

REPORT OF PROCEEDINGS BEFORE

COMMITTEE ON COMMUNITY SERVICES

INQUIRY INTO OUTSOURCING COMMUNITY SERVICE DELIVERY

At Sydney on Monday 17 September 2012

The Committee met at 10.15 a.m.

PRESENT

Mr K. J. Anderson Chair)

Mr K. F. Conolly (Deputy Chair)

Mr A. Issa

Mrs B. M. Perry

Ms A. Watson

CHAIR: Mr Fitzsimons and Mr Norris, good morning and welcome. Thank you very much for your time. Thanks for attending this public hearing of the Legislative Assembly Committee on Community Services on its Inquiry into outsourcing community services delivery. The public hearing being held today follows earlier hearings conducted on the previous two Mondays on the Committee's Inquiry into the continuing transfer of housing, home care and disability services from government to non-government providers. The Committee has heard extensive evidence from New South Wales Government agencies, the Local Government and Shires Associations and a range of peak service providers and individuals delivering and in receipt of those services.

The hearing today provides a further opportunity to develop the themes emerging from previous evidence and to extend the Committee's consideration of issues surrounding the outsourcing of service provision, with suggestions for improving how the system should evolve. As well as taking evidence from additional service providers, the Committee also will hear this morning from the Attendant Care Industry Association and the United Services Union. I remind everyone to switch off their mobile phones as they can interfere with the Hansard recording equipment. If your phone is on silent mode, please switch it off completely. I welcome our witnesses from Centacare, who have come to give evidence this morning.

FERGUS FITZSIMONS, Chief Executive Officer, Centacare, New England North West, and

CHRISTOPHER NORRIS, Farmer and Business Development Manager, Centacare New England North West, sworn and examined:

CHAIR: Gentlemen, I draw your attention to the fact that your evidence is given under parliamentary privilege and you are protected from legal or administrative action that might otherwise result in relation to the information you provide. I should also point out that any deliberate misleading of the Committee may constitute a contempt of the Parliament and an offence under the Parliamentary Evidence Act 1901. As time is limited today, the Committee may wish to send you some additional questions in writing, the replies to which will form part of your evidence and be made public. Would you be happy to provide a written reply to further questions?

Mr FITZSIMONS: Yes.

CHAIR: Before we proceed with any questions, would you like to make a brief opening statement of not more than five minutes?

Mr FITZSIMONS: Yes. For interest to the Committee, my background is 30 years in New South Wales Health. My last few jobs were as chief executive of an area health service. I am currently on an area district board of \$1.8 billion for the Hunter New England Area Health Service. I have been in the social welfare arena for only the last two years. One of the things I have noticed in that time is the diverse group of service providers that, firstly, do not collaborate and, secondly, seem to be providing similar-type services in a town. There seems to be a gross waste of tax money in the service provisions.

Also quite a few of the agencies seem to have started very small and through funding from, obviously, either State or Federal governments, have grown to be quite large organisations. In some there does not seem to be a true business structure. There does not seem to be accountability in the way of whether they are quality accredited or actually what they provide as information to both levels of government, or whether it is evidence-based. In other words, what are they actually telling government agencies of what services they are providing?

I will move to rural. We provide services to the larger towns and the more remote towns. Reporting seems to be, firstly, about your major towns, such as Tamworth, and, secondly, when we talk about remote, it is the rest. It does not actually break down that you are providing a service into, say, Walgett, into Toomelah, or so on. It seems to be very much a scattergun approach of the way we report. I think we need to look at that. We have done that locally within our organisation. We get external quality accreditation. We use a university for our clinical interpretations of what we do to provide a high level of service. That does not seem to be the same way across the board. As I said earlier, service provision seems to be an organisation may not have the skills to provide that service but they may have been the lowest tenderer, so they won that tender.

CHAIR: My first question picks up on your opening remarks: How do you fix the myriad problems you have just outlined, in particular, services being delivered after winning a tender?

Mr FITZSIMONS: When any tender gets to the bureaucrats who report to government, there needs to be due diligence around the actual information given. At the moment Mr Norris does all of our tenders. He will actually do a true investigation and local collaboration. In the information we give we let the government agency know that we are a quality organisation. We say that; who checks it? Who says that we have 12 psychologists? None of that seems to be checked. There does not seem to be the due diligence around it. It just goes down to the government agency and sometimes, not always, it may be on price. But is the information checked by that government agency?

That is the first step. It has to be checked to make sure. If not, you are out of the race. That will clear some because some of the small agencies—sorry, I will rephrase that. Some of the larger agencies as well as the smaller agencies will actually go through a telephone book and say, "We collaborate with all of these other agencies." Where we actually meet with those agencies and say we want to go together as a local network group going for this tender. We talk to them and say, "Do you know X has put your name down to collaborate with?" They say, "We've never even heard of them." I've been there, say, two years and that has happened as a more than regular occurrence.

Ms ANNA WATSON: Mr Norris, how would you respond to the argument that outsourcing community services to non-government organisations can result in a lower standard of care being provided to clients? Do you have any examples of that?

Mr NORRIS: In some cases it possibly does result in a lower standard of service to clients but, generally speaking, if the due diligence is done, as Mr Fitzsimons has referred to, and the funding model is such that the service can be adequately provided, I believe you can bring together local providers in a local community that will actually far exceed the level of service that would have been provided by the Government in that community. I think this makes the argument for local providers in local communities as opposed to a big provider providing across the State and merely getting the funding and possibly never even being seen in an individual community.

Ms ANNA WATSON: Would smaller non-government organisations be in a position to provide specialist ongoing treatment, such as physiotherapy or whatever care needs to take place? Do you think those smaller organisations would be well equipped to handle the level of care needed, particularly in rural and regional areas?

Mr NORRIS: Again it comes back to the individual organisation and whether that organisation can demonstrate right up-front that it has the capacity to provide that service. Again, it comes back to being able to demonstrate that capacity. As the Government is the oversight body when it comes to allocating funding to a given organisation, it needs to be aware of the capacity of the organisation that it is funding and not just fund an organisation because it can write the best tender, spin the best yarn or, indeed, say, "We cover the whole State."

Ms ANNA WATSON: I think there would be quite a large span, if you like, between awareness and, say, accreditation. Awareness is one thing, but accreditation is another. In your opinion, do you think an accreditation system, similar to what occurs in the child care sector, could or should apply to these non-government organisations?

Mr NORRIS: Absolutely. There is no doubt in my mind that it should apply across the board.

Mr FITZSIMONS: I can give an example of that. We get funding through gambling and at the State level it was a directive that that program was accredited by a quality organisation, but we chose as an organisation to expand that to the whole of our organisation and that is by an external agency. We are fully accredited, but we would be one of the few in northern New South Wales that is accredited.

Mr TONY ISSA: I hope there does not have to be competition between non-profit organisations and the Government when it comes to providing services. It is important that we talk about services to the community. You just stated that some organisation's submission might look good but the services are not provided. How do you determine that?

Mr FITZSIMONS: We have examples. One agency I can think of is an Australia-wide agency that is meant to be providing services. It is now into its fourth year and has never been into a town where it is meant to be providing that service. The community we meet, and with different groups, have never heard of this agency in their town. It comes back to reporting. As I said, at the moment it would appear that when reporting through to the government agency and then through to Government, it is just what is provided remotely. It does not specify towns. Some funding we received recently at Federal level has changed. I will use Walgett as an example. We have to report on what we do in Walgett with the new funding. That is not a problem to us. We support that because, again, it has to be evidenced based. You actually have to prove what you are saying. A lot of times the reporting mechanisms do not ask for that. It is very broad.

Mr TONY ISSA: I appreciate you said to me the agencies are not performing. If we have evidence of which agency it is, I think it is our role as the Government to investigate this. If we know an agency is not performing—not providing services—it is the role of this Government to make sure the agency is performing. Are you prepared to give the name of this agency that has been funded but is not performing?

CHAIR: Mr Issa, if I may interrupt. According to the terms of references of this Committee, we are looking into the outsourcing and devolution of government services to the non-government sector and systems and processes. This is not an investigation into those companies or organisations that may or may not be acting in accordance with their contract. Mr Fitzsimons, if you would refrain from naming names that would be good but we are happy to hear examples.

Mr FITZSIMONS: The other thing I can say is that an agency would have multiple programs, some State Funded, some federally funded. Some of those programs may be running well—and I assure you that they are; others seem to be out of their realm of expertise. That is where there appears not to be service provision. So, to ask me to give you examples, I have to be more generic anyway. That is the thing that I had not come to terms with, where the lowest tender wins, or as Mr Norris put it, the best tender that goes in. The tender that says, "We can do all this stuff", seems to be the winning tender. The question should be asked whether they can actually provide the service and what their background expertise is to provide that service.

Mr TONY ISSA: Do you think the performance of the organisation depends on the level of the funding? Some may have great funding to be able to provide a great service; some have limited funding to provide limited services. Does the agency's performance depend on the funding it receives?

Mr FITZSIMONS: I think it is funding but it is also geographic location.

Mr TONY ISSA: That is not an issue yet.

Mr FITZSIMONS: The further you go out west, the less competition there is or the less potential provision of service by the winning tenderer. Because if you are based in Sydney or even in Dubbo and you have to supply a service to Walgett and Lightning Ridge, the drive-in drive-out question arises. That is the argument against local providers. Centacare is an example. We have offices right out west. I have just purchased an office in Walgett which we are setting up to show the community that there is a level of trust and that Centacare is there for the long haul. We are already reaping funding for that because we are present in the community. We are not driving in and driving out and we are employing local people. We are giving local people an opportunity to develop a career. As we know, the employment situation in Walgett is the same as in other aboriginal communities—there is no employment. Centacare is putting more staff on and employed two people last week.

Mr KEVIN CONOLLY: I would like to explore a couple of the comments you have made. You said that in some towns there is duplication with people doing the same thing and organisations not working together. Putting that against your comment that in the more remote places there is less competition and nobody else to provide the service, was that first comment relating to somewhere like Tamworth, rather than to the other towns that you are talking about?

Mr FITZSIMONS: To a certain level, yes. In Tamworth, if you send one of your senior bureaucrats to go and talk to all the agencies, we will go to the meeting and say, "Yes, we all work together" but in reality we do not work together because of competitive tendering and so on. We all perform similar work. At Centacare we may not do out-of-home care but we may do aboriginal service provision and similar services. So we are in competition. So we will give lip service to working together but we actually do not. My staff and I attend many committee meetings but because of competitive tendering, I do not believe we actually work together.

Perhaps the way forward is to look at panels so that one does not have to go back to square one every time one puts in a tender because the organisation has already been ticked off as being an organisation of a certain level of quality. Further out west, even though there are fewer tenderers, it is still competitive. Some of the bigger players based in Sydney or wherever may put in a bid and it will be a drive-in drive-out service but they may be able to put in a cheaper tender because they have all the back-office stuff already set up. However, the actual service provision is still questionable. I am talking globally because some of these organisations provide good services remotely. So yes, fewer tenderers, but there still is competition and I believe agencies like ours can provide a better service in our local environment and we can collaborate.

If I can give you a quick example: Centacare has just won the Headspace contract for Tamworth and is in collaboration with the Police, with Health, with local Aboriginal employment agencies and with the police and community youth clubs. We went out and met with them and Centacare is the lead agency with that consortium. There are no external Sydney people. They are all locals who know our community and can provide services. We have more psychologists in northern New South Wales than Health have.

Mr KEVIN CONOLLY: Can I take the discussion of that issue a little further and say that the direction of Government is towards a client-centred approach, to put the purchasing power in the hands of the client of the service. How will that affect the competitive issues you are talking about? Will somebody in need of these services in Walgett and Tamworth be able to resolve those market issues?

Mr NORRIS: In some cases, yes; in some cases no. Again, it depends upon the community that one is talking about and who the providers are within that community. But certainly, there is no doubt that the concept of the person-centred approach and the individual package and the purchasing power that the individual client has, gives them far greater power and will create far more competition between service providers. All service providers—within the context of the clients purchasing whatever the product is they are after—are going to have to lift their game to get the dollars through the door.

Mr KEVIN CONOLLY: Does that mean there will be more immediate accountability because you cannot fudge if you are answering to the client.

Mr NORRIS: That is right. There is more immediate accountability because the client either goes with you or they do not. If they are unhappy, they go somewhere else. As providers, we are going to have to provide a service that the client is happy to purchase. In the bigger communities, that is going to be available to the client and they are going to have that capacity and that power. However, in the smaller communities, it is going to be far more limited, where there may well be only still one provider in the area and that client—whether or not they have purchasing power—is going to have to go with that one provider because they do not have any other option.

Mrs BARBARA PERRY: That is with reference to the disability sector that you are talking about around the person-centred issues. This Inquiry is focused on disability/housing and other social services. Could you outline what Centacare is doing in the New England region? Are you doing out-of-home care? What is your business? That information is not provided in your submission.

Mr FITZSIMONS: We do not do out-of-home care. Our main office is in Tamworth, we have another office in Armidale, we go up the border to Tenterfield and we go out as far as Walgett. We cover our region with offices in Moree, Inverell and Walgett, as well as Tamworth and Armidale. We provide services in general education in mental health and we provide mediation and counselling through the Catholic schools. We provide employment assistance programs to the University of New England and also to multiple third-party agencies. If I can give an example, when the policeman was tragically shot in Tamworth, we provided counselling services to the police. We also have Personal Helpers and Mentors (PHAM)—a service provided to chronic mental health clients—where our staff work with clients to bring them back into the community. We have an office in Narrabri. We are on panels in disability services to provide services for the clients coming to us.

Mrs BARBARA PERRY: What sort of services do you provide?

Mr NORRIS: We are on the accommodation panel. I have a lot of personal experience, through other service areas, on that panel but Centacare is new in that area and we are still establishing our credentials within that community.

Mrs BARBARA PERRY: Is that about you providing residential services or respite or group home situations?

Mr NORRIS: Basically we are on the panel to provide drop-in support services, respite services and residential services. Under the new packages there is the area of supported living program as well.

Mrs BARBARA PERRY: What do you currently do in that area, are you providing the services?

Mr NORRIS: No, we are not.

Mr FITZSIMONS: We are not.

Mrs BARBARA PERRY: You are a new player, are you funded to provide that?

Mr NORRIS: There is no funding until you get the individual client through the door.

Mrs BARBARA PERRY: The panel you are talking about is a collaboration of different groups in your area?

Mr NORRIS: No, it is the Ageing, Disability and Home Care [ADHC] accommodation panel.

Mrs BARBARA PERRY: Basically what you are saying is that you are not able to know what services you can provide—it is a catch-22—it is about what comes through first?

Mr NORRIS: Yes, it is. We have a clear idea of what we would like to provide and we are in the process of marketing to the community along those lines.

Mrs BARBARA PERRY: That would then form the basis of how you possibly tender for things if there is any remaining block funding for residential homes, is that correct?

Mr NORRIS: Yes.

Mrs BARBARA PERRY: I wanted to be clear what services you currently provide. I think what you have done in your submission is, based on your broader understanding and experience in delivery of services, you do have disability and other services provided through Centrecare and other parts of your organisation, is that correct?

Mr NORRIS: In other diocese.

Mrs BARBARA PERRY: Let us go to a couple of things then. What you have highlighted today is your concern about competitive tendering processes. That has been taken on board. You have given a response as to how those issues can be alleviated, such as accreditation. I want to talk about regional areas. You are in the bigger larger regional towns—apart from Walgett. When you say you have offices that means you do outreach programs in those little towns. I want to talk about the cost of those. In any discussion about devolution cost is an issue and how that works. Can I ask you now, do you feel that governments, through devolution, are attempting to shift the burden to non-government organisations.

Mr FITZSIMONS: Yes.

Mrs BARBARA PERRY: Can you talk a little about that?

Mr NORRIS: I will go back a little bit: I have been involved in community organisations, non-governmental organisations and disability programs for just short of 30 years and I have worked for a range of different non-governmental organisations, metropolitan and rural and remote, and funding has always been an issue; it always will be an issue. I think with a lot of devolution, be it in our field or any other field for that matter, there is always the financial driver from the government perspective that if we can do it cheaper by farming it out we will. That is my perception over a long period of time. I do feel that is one of the drivers from the governmental point of view.

Mrs BARBARA PERRY: I am not talking about whether there should be any more devolution or otherwise: I want to make that clear. That is not what this Inquiry is about, it is about how it is working currently. Is there merit in having transparency about what government is funding you for? You get the package and you have to make ends meet but would you say there should be transparency around issues of what infrastructure needs to go in? Governments tend to use the infrastructure you do have which ultimately you cannot maintain. Do you think there is some merit in transparency as issues occur rather than just the tendering processes?

Mr NORRIS: I think there should be transparency and I think it should be taken further than basic transparency, I think it should be more of a partnership between government and non-government organisations.

Mrs BARBARA PERRY: I was coming to that. I note in your submission you talk about having the local boards and using the expertise of Government and you advocate in your submission all government workers should come over to you: There is a line in there that says that.

Mr NORRIS: I do not think "all" was in the line.

Mrs BARBARA PERRY: Is that what you meant?

Mr FITZSIMONS: It is a good point. If you look at the length of tenders, if I can use a Federal tender as an example —Headspace—that is a 2½ year tender. I have to try and recruit clinicians Australia-wide to

come to Tamworth and they are not going to sell up for a 2½ year contract. I have been fortunate and I have recruited a very good manager but she has come from Health, so they have lost a senior mental health worker. Tenders need to be for a longer period of time so we can expand the pool of human resources.

The other thing, we made a decision early on that we video-conference all of our sites because of the tyranny of distance. Walgett will get a video-conference centre. All of our sites have it so people do not have to travel too far to get the service. To talk about a fair wage, sometimes I talk to bureaucrats and say, "Skype them", but it must have a good clinical pixel level so you can do clinical assessments. We spent a lot of money getting it set up and I do not know where I am going to get the money from next time.

Mrs BARBARA PERRY: So we are talking about a real disconnect between city and rural. It is easier in the city to have government and non-government sitting together whereas in the rural areas, because you are competing and it is so hard to get the workforce that is a real issue and it is a real problem. Is there a better model of partnership? I will come back to that later.

