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**Response to:**

**Treasury**

**Competition Review Policy Final Report**

**May 2015**

*[www.anglicare.asn.au](http://www.anglicare.asn.au)*

## Anglicare Australia

Anglicare Australia is a network of over 40 independent local, state, national and international organisations that are linked to the Anglican Church, and are joined by values of service, innovation, leadership and the faith that every individual has intrinsic value. Our services are delivered to one in 40 Australians, in partnership with them, the communities in which they live, and other like-minded organisations in those areas. In all, almost 13,000 staff and more than 7,500 volunteers work with over 600,000 vulnerable Australians every year delivering diverse services, in every region of Australia.

Ten Anglicare Australia network members provide aged care in the community, five of whom also provide residential care; with more than 3600 residents 4500 clients with community packages and more than 22,000 accessing home support or HACC services.

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## Introduction

Thank you for the opportunity to respond to the report from the Panel. Our response builds upon our input into the roundtable for human services held by the Panel, another opportunity for which we are grateful.

Anglicare Australia is a network of 40 value led, for purpose organisations which work alongside their local communities across the country. Most members have long histories in those communities, born from them and growing with them.

It is this purpose, which much of the community sector has at its core that is the clue to its effectiveness. In fact this purpose would be shared by government, with themes of resilience, well-being and common good. We applaud the Panel's emphasis on its concern to "preserve and enhance this contribution". Much of our submission is concerned with how that may happen, in order that the community and individuals have access to organisations that offer services that are truly transformational; that actually offer the individual what they want and what will work.

While much of this submission will be about the organisations and services that make up the Anglicare network; that network exists to support individuals and communities to live the best possible life. This submission then is about how services should best be formed to best produce human services which best support people and communities.

## Transactional and Relational – the nature of human services

At the roundtable with the Panel, the group developed some very clear thinking on the continuum of human services. We developed a typology of human services which are transactional and those that are relational. Anglicare Australia is involved in services that are relational. Anglicare Australia members are in relation with their local communities, they draw their governance from the local communities, their staff, their volunteers, their clients. Often people move through these categories of stakeholders; board members are ex clients or family members of clients. Volunteers are ex clients contributing back to the organisation and in turn their community.

We argue that services which are by their nature relational are harder to apply client choice and should not be opened to competition as quickly as those which are more transactional in nature.

We are happy to see that the complexity of many human services, mainly those provided by organisations like Anglicare (foster and out of home care, employment services, homelessness, mental health services, services addressing multiple disadvantage) is recognised in part in the diagram on page 234. However we would like to see a more explicit explanation of the differences between services which can be transactional, and those that are relational.

One off, often performed, well regulated and regularised, simple, short term engagement services can by nature be transactional. They can support competition and choice. Some people may need help to negotiate these choices and government must regulate to set a

minimum standard, but efficiency is a good goal for these type of services and therefore competition is an appropriate response.

Complex human needs and multiple disadvantage require ongoing engagement from services that can adapt their offering to each individual circumstance. While there are strong principles of practice that works, best practice in these services dictates that the support offering responds to the person, the place and the circumstances of the time.

Competition serves efficiency and efficiency is not served if expensive interventions do not work. Nor is it served by not offering transformational services to people experiencing disadvantage. These type of services can't and shouldn't be reduced to a simple formula on a commissioning document. Clearly understanding human services by this typology offers a very useful distinction for determining which human services are suitable for completion. And which are not.

### The “extra”benefit of the charitable sector

It is an oft described benefit of the community sector that we bring extra benefits. Volunteers, goodwill, commitment and community belonging. Church groups in particular have access to a very wide web of buildings, people, and often material wealth; as well as an understanding and moral obligation and desire to help and support.

The nature of the sector also naturally and spontaneously develops social and community goods and benefits that are difficult to put into a commissioning request from government. It is also difficult for a government to work out which individual service - employment, housing, child protection, etc should include the community service obligation of wellbeing? If a commissioning request deals only in an employment service then who starts the homework club for the local kids? Broad, value based organisations like Anglicare which belong in communities, and spring from them, and respond to their needs, undertake activities which grow and instigate individual and community resilience and well-being - outcomes which will achieve and enable the outputs the government funded services seek to achieve.

### Commissioning

We highly recommend that commissioning from government not only recognises community service obligation (CSO) as an accidental outcome but puts the requirement for the CSO up front and therefore transparent. Similarly it is not good enough to consider the extras that are added benefit brought by the community sector as an extra in the tendering process, to be considered after everything else and certainly secondary to cost. The ability to increase social capital, to involve the community, to link clients into the community should be an up front requirement that respondents must address so it can be transparently considered.

Value for money is an appropriate judgement criterion only if value is able to actually assess everything that is being offered in the service offer. Unfortunately the deconstruction of community services into employment services, housing services, security services etc does not well serve society. Which service the homework club belongs to is hard to find. It doesn't

fit in employment services, it doesn't fit into housing, it doesn't fit into child protection. However it does improve those children's chances of employment through successful education, in turn this contributes to housing outcomes. The homework club in this case brought parents together too to work with their children, which in turn improved child protection outcomes and the parent's literacy. The homework club in this example was closed when the organisation running it lost its funding for employment services. The organisation had started it in response to the people using the employment service's concern that their literacy was holding them back in employment and concern that this may continue for their children. The small surplus from the employment service funding plus some volunteer input meant that the club could function. A for profit operator would simply have maximised those profits and utilised the surplus that way.

Anglicare Australia has long been on record as (eg in response to the Productivity Commission on the contribution of the NFP sector) in support of "intelligent commissioning". That government should ask and take advice from communities about the solutions to their issues seems logical. Truly intelligent commissioning should be an iterative process between communities and government. Indeed this should be a circle that comes before the "assessing needs and priorities" section of the commissioning cycle on page 242. This would be true "co-design" and the outcome would be services most likely to succeed in whatever the mission of that service is.

Finally we would echo the view of the Panel that this is not to be rushed. The risks are large, getting something wrong for even small numbers of people can commit, not only those individuals but their offspring and their communities, to disadvantage and exclusion.