certain region, wherever the hospital may be. They've changed now back to hospital services boards, so we're not quite sure what their policy change will be, but what we did like about that as a structure was that the community were more involved and more able to influence the services that would be delivered in that hospital setting.

So if I use an example here is the Fiona Stanley Hospital, that board was looking at what wrap-around services would be needed to be delivered either in the public hospital or around the public hospital, and the representation was very much from the community. There has been a slight change to the language and now they're hospital boards, and I think that's changed the intent, which is a shame, because it would have been a very good example for you to see how we're actually delivering on that.

We haven't said a lot about dental in the submission, it's not a space that our members have been involved with, other than to say they would always want more services, particularly to regional and remote areas.

The last one that we really wanted to talk about was service delivery to Aboriginal communities. In Western Australia we do have a strategic

framework in place which has been delivered by the state government through the Regional Services Reform Unit and there's a significant investment that has been provided to that unit to deliver in the next 18 months. In terms of local governments impacted, there's 26 local governments that are impacted in looking at service delivery to Aboriginal communities.

The Commonwealth used to provide funding to the states for the delivery of essential and municipal services, and that ceased in 2015 under the National Partnership Agreement on Remote Service Delivery. At the moment what we're looking at is trying to determine what essential services looks like and what municipal services looks like. Essential is quite easy, and I say that very simply. But looking at what needs to be in a community and how it's delivered in terms of your power and your water and your sewerage, we're very clear that needs to be there.

What we did support in your paper was the development of community plans. So as I mentioned before, local governments develop community strategic plans. The state government is also looking at developing community plans with 10 identified Aboriginal communities at the moment in the Pilbara and the Kimberley. They're then looking to roll that out into the Ngaanyatjarra Lands, so 13 communities out there.

The concern for local government in respect to this is the funding is finite, the funding ends in October 2018, and the definition of what services need to be provided at a municipal level – and I use the word municipal very broadly – any services that need to be delivered to the community is not clear. So I think there's been a failure, and we all acknowledge and your paper acknowledges as well that there's been a number of different policy changes over the past 20 years and we still haven't really got it right yet.

One of the things that the association will always put forward is that it's the governance that needs to be looked at, community governance. I think broadly across the paper and it's recognised that governance needs to be considered and probably look at not just the outcomes that are being achieved but do the people that are governing the communities have the right access and support to training. You do mention it in your report and you talk more about raising opportunities for improved governance, and we do see it as well with community services.

So recently the state government cut a range of funding for parenting services across WA, had a huge impact on smaller not-for-profits, and once that was done, one of the key things that came up was a number of smaller not-for-profits had then gone to their peak bodies and said, "We need

greater support, we don't actually understand the tendering process" – as Michelle raised earlier – "We don't actually know how to go up against the big players, we're not as slick, we don't have the resources, we're a volunteer-based organisation". So we see a real opportunity to improve governance for not-for-profits, particularly smaller not-for-profits, and then how they can work well with the other spheres of government as well.

The tendering process has gone out now for all of these community services and, as Michelle alluded to in her presentation, it does appear that the larger not-for-profits are receiving the bulk of the funding that's been provided and the smaller niche providers aren't getting a look in, which is of great concern to us an association because often it's the smaller niche providers that are in our more remote areas. So I'll use an example, being the Kimberley. There's a huge cost to deliver in the Kimberley or in the Pilbara, so you often find it's niche.

**MR INNIS:** Yes, and we're travelling to the Kimberley tomorrow, so we'll be first hand.

**MS HOLBROOK:** There you go.

**MR SPENCER:** Thank you for that for running through all those services, that's a terrific overview. Just perhaps to start with the last issue you raised, we've often heard today and on other days about this tension around tendering processes and the tension between sometimes the larger providers who can bring scale and resources to the tendering effort and the particular skills and attributes of the small local provider being overlooked or undervalued. What's your experience of why government – when we talk about it, it sounds very logical to want to recognise the value of the local where there's the trust, there's the confidence, the relationships. In your experience, why does that get overlooked? Why doesn't it get valued and what can we do about that to make sure it is valued in these processes?