Mr NORRIS: Is there a better model of partnership? Yes, I think there is a better model of partnership.

Mrs BARBARA PERRY: In rural areas?

Mr NORRIS: Rather than having the funding body potentially wielding the big stick, because they farm out the dollars, and the non-governmental organisation complying with the big stick or potential big stick approach there could be a partnership. I use the word partnership because I think it can work and you can have government people working with the non-governmental organisations. There is no doubt in my mind that can be done. It comes back to the structure of the government organisation.

Mrs BARBARA PERRY: I am particularly talking about rural areas.

Mr NORRIS: If we saw people from the funding body actually out there working alongside us in Walgett and getting their hands dirty they would have a far better idea of what we are doing and we would have a far better idea of where they are coming from—between the two there would be a far better model developed I believe.

CHAIR: You spoke earlier about the accreditation process or a star rating system with evidence-based outcomes that show where your organisation sits making it easier to do business with the New South Wales Government. Do you think that a one-stop-shop type idea, dealing with one particular department that knows your business back to front, would make the tender process easier and allow community services such as disability to be allocated: Is that something that has merit and will make it easier for you to do business?

Mr NORRIS: I think so. That flows on from what we have been talking about. You develop those partnerships and if you are developing them with the same group of people on the ground, then yes.

Mr FITZSIMONS: I believe dealing with one government agency does have merit. Whatever they do on their back-end it would be fantastic. To have a panel or a star rating that is reviewed on a three-year cycle without having to go through the tender process every time—you are already there. To go further with that, if I can use rural examples, rather than having four or five different agencies providing as-like services in a regional area—someone might have the Armidale and Tamworth gig, someone might have Inverell—have one agency accountable for that whole service provision back through a government agency to the Government. That will mean better service provision.

We are here for our community. At the moment if you go to one town they do not know who provides that service, be it us, the Benevolent Society, or some other organisation—and I have nothing against the Benevolent Society, they are providing a service but the community do not know that. They do not know what we are, they think we are Centrelink not Centrecare and they do not know the services. That is an internal issue with marketing that Mr Norris talked about earlier and we are fixing that. If Government had one agency providing that service for the whole of a region then accountability and evidence based information going back to that government agency would give a better level of comfort that services are being provided and is a much better way to go. That leads into your initial question: you then report to one government agency rather than multiple agencies.

CHAIR: In terms of local communities knowing local people; I expect that would also be applicable in the city, such as Sydney, whether it is west, north, east or south?

Mr FITZSIMONS: It is no different, you are correct.

CHAIR: Ms Watson?

Ms ANNA WATSON: I have no more questions.

Mr TONY ISSA: In regional areas you should have an umbrella organisation and all other organisations should come under that umbrella organisation and the Government would just talk to the umbrella organisation and the service provider, is that what you are talking about?

Mr FITZSIMONS: It can be a collaboration. We give an example where we have done that in Headspace. We are the lead agency so we are accountable to report back to Government. There are multiple agencies working with us but we are accountable and responsible to Government to report on the outcomes of that service.

Mr TONY ISSA: Do you not think that all your organisations in the rural areas should form themselves into an umbrella organisation and therefore make services available to the community through the umbrella organisation to highlight to the community where the services are, who provides the services and what sorts of services?

Mr FITZSIMONS: Your question is: should it be New South Wales wide is what you are saying?

Mr TONY ISSA: I am talking about every regional area.

Mr FITZSIMONS: To a certain extent yes, except we are providing different services. Like, if it was all out-of-home care I cannot see why it should not be one, but for mental health services and so on, that should be separate to that one because the service provision is so different and the expertise you need to run that business is so different.

Mr TONY ISSA: But if they are all under the one umbrella organisation, the organisations can all share the resources, which is important to provide better services. The next question I want to ask you is who values your service? Do you do it yourself or do you get an outside agency to value your service?

Mr FITZSIMONS: The first part of your question is even if we go to my suggestion before that if one organisation provided a total range of services, there are efficiencies there because if you have multiple agencies having payroll and all the other sorts of things, that is not efficient. For us as an organisation—the second part of your question—we are assessed under a quality umbrella by a third party external, which is again set up by the State Government and we have expanded on that for the whole of our organisation. Clinically we engaged the University of New England to assess what we do clinically across the board as well; that is from psychologists to counsellors and so on. We use that as part of our reports through to Government; we do not need to but we do.

CHAIR: Mr Conolly?

Mr KEVIN CONOLLY: I have no further questions.

CHAIR: Mr Fitzsimons and Mr Norris, in terms of funding when the figure goes up as to what the particular program or contract is worth, do you think that information technology is factored into the components needed to roll out the program, and should it be, given the environment in which we now operate?

Mr NORRIS: I think there are a lot of things that are not factored in; not just information technology, and coming from a rural and regional area the travel component is huge. It is not just travel; getting from point A to point B, it is overnight accommodation and a whole lot of other things that go into the program. For example, under the Ageing, Disability and Home Care packages that are going around now, you can pick up a package in western Sydney and you pay the same dollars to provide a similar package out in west of Moree, so it is not just things like information technology; it is a whole raft of things. Certainly in terms of information technology, we can utilise information technology to our advantage in rural and remote areas through video

conferencing and so on, but that is not necessarily allowed for in the budget. We allow for it in our budgets because we have to but I do not believe it is allowed in the funding budget.

Mr FITZSIMONS: And the risk is that if you value all that in, you will not win the tender. It is a swings and roundabouts thing. As Mr Norris said, we will manage that separately but that is not a true indicator of what that program costs to run.

Mrs BARBARA PERRY: What you want to be able to do is truth in tendering, so to speak?

Mr FITZSIMONS: That is exactly right.

Mr NORRIS: Yes, and I will just give you an example too. I mention that I have done urban type service provision. I was the manager of an agency some years ago over at Maroubra. It was a few years ago but it used to take me 11 minutes at the right time of day to get from my office to 1 Oxford Street to talk to my project officer. That is fantastic and it comes back to having that partnership. That was a partnership because I could go there and they could come and see me and it was off-the-cuff whenever it was needed. Out in rural and remote, you might see a person once or twice a year if you are lucky, so that is in there as well.

CHAIR: In relation to human resources and salaries and wages being able to be offered, how does the not-for-profit and for profit organisations compete with the government sector? Do you have any examples?

Mr FITZSIMONS: At the State level it is quite difficult because we have roughly 12 psychologists on our books and they earn about \$20,000 a year less than they would in NSW Health. Why do they come and work with us? It is because we offer a diverse group of services, so it is interesting for them. The last few we have had, that is the reason why they have stayed with us. We have both interns and qualified psychologists. It is the same thing with counsellors, mediators and so on. It is because of the diverse range; it is definitely not for the money. They are on less.

Mrs BARBARA PERRY: It seems to me from what you are saying—just summing up your evidence—devolution is very difficult and complex in regional and remote areas for a number of reasons; whether it is about the tendering, competitive workforces and infrastructure. When I ask you to turn your mind to a model, would you agree it is clear that neither the non-government sector nor the government sector can do it alone in rural and remote areas?

Mr FITZSIMONS: I totally agree with you but I think again if we are talking about just the dollar first off, we have to decrease duplication. Decisions have to be made of what should not be provided out of, say, the community health service, counselling and so on. If anyone actually did a review of how many clients per day are seen by counsellors and psychologists in Health, as an example, against the non-government organisations and against the private sector—you do need both but a decision has to be made as to who does what.

Mrs BARBARA PERRY: The difficulty though is if you were to say, "Okay, all counselling services are to go from community health over to non-government organisations", community health is not going to have the wraparound services that it needs to plug holistically into a client. It is the same with you. My point then is that it does have to work better in partnership and it is not just about devolution per se; it may be a bit different out in rural and remote areas?

Mr FITZSIMONS: You are right, but also you may not ever be able to get a counsellor or psychologist because, as you say, it has to be the whole service provision in community health.

Mrs BARBARA PERRY: That is right.

Mr FITZSIMONS: However, there are components of what services are provided that could be outsourced and they are the things in a contractual agreement that are provided by the non-government organisations or whatever so that the clinicians in Health can do the more acute types of things rather than the more chronic types of services, I suppose.

CHAIR: Mr Fitzsimons and Mr Norris, thank you very much for your time and for appearing before the Committee today. We know you have travelled a long way to be with us and we appreciate your time. Thank you and good luck.

(The witnesses withdrew)

(Short adjournment)

MICHAEL PETER BLEASDALE, Executive Director, Attendant Care Industry Association, affirmed:

CHAIR: I draw your attention to the fact that your evidence is given under parliamentary privilege and you are protected from legal or administrative action that might otherwise result in relation to the information that you provide. I also point out that any deliberate misleading of the Committee may constitute a contempt of the Parliament and an offence under the Parliamentary Evidence Act 1901. As time is limited today, the Committee may wish to send you some additional questions in writing, the replies to which will form part of your evidence and be made public. Will you be happy to provide a written reply to any further questions?

Mr BLEASDALE: Yes, I would.

CHAIR: Before we proceed with questions, would you like to make a brief opening statement of not more than five minutes?

Mr BLEASDALE: Yes, I will make a brief statement. Can I first of all apologise for my colleague, Danielle Bennett, who is the President of the Attendant Care Industry Association [ACIA], who was hoping to be here today, but she is unwell and has not been able to make it. As stated in our submission, the Attendant Care Industry Association strongly supports the further devolution of disability and home care services from the government to the non-governmental sector. In the emerging shift towards a person-centred more consumer-directed system, it is critical that Government departments take the role of ensuring that resources are directed to people who need them, to ensure that there is capacity within the service system to meet demand and to oversee the quality of provision of support and care.

There is less and less rationale for Government to be the provider of services in an environment where there needs to more focus upon and accountability for the decisions made about allocating resources and how these resources are used. Historically, where it has been difficult to sustain traditional service models in remote locations, Government should look first towards adjusting its policy and resource settings to enable non-government services to provide support before it steps to undertake provision itself. In New South Wales, under the Living Life My Way reforms in the disability sector and indeed across Australia under the Commonwealth National Disability Insurance Scheme [NDIS] and National Injury Insurance Scheme [NIIS] reforms, our association believes that increasingly the preferred model of support chosen by people with disability will be the delivery of personalised support in their own homes, whether that be in the homes of their birth family or in an independent dwelling.

The scope of what is termed "attendant care" goes beyond what is funded under the attendant care program in New South Wales and covers a range of personal supports and in-home care. Attendant care that is delivered in-home and assists towards the maintenance of an independent lifestyle is relevant not only to the reforms in disability services but also to any other program which is delivered in the community, including to people who are ageing and people who are in ill health. I will leave it at that and I welcome your questions.

CHAIR: Thank you very much, Mr Bleasdale. In response to what you have just pointed out, how would you respond to the argument that outsourcing community services to non-government organisations can result in a lower standard of care being delivered to clients?

Mr BLEASDALE: I would respond by saying I think it is a non sequitur. There is a problem, obviously, with the quality of care that is delivered in the community and historically we have seen that in government and non-government services. There is a range of responses that needs to be made to that. We need to have a much more robust quality assurance system and, in our submission, we have put forward that the quality systems that our organisation has developed is one that has got the endorsement of a number of Government agencies across New South Wales and across Australia and we believe that is a good standard that non-government agencies should be meeting. The development and implementation of quality systems and other safeguards is probably the way to address this, as would be the development of solid competency-based training and qualifications within the work force, which is an area of great need and is an emerging need, especially as the work force is likely to expand with the influx of greater public funding, both at the State and the Commonwealth levels.

CHAIR: If a quality assurance system was set up, for example a star rating system, those who fail to reach that benchmark would not be eligible to tender. What would be the alternative?

Mr BLEASDALE: That is a good question. I do not think it is something we have addressed in our submission. We are concerned about the establishment, first of all, of a range of different quality systems and a quality framework in New South Wales that is able to accommodate that. That seems to be underway. I apologise for using the word "seem"; I have only been in the position for a couple of weeks so I am feeling my way around it. My understanding is that we now have a framework within New South Wales, or we are working towards it, which will accommodate not only our quality system but other quality systems which will be able to achieve synergies amongst those quality systems. You talked about star rating systems. What was the other thing you talked about?

CHAIR: The accreditation, how would it work in terms of those who would not meet a benchmark level?

Mr BLEASDALE: That is one of those things I would be happy to take on notice. My immediate response to that would be that the reforms that we are talking about here are very much about providing resources more directly to the individual who is the end service user. We are looking primarily within our association at the adoption of a quality system for services that, in a sense, can sell what they are doing to the end user. That is the primary and the very new relationship about an informed consumer with resources being able to purchase what he or she wants from an accredited provider. It is that kind of relationship that we will be looking at.

I have some experience from my previous position in dealing with the star rating system at the Federal level. I think there are problems with that. I have never dug down or analysed what the bases of those problems are but basically there does not seem to be terribly much impetus within that system for services to promote what they do and, in a sense, sell themselves to potential consumers and customers. In fact, there is a downright reluctance to do so under that system, and I am not sure if that is part of the problem of the system. But the star rating system has not necessarily identified what is a good quality product for someone who is in the market to try and purchase something for their own support and wellbeing.

Ms ANNA WATSON: My question firstly is around the workforce. We have seen in the past few years a mass exodus, if you like, from this particular sector mainly due to the wages that are paid. I understand that there is a huge volunteer base within this sector. Given that local government already provides many of these community services, especially in relation to home care and disability within their own local government areas, how do you think that this may impact going from a government service to a non-government service, for example, firstly in relation to wages? You mentioned training. With training and competency-based systems you would think that there would be room for, say, fee progression. How would those mechanisms impact on a non-government organisation compared with a government organisation?

Mr BLEASDALE: There is a lot in that. First of all, I am not sure that I would see there being necessarily any problem around maintaining a volunteer base and the delivery of those services by non-government organisations in the community, even at the local government level. Basically, very simply, I believe, and the organisation believes, that the role of Government needs to be clarified and it needs to be at a distance now from the delivery of direct services. So that would pertain at the State and also at the local government level. If my colleague had been with me today she would have been able to draw on her own experience as a service provider to give you some concrete examples, which unfortunately I cannot do. I can draw on my experience previously as a service provider in a non-government setting where certainly volunteerism was a very important aspect. I am not sure I have addressed that one particularly well or thoroughly and I am quite happy to be asked further about those.

Ms ANNA WATSON: What about in, say, the rural and regional areas and remote areas across New South Wales? How do you think the non-government sector would compete, say, with a government-based organisation in those areas? In other words, are there some services that, in your view, would be better placed within the government sector?

Mr BLEASDALE: In my view, no—and that is based on my experience in the sector over 25 years. No, I do not think that is the case but I do accept that there are particular very unique challenges that face regional and remote areas in Australia just because of the distances, because of the paucity of population, lack of economies of scale, all those sorts of things, which require there to be a very targeted approach to understanding how you can develop services you can roll out support to people who might be very remote. But for me it is a non sequitur to say that that then means that the Government has to set up its own services. It needs to be working out how to generate, if you like, a market in those areas as well. I think all of the reforms across New

South Wales and across Australia are pointing towards much greater urgency within government departments to be able to look at these problems and to solve these problems rather than just providing services and supports themselves.

Mr TONY ISSA: Could you see any difference in the benchmark being set by a non-profit organisation and the Government in terms of the services? When you set a benchmark for your organisation could you see a difference between your benchmark and the Government's benchmark for the services?

Mr BLEASDALE: In my view, there should not be a difference in the benchmark quality; we should all be trying to reach a particular quality standard, and that pertains across government and non-government services.

Mr TONY ISSA: In your opinion, who would provide a better service for the community—the government sector or the non-government sector?

Mr BLEASDALE: I suppose I am bound by my position to say that it would be the non-government sector.

Mr TONY ISSA: Why?

Mr BLEASDALE: I think there is a greater degree of innovation within the non-government sector. Our association is evidence of a coming together of groups of individual and independent organisations who want to come together, share experiences, innovate and provide, as we have done, a quality standard which we now make available to the industry as a whole. But I go back to my previous point that I think all of these reforms point to a greater clarity of roles. I think there has been a problem for the last 10 years in New South Wales when we moved back from a funder-provider split to the funder also being the provider, and I think that creates some problems in terms of a free market environment, but I think it creates problems also because the government department needs to focus much more, I believe, on being innovative about the way that it channels its resources through to individuals and makes sure that there is capacity within the workforce and that the quality of service is good enough for people to approach us.

Mr TONY ISSA: Do you ever use voluntary workers in your organisation?

Mr BLEASDALE: Again, I would have to take that question on notice, but I would imagine that would be the case. I cannot imagine that it would be any different—the non-government sector thrives on volunteerism.

Mr TONY ISSA: If there is a volunteer service could you get a reply back to us and tell us what sort of training volunteers get through your organisation to be qualified to provide the services? Are you training the volunteers to do the services or do they have to be qualified?

Mr BLEASDALE: I am happy to get back to you. I would just put that question out there to members and get a number of responses. I would imagine there would be a range of different responses to that.

Mr KEVIN CONOLLY: I would like to follow up on some feedback we have already had from submissions and from evidence given, and you have already touched on these issues to some extent yourself. In rural and regional areas we all understand there are high travel costs and other costs associated with servicing more remote people, and I imagine that would be the case whether a government body was providing the service or a non-government organisation. It is your proposition that Government should first look to the non-government sector. Could you elaborate on why you believe that to be the case?

Mr BLEASDALE: I go back to the point about role clarity and the Government becoming an expert and developing that expertise in what it is good at. In this much more complex, individualised, consumer-led system that we are moving towards across the entire community sector we need to develop much greater expertise within Government at all levels about how to govern at arm's length in those areas. That is the point of principle. I suppose this represents not only the bias of our association but also my own bias as a previous service provider, but I see excellence in service provision being delivered through the non-government sector. I do not see any reason to suggest that the government sector would be better than the non-government in the delivery of that—

Mr KEVIN CONOLLY: I will take it a step further. You said that the Government needs to work at creating markets in those areas. How does it price appropriately and build the tender process to reflect the true costs involved in remote areas?

