



HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON FAMILY AND COMMUNITY AFFAIRS

Reference: Competitive tendering of welfare service delivery

PERTH

Wednesday, 18 February 1998

OFFICIAL HANSARD REPORT

CANBERRA

HOUSE OF REPRESENTATIVES STANDING COMMITTEE
ON FAMILY AND COMMUNITY AFFAIRS

Members:

Mr Forrest (Chair)
Mr Quick (Deputy Chair)

Mr Ross Cameron	Mrs De-Anne Kelly
Ms Ellis	Mr Lieberman
Mrs Elson	Ms Macklin
Mrs Elizabeth Grace	Mr Allan Morris
Mr Jenkins	Dr Nelson
Mrs Johnston	Mrs West

Matters referred for inquiry into and report on:

The desirability and feasibility of increased contracting out of welfare service delivery by all service providers, with specific reference to:

the current levels of welfare service provision by the non-government welfare sector;

the adequacy of current monitoring of performance standards for services delivered by the non-government welfare sector;

the costs and benefits provided by increased contracting out of government services;

the role of government in standards setting and monitoring of accountability standards; and

the role of government in measuring the efficiency and effectiveness of new service delivery arrangements.

WITNESSES

BAGDONAVICIUS, Ms Pauline Meredyth, Executive Director, Strategy and Funding Management, Department of Family and Children’s Services, 189 Royal Street, East Perth, Western Australia 6004	591
BIRCHALL, Mr Paul Malcolm Anthony, Acting Executive Director, Industry Development and Service Specifications, Department of Family and Children’s Services, 189 Royal Street, East Perth, Western Australia 6004	591
DULLARD, Ms Helen, Board Member and Service Provider, WA Network of Community Based Home Care Services Inc, 79 Stirling Street, Perth, Western Australia 6000	635
McDONALD, Ms Eileen, Member, Western Australian Home and Community Care Advisory Committee, c/- Aged and Continuing Care Unit, Health Department of Western Australia, 189 Royal Street, East Perth, Western Australia 6004	613
OLLEY, Ms Elaine, Chairperson, Western Australian Home and Community Care Advisory Committee, c/- Aged and Continuing Care Unit, Health Department of Western Australia, 189 Royal Street, East Perth, Western Australia 6004	613
ROBERTSON, Ms Rachel, Senior Policy Officer, WA Network of Community Based Home Care Services Inc, 79 Stirling Street, Perth, Western Australia 6000	635
TAKAYAMA, Mrs Leonore, President, WA Network of Community Based Home Care Services Inc, 79 Stirling Street, Perth, Western Australia 6000	635

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Present

Mr Forrest (Chair)

Mrs Elson	Mrs De-Anne Kelly
Mrs Grace	Mr Allan Morris
Mr Jenkins	Mr Quick
Mrs Johnston	Mrs West

The committee met at 9.01 a.m.

Mr Forrest took the chair.

CHAIR—There are a few formal proceedings I need to progress before we commence. The first is to make an opening statement. I am pleased to open this seventh day of public hearings in the committee's inquiry into competitive tendering of welfare service delivery, an inquiry referred by the Minister for Health and Family Services, the Hon. Dr Michael Wooldridge, in April last year. The committee is looking at the desirability and feasibility of increased contracting out of welfare service delivery by all service providers.

The main issues to be resolved by the inquiry are to establish the current levels of welfare service provision by the non-government welfare sector, the adequacy of current monitoring of performance standards for services delivered, and the costs and benefits provided by increased contracting out. An important component of the committee's investigations is to examine the role of government in standards setting and monitoring of accountability standards, as well as measuring the efficiency and effectiveness of new service delivery arrangements.

It should be stressed, and I have stressed this at every inquiry we have had, that this inquiry is being conducted against the background of a continued government commitment to the responsibility for the delivery of such services. The hearing in Perth today follows hearings conducted in Melbourne, Sydney, and Canberra last year, in Hobart last week, and Adelaide this week, on Monday. The hearing today provides an opportunity to explore issues with witnesses who have made submissions to the inquiry, and will be followed by further hearings in Brisbane and Canberra.