**MS HOLBROOK:** From a local government perspective, so I'll talk about local government because that's where we're from, we do value the local more and I think that is probably a point of difference with local government, say, versus state government processes. We will always look to the local foremost and we design our service delivery based on the local because we know if you don't have the right people on the ground actually in the community, things always fall over.

So in terms of the association, we've actually developed a whole procurement framework very much based on the local and we will go out and source providers across WA to ensure that local first. So we have our policies all geared to local first, and then if you can't have local, then you

can go further. Its efficiencies I would imagine, like you say, it's availability, you go big, but in going big you lose that local impact.

There's many examples of larger organisations, not necessarily not-for-profit, that have been provided funding but the outcomes haven't been there. And I think great examples of that can be seen in the Indigenous Expenditure Report and the Overcoming Indigenous Disadvantage, where there's been significant dollars invested for very little returns, and the last Closing the Gap Report I think represented that as well. It's easier, I would say. It's actually a little bit harder to look local and to know.

I think throughout the submission there were some great conversations in here about data, I don't think we have the right data sets because we don't know who is local and we don't have that necessarily. You can't come to one or two spots and know where to go, who's on the ground. So you're reliant on understanding what you know, what you think you know of that community, and who's delivering in there.

But there was great work done by this last state government in terms of exploring who was providing what in the Kimberley and how it was being delivered and the overlap. But that only came about because we went looking for the data.

**MR SPENCER:** Sometimes when we look at issues we end up back wanting to amend the Constitution, because we have federal, state and local. And it's fantastic you're here today to give very much the local perspective. But in terms of joining up services, coordination of services, you obviously commented on that, alike the different silos which sit both within particular layers of government, but also sometimes between levels of government.

What in your experience helps to facilitate it – you mentioned that word facilitation earlier – about what you're doing, what the state's doing and what the Commonwealth is doing, is in a more integrated, more effective set of services for that community, what advice would you give us about how we should approach that in our report and the recommendations we're giving to government about how can that be better done? I guess perhaps are any examples that come to mind where that has been well done and why and what's made it effective.

**MS HOLBROOK:** I'd love to say there was some tri-lateral that I could say this is a great example, bi-lateral I probably can. In terms of service delivery, I think we are very good if we all know what our roles and responsibilities are. And I think often we don't know what we're actually trying to achieve before we go into a community. It sounds like a great idea but we don't spend enough time at the front end looking at what the issue

is that we're trying to solve. We don't actually go back and look at, with clarity, what we need.

So we always get back to the three Es, is what we like to call them – what are you trying to engineer, how are you going to educate it, and then how are you going to enforce it. If we took that across the three spheres of government, you would actually be very clear, everyone would know what they are wanting to achieve, what resources they need to achieve it, and everybody gets on and does it.

There's some examples of long term partnership agreements that the state government has had with local government, a couple of those would be like public libraries, and that would be reflective across Australia. I don't think there's anywhere where there's not a very longstanding relationship between the two tiers. Child health clinics would be another one, where there's been really good engagement from both the state and the local. But also the state and the local working together to deliver child health clinics, but then also measuring back against national partnership agreements set by the Commonwealth government.

So as long as we know what outcomes are being achieved, then we should be able to then engineer what the process needs to look like. And then it gets back to the education, that there is this process and how it goes up and how it goes down, and enforcing it when it's not happening. So actually making sure that we're – and that costs money. Not saying it needs to be regulated, but there needs to be oversight and a framework developed to do that and to do it well.

I would imagine – I'm trying to imagine which one in the last 10 years that I would say would be a really good example, from a state perspective, having the ability to have our Disability Access and Inclusion Plans tabled each year is very useful to see how we are being measured against seven outcomes. The Closing the Gap is another one. We're not doing that well yet with those outcomes, but hopefully at least there's a measurement in place to do so, and they're something that all tiers of government are working towards. And if they're not working towards it at least it's there and that's where the education and enforcement would come in as well.