Mr BLEASDALE: I am now in the territory of thinking on my feet. There is nothing that I am bringing from my association or previous discussions the association has had, so my response is off the top of my head. I imagine that the unique geography of Australia and of New South Wales and its remoteness would require there to be a very geographically specific response about, for example, determining the unit cost of resources specific to that region and to that area. That would be one of the things I would strongly advocate having been a service provider at the wrong end of a one-size-fits-all unit costing regime where clearly some people benefit from being in a metropolitan setting and other people are disadvantaged. My interest over the years has been in how we develop much more consumer-directed services.

How you begin to establish services in areas where there is very little infrastructure is a major problem. It really will depend on the region, where services are located and the extent to which they are willing to travel to deliver in home. As members would be aware, there is also capacity under the recommendations in the new National Disability Insurance Scheme for resources to be available to purchase support from people who may be already located in the community. You are not necessarily having to set up a service infrastructure and import people. There probably would be, and I believe there is, a role, again through the use of quality standards and competency-based training and qualifications, for people to be trained in situ.

Mr KEVIN CONOLLY: One of the obstacles that has been identified by witnesses is recruiting staff for remote areas, particularly specialist staff. How does the non-government sector address that issue?

Mr BLEASDALE: Again, the non-government sector would not be able to address that sector unless there was no service presence somewhere locally. I will take that question on notice. Coming into the position I have had some thoughts about how to address that problem, not necessarily through the establishment of costly infrastructure within areas but by getting people trained up in situ or being able to move in. This problem is very much in evidence in Western Australia where it is not only the lack of service providers but also the cost of living in various remote locations, which is a major problem. Those issues are much more complex than I have the wherewithal to address here.

Mrs BARBARA PERRY: I would like to establish a baseline. I know that you have been in your job for only a few weeks, but do you know how many of your member organisations are Home and Community Care service providers?

Mr BLEASDALE: I do not know, but there would be a fair few.

Mrs BARBARA PERRY: I ask that to provide a baseline and to make it clear to the Committee that over-65 Home and Community Care services are now fully funded by the Commonwealth.

Mr BLEASDALE: Yes.

Mrs BARBARA PERRY: We are now talking about those things not funded by the Commonwealth in relation to your member organisations. I want to make that clear even though some of what you talk about relates to that. I refer to those member organisations that do not do Home and Community Care work for over-65s and particularly those that do not provide disability services. We should bear in mind that we are going to the new paradigm of person-centred approaches and so on. I have heard what you have had to say and know where you come from in this area. You talk about further devolution and establishing quality frameworks, capacity and building the workforce. I am concerned about the push towards further devolution and the belief that all of this other stuff will catch up. Is that the wrong approach?

Mr BLEASDALE: It is not the approach that I would advocate. We are advocating complete devolution to the non-government sector, again because of this strong belief that the role of government is to administer, to fund, to monitor and to be aware of the industry. However, devolution without having first addressed those issues would be irresponsible.

Mrs BARBARA PERRY: All the issues you have talked about this morning?

Mr BLEASDALE: Yes.

Mrs BARBARA PERRY: That includes, does it not, proper assessment of the real costs of these things?

Mr BLEASDALE: Absolutely. I think our members would be very concerned to ensure that they were not going to be putting their hands up to do additional work that is currently done by the government sector without adequate remuneration.

Mrs BARBARA PERRY: Are we at the point where we need to look at how the transition of services to the non-government sector has gone? That is the purpose of this Inquiry. How has it gone and what needs to be implemented to ensure that that transition is improved? How do we prepare for the next stage of person-centred packages and so on? Are we at that point and cannot move any further at this stage?

Mr BLEASDALE: I do not think I am sufficiently across the evidence about how well we have travelled in the devolution process. I do not disagree with the idea of having an evidence base and doing some analysis. I strongly believe that what you said at the end is completely right. The impetus for this next phase is really the move towards person-centredness. That is moving so quickly that we must address it here and now, as the Committee is doing, and look towards a service sector that is completely devolved from government.

Mrs BARBARA PERRY: You have your own quality frameworks.

Mr BLEASDALE: Yes, we do.

Mrs BARBARA PERRY: Is that being driven by Ageing, Disability and Home Care as well?

Mr BLEASDALE: It has a quality framework. We have developed quality standards. I understand that Ageing, Disability and Home Care in New South Wales has developed a framework that accommodates a range of different quality standards. Obviously they have a great deal of commonality. However, rather than requiring each funding stream to have its own quality standard, it is prepared to accept quality standards that go across different funding streams as long as they tick all the relevant boxes for all the different streams.

Mrs BARBARA PERRY: How far has that gone?

Mr BLEASDALE: That is what I need to find out.

Mrs BARBARA PERRY: One of the other issues is accountability in the current transition system, particularly around complaint handling. From your experience how can that be done better in cases where those matters do not go to the Ombudsman and what should the role of the department be in that regard?

Mr BLEASDALE: I think there probably needs to be two complaints mechanisms. There needs to be a mechanism within whatever system we have in New South Wales which assesses eligibility and places funds for people to be given support so that fundamental decisions that are made around that can be challenged, or held accountable at least, so there is a kind of internal mechanism there. But I think there needs to be a very robust external mechanism, probably more robust and more holistic than the one we have at the moment. We can be critical of what we have got at the moment but I think one of the problems we have got is that there are a number of different complaints mechanisms for different people depending on who they are and where they live, in what kind of accommodation. So we need something much more holistic which looks at the quality of care and support for people as well as complaints that might be raised about abuse, neglect and those sorts of things.

Mrs BARBARA PERRY: Not only quality but outcomes being achieved as well.

Mr BLEASDALE: Yes, I think there are two things. The accreditation system, the internal mechanisms of government and those things that we handle by the internal mechanisms are about whether or not services are looking like the kind of services that need to be delivered to people so that people can have some confidence in that. External to that, increasingly there will be a regime of outcomes. If outcomes are not being met or if outcomes are significantly not being met and people are being left in the lurch because of that then that is probably a different mechanism.

CHAIR: In your roles in service provision how commonplace is subcontracting?

Mr BLEASDALE: In my experience it was not common at all. It is common as far as I am aware largely in government services subcontracting to non-government services. There have of course been over the years a number of different programs where people broker, but that is often brokering funds on behalf of an individual and often it is purchased back by the service itself. I understand it is reasonably common and I certainly am aware that our association has taken a stand that it perhaps should be phased out.

Mrs BARBARA PERRY: Is that mostly in Home and Community Care [HACC] services?

CHAIR: Why do you think it should be phased out?

Mr BLEASDALE: Again it is in response to the new person-centred consumer directed regimes that we are having where what we are trying to establish as far as I am aware is a much more direct relationship between the government department and the end user of the service so that really the negotiation about what service and who provides it is decided by the end user. Therefore the funding and the purchasing of that must be much more direct. It would be somehow wrong to purchase that service and then for the organisation that has been given the funds to then contract that out.

Mrs BARBARA PERRY: We often find that in HACC services whether it is private agencies doing the subcontracting out or home care in effect doing the subcontracting out. But as we move to the person-centred approach in the disability sector are you saying that subcontracting would make it even more difficult to keep a grip on quality assurance as well as outcomes?

Mr BLEASDALE: Yes, and thank you for reminding me. The fundamental point of our submission was about the fact that when you subcontract at the moment the organisation or the individual to whom you subcontract does not necessarily have the same quality assurance system in place that you do. That would be the prime point.

Mr TONY ISSA: You may need to take this question on notice. How can you ensure that the services meet individual needs?

Mr BLEASDALE: My understanding is that in any new system that we are moving into that would be negotiated at the point of—I was going to say contract but that is the wrong word but you understand what I mean. An individual who is going to be provided with resources that he or she might need for their support would be negotiating that obviously with the funding body to enable a package of resources to be available. It is on that basis that they would go forward to the preferred provider of those services and then require that service to provide those services in that way. There should be some quality statements based within that support. It is not just the provision of in-home support twice a week; it is going to be very much more detailed. That would be my expectation and it is certainly my understanding from what I have heard about how the new systems are going to roll out.

Mr TONY ISSA: How are you going to monitor that need?

Mr BLEASDALE: Again that would be the sort of thing that the government would need to be looking at: how does it monitor the quality.

Mr TONY ISSA: But how are you going to monitor the services for individual needs?

Mr BLEASDALE: That is pretty much part of what service delivery is all about anyway. It is about a one-on-one relationship, certainly with our members, between them and a direct provider of the service. But they would be monitored by a coordinator or a service manager. There is documentation and there is recording but increasingly rather than just it being about recording of how often you turned up and what you did, it is about what has been achieved. I think that is what is going to be new in the system: what is the purpose of this, what are the outcomes.

CHAIR: Thank you, Mr Bleasdale, for your time today. We understand you are busy. We really appreciate it.

(The witness withdrew)

LYNETTE FRASER, Research Officer, United Services Union, affirmed and examined:

CASEY YOUNG, Senior Industrial Officer, United Services Union, sworn and examined:

CHAIR: I draw your attention to the fact that your evidence is given under parliamentary privilege and you are protected from legal or administrative action that may otherwise result in relation to the information that you provide. I also point out that any deliberate misleading of the Committee may constitute contempt of the Parliament and an offence under the Parliamentary Evidence Act 1901. As time is limited today, the Committee may wish to send you some additional questions in writing, the replies to which will form part of your evidence and be made public. Are you happy to provide a written reply to any further questions?

Ms YOUNG: Yes.

CHAIR: Do you want to make a brief opening statement of not more than five minutes?

Ms FRASER: Yes, I have a few comments. The United Services Union covers workers in a whole range of industries but with regard to this Inquiry it is pertinent that we are here mainly in terms of members that we cover in the New South Wales local government area. We do not cover community workers in the non-government community sector. We do not cover community workers in the State Government arena.

CHAIR: Why do you think devolution and the terms of reference of this Inquiry will result in reduced levels of public accountability and less regulatory controls?

Ms FRASER: Perhaps something that is useful in this regard is that local government workers are covered by a range of legislation and industrial instruments and various requirements—council policies—which also have associated with them a range of accountabilities and reporting mechanisms. I think also council charter which council workers need to follow is also relevant in this regard. Now there is also the capacity that local government has to provide back-up and facilities which can actually make it possible to follow through on those commitments, for example, facilities which are accessible to people with disabilities. Sometimes in the non-government sector the facilities are not terribly accessible and councils may assist them, in fact, helping to provide accessible facilities. Local government has a commitment to provide services to the full diverse community, irrespective of ability, disability, age and cultural linguistic background. It is a commitment to the wide community.

There are legislative requirements which local government and indeed State government has a capacity to follow through on, even things like the new work, health and safety legislation which there are some outs in that for those organisations under the "reasonably practicable" clauses where some small organisations which are not adequately funded in the non-government sector, maybe do not have the capacity to fully implement the requirements. At the State government level and the local government level there is that commitment there and a greater capacity to fulfil those commitments. There are other areas I believe in which smaller organisations—and there are many small organisations in the non-government sector—which maybe because of their size their legislative commitment, or for other reasons, is not as high, for example, in terms of privacy legislation if they are an organisation that has under a certain number of people working for them. There is a range of areas in which commitments may—it is not that they are not committed—when you shift service provide from State or local government area to the non-government community sector, if that community sector is not adequately funded, not adequately resourced, inadvertently they lose out on a whole lot of community commitments.

CHAIR: Should council be a provider of last resort where no non-government organisation services are available?

Ms FRASER: I do not believe I can answer that question. What I can say is that local government does play a critical role already in a whole range of community services, including HACC services, and has been able to work together with other government agencies and with the non-government community sector and plays a critical role, in fact. Some of the requirements that we alluded to earlier, like social planning, consultation with community organisations, means that council has a mechanism to receive information from the community, even from those that maybe non-government community organisations are not in touch with. That information goes into council planning processes and may also be used to advocate for other levels of government about what community services are needed. Depending on which council you are talking about because there is obviously diversity across the State, but some councils, particularly in the metropolitan area, may directly fund

housing or a whole lot of direct services, whereas others may play that important role of networking and helping to co-ordinate services in regions.

Ms ANNA WATSON: I want you to imagine an area of clients who already receive services from local government, even with the cost-shifting that has been going on, especially in the past few years. In your view would it be confusing for those clients to have to transfer to a new system? In your view, with all these competing providers, would the providers be competing on the wages that they pay rather than on the services that are currently provided? If that is your view, will you provide the Committee some examples of what you have seen in your organisation to date?

Ms YOUNG: From the outset, Ms Watson, I would agree that there would be a level of confusion there for, particularly those vulnerable members of the community who are finding it difficult to stay afloat from the outset and then to be confronted with some greater level of complexity that they might have to be confronted with in choosing a service provider. I would certainly say that we, as a union, would advocate for a method and a mechanism for those vulnerable people that is as simple and as easy to use and access as possible. In regard to the issues of wages and conditions, that is something that the union and myself are very concerned about and encourage people to go to the sectors that provide care and support to the vulnerable members of community. We are certainly concerned that that may well present to be a case where wages and conditions are being stripped away from those workers. It is certainly a valuable profession within the community. We would encourage the upholding of conditions in those sectors.

Ms ANNA WATSON: What about in regional and rural areas of New South Wales, especially in places like Boorowa and Moree, at the moment does local government provide those services to those communities where non-government organisations do not exist? If so, are the services broad ranging?

Ms YOUNG: I will take that question on notice and provide the Committee with further and better particulars at a later stage.

Mr TONY ISSA: Do you think government and non-government organisations should come under the same agreement for contracted services and that they should they be under the same award? How do you think non-government workers should be protected?

Ms YOUNG: Will you please repeat the question?

Mr TONY ISSA: Do you think that non-government and government organisations should be under the same agreement for contracted services and that they should be under the same award when it comes to salary and payment? How do you think non-government workers should be protected?

Ms YOUNG: At the outset we see that as rather a philosophical question. We would certainly be seeking to protect the conditions of all employees but our first and foremost concern would be for the members in our industry and to get their conditions as favourable as possible given the circumstances.

Ms FRASER: We also recognise the work of the Australian Services Union in long campaigning to get pay equity for community services; something which was successful through Fair Work Australia and the decision that was handed down. That covered a whole range of community workers under—I cannot recollect the current award name—what was known as the Social and Community Services [SACS] Award. The problem is that you need to have governments carry through in ensuring that the organisations are adequately funded to meet those obligations because certainly pay equity is a big issue in community services, which is a predominantly female-dominated work area that has been undervalued for a long time.

What is good is that local government has a leadership role in communities and part of that leadership is to be a good employer. The role of local government working towards equal pay and certainly with us jabbing them in the side—namely, having cases in the industrial relations commission to address pay equity issues—has helped to—I was going to say ensure pay equity but there is always more work to be done—have at least fairer pay levels available within the local government sphere with that commitment and funding.

Mr TONY ISSA: Can you see a gap in community services delivery? How are you going to fill that gap or risk?

Ms FRASER: There are already gaps in community services.

Mr TONY ISSA: How are you going to fill that gap?

Ms FRASER: Are you talking about how local government is going to fill that gap?

Mr TONY ISSA: There is a gap there; how is it going to be filled?

Ms FRASER: I am not sure that we are best placed to answer that. But what I will say is that there are already gaps that do exist in some regions and local government consults regularly with communities about what those gaps are. When I worked in community services I organised many consultations with various groups and got their feedback—I asked them where they thought the gaps were—then that would go into local government reports but it would also get sent off to other levels of government so that they were alert to those gaps. Those gaps need to be funded.

I guess one of the concerns that the union has is that State Government wanting to contract out a whole range of services to the community sector, wants to wash its hands of responsibility for many members of the public by expecting more volunteers to do work. Volunteers do fabulous work in the community but you will be aware that there are reports of reductions in the number of volunteers who are able to give that input. In some areas such as the Weddin council local government area the volunteer crisis has become quite serious and so in areas where non-government community organisations used to be able to do some activity now local government is picking up and identifying gaps in some of those areas. If you look at Ageing, Disability, and Home Care [ADHC] you have funding, you have commitment from the Federal, State and local governments and the non-government community sector. Your question was very broad and my answer is very broad as well, I am sorry.

Mr KEVIN CONOLLY: Which of the three fields: housing, disability services and out-of-home care, do your members work in? Will you also give the Committee some examples of where local government employees are involved?

Ms YOUNG: At the outset we do not have those exact numbers but we are happy to provide them to the Committee—

Mr KEVIN CONOLLY: In a broad sense.

Ms YOUNG: In a broad sense, as Ms Fraser indicated in her opening remarks to the Committee, our members for the most part are in local government. That is not to say that there are not smaller pockets where they would be in caring professions such as aged care hostels.

Mr KEVIN CONOLLY: I do not imagine local government is into housing provision—

Ms YOUNG: Yes, it is.

Mr KEVIN CONOLLY: My experience is obviously limited to the wrong areas. In a broad sense can you tell me where local government fits into the three areas that the Committee is inquiring into? Are you working in all three of those areas?

Ms FRASER: I would say in all three areas but, as I also mentioned, there is a lot of diversity among councils. There is a diversity of resources and there is a diversity of the kind of services they provide. Some councils may provide direct housing services, some may provide facilities, some may be limited to providing support services and some may provide all of them. So in all of those areas and in many other areas of community service as well, but certainly there would be some councils that would provide various levels of support in all three areas.

Mr KEVIN CONOLLY: Others who have given evidence to this Committee have indicated that they think there is a conflict of interest for government in being both a funder and a direct provider. In fact, they feel that accountability monitoring and regulatory functions would be improved for government if they stepped away from being a provider and focused on being a regulator. What is your response to that kind of argument?

Ms FRASER: State-provided services have played a very critical role over many decades. Other levels of government and other non-government organisations have also played an important role in that mix. To just

simply withdraw State-provided services—look at the TAFE area, which I know is outside the ambit of this Inquiry. With the shrinking of TAFE services sometimes there are no other organisations that can fill the gap or they are more expensive and we have also had a number of concerns in the media about scams going on, where TAFE used to be very vibrant; now it is provided by private providers and there have been huge concerns about the quality of the service. I think the response should not be based on an ideological commitment or assumptions that government cannot do things well.

