

Submission

No 1

Outsourcing Community Service Delivery

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SUMMARY.

Written by:- Gary Hancock

INQUIRY INTO OUTSOURCING GOVERNMENT COMMUNITY SERVICE DELIVERY

The contracting out of service delivery from the Government Sector to the Non- Government Sector in NSW does have some merits.

MONEY AND WASTAGE:

1. The Non Government Sector can and does produce the services at a cheaper, more cost effective way than the Government Sector. There is a lot more waste in the Government Sector and usually the wages bill is higher. As an example of waste in the Government sector includes DOCS Department of Community Services with the Devolution of Brush Farm Institution at Eastwood for Intellectually Disabled people many years ago they bought fifteen sets of the most expensive outdoor settings/ furniture for the back yards of the group homes. The furniture was wrecked after three weeks in most of the group homes and some did not even fit into the small backyards of the houses that the Department brought at the time. The Non Government Sector are much better with their budgets and know that if they go over their budgets they have to find that money from somewhere else. Having said that there is no evidence to suggest that the clients get a better deal in terms of being looked after in better ways in the Non Government Sector eg better food, increased care, better attention, better program delivery or increased services generally.

The Government Sector usually has more layers of middle management and this is a costly exercise. For every one middle manager position in the Government Sector we can employ two in the Non Government Sector. That is a big cost saving across the State.

There is also very little evidence to suggest that there are less deaths in Government Community Services Delivery as opposed to The Non Government Sector. The Government Sector still spends more money on training staff than the Non Government Sector, however there are a number of systemic issues around looking after clients/ service users in the Government Sector and there are deaths still occurring. There are a number of issues for both the Non Government and Government Sectors around Guardianship and indeed best practice for service delivery that still need to be addressed. I do believe that more training for both sectors is required in a number of topic areas as this training would/ should be useful in terms of what issues clients/ service users are being faced with. There is also no evidence to say that either the Government or the Non Government Sector is any better or worse at looking after the high needs clients, independent clients, physical, brain damaged or Intellectual Disabilities. I have seen Services and Programs in both Sectors which are very good and innovative and I have also witnessed very poor Services and Programs. One example would be a Group home that was presenting as a challenging group home run by the Non Government Sector with a very challenging young man. The Government Sector ended up taking this group home on and putting cages up everywhere in the house and car. This, for all intense and purposes is not a group home model and indeed I am not even convinced that this would be an Institution model.

SUPPORT SERVICES:

2. The Government Sector is better at following through with support services eg, Psychologists, Speech Pathologists, Social Workers, contractors as many Departments have their own internal services to use and it is very often user pay for the Non Government Sector for their Service Users/ Clients. Often this is a neglected area in the Non Government Sector as the Client/ Service User has no money or very little and can ill afford the Service of a Dentist as an example and must wait in the line for The Public Dentist at the major Hospitals etc.

I feel that this area is a concern for the Non Government Sector as opposed to the Government Sector.

POTENTIAL CONFLICT OF INTEREST AND ABOUT SERVICE DELIVERY :

3. Over the years there has been much discussion over the fact that the Departments/ Government Sector has a potential conflict of interest as it is often the funder of the Service and also doing the monitoring/ development/ coaching and resourcing of the Service. I, as many people believe it is a conflict of interest to take on these dual roles and very often the lines are crossed or blurry to have these dual roles. It has always been a concern for The Community Program Officers CPOs, to have this dual function. It would be much better for The Non Government Sector to take on Housing , Disability and Home Care Services if there will be an increase in the monitoring of Service Delivery. What could, or is likely to happen is that services in the Non Government Sector become complacent and that less monitoring/ coaching, advice and ideas are developed under this new arrangement. Would Service Users/ Clients get better service delivery or not under this arrangement. This would have to be the focal point and the most important question to ask and follow through on in terms of outcomes and results for Services and their clients. Will there still be the same amount of Service Delivery around for clients or would this diminish under the new arrangements? Would there be actually less services because the existing Non Government Sector does not have the capital or finances to cope with more service users/ clients. What would happen to the existing positions in the Public Service? Would a lot of these people take a pay cut to work for the Non Government Sector? I would imagine that there will be a lot of Public Servants who would be taking redundancy packages or going down a grade of two in their positions. This will cost the Government initially a lot of money.

Would the Non Government Sector be really scrutinized under this arrangement? It would be hoped that services would develop better outcomes and best practice under this arrangement and that the monitoring of Services would include looking at future directions, planning days and looking at what services currently do well as well as what things areas can be improved and what are the best ways of doing that. Are the current staff in the Government positions trained enough to conduct adequate monitoring/ development / supportive and mentoring roles. Whilst there would be a portion that do currently have those skills, I am very aware that there are some staff

not trained enough in this role and because they have not worked at grass roots level in any capacity have no real knowledge of either the Government or the Non Government Sector at the coal face of Service Delivery.