**MR INNIS:** Thank you very much, and I'm going to focus for a little while on the remote Indigenous part of our report and part of the conundrum we face. So we talk a little about community planning and using that much more strongly as the basis for trying to get alignment with service effort and complementing the changes to contracting that are in the draft recommendations. The question that we are wrestling with is it sounds

brilliant but where we seem to fall down is not enough effort up front and possibly not enough capability to do it well in lots of places.

So that's an impression we've got. You guys are close to the ground, you see these things from a different perspective, be interested in your comments around do we have the capability to do good community-based planning in a remote context?

**MS HOLBROOK:** I personally think we do. I think our focus has been a little bit – we've been a little bit out of focus, so I think there are some things that would be very pragmatic to tackle first that we haven't done traditionally. So an example that I would use is waste. Waste in Aboriginal communities is a really significant public health issue, and often the services that we are putting in, like new housing, people come in, people build the homes, and then they go.

There's a whole heap of waste that's left over from building new homes, and consistently building new homes under National Partnership Agreements, you have to hit a magic number of homes to release payment to the state. What we do find though is nobody has responsibility for the maintenance of waste and the tidying up of waste that's left over. So we have huge health issues there.

I think the reasons why we don't look at waste as an example – I'm using this as an example – is because it's in the too hard basket. But if you get your waste right you actually improve health outcomes. You improve health outcomes, that leads to other improvements as well. So one of the things that we've been looking at and we're hoping to work with the state on, particularly in WA, is looking at what's actually in the waste stream.

At the moment we have no idea what's going in to the waste streams apart from building, household rubbish, whatever it may be, and where it's going and how it's being done, and we're looking at opportunities to actually unpack that. So it's looking at what's in the waste stream. Once you know what's there, once you know what you're looking at, then you can actually unpack it and say, okay, well if most of the things that are going into waste are for example glass, what can we do to recycle that. Are there economic opportunities as well?

So I'm going to say it's Bidyadanga, but I think I'm incorrect, but I'll come back to you which one it is, there's one of the communities in the Kimberley at the moment that's going through all of their waste and looking at opportunities to do like op shops. So instead of sending it away, what can we do with it and how can we repurpose it.

I do think that we try and look at everything at once, whereas we could be tackling one issue, addressing that, and then seeing what the flow-on effects would be, hence my reason for saying waste first. It's probably one of the long term issues, nobody has responsibility for the management of waste, and when they do, does a very poor job of it.

**MR INNIS:** Thank you. Second question I guess, and again trying to bring your unique perspective to the table, is we often hear that there's a tension between – even within the not-for-profit world – between the bigger organisations and the smaller organisations. One of the things with smaller organisations is that they are not always understanding what the leading edge of service provision is, and that's not denying the other attributes. So how do we effectively bring, when you want a local-first strategy in your language, how do you ensure that local is also leading?

**MS HOLBROOK:** That's a really good question. From a local government perspective, everything that we do is from our community strategic plan. So for us, any organisation that would come to a local government seeking support in that community, that would be the first place that we would direct them to. We'd also then direct them to any of the legislation that is specific to the area or any of the regulations that we have around there.

Making sure that things are leading edge. Often there's just not the capacity to do it. By the time you're busy as a smaller organisation employing people, making sure that you're sustainable, making sure your books are right, making sure you're meeting your grant agreements, there's actually little time to do that. So I think the leadership has to come – I think that's probably also a role for government, there's more time for government to actually be looking at where the leadership edge should be, what are the key innovations that are happening and also looking at where investment is going as well.

If we're talking a really small NGO, probably run by volunteers, they really don't have the time to be doing that as well. I think they need support to do that, and that probably gets back to the conversation earlier about governance and supporting improved governance. If your governance is right for the smaller NGOs, or the smaller local governments, then they have time, it frees them up to be looking at leadership and innovation.

**MR INNIS:** Thank you.

**MR SPENCER:** Just a final issue, once again regarding remote Indigenous communities. We've recommended 10 year contracts, a range of issues around that, and we're very conscious that there have been many inquiries,

many initiatives to address what are profoundly complex issues, so we are treading cautiously and hopefully respectfully in this space. But the sorts of things we're putting forward about skills development, transfer, capacity building, the long term nature of those contracts, do you have any comments about where we're going with that? Does that feel we're in the right direction or are there other things you'd advise us to be considering or thinking about in that context?