Mrs BARBARA PERRY: Just to assist the Committee, from your own knowledge, and you identified the three areas where local government is in. I noticed in my own local communities Auburn Council is in aged care provision in a sense of providing housing for elderly residents and providing other services, wraparound services, that go with that to support older people in our community. I know, for example, Bankstown council, in support provision, provides a place for the Meals on Wheels organisation for their meals and things like that. So it is different in different communities. I think what you are saying is that to devolve local council services, because that is what you are dealing with, your concern is that where would that devolve to, how would that be devolved and, if there were to be gaps, how would they be filled? So you see a need, I expect from what you have written and the evidence you have given today, that first and foremost there is a partnership, whether it is State Government, local government, non-government, there is a partnership happening out there and that local government in particular needs to maintain its capacity to do these things.

Ms YOUNG: Correct.

Mrs BARBARA PERRY: That is what you think. So moving on from that, it is not only just about filling the gaps but it is having a capacity to do these things.

Ms YOUNG: Yes.

Mrs BARBARA PERRY: Moving on from that then, I think I have one question to ask. Is local government being asked to do more and more with less, even in these types of services? You have talked about cost shifting. Can you explain what that does, in the terms of the Inquiry that we are talking about, what that would mean on further devolution? If there was to be further devolution, for example, moving services from local government to the non-government sector—sorry, I take that back. No-one is suggesting that that happens. I am just making the point that as we currently exist and the current capacity in local government, are there concerns that you have around the true costs not being met by State Government to local government in what they do currently?

Ms FRASER: Absolutely. In fact, even looking at the submission from the New South Wales Government to this Inquiry, there seemed to be a total abstinence of acknowledgement of the role of local government in this area. Yes, there is often inadequate funding and also of local government picking up pieces where there are gaps in the non-government sector, and that adds to what is virtually a cost-shifting process as other areas, whether it be Commonwealth or State, move out and assume that non-government can pick up. Gaps emerge and local government finds itself having to pick up the pieces or fill those gaps, which is a cost-shifting process. We are very concerned about this increase in cost shifting because it is having ramifications throughout councils and their ability to provide basic services, even like the maintenance of roads, because as the cost shifting increases there is not enough funding to provide a whole range of services. But it is not just cost shifting in terms of community services; it is happening in many areas of local government. But yes, we agree, it includes these areas.

Mrs BARBARA PERRY: Is that problem that we are talking about more generally exacerbated even further in regional and remote areas where sometimes it is the local council which can be the only provider of these types of services?

Ms FRASER: Yes.

Mrs BARBARA PERRY: And you will come back to us with the knowledge, and I think that will be helpful to us to have a look, particularly in light of the comments that you have just made about those concerns that you have as a body for your members. Then how that fits in will be a bigger issue.

Ms ANNA WATSON: The Local Government and Shires Associations [LGSA] has already stated that local government play a critical role in providing services in relation to community services within communities. I guess what I would be asking: if it was to go to non-government organisations would that then

give those providers the ability to cherry-pick their clients in order to obtain higher profits? If that was the case—and I want to put myself in the shoes of one of the clients for a minute—if you were one of those vulnerable people in our society who could not afford to pay for those sorts of services and local government did not play such a large role any more, where would it leave those clients?

Ms YOUNG: My view would be that in that scenario those clients would then be seeking to rely on charitable organisations and other forms of welfare assistance to try to plug the gap, if you will. If that situation was to develop I think you would see a greater reliance on St Vincent de Paul and Lifeline and organisations such as that to try to assist.

Ms FRASER: And already they are overcome by the weight of the demands on them. This is where we refer to people falling through the gap.

Ms ANNA WATSON: Do you think those non-government organisations would be in a position, while competing, to be able to cherry-pick, so to speak, their clients in order to obtain those higher profits?

Ms YOUNG: We see that as a distinct possibility.

Ms FRASER: The other thing is that competitive tendering environments of competition can benefit larger organisations and many of those large organisations may be well set up in the cities or whatever and have the resources and the back-up to be able to do really good application forms and win funding but sometimes it can be at the loss of the smaller innovative organisations which have that grassroots contact in communities.

Ms ANNA WATSON: And the knowledge.

Ms FRASER: Yes. Local government, whether it is providing direct services or not, helps to be like a social glue, helping with the social life of organisations. I recall at one stage when I worked for a non-government community organisation many, many years ago we had some fabulous activities in a community centre where all kinds of groups used that centre. There were elderly people, there were children's group and there were young people. It was used every day of the week. But this non-government community organisation that I worked for suddenly decided to close the centre without consultation with those groups, without consultation with the workers.

It would appear that there was more funding that they could get from the various levels of government by changing from that general community organisation work to other work. While non-government organisations do fabulous work, what we also need is a commitment to the community, organisations that can stay, that can continue so that they can be relied on, that are not relying on a volunteer workforce, that has skilled workers who are properly remunerated. Local government is out there in those regions and rural areas already.

CHAIR: Thank you for your time and appearing before the Committee today. We appreciate the effort taken, and thank you for your submission.

(The witnesses withdrew)

(Luncheon adjournment)

SHALLA THOMAS, Chairperson of the New South Wales Home Modification and Maintenance Services State Council, and

STEPHEN ROBERT MALVERN, Vice-Chairperson of the New South Wales Home Modification and Maintenance Services State Council, sworn and examined:

ANNE REEVE, Duly Elected Representative of the New South Wales Home Modification and Maintenance Services State Council, and

ANDREA MAUREEN THOMAS, Treasurer, New South Wales Home Modification and Maintenance Services State Council, affirmed and examined:

CHAIR: I draw your attention to the fact that your evidence is given under parliamentary privilege and you are protected from legal or administrative action that might otherwise result from the information you provide. I should also point out that any deliberate misleading of the Committee may constitute a contempt of Parliament and an offence under the Parliamentary Evidence Act 1901. As time is limited today the Committee may wish to send you some additional questions in writing, the replies to which will form part of your evidence and be made public. Would you be happy to provide a written reply to any questions?

Ms S. THOMAS: Yes.

CHAIR: Thank you. Before we proceed with questions would you like to make a brief opening statement of not more than five minutes? I understand an opening statement has been tabled. Are you happy to read that or would you like us to take it on notice?

Ms REEVE: We would like to read it. Thank you for this opportunity. Essentially, the New South Wales Home Modification and Maintenance Services State Council would like to draw the Committee's attention to a window of opportunity that exists to investigate the isolation of home modification elements within Housing, Disability and Home Care through either a phased-in devolution or an isolated tender process. For almost 27 years the New South Wales State Government has invested in building expertise and experience in home modifications to service the Home and Community Care program. Its target clients are the frail aged and people with a disability and carers for these two groups.

Clinically justified home modification presents as a regular element in a variety of New South Wales State Government community service programs, specifically housing, health, disability and home care services. State Council is the peak body, training provider and quality assurance monitor of a statewide, robust network of specialist occupational therapists and prescription builders. Some 86 members and service providers currently work through a regionalised structure that also ensures local service provision across every New South Wales local government area, including rural and remote.

We provided our submission to inform the Inquiry and to draw the Inquiry's attention to the following: We believe that consideration given to either a phased-in devolution of home modification elements or the isolation of these elements as criteria for an outsourced tender would bring, firstly, cost efficiencies, based on the current non-government organisation network's ability to provide significant immediate and long-term cost efficiencies in service provision. Many current home modification providers contract either directly to government service providers or are at the end of a pyramid of several costly administrative tiers of contracting. Cost efficiencies are apparent in capacity building on existing government investments made to create a specialist infrastructure. Appropriate, clinically justified home modifications mitigate the need for and the cost especially of ongoing other community services. Coordinated, quality-assured home modification service provision mitigates rectification costs and issues.

State Council itself has held long term considerable government funds for the rectification of services provided by its members but rarely needs to access these funds due to our continuous quality control framework that has been put in place. Regulated and monitored service provision supports probity and accountability within a statewide program. Isolating home modification elements as a separate service would provide non-government organisations who wished to tender for outsourced housing, disability or home care with a one-level contracting tier and coordinated, easy seamless referral system.

Secondly, community capacity building: the current specialist network can be more flexible and responsive to clients and communities due to more dynamic internal referral systems and greater local knowledge of both clinical need and housing stock. Significant social impact returns could be achieved through a simplified, equitable system of access to home modification services. Unlike other community services, clinically justified home modifications sit directly at the intersection of housing, health, disability and personal care. Unlike care-plan based services, home modification is usually a one-off service, if done correctly the first time. It is also often the first intervention required by clients to ensure their home or care-base is suitable for their needs and, specifically, particularly under new legislation, the work health and safety needs of carers and other service providers who may tend to fall into the outsourced disability home care and housing services. Appropriate and timely home modifications encourage client participation in self-determination and subsequently support community capacity building through planned, best practice outcomes for clients with respect to their home or care base and their connections with community and to other community service providers.

The Legislative Assembly's Inquiry comes at a somewhat propitious time as far as the community service element of home modification is concerned. This is the window of opportunity of which I spoke. The New South Wales Home Modification model of service review, currently being undertaken by the Department of Ageing, Disability and Home Care, is in the process of formulating a model to meet the needs of a client-directed care environment. This policy work is evolving alongside the introduction of the National Disability Insurance Scheme to be trialled in 2013. This provides a timely window of opportunity to investigate the appropriateness of devolving home modification elements while a strong network of expert, regional and local providers still exists. The National Disability Insurance Scheme in its initial protocols has clearly indicated:

It is most important to note that an NDIS would not be responsible for providing support that is more appropriately provided through the health, education, employment, housing, transport and income support systems.

It also said:

An NDIS would also have a role in connecting people with support needs that are more appropriately met by other systems.

It stated also:

Referrals between systems should maximise outcomes for people and be as seamless as possible.

They are saying that those services that are currently provided through Housing et cetera will still have to be provided by Housing, whether it is through a government source or through an outsourced non-government organisation. This has been the driving force in capacity building for both State Council and the network of providers it represents. Should the Committee consider devolution of the elements of home modification within current government services, the regionalised structure and local service provision supported through State Council would allow for either full or phased-in devolution of these elements across the State, again via full State or regionally phased-in processes. State Council would have the expertise and experience to provide support and/or project management to achieve these goals. They also have considerable experience in working with Ageing, Disability and Home Care [ADHC] to develop and implement new and innovative models of service delivery.

I refer the Committee to the table embedded in our submission paper that indicates the seven-event system that defines a quality assured, clinically justified home modification. You will note that the NSW Home Modification State Council is the only provider that covers all seven elements. I make reference to this table as a summary of services available to support our claim that State Council and its member network have the capacity to support the Committee's processes of investigation. Should the Committee not be in a position to consider direct devolution of these elements to a current coordinated network but prefer to tender for the outsourcing of home modifications as a service distinct from housing, disability and home care, State Council would still be able to provide expert information to inform a tender brief and support the Committee through the outsourcing process. State Council has always provided leadership in client-focused service provision. It has extensive networks with other community services, health and accessible living programs. Our information to this Inquiry comes from a place of best practice, innovation and extensive capacity building experience within home modification.

CHAIR: Could you outline for the Committee how your organisation works with the Government and in providing direct home modification services on the ground?

Ms REEVE: The State Council is the link between the two, the conduit. We have worked extensively with Ageing, Disability and Home Care to build the programs and in fact the State Council was proactive in building a quality assurance framework, which the Government agreed was trailing behind a little from their point of view. In the last few years we have worked really strongly together to build a quality assurance framework and continuous quality improvement into service provision. We have a lot of experience of working with government departments in building expertise but also in distributing that program and making sure the program is implemented. We have an existing statewide network. One of our reasons for presenting to this Committee is the fact that home modifications are extremely expensive through government service provision, particularly because of the many layers of contracting and the administrative costs within that. We have never understood why the wheel keeps getting reinvented in other departments when the Government has already invested such significant amounts in building best practice within the program itself.

CHAIR: How do you remove that administrative layer? Do you have a plan that would assist that?

Ms REEVE: Because we already have a connected network and we have the capacity to service the entire State rather than—I will give you an example of the Department of Housing contracting Transfield, who then contracts somebody else who in turn contracts somebody else along the way. With each level there is a cost of administration and, worse than that, there is a diminishing level of ability of expertise, experience and practice. That is why their rectification costs are so high and their rectification call-backs occur so often. We envisage, if it went out to tender, a consortium of services would tender who had been home modification service providers. We have seamless ability to accept referrals both through the Government's access point and Health.

We are used to dealing with government departments and the referral systems for them so we could cut down a layer of referrals going to a department and then to a contractor and then working their way down through the referral system. Whether it was a government department or a non-government organisation that had tendered for that government service, they would have a one-stop shop to go to that could provide them with those seven elements. If they went to other contractors they would have to contract occupational therapy services, contract building services, contract quality assurance, and contract project management. This way it is a one-stop shop so it cuts down both on administrative expenses and keeps the expertise and experience that the Government has already invested in. It does not throw the baby out with the bath water.

Ms ANNA WATSON: Is there a range of home modification maintenance service providers in New South Wales from large-scale companies to small individual operators? If so, how do they compare to one another? It would be good if you could give examples.

Ms REEVE: The 86 members across the State are predominantly responsible for providing home modification, certainly in the Home and Community Care [HACC] client area. That has been our jurisdiction for the last 27 years. We also do an awful lot of work within the general community and for other community service providers in group homes et cetera. The only larger contractors that I am aware of—the other members may be able to add something—are people like Spotless and Transfield who are contracting predominantly to the Department of Housing.

Ms S. THOMAS: Home modification services would be contracted from places like Housing, Lifetime Care and Support, the Departments of Veterans' Affairs, and Mission Australia Housing. We are already used as preferred contractors for a lot of those other organisations that require modification for existing housing stock. We contract to those people to do the work.

Mr TONY ISSA: It is very interesting. It is a field in which I have a bit of knowledge and qualification. You just mentioned that you will cut one tier of service if you contract to the Housing department. I know the Housing department has selected contractors on board and they are being paid for certain items. They do not have the tiers you are talking about so I do not know how you come to the idea that you are going to cut a tier that does not exist at the Housing department. I know the service management department in the Housing department has a system in place where they have a few contractors on board who have been selected to quote for the job and they choose the lowest quote, for the sake of money. I do not know how you are going to save money when you see these systems in place in the Housing department.

Ms REEVE: It is about the fact that we offer a holistic approach. In many areas with the Department of Housing they rely on waiting on Health or Community Health occupational therapists to prescribe the modification. It is about the understanding that a modification is not just putting in the construction side of

things. It is the prescription by an occupational therapist working with the builders. As we understand it, in several of the Department of Housing regions a lot of the rectification work is done because the work is not put in to the occupational therapist's specifications. There is a very high percentage of call-back in some areas. What we are saying is that we offer builder occupational therapy [OT] teams that go out and can do the job once in the first place. We have a quality assurance for that.

Mr TONY ISSA: But you do not bring the specifications to the job yourself. The specifications will be brought to the Department of Housing or anyone else by the medical system. That is the requirement. The specification is going to come not from you or your builder. It will come from a certain person in that field to say that is what is needed.

Ms REEVE: That is what I am saying: we actually have specialist occupational therapists.

Mr TONY ISSA: But you cannot bring that specification. The specification is going to come from a medical team. Every person has different needs. I know this field very well. I know very well that every person has different needs and different requirements. Their needs and requirements have to be met by the person who is providing the service. That person has to provide a basis for the Department of Housing to be able to provide that service and meet that need. You tell me you have your own specifications. How are you going to justify your specifications as meeting the requirements of the person?

Ms REEVE: No, no. We have qualified specialist occupational therapists, who are the ones who prescribe in any of the jurisdictions, but our qualified occupational therapists specialise in home modifications and specialise in working with builders, together, so that they get the right outcome the first time. It is also about providing long-term appropriate outcomes, not just a reaction to a client's particular need right at this moment. It is about planning—particularly, say, in something like housing stock. There is no point putting expensive modification in for somebody if their long-term requirements are that they will not be able to stay in that piece of housing stock long term anyway. It is about looking at the holistic long-term appropriate needs, and that in turn creates cost efficiencies by not having to do more modifications.

Mr TONY ISSA: How are you going to determine whether it is going to be long-term use or short-term use yourself? How are you going to determine that?

Ms REEVE: Because occupational therapists are allied health professionals who do that. That is their job. Their job is to prescribe home modifications as part of the work that they do.

Mr TONY ISSA: But at the end of the day, the service is going to be provided by the medical teams, who are looking after that particular person, not by your people.

Ms REEVE: No, but allied health is medical.

Mr TONY ISSA: With due respect, at the end of the day the Department of Housing, or whatever the case may be, could not allocate property or accommodate anyone without having the final tick on the project by the medical assessor to say that modification meets their requirements. They will not do it.

Ms REEVE: But they are a medical professional, an allied health professional.

Mr TONY ISSA: The Housing Commission does not have this service, do you think?

Ms REEVE: No, the Department of Housing does not have it, but we as a program have. Ageing, Disability and Home Care has spent and invested an awful lot of money in building the idea of health professionals working with builders to get the outcome. It is about that team working together rather than having two isolated processes that increase the cost of creating the modification. Our occupational therapists actually come from the health system. They are trained in the health system. They are university qualified. Most of them worked within the health system before they became home modification specialists.

Mr KEVIN CONOLLY: I would just like to ask a couple of simple questions so I can get my head around what you actually do and what the sector does. All your members are private companies at the moment, are they not?

Ms REEVE: They are non-government organisations and a few of them are local government area or Health auspiced.

Mr KEVIN CONOLLY: There is non-profit and profit mixed?

Ms REEVE: No, there is no profit. They are all non-government or not-for-profit.

Mrs BARBARA PERRY: Or local government.

Ms REEVE: Or local government, yes, or one or two are Health, as well, too.

Mr KEVIN CONOLLY: Right. I misread that. Would a private for-profit operator be eligible to do this work at the moment? Does that opportunity exist?

Ms REEVE: Not within the current funded program. I would think in a packaged environment, in the client-directed care environment in the future, certainly contractors would be able to be chosen by a client to do it. But the problem that the current review, the model review, is looking at is to come up with a model of service delivery that, as I said, does not throw out all the industry experience and professionalism that they have built up.

Mr KEVIN CONOLLY: Of course it sounds like a great model that in my mind lends itself to outsourcing, if done the right way.

Ms REEVE: Yes.