CONTRACTING OUT/ OUTSOURCING:

4. This term could be seen as a little vague as to the terms of reference for "Contracting Out". Would this mean that new Service Providers will come into play and I suspect that the answer to this is yes that that would have to happen under the new arrangement. If that is true then what mechanism would be put into place to make sure that they are up to delivering the service required. Already all three areas Housing, Home Care and Disability use the Non Government Sectors. There are currently a lot of services in the Disability Sector that are Non Government and some of these are already quite large eg. The Spastic Centre or Cerebral Palsy Alliance Service. How much larger will these Services become and when they become too large they become impersonable and almost Institutional like which is actually the very area that David Richmond in the Richmond Report was advocating away from. Sometimes it is good to have a range of Service Delivery models for Service Users and Clients. I wonder how much of this would/ will happen under this arrangement.

5. CONSULTATION:

I am wondering how much consultation has taken place with the existing Service Providers, Families, Service Users, Clients, Advocates etc? Consultation is the key to relaying a lot of fears that people have. I have just been reading in the Parramatta Advertiser about the devolution of Rydalmead and Westmead Institutions and how parents were very fearful for their sons/ daughters going from the environment that they know into group home settings, however once out into the group homes most parents said that they were better and that their sons/ daughters were doing well in the new environment. In these situations we need lots of consultation and examples and visiting places to ease the fears of people. I remember, years ago working with parents who thought that there would be parties every night for the staff in group homes and that the staff would treat the homes as their own personal house. In this instance it took quite a lot of working through different scenarios to help these parents change their thinking and ideas on what would happen in group homes. I am actually of the belief that more work actually should occur with the families than the people actually moving as my experience shows that the people moving actually cope, in most situations pretty well.

This move to the new arrangement, will disrupt and change people's circumstances or people familiar to them and I wonder how this is currently or in the future going to be addressed. I do believe that as we are working with people across these three areas namely, Housing, Homecare and Disabilities we certainly have an obligation to consult and I wonder if this could give us an opportunity to look at some best practice methods of consultation instead of the usual

situation of setting down dates and people come to a forum or meeting. Perhaps we could have some meetings, some individual consultations, some question time, advocacy support and actually arranging visits to some Non Government Services that are currently operating so that people can /could ask questions and get a feel for some of the new things to expect. I do not believe that we have tried new ways of consultation. Perhaps a DVD would also help. I am sure that there are a number of different and best practice ways of consultation and we need to try various ways.

6.

SACS SOCIAL AND COMMUNITY SERVICES STATE AWARD ISSUES

Of great concern is the current SACS Award and although there has been recent rises from the Federal Government, the Award is still not a great incentive to attract a skilled workforce. It can be very difficult now to attract good, skilled and knowledgeable staff to positions under the Award and most Non Government Sector Services are offering Salary Packaging as an Incentive with vehicles or leaseback schemes on vehicles or part salary free from Tax. There may be other incentives such as Laptop or Mobile Phone usage that the Non Government sector pays for to attract excellent candidates to the Service. Whilst in all Sectors there are incentives that can be offered staff there is and will continue to be a shortage of good people in the Non Government Sector. This will obviously put a strain on the Sector when this current new arrangement takes place. Either existing services in the Non Government Sector will take on more Clients/ Service Users or there will be a range of new providers or a combination of both the above. Whichever way that goes there would have to be some initial teething problems and one would hope for any new players in the arena that enough training and development for these Service Providers will occur.

7.

PREVIOUS ATTEMPTS TO PRIVATIZE DISABILITY SERVICES:

There was a few years ago attempts to privatize the Government Sector of Disability Group Homes to the Non Government Sector and this failed. There was a strong lobby from the Government Sector of Disability Services and The PSA Public Service Union Association was involved and the Government of the day backed down and it did not happen. What strategies or forecasts have or will be put in place to make sure that the same situation does not happen again. I remember going to one of the Community Consultations about this move and whilst a lot of services attended not that many parents/ advocates were there because just about all the consultations were held during the day and the people running them did a very poor job of explaining what was happening and there was no clear Agenda. Those meetings were held off the cuff with little planning and direction. This is an area that definitely needs to be looked at for going down that path again.

SUMMARY:

It would already be on the agenda for the Government to actually start this inquiry and no doubt this will be a saving in the long term for the Government to run these services cheaper by the Non Government Sector. I am hoping that enough consultation will happen with this change and that those processes may be looked on as Best Practice for the industry. Perhaps the changes can be done in stages instead of all together so that there is not the demand for staff all at one time and that services can get used to changes as well as Service Users/ Clients/ Advocates/ Parents etc. Perhaps a cost analysis could be done and presented to the relevant parties as well as some ideas on what services will be required and or what The Government would be aiming for in terms of new services or existing services taking on the Delivery of Service. There must be some idea of costings, how many services? Perhaps some ideas on how these services will evolve, develop, the scope of service delivery. This will certainly be a bigger outsourcing exercise than the one that was tried a few years ago with Disabilities as there are now three players for this change.

I do hope that the Service Users/ Clients are not disadvantaged in any way by this process as I believe that this is the most important element to changes in the Sector. I do realise that some normal reactions and disruption to clients/ Service Users will occur , however in the medium to long term no client/ service users should be disadvantaged by these changes. It would be excellent if there are/ will be positive changes to benefit clients. Indeed this area should be used to sell the idea at Consultation process and beyond.

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