**MS HOLBROOK:** From the association's perspective and from local governments', we're supportive of that approach. We often find that contracts aren't long enough, as they are at the moment, so having a 10 year lead time is very good and embeds people into the community as a service provider. In terms of capacity building we're very supportive of that as well, but we really want to focus on governance.

One of the longstanding discussions that we've had with state government when we started talking about service delivery to Aboriginal communities was there was always this understanding that local governments would be delivering services, rather than not-for-profits or for-profit organisations, and over time that's changed, because there's been a change in the way that we deliver services in WA. But still, the issue remains around the governance and supporting the Aboriginal organisations that are there to be delivering these big 10 year contracts and to deliver it well, and actually to have the confidence as well, when it's not going right, to say, listen, it's really not going right up here.

Often when issues are raised with poor service, they're not acknowledged. And I think, again, that gets back to those three Es, you've engineered it, you're educating, now you've got to enforce it. So if there are providers that have been given 10 year contracts, and I'm going to use waste again because it's my pet issue at the moment, if they're not removing their waste properly then there needs to be consequences for that type of behaviour as well.

We are very fortunate that WA has had our new public health plan introduced, it's been a long time coming, it's been at least 10 years that we've been working on it, and it's replacing our 1911 Act. So there is a framework within that that if there's an issue that's identified on Aboriginal communities, and we'll use waste again, and that the service providers haven't done what they said they would do, they have a five year plan where they have to clean it up. Wait to see. But I do think there needs to be greater rules around enforcing and education, and consequence.

**MR SPENCER:** Thanks very much, Jodie. Thanks very much, Nina, that's very helpful, very good to have that perspective too.

**MS HOLBROOK:** Thank you.

**MR SPENCER:** So that brings to a conclusion those that had been arranged previously, but if others wish to now make a presentation at the hearings, and I know that Vicki Barry is keen to do so. So if I could ask Vicki now to come to the table. So thanks again, Jodie, and thanks, Nina.

Just so we know for planning, is there anybody else who wishes to make any comments to the hearing? No, thank you. Thanks, Vicki.

**MS BARRY:** I must thank you.

**MR SPENCER:** Vicki, would you just for the transcript, could you just your name please and who you're representing?

**MS BARRY:** I'm Vicki Barry and I represent the interests of Palliative Care Western Australia. We're the peak body for palliative care in the state. We're a not-for-profit membership-based organisation, so we either have individual members who are professional health care workers, we have researchers, volunteers, students – so a broad range from the sector and also we have member organisations. So they are service providers generally, but could be universities doing research, could be allied organisations like Carers WA, COTA and the like, so very broad-based, I guess.

I'm here really looking at your end of life care part of the paper, and it was very in-depth, which is great. Certainly what I've heard earlier from WACOSS and the need for co-design, service integration I think is paramount. What I think I'm seeing in our sector is there's fierce competitiveness, and it kind of is a barrier to good collaboration. I think that goes back to just tender processes, dominant players, the corporatisation I think of a lot of service providers is getting in the way as well.

So some of them get public money and also private funding as well, and there's a tension there, which I think also is a barrier for people to access good quality palliative care. We already heard from local government that Silver Chain withdrew its services in Manjimup, and I would say that's probably because it's running at a loss to operate there. Even some of our – you know, it's interesting, we have a service provider like Silver Chain who we're very lucky in WA because they provide home hospice basically, our rate of people dying at home is around 35 per cent compared to the national average of about 15.

But even at the end of life, they're only able to provide two hours a day, even in the last 12 weeks of care. Palliative care, let me say, begins the minute that you are diagnosed with a life limiting condition, and apart from cancer, it's very cancer specific, we have neurological conditions, complications of diabetes, we have dementia, it's very broad.

Also the other complication is we're talking about primary health care, secondary, tertiary, acute care, specialist care, we're talking about community care, we're talking about aged care. So how do we get integrated service? Where's the mechanism to encourage collaboration? I don't think we're short on resources, I think we're just not leveraging resources. There's not a will to cooperate nor collaborate, and we really need some good cross-sector leadership and we need a mechanism to encourage that.