Mr KEVIN CONOLLY: In fact, thinking you were private operators, I thought we probably had already reached that point but that is not so. If I am a person who is disabled—perhaps I had an accident and suddenly have become disabled, so I now need your service—how does that get initiated? Whose decision is it? How is it funded, if I had never come across the field before?

Ms REEVE: Okay. If you were in hospital, it would be organised through the health referral system to us. If you were being case managed by a disability provider, et cetera, currently they would send a referral to our service if they have not got occupational therapists on board, and in some areas for health, the community health list is 18 months to wait to get an occupational therapist assessment. It would come to a service that has a team, an occupational therapist and a builder team. We send those people out. The occupational therapist would do an assessment on that person.

Mr KEVIN CONOLLY: So the Government initiative is that initiative of the Department of Health then. Somebody has said, "Tick that box. Make that step."

Ms REEVE: Yes. They refer to us, yes.

Mr KEVIN CONOLLY: So it is initiated by Health. Is it paid for by Health?

Ms REEVE: No, no. Ageing, Disability and Home Care would probably like them to do that.

Mr KEVIN CONOLLY: Right.

Ms REEVE: Looking at the model of service delivery, when you look at discharge teams and opportunities there, one of the things that holds people up in hospital more than anything, whether it is somebody in social housing or waiting on a government-provided service or in the general community, or a home and community care client, they are waiting for even minor home modifications to be assessed by an occupational therapist and then implemented through a qualified licensed builder. Sometimes they can sit in hospital for many days at a time, at up to \$1,000 a day of public funding, waiting for \$400 worth of grab rails to get them out. The same exists in terms of the Department of Housing. Their clients actually seem to wait for ages and ages within the hospital system at enormous cost to the public taxpayer whereas if there was a coordinated and planned approach to assisting these people, it could make significant changes.

Mr KEVIN CONOLLY: So there would be a real saving for government if there was a rapid response mechanism for the minor level easily assessed tasks.

Ms REEVE: Yes.

Mr KEVIN CONOLLY: It sounds that way.

Ms REEVE: Yes.

Mr KEVIN CONOLLY: I was going to then take the next step and try to get my head around what is there at the moment. If it were to be further outsourced and opened up to the private sector that had to build a capacity similar to the one that is in place now and had to be accredited at a level that said it met those needs, would you see that being able to work? Is that an option for the Government in the future?

Ms REEVE: The Government's conundrum at the moment—if you think back to the pink bats incident—is considering how they go about this. That is high on their list of priorities. They would be opening that up to the most vulnerable people within the community. I do not know if you have ever tried to organise some building work yourself and if anyone has ever turned up not on time when they supposed to, and not given you the right quote, or you feel you have been ripped for whatever reason, it is taking time for them to formulate this model. As I said, it is a window of opportunity when looking at outsourcing community services.

There is a possibility of isolating that element of home modifications has the perfect opportunity at the moment to work with both Ageing, Disability and Home Care, and the Department of Health and Ageing [DOHA] on certain levels as well, but certainly Ageing, Disability and Home Care because they are trying to formulate this model alongside the National Disability Insurance Scheme trials that are coming up. They are already looking at a variety of ways where cost savings and efficiencies can happen for that particular trial with it. It would be a mere extension of their own investigation into the home modification program to actually look at how it could incorporate something like outsourcing that element from government services.

Mrs BARBARA PERRY: I have to try to get my head around it as well. What percentage currently is referred to you, and what percentage is kept with government to organise maintenance? Let us do disability first and modifications of properties, and then we will talk about maintenance.

Ms REEVE: Okay. Across the State it is very ad hoc, but in some regions the Department of Housing has found it more cost efficient, more timely, and certainly to get a better outcome for both their housing stock and the client to actually contract directly to home modification services. But that is not a system; it is very ad hoc. Certainly the Department of Veterans' Affairs does a lot work through the home modification services. One thing that drove us to inform the Inquiry is that more and more government services are finding that it is easier to come to a home modification service.

Mrs BARBARA PERRY: Okay. Let us just get your work right. You do modification for people with disabilities, you do modifications for veterans, but do you do the actual maintenance work for the Housing Commission as well?

Ms REEVE: No, no.

Mrs BARBARA PERRY: You do not do that.

Ms REEVE: They predominantly use the big contractors like Spotless and Transfield for those.

Ms S. THOMAS: Some housing clients do actually come to home modification services for ongoing lawn care.

Mrs BARBARA PERRY: For gardening and lawn.

Ms REEVE: Yes, for yard and lawn.

Ms S. THOMAS: For non-structural work.

Ms REEVE: No. We are saying whether services continue to be provided through government as they are or whether, as it has been done internationally as well—I can see that New South Wales obviously must be being informed by some international experiences—those services are outsourced to non-government

organisations, we would work with those non-government organisations within our existing referral systems because we already inter-refer from our service to another community service. We are aware of those processes of how you on-refer and how you get somebody into a system—they might need further services et cetera. Those organisations who chose to tender, say, for housing or disability or home care, would refer on to us in a referral system. Even currently, we have all had to set up our data management and our referral IT to actually speak to all these other community service organisations. So if those large NGOs actually did tender for those services and were successful in receiving them, we already have a seamless referral system built in from the technology side of things, from the processes and from the on-referral as well.

Mrs BARBARA PERRY: If they refer to you, you would organise the proper assessments and things like that?

Ms REEVE: Yes, in a more timely manner than having to go through Health and waiting for Community Services et cetera.

Mrs BARBARA PERRY: Let us talk about that now. You have not been able to give me percentages of the work you get compared to the government sector?

Ms REEVE: No. We have not collected that data, but we could.

Mrs BARBARA PERRY: Do you collect that data?

Ms REEVE: No we have not. We have been predominantly HACC funded and the rest is starting. As I said, there is kind of an organic growth out there happening, but we would be happy and we would have the capacity through IT and data management to be able to collect that data to inform the Committee as well.

Mrs BARBARA PERRY: This is my concern because I am looking for the evidence base for what you are talking about. You understand that?

Mr MALVERN: Under the Home and Community Care Program last year there was \$19.8 million worth of funds distributed to our services and there were 15,900 clients who received a home modification with those funds. Obviously, I am not aware of the total amount out there, but I can tell you what this program did under the HACC funding.

Mrs BARBARA PERRY: We will have to ask Government about that. We know there is a backlog and you would not know what it is. However, you would say that because you were given X amount that there is a backlog. Is there a backlog after that?

Mr MALVERN: Under the HACC program we have had considerable waiting lists over previous years. The way it stands now is that the waiting lists are minimal, especially in major modifications. We consider anything over the value of \$5,000 to be a major modification. We have no waiting lists for major modifications.

Mrs BARBARA PERRY: What is a minor modification?

Mr MALVERN: We consider that to be anything under \$5,000.

Mrs BARBARA PERRY: What is the waiting list on that?

Mr MALVERN: Obviously there are 86 services, so that is difficult. We would need to survey those 86 services, which our peak body does annually just to see, for lobbying, whether we need additional funds.

Mrs BARBARA PERRY: As a Committee we do not know the evidence base of where you are coming from, apart from the figure you have given us. We now know that HACC is going into a new paradigm with people over 65 being Commonwealth funded. How does that affect what you are talking about? How will it impact on what you are talking about to us today, given that the State department will not be looking at anything to do with anyone over 65?

Ms REEVE: That is right. What informs this Committee is more so than the National Disability Insurance Scheme and how that will sit aside. That is the very reason we do not have a model. We have been

under review for 18 months—incredibly intensive consultations, which would be able to be provided to you through Ageing, Disability and Home Care, but they cannot come up with anything yet because with the National Disability Insurance Scheme they are not sure where modifications will fit within that.

Mrs BARBARA PERRY: That is right.

Ms REEVE: I think your question is how much work are we doing for government services now?

Mrs BARBARA PERRY: That is right.

Ms REEVE: I would actually think we are doing a tonne for HACC-funded clients, but for government services I would say it would be easy to say it is minimal. But as I said, it is a growing organic thing and that is why we have not collected data on it.

Mrs BARBARA PERRY: No, I appreciate that.

Ms REEVE: It is kind of a new area.

Mrs BARBARA PERRY: Yes.

Ms REEVE: But it is the same thing we have been doing.

Mrs BARBARA PERRY: What you are talking about is the potential with NDIS?

Ms REEVE: Yes.

Mrs BARBARA PERRY: But we are a long way from that?

Ms REEVE: Yes.

Mrs BARBARA PERRY: You would agree with that?

Ms REEVE: Yes. But the clients you will service either through government or outsourced services will not fit the NDIS, they have made that very clear, if there are other mechanisms for support. For community service and personal care they will be covered. There will be the equitable service for them in that and for any other client it will be exactly the same. If you have a certain disability through the NDIS, you will be catered for with that. With Home Modification it comes down to who owns the property, particularly if there is another service. For example, Home Modification has occasionally done ad hoc work in schools creating a specific modification with an OT prescription and a builder for a child going into a school. That will not be covered by the National Disability Insurance Scheme because they will expect the education system to provide that.

CHAIR: Ms Thomas, did you want to add anything to the conversation?

Ms A. THOMAS: I just think probably one of the major points that we have not brought out is that over the years we have become experts in providing home modification. I do know that the Department of Housing and other departments do provide that for their clients, but we have had a long history of seeing where people have to go back to jobs because they have not been done correctly. We have invested so much effort in making sure that what we provide is a quality service from the very start, which is the occupational therapist prescription, right through to signing off that job at the end to say, yes, all of those things have been done and that person has been left with a functional modification.

We have solved their problems. Each one of us in our own services has had at some stage or seen examples of work done in Department of Housing homes or whatever that needed to be rectified because it was not done according to the way the occupational therapist had prescribed it or whatever. Part of that development is that the quality assurance program we have developed, which does not wait for a problem to occur at the end when everything has gone bad or the building work is not okay or the bathroom has failed, stops that from happening—a risk management system if you like—right from the start to make sure there is going to be a good outcome for that client.

Ms REEVE: This is one of the reasons that Ageing, Disability and Home Care has continued to heavily invest in us over the last few years—because we have developed this continuous quality framework, which it sees saves money in the long run.

Mrs BARBARA PERRY: In fairness, you are presenting some sort of model from your experience in doing HACC work, which will now go to the Federal government sector in large part.

CHAIR: Thank you very much for your time today. We appreciate that some of you have travelled long distances to attend today. Your contribution has been valuable feedback, particularly in enlightening the Committee in what you do, the services you provide, and how cost and time efficiencies can be achieved through what you are doing. Thank you very much for your time.

Ms REEVE: Thank you.

(The witnesses withdrew)

NICOLA LOUISE SLOAN, Executive Officer, Illawarra Forum Inc., and

HELEN MCGUIRE, Information Officer, Illawarra Forum Inc., sworn and examined:

CHAIR: I draw your attention to the fact that your evidence is given under Parliamentary privilege and you are protected from legal or administrative action that might otherwise result in relation to the information you provide. I should also point out that any deliberate misleading of the Committee may constitute a contempt of the Parliament and an offence under the Parliamentary Evidence Act 1901. As time is limited today, the Committee may wish to send you some additional questions in writing, the replies to which will form part of your evidence and be made public. Would you be happy to provide a written reply to any further questions?

Ms SLOAN: Yes.

CHAIR: Before we proceed with any questions, would you like to make a brief opening statement of not more than five minutes?

Ms SLOAN: We would like to thank you for the opportunity to attend on behalf of the Illawarra Forum. For the past 20 years our organisation has served the community services sector as the peak body in the Illawarra and the Shoalhaven. Our region covers the local government areas of Wollongong, Shellharbour, Kiama and Shoalhaven. It is a large district, covering regional and rural areas. Community Services is a major employment sector in our area. We serve to resource and support the organisations that are doing that work. In the outsourcing context, we believe that there is opportunity for our sector to work with Government in the development of policy programs and performance measures.

We believe there is opportunity in funding community-based not-for-profit organisations. We feel strongly about that, because they are mission driven, rather than profit driven; they have a commitment to social justice, equity and inclusion; and they best know the communities in which they serve. Community-based not-for-profit organisations generally have sound governance with a focus on consumer outcomes and importantly, they retain decision-makers in our local region. We believe that, in the outsourcing context, there should be a focus on sustainable funding that enables consistent service provision. Funding should include measures to account for indexation and the capacity to honour the hard-won award increases under the recent Equal Remuneration order.

CHAIR: What is the role of the Illawarra Forum? Is it to be a broker between the Government and the service providers? How does it actually work?

Ms SLOAN: We act as the peak body for the community service organisations, as a representative and also a resource and support for those organisations in their work.

CHAIR: In terms of profit and not-for-profit, do you think that the not-for-profit organisations would provide better service on the ground, given that they do not have to worry about margins in the profit sector?

Ms SLOAN: Yes, we do because we believe that not-for-profit organisations exist for a purpose. "Not for profit" does not necessarily mean they are not going to make a profit but any profit that is made is given back to the communities they serve. That means you are not worrying about distributing profit back to shareholders and we believe that is a better outcome for communities.

CHAIR: Do you have an example of a complaint mechanism where it has not worked and the services have not been provided and you have had to intervene?

Ms SLOAN: No, it is not our role to intervene in service provision. If a problem were to arise with an organisation, we would help and resource the organisation to deliver that service, if that were possible.

Ms ANNA WATSON: Can you tell me if volunteers form a large part of the Community Services sector in the Illawarra and the Shoalhaven?

Ms SLOAN: Yes, we value our volunteers as important to our work. We believe that funding should include a component to enable the support and resourcing of volunteers and the administrative requirements

such as police checks. Volunteers have a role in an organisation but that does not mean that they should take on the work of paid workers—they should augment that.

Ms ANNA WATSON: What would be the approximate percentage of volunteers in the Illawarra and the Shoalhaven?

Ms SLOAN: It would vary between organisations. It would be difficult to put an estimate or a generalisation on that. Different organisations would have a different capacity for their volunteers. In some organisations it is not appropriate for volunteers to be part of those organisations. Certainly, organisations such as Meals on Wheels rely heavily on their volunteers.

Ms McGUIRE: I would like to add to that, to point out that not-for-profit community organisations are usually formed under the Associations Incorporation Act 2009 and have a board or management committee. The management committees has a voluntary role which is a factor in reducing costs in delivering community services.

Mr TONY ISSA: Is your organisation a funded organisation?

Ms SLOAN: We are funded in a variety of ways, so we do have some funding from different Government areas to deliver things such as housing the homeless and community care and employing development officers. We are funded under the Communitybuilders fund. We are also funded by our members, who pay a membership fee.

Mr TONY ISSA: What are the membership fees? \$10 a year or \$1,000 a year?

Ms SLOAN: It is dependent on the number of employees in an organisation or the amount of funding they receive. For small organisations our fees are about \$50 a year and for larger ones, they go up to about \$250 a year.

Mr TONY ISSA: The Illawarra Forum functions as an umbrella for other organisations, is that correct?

Ms SLOAN: That would be one of our roles. I would prefer to say we are representing the sector.

Mr TONY ISSA: You do not provide any direct services?

Ms SLOAN: Not to clients, no. Our clients are our members.

Mr TONY ISSA: The community would not benefit directly from the funding you receive from Government, other than your lobbying on behalf of the other organisations?

Ms SLOAN: I think lobbying would be only one part of our service provision. We provide support and training to organisations and we provide governance support to organisations. It goes a lot further than just lobbying.

Mr TONY ISSA: All formal organisations have an objective. There has to be some sort of knowledge to be part of the organisation. The contribution of voluntary workers would probably be further down the track. I notice from your submission that you do not support for profit organisations. I know the services provided by for profit organisations are quicker and faster for the community. Although they are paid, if one looks at the long-term cost, it would probably be similar. Have you compared the cost of delivering services between non-profit organisations and for profit organisations, in terms of the cost of the project or the time frame?

Ms SLOAN: I think that is quite a broad question and it is hard for us to analyse. Our organisations provide a range of services.

Mr TONY ISSA: If the service your organisation provides were to be provided by a for profit organisation, comparing the time factors and costs involved, would it take your organisation a longer time to provide those services than a for profit organisation that may be able to provide those same services faster?

Ms SLOAN: I do not have any evidence for that. I do not see why it would be any faster to have a for-profit organisation deliver a service than a not-for-profit organisation. I cannot see a reason for that.

Mr TONY ISSA: You said that you have no evidence. You are not supporting profit organisations to be counted for any work and you have no evidence. I am surprised if you have no evidence how you condemn them being part of this as a profit organisation?

Ms SLOAN: We strongly believe that a not-for-profit organisation has a mission and exists solely to serve the community and that is why we believe they are best placed.

Mr TONY ISSA: That is your personal opinion?

Ms SLOAN: That is the opinion of our organisation.

Mr KEVIN CONOLLY: Your forum is a peak body representing service providers in the Illawarra and Shoalhaven, does it represent government and non-government providers? Are there direct government service providers in that area?

Ms McGUIRE: I would like to point out that the sector that we work with has a huge range of attitudes, opinions and ways of working, so that the Illawarra forum supports the points of view of various organisations. We do not have a one-size-fits-all umbrella that suits the whole range of points of view. To date we have not worked with for-profit organisations.

Mr KEVIN CONOLLY: The question was concerned with government provision. I presume there is direct provision by government of services in the Illawarra?

Ms McGUIRE: Government departments have eligibility to become a member of the forum within strict guidelines but we do not work with government provided community services, no.

Mr KEVIN CONOLLY: There would be some in that patch down there?

Ms McGUIRE: Yes, there are: Health, for example.

Mr KEVIN CONOLLY: Your focus is essentially that of your members who are non-governmental organisations?

Ms SLOAN: Yes.

Mr KEVIN CONOLLY: One of the themes that has been raised by those giving evidence before the Committee is that it costs more to provide services in rural and regional areas than metropolitan areas. Is there any hard data that would show that and why that is so?

Ms SLOAN: I do not know about hard data. I would say that the Shoalhaven region consists of 49 towns and villages over a widespread geographical area and that is evidence in and of itself. To provide a service over that range of area, very spread out, means you could have one client in Ulladulla and another one in the bay and basin area. It is a vast distance to travel and that is going to increase costs.