One of the models, I guess, that I'm very keen to look at is a collective impact model and a coalition of care. I was previously operations manager at Headspace for youth mental health and we had a consortium, which was really great, because where we've got some clients where it's just hard to get the support they need, you would have a consortium of other service providers and you would literally be brokering what care do we need to have to wrap around this individual.

So for me, we don't talk about person-centred care at palliative care, we're talking network-centred care. We believe it's not about even the person or one service, it's how do we activate the networks we have. And they can be formal or informal. So for example we're talking about in this report community-based palliative care services. Well, a lot of community-based service, and particularly if we're looking regional-rural, comes down to if mum's doing chemo and she's a single mum, who's going to pick the kids up from school, who's going to take her to her appointments. That's going to be her informal network.

So what we're interested in, how do we work and develop a compassionate community where we've got that – building that social capital to ensure that there is support for people when they need it, as they need it, and we can respond appropriately. So we're actually working with local government at the moment, we're running some symposiums here later and building on the back of the age-friendly communities, looking at how do we actually encourage a compassionate community. And that's not just for people at end of life, that could be someone with a disability, it could be any condition that requires other supports.

I was very keen, and I'm not quite sure, in the draft recommendation 4.1 it talks about "use competitive processes to select providers or a single

provider to deliver additional community-based palliative care services",
and then "Monitor and evaluate performance of community-based palliative
care service to ensure that those services deliver integrated and coordinated
nursing, medical and personal care and provide access to care and support
on a 24 hour a day, seven day a week basis".

Well, that is very aspirational indeed, and I don't know how you're
going to do that, and that's where I feel we need this collective impact
model that is place-based, looking at what exists in the community, how do
we use GP afterhours, how do we look at some programs of excellence, like
New South Wales Ambulance care service providing palliative care too, so
that people aren't being admitted to hospital unnecessarily, we're not
calling ambulances unnecessarily.

I think there's a lot more that we can be doing to say, well, we've got
all these good services that already exist, how can we facilitate and who's
going to take that responsibility and make us all accountable actually for
what we're doing?  So I think there's a lot of work around that collective
impact space that needs to happen.

Also we look at sector development as well as community education,
and this idea that a GP will be rewarded and there will be a Medicare item
number for initiating a conversation around advance care planning at age
75, I think is a bit of a nonsense.  That is an output indicator, not an outcome.
If you want to improve the uptake for advance care planning, you need to
be rewarding completion of an advance care plan or health directive.  Very
difficult, but we have in Wisconsin, and across Wisconsin, for many, many
years, 96 per cent of the population that die actually have an advance care
plan in place.

That doesn't rely on a health professional to actually organise that, they
actually have an ambassador in community program where non-
professionals are actually activated in the community to actually have those
conversations and initiate that.  I very recently went – I found a GP who
holds workshops in his practice, and he had 30 clients at a workshop, he
does them twice a year, he's now a retired GP.  And whilst I commend him
for the initiative, he was referring to the work of Molloy done in the '80s
and using a video with guys wearing mullet haircuts and – it was really old.

Having said that, the messages are still consistent with what we would
give people today.  I had to say that whatever the GP said, I think there was
something in that, was gold.  I mean, his clients were only interested in what
was – he had that voice of authority.  So there is something around that as
well.  I think we do need a national campaign to educate people, they don't
know what they don't know.  And they don't know where to go for services.

I would take, when I'm in the office, and we're not even funded and it's not our job to do this, but most of our calls are from carers of elderly parents who they've gone back to a nursing home, having been in acute care, they are no longer being hydrated or fed and they are very concerned, they want them back in hospital because they actually want them to be rehydrated, and clearly have no idea that their loved one is in the end stages and is actually actively dying.

That is a hard conversation to have, but no one's having that conversation. So we redirect them back to their care team, but people in the profession aren't even comfortable having that conversation. So how do we then reach people and educate? Death is a number 1 killer, none of us are exempt. So where are you going to get good quality information? And someone who's across all of these different providers, to give them the information and direction they need when they need it.

So for me there is the gap in connection. And I heard there was that directory for emergency relief, well, you can have all the service providers – and I've been in – we've mapped services, we've got directories. That doesn't mean people are going to access. They actually need someone to be helping them to navigate and actually providing the information to do that. So you need a sort of coordinator/navigator role, and that could be the social worker, I don't know. It doesn't need to be a new position, just needs to become. Someone has that responsibility to do the stepped up, stepped down and in between care that needs to just support families who are in that situation.

I think I've just about covered. I'd just like to say I feel that we need a lot more innovation and I think that time at the beginning, how do we – I'd love to, and I think as our organisation, being in sector development, we're in a perfect position to broker some of these partnerships, but we certainly don't have the capability or the resources to do it. But we're neutral, we represent the interests of all the players, I think there needs to be somewhere; it doesn't need to be us, but somebody that is actually tasked to do that.

I don't think we need any more mapping. I mean, every grant, every tender is mapping services, doing all that; it's been done to death. You guys know all the stats, you know pretty much – there's plenty of information, applications, databases. Somehow we do need to even integrate those so we know who's doing what, where, and again, place-based. I think that's probably it.

**MR SPENCER:** Thanks, Vicki, that's terrific. A couple of things that I have taken from your comments, and then Sean may like to comment as well. Initially it's the who. Who's responsible for end of life care, and I think that that's at two levels, and we've commented on this in our report, but maybe need to say more about it, and that's more at a government level. So who does take responsibility for all of this and for having some kind of national agenda around it?

Then secondly, to your point about coordination, a broker role, navigating, that idea of the collective impact, how do you integrate, bring together a whole range of players? Because I think what we're conscious of is as you described extremely well, this is one of those issues where everybody needs to be engaged, and that leads us to your comments about an education campaign or a cultural shift, which is obviously a long term issue in Australia, this is an issue people don't tend to talk about.

But I was very interested, and I'm not sure if I'm aware of the Wisconsin example that you gave, which sounds very impressive and it sounds like the ambassador program they've actually thought long and hard about how do you influence more conversations, more joining up of services and people actually being proactive around this rather than reacting at a crisis moment.

So I think my sense is those – and you've given us some very good practical issues to grapple with to go perhaps more from theory to well actually what will move this agenda in a practical way, and that's extremely helpful. Sean, do you have any comments or questions you'd like to ask?

**MR INNIS:** No, thank you. I think clearly the Commission feels that end of life care in Australia is not where it needs to be and that as a wealthy modern society, there's a lot of work to do. I think the tension we always face is we can see some magnificent things happening in particular parts of the country, but we've got to write recommendations for the whole of the country, and we're very keen to make sure that there's reasonable evenness in the services people receive in one spot versus another spot.

That probably explains why we've come back to things like really understanding need, really understanding what exists, and planning around that. Absolutely agree that the very best services account for the support that exists around community, but there's a tension we need to wrestle with between the extent to which you set things up that have to rely on that existing, because in some places and around some families, it doesn't, and so that – hear the things you're saying and agree they are things that we're all wrestling with, I guess.

**MS BARRY:** I just feel it needs a cross-sector leadership. It's lacking. There's a real lack of cross-sector leadership.

**MR SPENCER:** No, I think we perhaps have commented on that and will have more to say, but it's a very good point, this is an area that's classically seems to need much higher leadership and then more practical ways about how to bring services together. So as somebody once said to me around a whole range of services you see in Australia, you see bright spots, and the challenge is how do you turn the bright spots into a bright system. And that raises some of the issues that Sean's talking about, to be able to design a system which can work nationally and equitably across a whole range of differences. So thanks very much, Vicki.

**MS BARRY:** Thanks for the opportunity.

**MR SPENCER:** So at this point, if there are no further comments, and I thank the three of you for being with us right through the day, that's very good of you, we've appreciated your presence. So just formally, I adjourn the proceedings, and this concludes the Commission's public hearing for the human service inquiry for today and for the inquiry. Thanks very much, everybody.


**ADJOURNED** [12.20 pm]