Mr KEVIN CONOLLY: Are most of the service providers travelling? It depends on the nature of the particular service involved as to that cost base, does it not?

Ms SLOAN: Yes, it certainly does. We have already seen in the outsourcing of job services in the Federal Government sphere that if providers in the Shoalhaven are not able to get out into the outlying areas it is very difficult for many clients to travel to the provider. I would argue that it is very often necessary for a lot of service providers to travel to those areas.

Mrs BARBARA PERRY: That would have to be factored into the costs of those services. You would have member organisations that would be raising with you that that is not clearly factored into the cost, is that correct?

Ms SLOAN: Absolutely. There are concerns that when very large tenders are issued large organisations not based in an area might find it difficult to have an idea of what the actual cost of providing a service over a large geographical area might be.

Mrs BARBARA PERRY: We have heard that before, that is consistent with other evidence. Of the 300 organisations that are your members are all of them government funded or are there organisations that raise their own money and provide services?

Ms SLOAN: Most of our organisations, if not all, would have some level of government funding. Many of them have the capacity to raise funds and many are charities.

Mrs BARBARA PERRY: One of the things you identified in your submission is this idea of governance and you raise that because you must have some underlying concerns about that. What are they?

Ms McGUIRE: Our point of view is that not-for-profit community services have a very strong record in good governance and very faithful management and acquittal of funding for services. We see that role will be further strengthened with the new proposed Australian Charities and Not-for-profits Commission [ACNC] which will make operation of such services transparent and very visible.

CHAIR: Ms Sloan, how can the Government make it easier to do business with organisations like you? If you had a wish list what would you do?

Ms SLOAN: With organisations like ours—well, we are the peak body. We are very happy to work with government. I think that streamlined processes are great. There is opportunity perhaps with the coming in of the Australian Charities and Not-for-profits Commission to produce a model that reduces reporting and red tape. Particularly with tender processes and submission writing if all of that governance and finance information is available in one place rather than having to reiterate it that would be fantastic. I also think that the idea of the portals is a good one. They are quite new at the moment but I think that would make dialogue between government and organisations much easier as well.

CHAIR: Essentially, a one-stop-shop where non-governmental organisations could go and get all the information they require and in relation to a tender that one-stop-shop would have the history of that organisation. In some smaller organisations a lot of human resources [HR] time gets taken up with the tender process. Streamlining the process would be beneficial?

Ms SLOAN: Absolutely. Many of our member organisations would say that they spend a lot of time submission writing or writing tenders and those tenders are not always successful. It would be great if we could reuse the same information. That is my understanding of what the Australian Charities and Not-for-profits Commission will eventually be able to do. That will bring transparency to our governance and makes our sector very accountable.

Ms McGUIRE: I would like to add that the NSW Fair Trading could have a big role in resources for governance and community management. As well as the online resources which exist already more training and workshops in the regions would assist.

Ms ANNA WATSON: My question is directed to either to Ms McGuire or Ms Sloan: You touched on your boards or community based committees; in your view what resources would help those committees function better?

Ms McGUIRE: Mostly training on a number of levels. Potential community management: Committee members or board members have anxieties about their performance and skills even though they may have the skills already, such as a local accountant being a treasurer. They also have anxieties about their responsibility and liabilities, so more information, more education—so more training, yes.

Ms ANNA WATSON: Is it hard to attract people to sit on these boards and committees on the organisations that come under your umbrella?

Ms SLOAN: That is a common comment from some of our members, that it is hard to attract people to voluntary management committees. It is an area that we are very keen to promote because it is a great opportunity for people both within our sector and within other sectors to work with community organisations

and it is a great professional development opportunity. We certainly would welcome management committee members from different sectors as well.

CHAIR: Lastly in relation to information technology, how do you see the information technology sector working with non-government organisations in your area? Is it sufficient enough, does it need to be included in tenders and funding and are people struggling to get computers, particularly with information technology officers using their own gear half the time? How does that sit?

Ms McGuire: I have to say that in the last five years the community sector is really proficient and up to date mostly with email and online resources. A lot of that was actually due to the New South Wales funding of the Better Service Delivery Program, which started through New South Wales commerce that started about eight years ago, I think. In budgets in our grant submissions and tenders we still need adequate dollars for information technology maintenance and also probably training. Probably what the community sector is not totally up to date with is the use of social media so far in our culture of working.

Ms Sloan: I would certainly say that with the continued reliance on online reporting and the use of portals, most of our reporting is now done online so I would see that it is really important to be able to factor that into any funding submission because we need up to date information technology to be able to fulfil our contracts.

CHAIR: Lastly, what do the organisations that you deal with say about dealing with government?

Ms Sloan: I guess that is once again quite varied.

CHAIR: The top three?

Ms Sloan: The top three issues for dealing with government? I guess accountability—not accountability but I think one of the comments that we often get is that the measurements that they are asked to provide are perhaps not really best reflecting the practice or the outcomes for their clients.

CHAIR: The reporting process?

Ms Sloan: The reporting process. The process is often quite simple but it is often felt that does not really capture the essence of what is provided and sometimes the results-based accountability encourages a practice that may not actually be best suited to client outcomes. I could give you an example, if you like? For example, if an organisation has been contacted by somebody who can no longer mow his lawn; an elderly gentleman for example who can no longer mow his lawn. Under results-based accountability it might be that someone would come in and say, "You can't mow your lawn anymore", spend an hour with him, organise for his lawn to be mowed and that might cost \$1,200 for a year, for example—an hour's work.

If there were more outcomes-based reporting, it might be better to spend a little more time with that same gentleman, find that he actually loves to mow his lawn and it gives him great independence and gets him outdoors. When the worker spends a bit of time with him, the worker sees that actually his lawnmower is extremely old and very, very heavy; maybe spends six hours researching lawnmowers, finds a very lightweight one that he can manage and for the same cost for that year provides him with a lawnmower that keeps him outdoors, keeps him active and is actually a much better result for that client. It is very hard to capture that when what you are actually having to report is how many hours you spent with a client and how many dollars you allocated to him.

Ms Anna Watson: Good example.

CHAIR: Great example. Thank you very much for your time, ladies. We greatly appreciate your input to this Committee and thank you for taking the time to write your submission. We appreciate your time and attendance today.

Ms Sloan: Thank you very much for the opportunity.

(The witnesses withdrew)

(Short adjournment)

SCOTT RAYMOND HOLZ, State Manager, National Disability Services NSW,

RICHARD CHARLES HAWKINS, Policy Manager, National Disability Services NSW, and

DEBRA ANN SAZDANOFF, Senior Project Manager, National Disability Services NSW, affirmed and examined:

CHAIR: I draw your attention to the fact that your evidence is given under parliamentary privilege and you are protected from legal or administrative action that might otherwise result in relation to the information you provide. I should also point out that any deliberate misleading of the Committee may constitute a contempt of the Parliament and an offence under the Parliamentary Act 1901. As time is limited today, the Committee may wish to send you some additional questions in writing, the replies to which will form part of your evidence and be made public. Would you be happy to provide a written reply to any further questions?

Mr HOLZ: Yes, we would.

CHAIR: Before we proceed with questions, would you like to make a brief opening statement of not more than five minutes?

Mr HOLZ: Thank you, we would.

CHAIR: Thank you, Mr Holz. Please proceed.

Mr HOLZ: Firstly, thank you for the opportunity to appear before the Committee today. National Disability Services is the national peak body for non-government organisations that provide specialist disability support. In New South Wales we support some 260 member organisations in that role. Having said that, also in partnership with the New South Wales Government, we are rolling out a number of capacity building projects to all 450 organisations that are currently funded by Ageing, Disability and Home Care [ADHC] to deliver specialist disability services. The purpose of that capacity building is primarily to prepare the sector for the roll-out of Stronger Together II, which is \$2.02 billion of investment over five years in real growth.

We also operate care careers in New South Wales that provides jobs, information and careers advice to the care sector generally. Within New South Wales, the non-government organisations that are funded by ADHC already deliver quite significant amounts of services to people with a disability: some 93 per cent of day programs, some 80 per cent of respite and some 61 per cent of supported accommodation. It is NDS's contention that with the experience and maturation of the sector that we have in New South Wales, the non-government organisation sector is well placed to take up opportunities that are provided by the Government outsourcing service delivery.

CHAIR: Thank you. Could you please provide an example of where you think that a not-for-profit organisation can provide efficiency levels, value for money and business expertise that is comparable to for-profit organisations and your views on that?

Mr HOLZ: The key point to that question is organisations that are non-government organisations in this space are mission-driven. Everything that an organisation does is to fulfil that mission, and the more efficient and more effectively that organisations can provide their services, the more mission that they can deliver. It is not about a profit motive, it is about building the capacity within the community generally for social inclusion outcomes for people with a disability. That capacity building is the key to the efficiency of the sector. It is not about doing more for less, it is about delivering more for the same. The non-government sector has the capacity to be embedded within its local communities and for every dollar that is spent it will get extra-added value from the efforts of volunteers, private philanthropy and just generally in working collaboratively together as a sector without that profit motive there.

Ms ANNA WATSON: Are you of the view that it is only the services provided by the for-profit organisations which are at risk of cost-cutting and poor service delivery?

Mr HOLZ: I think the way I would answer that question is that the real issue here is how government chooses to procure services and what is attached to that procurement. I would imagine that any outsourcing of

services run by government at this point would be tied to some kind of quality outcome and some kind of outcomes measure which was linked to the social inclusion outcomes for people with a disability. Whether government purchases that from the not-for-profit sector or the for-profit sector the same conditions should apply to both.

Mr TONY ISSA: I am going to ask a very general question. I notice as a major organisation—you have got 250 organisations in New South Wales and 450 organisations nationwide—there are probably thousands of employees working for those organisations. What sort of training or support do you do for the employees to keep them up to date with the needs of the services?

Mr HOLZ: Every non-government organisation will take its own approach to that but, generally speaking, all of the services that operate in New South Wales are required to meet the New South Wales disability service standards. So, first and foremost, they have a requirement under that commitment to provide training to all of their staff to ensure that they have the right skills to be able to deliver the services to those required standards. As a peak body National Disability Services is rolling out a range of supports to staff. We run a number of regional support worker conferences every year, which provide up-to-date learning and training to people who are front-line workers; we provide work health and safety training to the sector generally and we operate the website of a program called Disability Safe; we run emerging leaders courses for people who are up and coming leaders for the future; and we also are running supports for CEOs and boards and governance generally.

Mr TONY ISSA: Are your clients referred to you from hospitals or from the private sector? How do you get clients referred to you?

Mr HOLZ: The pathways into services are numerous. Predominantly if it is tied to Ageing, Disability and Home Care funding the referral will come to us through that mechanism in some way shape or form, but it is also true that because of the presence in the community that non-government organisations have we are often the first port of call. So people will come to us from all sorts of places—from local governments, from hospitals, from health, from GPs.

Mr KEVIN CONOLLY: You stated in your submission that your sector is well placed to take on further outsourcing. Could you explain what mechanisms you believe should be implemented by government to ensure that any transition to more outsourcing is most effectively and efficiently managed?

Mr HOLZ: I think the cost of any reform cannot be cost-neutral. I think there needs to be a continued investment in the development of the sector. Why would government do that? For only one reason, and that is to get the best outcomes for people with a disability. We have been working with the sector now for quite some time, and will for the next couple of years as Stronger Together Two rolls out, to provide leadership and governance training to the sector to build its capacity to be able to effectively manage itself, for it to have less dependence on government over time, so that it can respond to the needs of people in a way that is high-quality and accountable to all stakeholders, including government and taxpayers.

Mr KEVIN CONOLLY: As Stronger Together Two is rolled out further and we see a person-centred approach taking hold and money being put in the hands of the purchaser directly do you believe that the non-government sector will be able to meet the needs of all the full range of disabled clients out there or are there going to be gaps in service that the government is still going to have to be responsible for?

Mr HOLZ: I think there is a willingness from the sector to be able to respond to the needs of all people. Whether or not gaps emerge will largely be contingent on how government chooses to roll out programs, how it intends to create markets when markets possibly do not already exist and what supports government is prepared to put into ensuring that those gaps are met. I think it is fair to say there are already significant gaps. It is certainly not a case of everybody who should get a go is getting a go. We have currently got a crisis-driven sector that is responding to the squeaky wheel, if you like. Things like the rollout of Stronger Together Two, even that \$2 billion investment is not going to meet the needs of every person with a disability in New South Wales.

I think the role government has, and notwithstanding that a national disability insurance scheme may overtake things in New South Wales as time goes by, is to work with the non-government sector to identify where it can most efficiently and effectively get to those gaps early so that they do not become crisis-driven. I think the key there is a focus on early intervention. When I say "early intervention", I do not mean necessarily

just children but at the point where a person first has onset of their disability. By working collaboratively—and the one thing non-government organisations have is great community intelligence—we can identify those people early and get an early intervention outcome. That will be the most efficient and effective outcome for the Government and for people.

Mr KEVIN CONOLLY: You said that it might depend to some extent on how well the Government copes with creating markets where there are none at the moment. What might Government be able to do?

Mr HOLZ: It is really about identifying the need. I certainly cannot speak for government, but I suspect that there are people who we currently do not know about. I think there are rural areas where services are on the ground and they have been doing things in a kind of reactive, ad hoc way. It would be really useful if government would be to try to quantify the exact need and work with the sector to provide innovative responses. It is about moving the emphasis from program types and service types to a truly person-centred approach. One of the reasons I suspect people fall through the gaps in thin market areas is that no-one is funded to provide that specific service in that particular area.

Breaking down guidelines and getting a truly person-centred approach will allow organisations to provide innovative and flexible responses where they are needed. There is one area that we have not explored as much as we could. I hear it said that things like specialist therapy services are hard to deliver in rural areas. We have not explored the full potential of IT. One of the things that the non-government sector is good at is collaborating and sharing services. It is about fostering that collaboration and realising the capacity in any market space to deliver what is required.

Mrs BARBARA PERRY: You have made some important points. However, at the end of the day you are saying that there is a danger if this is not funded properly. I refer to page 15 of your submission where you make the point that the New South Wales Government should not be approaching the outsourcing of service delivery as a short-term cost-cutting or cost-shifting exercise. This is not a cost-neutral exercise and the Government will need to fund it appropriately. While the transition can utilise philanthropy and so on, we know that that is not the be all and end all in this sector. Do you wish to comment on the sustainability of the sector if it is not funded properly during the transition processes and where the shortfalls might be in the funding and transition processes?

Mr HOLZ: The key is working with individual budgets as we move forward and pricing them appropriately to provide people with the level of service that they require to live an ordinary life. That is the key to this. Organisations will find a way to deliver services to people. Not to put too fine a point on it, the only services that will go broke in any market are those that price their services lower than they cost to deliver. It is about focusing on the needs of the individual and pricing the support around that appropriately.

Mrs BARBARA PERRY: I refer to the quality framework that you are working on with the Government. What stage has that reached?

Mr HOLZ: It is by far one of the largest projects we are working on. The current funding agreement covering Ageing, Disability and Home Care services spans 1 July 2012 to 30 June 2015. That funding agreement has two requirements around quality that all organisations must fulfil in that period: First, they must have a quality management system in place; and secondly, they must go through a third-party verification process to ensure that they are meeting the New South Wales disability services standards. National Disability Services is rolling out a range of supports to the sector around that. We are rolling out a quality tool that will allow services to map their processes and the things they do to those standards and to give them evidence guidelines on how they can achieve them. We will also be rolling out support through a dedicated quality development manager who will work with all services funded by Ageing, Disability and Home Care to assist them to get that quality framework in place.

Mr HAWKINS: We are also providing additional training in the very short term.

Mr HOLZ: That is the chapters we are doing around quality. We are also providing a range of templates and supports to organisations that they can draw down from.

Mrs BARBARA PERRY: Is it your argument that as a result of that—coupled with appropriate funding—services should be okay after the transition process?

Mr HOLZ: It is the combination of the three things that makes the non-government sector really attractive. One is its compliance with the New South Wales disability services standards, and that is a funding requirement. The second is the capacity of the sector and the third is the fact that it is mission, mission, mission.

CHAIR: What is your view of government being the provider and the funder in that market space?

Mr HOLZ: Our view is that there is an inherent conflict of interest in that. Government is best placed to both regulate and fund services and it is up to others to provide services.

CHAIR: This Committee has heard evidence that there are some parts of New South Wales where a non-government organisation has not been able to address high-level needs and the Government has had to step in. What are your thoughts on that?

Mr HOLZ: I think government has a very real role to play in ensuring that people do not fall through the gaps. However, I would only ever see that as a short-term stopgap until other supports could be put in place. There is a growing capacity within the non-government sector to have a far broader reach and application than in the past.

CHAIR: I refer to the last paragraph on page 15 of your submission, which states that the non-government sector is concerned that outsourcing of government service delivery will create inherent risk. That stems from the belief in some areas that the services currently being provided by government target service users with complex or high-level needs. Can you elaborate on that paragraph?

Mr HAWKINS: The outsourcing document in general is a compilation of National Disability Services policy positions, but primarily those directed to us by our members. The feeling of a number of our member organisations is that Ageing, Disability and Home Care provides services to more complex clients. For want of better information service providers therefore felt that if Ageing, Disability and Home Care [ADHC] was providing services to more complex clients and these services were to be transitioned to the sector, the sector might fundamentally suffer without adequate support that ADHC has through access to some therapy services, et cetera. That was the risk that they were identifying. We are of the view that the position is not necessarily the case but we defer until we actually have a clearer outline of what the client groups are within ADHC because we do not know at the moment what the spread of client risk is. So that was echoing the view of some of our members in the paper; it was not necessarily a view based on sound knowledge of the clients in the sector currently.

CHAIR: Given what your clients and non-government organisations are telling you, you would surmise that perhaps there is still a need for government to play a role in providing the service for those high-level needs?

Mr HOLZ: I think we would need to enter into a very considered transition process. I think the key there is not rushing this and actually taking the time to identify what is required and, if the capacity is not there in the sector now, building that capacity over time.

Mr HAWKINS: But it is important that we are clear on the nature of those clients and the services they are currently receiving, which requires more information.

Ms ANNA WATSON: What is your view of the strengths and the weaknesses of the existing New South Wales Government programs such as Stronger Together?

Mr HAWKINS: I think Stronger Together is the best thing since sliced bread for disability services. I have seen the commencement of Stronger Together through to the current position in Stronger Together II. Both of those policies have a long-term view in the building of the sector and the building of capacity and the disability services that need to be provided by the sector. The position where we were in 2004 or 2005 when Stronger Together II was first being formulated was untenable given the growth and the outlook for disability moving forward. It needed an injection of capital and funds to be able to peg that growth that was really sliding off the chart. By doing that through Stronger Together in terms of services, and now in Stronger Together II by building further capacity, it is building a great platform for the future in disability services. It is absolutely my personal opinion that we are way ahead of a lot of the other States in terms of being progressive and reaching the bipartisan view that we have taken in New South Wales to disability services.

Ms SAZDANOFF: Absolutely, and an injection of funds is always important but injecting the funds in a way that really does focus on people having a choice in how they are spent to assist them and how they are going to be able to go about their everyday lives is the most important part of what the Stronger Together II rollout is—people having choice.

Mr TONY ISSA: What sort of funding do you receive? Do you get only government funding or do you get some donations?

Mr HOLZ: The majority of organisations would receive funds from a variety of sources. It would be a mix of State government funding and often organisations run other community services as well, not just disability. Also a number of services would be in receipt of Commonwealth funding. Certainly most organisations who are non-government organisations and registered charities do some form of fundraising, be they fairly small and local approaches through to quite sophisticated national approaches. There are also a number of grants both provided by government and philanthropic organisations that services apply for from time to time, as well as corporates who are trying to fulfil their triple bottom line.

Mr KEVIN CONOLLY: I take on board your comment that not every need is being met now and that there are probably significant gaps in service as we speak. As we move towards a situation where there is more funding and it is more person-centred and so the market is better driven are we likely to face a shortage of appropriately trained and qualified staff to meet these needs as we start to identify them?

Mr HOLZ: I think there is a challenge there without doubt and it is probably one of the key challenges to meeting the needs of people with a disability in New South Wales. National Disability Services is rolling out a range of workforce development projects, not the least of which is, as I referred to in my opening remarks, CareCareers. That is a website and recruitment process which is specifically aimed at drawing people into the community sector and into the care sector. One thing also that we have been working with is a project called projectABLE, which is specifically targeting schoolkids in their final years of high school and university students to raise their awareness of not only careers in disability but disability issues in general with a view that it is not just going to be front-line workers we are requiring into the future.

It is going to be all those back of house staff as well from human resources professionals, financial controllers and chief executives. We want people who are coming out of the school system and the university system to consider a career in the disability sector. ProjectABLE is really focused on that. Apart from CareCareers being just a website we also roll out through a variety of media channels, including television. You may have even seen some of the ads on television we have recently released with Talia just focusing on the support that she receives through a worker in the sector and how rewarding that is as a career for the person.

Ms SAZDANOFF: I think a lot of the industrial relations things, like the equal remuneration order decision that came down that we are rolling out from December, are really important to attract people to a sector that is traditionally underfunded for salaries. People are not getting paid what they should be. That will be a real boon to attracting people into the sector. We also have a workforce development project that is also aimed at keeping people in the sector. It is very aimed at getting some consistency across the sector in training and development and helping people move through the sector and keeping them in as well.

Mrs BARBARA PERRY: This is still very much a transition phase and we are learning from that phase. One of the key areas of concern for me is in rural and remote areas where there is even in fairness and frankness a dearth of government services let alone non-government services. I am keenly interested in your view of a different model particularly in rural and remote areas of partnership between government and non-government, recognising that government needs to play an intensive role for some time yet in those areas.

Mr HOLZ: It is something that exercises our mind greatly. We really think that it is about building the capacity in those regions. That is around working collaboratively with what is already there and then providing some additional supports to plug any gaps. Some of the projects that we are running are around fostering what we call "circles of support", which are about getting different players who may not necessarily have been considered as part of the community services network to be a part of that. That can involve everything from local government, through to informal supports from community-based organisations, through to things that already exist in the community that are not necessarily already well tapped into. What I mean when I say that is things like service clubs, the local fishing club and other supports that can be brought together. It is not just about having a service on the ground. I think having a service on the ground is a part of it but it is about what else you can build into those communities and how government can support that to be put in place.

Mrs BARBARA PERRY: In some areas, particularly in remote New South Wales, government services are all that there is. With the transitioning that you are undertaking, in partnership with government, what are you looking at with disability in those rural and remote areas?

Mr HOLZ: Just to comment on government, I think government have provided great services to people with a disability. What they generally have not been as skilled at as the non-government sector is working collaboratively with other entities and other people. I really do think that is the key in those areas.

Mrs BARBARA PERRY: Perhaps instead of it just being about government and non-government, and non-government taking over, particularly in rural and remote areas, there must be another way, methodology or model that brings that together because of limited resources in those areas. Do you agree with that?

Mr HOLZ: We do not know what we do not know. We need to really try to get a handle on what it is we are talking about and also be prepared to try some innovation and new things. I think you will find the non-government sector is more than willing to work with government, whether a government service delivery arm or a funding arm, to try to come up with creative solutions. I think we are a bit of a victim of the funding service stream—

Mrs BARBARA PERRY: The silo?

Mr HOLZ: The silo system from which we have come which has really kind of stifled that innovation because to go outside the program guidelines risks you being defunded. I think we really do need to get creative. I note that when we talk about some of the best outcomes we have got it is because people have actually frankly broken the rules.

Mrs BARBARA PERRY: Absolutely, particularly in light of the new person-centred approach of the National Disability Insurance Scheme. I think what you and I are talking about now particularly in rural and remote areas will be much more important. Do you agree with that?

Mr HOLZ: I do. The National Disability Insurance Scheme is really strong on the person-centred approach. If we put the person at the centre, and if that is what we, the government and people with a disability want, and we cannot get the right outcome then somebody is not trying very hard.

Ms SAZDANOFF: I think we can draw on the experience of the Aboriginal Resources and Pathway Projects to see what can happen in those rural and remote areas. We have a regional co-ordinator in five regions across New South Wales working with the communities and the service providers together so that they can decide what they need in that community and how it can work in that community has shown some real positives. We have a one-stop shop through that process on the North Coast that has been set up. That works across all levels of government and all service providers because that is what that community wanted. In Wagga Wagga it was a very different picture. We are helping getting Aboriginal trainees into organisations that have opened up. There was one service that saw 15 families that have never been seen by a government or a not-for-profit service provider before that need assistance. I think if you can work with that local community in those areas to see what is required then you can do a lot more for people.

CHAIR: Would you provide this Committee with how that one-stop shop on the North Coast was set up? Why it was set up and the same in relation to the Wagga Wagga to provide feedback?

Ms SAZDANOFF: Absolutely.

CHAIR: In its submission to the Inquiry the Attendant Care Industry Association has stated that its organisation and other bodies regularly receive feedback from service users that the quality of care and service provided is inconsistent between providers and sometimes does not meet expected standards of professionalism. In your submission you have said that service users may fear giving service providers honest feedback due to concerns over losing services or funding. How can improved feedback by service users be encouraged without being compromised?

Mr HOLZ: I think the real answer there is a person-centred approach because in its essence it also goes to the issue of individualised funding. I think the fears that were raised in those submissions are due to the inherent nature of the block funds that we currently have. The reality is for a person with a disability to move service at the moment is very, very restricted. I think under an individualised funding approach, and the

portability that goes with that, and the real capacity to act as a consumer and choose from whom you have received your service, will see a meteoric increase in the quality of services that are delivered. I think it is probably fair to say that there would be a broad spectrum of the level of quality that is currently being provided. I would see that spectrum get narrower and narrower over time.

CHAIR: Do you think moving to a person-centred approach will expose those agencies that are not providing the appropriate level of service as dictated to you by their contract?

Mr HOLZ: I think in any market-driven environment that is the result you get: people will speak with their feet.

Mrs BARBARA PERRY: That is provided that those that are able to, have the ability to do so and are educated, that is, the consumers themselves. Now there is a real danger in that. Do you agree with that?

Mr HOLZ: Yes, we need to look at this whole transition very holistically. It has got to take into account supports for people with a disability and their families around decision-making and choice and how to exercise that decision-making and choice. It is about ensuring that there is competition, that there is a choice to be had. These are all things that we need to address. Within any market you need those kinds of things operating otherwise we all end up paying \$1 a litre for milk.

CHAIR: I refer to the high-level needs of those people. We have heard in this Inquiry from people who have been on the frontline with a disabled son/daughter that non-government organisations just cannot provide for their needs. If that gap is to be filled do you have a view on a timeline on how those non-government organisations would be able to meet those needs because that has been outstanding for a very long time?

Mr HOLZ: There would be examples all across New South Wales where non-government organisations are working with people with very high support needs. I think the expertise is there. What we do not know is what the quantum is from the government-run services and what are the characteristics of those people. It is very difficult to put a timeline on something like that when you do not know the size and scope of what you are dealing with. But I do have every confidence that the skills and capability already exist in the non-government sector; it is just about building their capacity to do more of that.

CHAIR: Do you think the Government should still be there as a provider of last resort?

Mr HOLZ: I think government has a role to play in providing a safety net for people, yes. Whether that is as a long-term provider, I am not convinced but I do think they have a role to play in terms of identifying for those people who may need extra support.

Ms SAZDANOFF: When we are talking about people with complex needs, we are often talking about behaviours and escalating and de-escalating and that safety net that is referred in that paragraph is about knowing that there is that financial as well as support safety net there for service providers to go through those waves of people. I think the world of government being the provider of all complex need clients is historically, yes, but you see with the roll out of the criminal justice program, the integrated support program, young people leaving care really, really complex clients with complex needs are being serviced by the not-for-profit sector, and it has really up skilled the sector and they have been working with those groups for a long time now.

CHAIR: If a non-government organisation has put in a tender then it should have the capacity to manage those high needs, and those ups and downs, because essentially that is their job. They are saying they are going to provide that service. If you are saying that the Government still needs a safety net then it still has a role to play in that market?

Mr HOLZ: When I say "safety net" I think about mechanisms that allow rapid entry into the non-government sector. So when I said I saw the Government had a short-term role, it is just about that. It is about taking away any systemic barriers that enable that rapid reaction to a person's individual circumstances.

Mrs BARBARA PERRY: Would you agree it is a step-by-step proposition—and that type of step is a way off yet—and we should be looking at where we need to be at the other end of the spectrum?

Mr HOLZ: I would probably contend that if you really wanted to test the market you would try at the hardest end.

Mrs BARBARA PERRY: That is a very simple way of looking at it. It is not only about testing the market; it is about putting the safeguards in as well. It is about people—

Mr HOLZ: It is about people and if you build the system to cater for the most difficult cases then you build a system for all.

Mrs BARBARA PERRY: I take your point that not all young people with complex needs are being dealt with by the non-government organisations and that a great proportion is still being dealt with by the government sector. But there has to be a level within government that is maintaining of its own expertise if it is to provide some capacity or safety net based on what you are talking about.

Mr HOLZ: Again, I think from a safety net perspective it is about providing the resources to the non-government sector that will enable people to get engaged very quickly when they need it and with the supports that they require.

CHAIR: With the training of those who will deliver those services and be able to meet those needs?

Mr HOLZ: Yes.

CHAIR: I am mindful of the time. We greatly appreciate your expertise in this difficult field. The Committee also thanks the National Disability Services NSW for its submission. Ultimately, we want the services on the front line for people to access that will meet their needs on a day-to-day basis. Thank you all very much for your time today.

(The witnesses withdrew)

SHARON CALLISTER, Chief Executive Officer, Salvation Army Aged Care Plus, and

NICOLA FRANCIS ROSENTHAL, Community Services and Business Development Manager, Salvation Army Aged Care Plus, sworn and examined:

CHAIR: Thank you for appearing before the Committee today. I draw your attention to the fact that your evidence is given under parliamentary privilege and that you are protected from legal or administrative action that might otherwise result in relation to the information you provide. I should also point out that any deliberate misleading of the Committee may constitute contempt of the Parliament and an offence under the Parliamentary Evidence Act 1901. As time is limited today the Committee may wish to send you some additional questions in writing, the replies to which will form part of your evidence and be made public. Would you be happy to provide a written reply to any further questions?

Ms CALLISTER: Yes.

CHAIR: Before we proceed with questions would you like to make a brief opening statement of not more than five minutes?

Ms CALLISTER: Yes, we would. We are representing Salvation Army Aged Care Plus and we thank the Committee for the opportunity to speak to our submission. We are the aged care arm of the Salvation Army. The Salvation Army is one of the most recognised charities across the world; it is a Christian, evangelical organisation. Aged Care Plus, being the aged care arm of the Salvation Army, is one the largest aged care providers in Australia. We have over 1,000 employees and hundreds of volunteers. We have also provided some additional information in our submission with regards to our budget size. Whilst we largely provide residential aged care, we also provide a number of community services, community aged care packages, Ageing, Disability, and Home Care services and other Department of Health and Ageing services. Part of our vision and mission is to grow our community care services to equal that of our residential service. So for us providing support to people in environments where they choose to live, whether that be at home or in residential care, is important. Given our interest in growing our community care we were keen to contribute to the Inquiry.

CHAIR: We thank you for doing so. On page four of your submission you express support for the potential transfer of services to the non-government sector. Will you outline what you believe to be the potential impact of such a transfer on the delivery of services in terms of the impact on the non-government sector and on the people using the services?

Ms CALLISTER: I guess for us the major thing we wanted to talk about in terms of transferring services from government and non-government agencies was to highlight the fact that we believe the reasons for doing that should be very much focused on improving outcomes for clients. Much has been said about the non-government sectors being able to provide a lot more in terms of efficiencies and cost savings but that cannot be at the expense of the consumer and making the consumers suffer. We do provide a number of services in remote and rural areas. Often that is the case where we are in a good position to do so but there are other areas that we would also caution that it is not really suitable because government are pretty much the only people that will be out there providing the service—I guess they are the backstop. They are some of the key things in particular that we wanted to highlight.

CHAIR: So the Government as a provider of last resort essentially in some areas that perhaps non-government organisations may not be able to provide on the ground.

Ms CALLISTER: Yes. That is right.

Ms ROSENTHAL: Particularly with relation to services like Aboriginal home care or the very rural or remote services where non-government organisations may not want to go or—as the previous witnesses were talking about—people with significant behaviours that pose risk to providers where providers say, "I just do not want to go there. I cannot provide in that sector." I think we need to have a mix of government and non-government providers in the sector, whichever way that works in terms of the Government as a funder or an assessing body and the service providers providing the service; a mix of models.

CHAIR: In your experience and view have you examples, or have you heard of examples, where a tender or contract has been won by a non-government organisation in a remote rural area or even in the

metropolitan area and that provider has not be able to deliver the service? Does that happen? Have you heard of such situations?

Ms ROSENTHAL: I have heard of situations in the past where a for-profit provider has submitted a tender for community-based nursing services and used up their full allocation of funds for the year within the first five months, leaving no money for the rest of the year. That is fairly poor practice, one would assume. So there needs to be that level of regulatory oversight by somebody of those situations.

Ms CALLISTER: We have also heard, whilst it is not community directly related but certainly in rural and remote areas residential aged care providers also being unable to operate within their funding so they have exhausted their budgets. They are in the hands of liquidators. They have not been able to comply to the regulatory standards. They have been sanctioned, and various things like that.

Mrs BARBARA PERRY: Are they for-profits?

Ms CALLISTER: No.

Ms ROSENTHAL: No. Particularly where they are related to a council, where they may be operated by a local council because no-one else has wanted to take over the service. But that care service is not council's core business, particularly where the council may be itself moving into liquidation.

Ms ANNA WATSON: In your view what future challenges do you see Salvation Army Aged Care Plus and the non-government community services sector will face generally?

Ms CALLISTER: It is an area where there are not a lot of profits. There is high expenditure. There are issues in terms of sustainability. There are issues which you have also asked questions in the terms of reference to do with workforce and sustainability of the workforce. There are issues for us when we have different funding providers with duplication of reporting requirements and inefficiencies in those areas, just to start off.

Ms ROSENTHAL: Also, this sector is in an era of change. The Productivity Commission recommendations in the "Caring for Older Australians" report has caused much consternation and work across the sector, as well as the changes to the HACC program. We are finding with particularly one of our services, which is in Queensland, with the change or the split from the Commonwealth aged HACC program and the State-funded disability services—we provide across the life span with the carer counselling program—we are having to meet two reporting requirements, two lots of policies and procedures, two lots of frameworks, two lots of reporting.

That is not simplifying and streamlining the process; that is putting a burden onto the provider for no additional funding. They are significant challenges to the future. Also, the cost of service provision is increasing and CPI does not necessarily keep up with that. We provide community aged care services in Parkes. We provide out to a little town out of Parkes that is 60 kilometres from Parkes and we have one client who lives in that town. So it is a 120-kilometre round trip for us to provide services to that person. We will not say we cannot give her services because of the trip but it does increase our costs.

Ms ANNA WATSON: So you would agree that the costs in rural and regional New South Wales are much higher than, say, Sydney metropolitan area?

Ms ROSENTHAL: Yes, I agree with you in terms of travel, recruitment—

Ms ANNA WATSON: Retention.

Ms ROSENTHAL: —retention of staff. Getting people to local health services is a massive issue. We have heard of one remote service where, because of the impacts of the mining boom, they have 25 per cent staff turnover in the first quarter of this year and it is very difficult to try to maintain a continuity of care with those kinds of pressures. But I think they have to be balanced with the increasing rents in Sydney. If you are not a provider who is lucky enough to own your building or office space and the rent is going up, the cost of commercial rent, your non-direct care costs are going to be higher than they perhaps were when you took on the lease. I think it is definitely a higher cost in rural, regional and remote areas but also it is possibly balanced a bit by the rentals in Sydney. One other thing, if we build an aged care facility or a building, for example, in a cyclone area it will cost us much more than it is to build it in Sydney. Obviously we do not have cyclones in

New South Wales but those costs need to be built into our ability to run services with the funding that is available.

Mr TONY ISSA: You mentioned in your submission you are a great believer that services should be transferred to non-government organisations. I realise there are many non-government organisations, small and large. You believe that you should have them in categories, which organisations should be able to provide a service or any organisation should apply, should be able to state they can provide those services. I know it could be a drama for little, small-scale organisations. I must say I am quite happy to take my hat off to you because your organisation rolls its sleeves up and collects money from people to be able to provide a service for the community. What about organisations that depend on funding from governments only? When you said you are happy that non-government organisations should provide these services, they should be categorised which organisations should be a provider, the size of the organisation, what scale of service they have to provide. What did you have in mind when you said that non-government organisations should provide the services, transfer the services?

Ms ROSENTHAL: I think what we have said is that there needs to be a mix of providers in the sector. I do not think you can say that it has to be one way or the other. There is very real danger for the small non-government organisations which have grown up with the more grassroots kind of community aid services that are not under the auspices of the larger organisations. There is a real danger that the increasing compliance requirements for services will either have them seeking partnerships or moving under the auspices of a larger organisation. I think that sometimes those local services provide to local need and because their management committee or their board are made up of local representatives they have a very good idea of what the local planning requirements are and what the local people need.

Mr TONY ISSA: Do you think that would be a challenge for you?

Ms CALLISTER: In what regard?

Mr TONY ISSA: In terms of funding. If the government funding has to be divided for different organisations, then you would probably have to lose some funding when the funding has to be distributed to other organisations. Do you think it would be a challenge for you to meet the requirement to provide a service when the funding has been cut?

Ms CALLISTER: No, I would not necessarily agree with that. I think the services that we have now, there have been various reasons why we have been able to deliver those services. There is a lot of competition at the moment in terms of community aged care packages, whether it is low care or high care. While that is challenging, the challenge with that is that there is insufficient government-funded packages available for what the need is. The Government, in its response "Living Longer, Living Better" to the Productivity Commission, has announced that there will be 40,000 additional packages coming online progressively. I think it is a good thing that there is competition but that needs to be measured. We cannot all be competing for insufficient funding. So it is a bit of a mix and a balance there. We are always very happy to be able to demonstrate why we are a strong provider and why the Government, for instance, should provide us with particular funding because we are proud of the service we provide, we are efficient, and we comply with government regulations, and anyone who is in the service delivery area should be comfortable with that.

Mrs BARBARA PERRY: Are you talking about Federal Government funding and packages?

Ms CALLISTER: Those ones in particular, yes.

Ms ROSENTHAL: Another thing I would like to pick up on that you mentioned is that I have a firm belief that the charity dollar should not go into funding or to top up insufficient funding for community care services across the sector. I do not believe that is why I donate to the Red Shield Appeal. I donate to the Red Shield Appeal for the unfunded services that the Salvation Army provides. I have a very firm belief that the charity dollar should not be used in that way.

Mr TONY ISSA: What sort of volunteer people offered this service to your organisation—the number of volunteers in your organisation?

Ms CALLISTER: In our aged care service we have over 350 volunteers in a variety of roles. Across the broader Salvation Army, the numbers would be a lot higher. I do not have those with me but if that were one

thing you wanted us to follow up on I would be quite happy to do that. Could I make one more point in relation to smaller services versus large services? I think one of the things large aged care providers, whether it is community or whatever, one of the strengths of small services, whilst they may not be quite as efficient in the rural areas, they know their local community and local town and that is important for them. One of the things that large providers could be in danger of regardless of what service they are delivering is that they would come in and potentially sweep up one of the smaller providers who was no longer financially sustainable and say here are our policies and procedures, this is how we do it and completely disengage the community, and that is a really important area that needs to be balanced.

Mr KEVIN CONOLLY: Since you are in the business of aged care, are you going to be working with the Federal Government from here on, rather than the State, as it takes responsibility for over 65s?

Ms ROSENTHAL: No. As a home and community care provider, certainly in Queensland, we are seeking to home and community care funding in New South Wales. If we were to take on a project in New South Wales that provides a home and community care services from the cradle to the grave we would certainly be engaging with the disability sector, as we do in Queensland.

Mr KEVIN CONOLLY: You mentioned earlier increasing compliance burdens and the amount of time that takes up, especially for small services. I notice in your submission you talk about the introduction of community care common standards in 2011 and how that helped. I would like you to elaborate a little on how that has reduced the administrative burden and whether there is more we can gain in that direction in order to make life easier for non-government organisations?

Ms ROSENTHAL: In Queensland at the moment where we have our home and community care service, we have a 65:35 disability aged split, which means that 65 per cent of our funding is Commonwealth. Under the new split, that has resulted in two lots of contracts, two lots of data requirements, two lots of quality assurance frameworks, with the community care common standards for the aged sector and the national disability standards, the framework, for the disability sector. So, that burden on an organisation like us can be borne a little easier than on a smaller organisation but this increasing burden on service providers takes away from the core business, which is caring for people. None of us got involved in this business to write policies and procedures.

Mr KEVIN CONOLLY: How much and how frequent a burden of policy writing and procedures is there? Is it continual enrolling or can you meet the standards for a period and then leave that task for a while and get on with business?

Ms ROSENTHAL: It tends to be continual enrolling because you are keeping up and updating all the time. Obviously once they are written they can stand for a while but if there is change they have to be rewritten. So, for us, because we have been a home and community care provider in Queensland, we have our policies and procedures that meet the community care common standards and we have undergone that process but now we have to relook at them in order to meet the disability standards. We are doing that with no additional funding. One would say it is an in-kind contribution from our organisation, but there is no additional funding to allow us to do that. If we were a much smaller organisation it would have a significant impact on our ability to provide services. My counsellors who are out there doing the work would be the ones in sorting out the policies and procedures.

Mr KEVIN CONOLLY: Have you any constructive suggestions about how we can reduce that administrative burden without sacrificing accountability and protection of quality?

Ms ROSENTHAL: One standard, one set of standards. The community care common standards have brought quality reporting and the home and community care reporting process into line.

Mr KEVIN CONOLLY: They do not need to be different?

Ms ROSENTHAL: No, I do not think so. Good care is good care. Best practice is best practice. If we can roll all of those into one to meet those needs, we should do it. It would be fantastic if we could.

Mrs BARBARA PERRY: Just to clarify, for everyone, over 65s, to do with home and community care funding and disability is now a Commonwealth responsibility, is that correct?

Ms ROSENTHAL: Over 65s, yes.

Mrs BARBARA PERRY: And under-65 disability issues relate to the State?

Ms ROSENTHAL: Correct.

Mrs BARBARA PERRY: I just want to build on something you were talking about. Is it the reality that the charity dollar currently does top up the funded programs?

Ms CALLISTER: I would say for some programs, yes. Speaking specifically for aged care, the charity dollar is not big on our horizon. We work within our government funding and our client income. I would say, whilst it is not an issue for us, there are many organisations that would be very reliant on the community dollar, especially the smaller ones.

Ms ROSENTHAL: I know too where there are some disability specific providers, where that is the case. Where government funding is not sufficient to meet that need and the—

Mrs BARBARA PERRY: The charity dollar is put into the infrastructure or whatever?

Ms ROSENTHAL: Yes, or the charity dollar is being used to set up support services too.

Mrs BARBARA PERRY: The wraparound services that are needed?

Ms ROSENTHAL: Yes.

Mrs BARBARA PERRY: Do you find that inappropriate?

Ms ROSENTHAL: Yes.

Mrs BARBARA PERRY: Is it an ideological based issue?

Ms ROSENTHAL: It is probably ideological more than anything else. For example, capital funding or to set up a support system, particularly looking at regional services, but that charity dollar has been given in the spirit of use this for what you need it for, but it concerns me.

Mrs BARBARA PERRY: You are saying the idea of devolution is a good thing and transition to the non-government sector but it should not be seen as a cost-cutting measure?

Ms ROSENTHAL: Absolutely not.

Ms CALLISTER: Going back to the first point, it needs to be based on other things rather than just being more efficient or potentially cutting funding as a way of doing it.

Mrs BARBARA PERRY: This Inquiry is looking at transitions that have happened so far and are about to happen and the best practices around that and the models of delivery around that. I am interested in some of things you have said around that, particularly where you are talking about the one standard across the sector. You think it could be a one size fits all, yet the needs and demands of many are so varied. Can you talk a little about how you see that operating, the standards, and what would that entail, what would it require?

Ms ROSENTHAL: Huge cooperation. I think it would be a difficult process. Like I said, best practice is best practice and good care is good care. I probably need more time to think about what it would look like, but we have managed to bring the old NRCP and home and community care together, so it cannot be that difficult to bring in disability as well. We have people in our facilities or even living in the community on EACH package and EACH dementia package who, realistically, without that package would be in high care. Younger people living in nursing homes are receiving high care in those facilities that they would not receive at home.

Mrs BARBARA PERRY: I was going to ask you about young people. Do you have young people in residential care centres?

Ms CALLISTER: We do. Not many, but we do have some, and they are generally there because there is no other option.

Mrs BARBARA PERRY: Finally, predominantly we have been talking about aged care here and the transition in New South Wales is a bit different. Are you in the New South Wales out-of-home care? Did you tender recently for out-of-home care?

Ms CALLISTER: No.

CHAIR: In relation to providing services in rural and remote areas—and you spoke briefly about that town outside of Parkes. In your submission you also talk about the Hunter and the mid North Coast areas. They seem to be fairly densely populated areas. What are some of the challenges of providing services there?

Ms ROSENTHAL: Certainly it is less so with the Hunter than the mid North Coast but one of the challenges we have with the mid North Coast is doctors—tertiary medical services and staffing. That is a huge issue. Port Macquarie is a retirement community. We will never have a shortage of clients but staffing can be a big challenge.

CHAIR: How do we address the issue of the shortage of clinicians that service your industry and the disability sector? We hear about that all the time.

Ms CALLISTER: We are doing a number of things in relation to that because it is not just the sheer staffing numbers on the ground, it is also about having really good, capable management. The way we have dealt with it in the past has not been satisfactory so we have just launched a whole new strategy for workforce planning and development. We are putting a lot of resources into developing our strategies looking at our working arrangements, whether it is flexibility for people to work where they can, whether it is additional annual leave or whether it is salary sacrifice. We are putting lots of things in place that make it attractive for people to want to work for the Salvation Army as opposed to other providers, and also in terms of education and development. Another part where we have not been that successful is in developing our public profile. We are redeveloping our website and making it more attractive for people to be out there. It is not just specifically looking at getting particular staff; it is our whole profile and the image of our service. We have just invested resources into that.

Ms ROSENTHAL: Picking up on the medical part of the question, we are very interested in telehealth and telemedicine, particularly for our rural and regional services. They, we hope, will make an impact. We have a couple of submissions in at the moment, some for the National Broadband Network [NBN] and another with Professor Len Gray in Queensland looking at clinical care in aged care facilities and having specialist medical care to the bedside. Our plan is to then roll that out to communities. If we can use the telemedicine system there is no reason why we should have to put the time and resources into getting somebody into a car or into an ambulance and then to the doctor where they have to wait and the staff member has to wait with them. The providers who can embrace those technologies will be the providers who survive better in the open marketplace.

CHAIR: I was going to go down that path in terms of new models of care and attendance. How important do you think IT and telehealth will be in the future given what you just said and the way some organisations can utilise them? Should government be funding those new models of care and attendance?

Ms CALLISTER: We believe it is hugely important. The big thing with IT is to facilitate it and any funding models need to include the fact that whilst telehealth or other IT-based initiatives are going to make it more efficient for the operators and a better experience for the clients, they are expensive to set up and those set-up costs really need to be funded as well. Whilst you get great outcomes, again it comes back to the dollar and ensuring that governments or whoever is funding it have that as a provision.

CHAIR: I expect that for aged persons it is quite distressing to be uplifted, moved, assessed and returned home, so if it can all be done on site it would be better for their care and stress levels.

Ms CALLISTER: Absolutely.

Ms ROSENTHAL: We have day therapy units and people come in from the community. To be able to have the physio and the person receiving care in the one room with the television linked to a specialist who might be anywhere—Perth or wherever—and have that conversation means we are not uplifting the client and

we are not impacting on the physio's time. It is a quick 15-minute procedure: "Yes, that's going well. Done." The cost savings in time and money and the emotional toll on the client or family are enormous.

CHAIR: Provided we get the results.

Ms CALLISTER: That is it. We have also recently put in a joint submission with one of our providers, iCare, for NBN funding. That is \$2.9 million but we still do not know if we have been successful. But even the process of putting the submission together and the time and money invested is still quite considerable.

Ms ROSENTHAL: That picks up something else relating to this transition. The pre-qualification process for providers reduces the administrative burden on providers hugely because we are not giving you the same information every time and making a submission an inch thick. We are giving you just the information you need for that particular submission.

Mrs BARBARA PERRY: In the Federal sphere?

Ms ROSENTHAL: No, Home and Community Care in New South Wales has a pre-approval provision.

CHAIR: That has been a common theme coming through in relation to the one-stop shop and the complexity of the sector and the challenges faced.

Mrs BARBARA PERRY: You said earlier that there has to be a mix of services. I take it from that that you are not hooked on the funder-provider conflict issues. What you are interested in is outcomes and how to get them collaboratively. Is that right?

Ms CALLISTER: Yes.

Mrs BARBARA PERRY: Other people have talked about inherent conflict issues. I am not so sure about those myself at this stage, but it seems to me from your evidence you are not that hooked up on those conflict issues. You are more interested in outcomes, which is what I am interested in. In those regional and remote areas where there is difficulty for both non-government organisations and governments is there a way forward in which they can work together, other than just collaboration, to deliver services out there—some newer, innovative model that we have not thought of that is not just about working in silos but maybe sharing resources where there are limited resources?

Ms CALLISTER: I am not sure if this is where you are going but in Queensland we are doing a pilot project with Queensland Health to transition people from acute or transitional care back into their homes. We are using our counselling service. We contacted Queensland Health. We were obviously looking to expand our service and there were issues with discharges and people going home. We have a service which is part of the care in the acute sector with Queensland Health. The part we are doing is a counselling service and providing support for their carers. It is a new way of doing things for us but it is providing support for carers as they care for their loved one, transitioning out of hospital.

Mrs BARBARA PERRY: That is very interesting because it is about identifying the gaps in service delivery by government in rural and remote areas, for example, or anywhere else for that matter, and innovatively where government cannot provide. Clearly one of the targets is ensuring follow-up in the home.

Ms CALLISTER: And averting so many issues that seem huge.

Mrs BARBARA PERRY: Issues about coming back into hospital and those sorts of things.

Ms CALLISTER: That is correct.

Mrs BARBARA PERRY: Very interesting. That is the sort of thing I am talking about.

Ms ROSENTHAL: Another thing that Sharon and I spoke about was looking at co-location of services even co-location of case management services or primary health services in one spot, so it is a one-stop shop. Providing a shared resource means we have cost saving and there is the integration of maybe non-government and government organisations, and it is easier to talk if you share a tearoom or an office building. Even if it is a

rural and remote service and you have a community options case manager or a disability case manager who is there one day a week, that person still has a presence within that service and within that area.

Mrs BARBARA PERRY: It is another way of sharing resources.

Ms ROSENTHAL: Absolutely, almost on the multipurpose service models that are working.

CHAIR: Lastly, in terms of the management and delivery of services, how does it differ in New South Wales as opposed to Victoria and Queensland?

Mrs BARBARA PERRY: In relation to what?

CHAIR: In relation to aged care and the business that you operate. When you do business in Victoria and Queensland and you do business in New South Wales, what are the different services' management styles and requirements?

Ms CALLISTER: I guess in terms of residential aged care, it is pretty easy because we are all under the Aged Care Act. It is very, very consistent. I think the key differences are the ones that Nicola was referring to earlier. We do not operate in Victoria, so we can talk about Queensland. That was the issue with Home and Community Care [HACC] and disability services versus the common standards.

Ms ROSENTHAL: There are different challenges, certainly, in the area in which we provide HACC services in Queensland. As you would know, the Queensland Government is cost-saving in a big way. For example, there is a home and community care manager in this particular region. That person retired. We got a new home and community manager. That is great: they are learning the ropes and learning the area. We got an email last Thursday to say that person is gone. They will not be replaced. They do not know if they will be replaced—sorry, end of problem. So we have home and community care services in the middle of the biggest change we have seen in home and community care in years, with no direction, no buffer.

Mrs BARBARA PERRY: No link.

Ms ROSENTHAL: No link between us and the department. That is very difficult. Certainly I have worked in home and community care in New South Wales and I think that home and community care in New South Wales works better than home and community care in Queensland. I do not know why, but the communication channels and the way that it is set up—the networks—work much better in New South Wales than they do in Queensland, certainly at the moment.

CHAIR: Notwithstanding the compliance issues you spoke about and the red tape in that regard, if there is one thing that you could change in the way you do business with the Government, what would it be?

Ms CALLISTER: Goodness, I would have to think about that.

Ms ROSENTHAL: Yes.

Ms CALLISTER: We are happy to write to you rather than give an off-the-cuff answer.

Ms ROSENTHAL: I think increased transparency.

Ms CALLISTER: Actually, you know what? I would absolutely say that because sometimes they make decisions and calls on things that we really do not understand, and they do not like to share it with us. Often it can be to do with compliance and regulation. They will make a call on certain things and there is no real transparency about how they make that. It would do a lot for providers' confidence to have that information. We try to be as transparent as we can in terms of our reporting and our obligations, but I think that could definitely be improved.

CHAIR: All right. Ms Callister and Ms Rosenthal, we thank you very much for your time and for your submission. You have provided valuable feedback to the Committee today. We know you are very busy people, but it has been great to have you here today, and we thank you for your time.

Ms CALLISTER: Thank you. We appreciate the opportunity.

Ms ROSENTHAL: Thank you very much for having us.

(The witnesses withdrew)

CHAIR: Before the hearing concludes, on behalf of the Committee I place on the record my sincere thanks to the secretariat, including our inquiry manager, Bjarne Nordin, for the extraordinary work undertaken in preparation of submissions, briefings and drafts as well as the organisation of the rather large series of hearings we have just completed. We express our sincere thanks for their work. I now declare the hearing closed.

The Committee adjourned at 4.13 p.m.