The committee is also intending to visit a regional area in Queensland to gain important information from service providers outside the capital city networks. It is particularly important to canvass the views of service providers in areas where population levels are low and dispersed over large distances. The committee today will take evidence from the Western Australian government and other locally based organisations, and their associations, who are closely involved in the delivery of health and welfare services. I am very pleased now to welcome representatives from the Department for Family and Children's Services who are appearing before the committee.

[9.05 a.m.]

BAGDONAVICIUS, Ms Pauline Meredyth, Executive Director, Strategy and Funding Management, Department of Family and Children's Services, 189 Royal Street, East Perth, Western Australia 6004

BIRCHALL, Mr Paul Malcolm Anthony, Acting Executive Director, Industry Development and Service Specifications, Department of Family and Children's Services, 189 Royal Street, East Perth, Western Australia 6004

CHAIR—Before we proceed, I need to point out that, whilst this committee does not swear its witnesses, proceedings today are formal proceedings of the parliament and warrant the same respect as the House of Representatives itself. Any deliberate misleading of the committee would be considered a contempt of the parliament. The committee has already authorised the submission from your department for publication in the volumes of submissions and it is already formally part of the public record.

I would like to introduce our committee to you. Mr Harry Quick, member for Franklin in Tasmania, is the deputy chairman. Andrea West is the member for Bowman in Queensland. Bjarne Nordin is the secretary, assisted by Darren up there at the rear. I am John Forrest. I am the member for Mallee from Victoria. Ricky Johnston is our Western Australian representative, the member for Canning. De-Anne Kelly is the member for Dawson in Queensland. Mrs Kay Elson is the member for Forde in Queensland, and Mrs Elizabeth Grace—three Queenslanders together—is the member for Lilley.

We would perhaps like to give you the opportunity to make a brief opening statement to condense the salient points in your submission. The members have read that and will no doubt have some questions, but there might be some distinct salient points that you would like to make in terms of what progress has been achieved in the direction in which the inquiry is directed; whether there has been the need to modify programs, and what the future holds in the direction of what is a difficult issue we have discovered for many of the service providers themselves to adjust to. You may do that in whatever order you wish, and then we will proceed to an exchange of information. We are in your hands.

Ms Bagdonavicius—We would like to make a statement on behalf of Family and Children's Services. Thank you for the opportunity to present our views today. Firstly, Family and Children's Services' mission is to provide responsibility and growth in family and community life, and to contribute to the protection and care of children in Western Australia. Family and Children's Services aims to achieve its mission through departmental services and through purchasing services from the non-government sector. Non-government organisations and local government organisations also have their own significant resources invested in communities across Western Australia.

In 1997-98 the budget for Family and Children's Services is some \$46 million to the community sector. This represents a third of the department's recurrent budget. Excluding children's services, there is approximately \$40 million for non-government services about which we are talking today. Before 1995 community services funding was

provided to non-government organisations in the form of block grants to each agency. This resulted in some major funding inconsistencies and anomalies, with little forward planning being evident. The lack of effective monitoring and accountability practices also meant that organisations continued to receive funding because they had always done so, despite changes in their circumstances or in community needs.

The funding of services model started in 1995 and is still being developed and refined. Under this model, new service agreements emphasise clearly specified service objectives, target groups, and the required outcomes and outputs. The objectives of this model are to identify departmental priorities for services, to provide increased accountability, to ensure that funding of services is performed in an equitable and open manner, and to ensure processes and procedures for monitoring outcomes are implemented.

In December 1995 Western Australia also implemented a joint approvals framework with the Commonwealth government for the supported accommodation assistance program. This has streamlined our approvals process for SAAP services through new services being identified in the state plan, rather than going back to the Commonwealth minister for approval on each separate occasion. The funding of services has recently been awarded new accreditation by the Western Australian State Supply Commission, which increases the unit's independent purchasing authority from \$1 million to \$5 million. This represents the highest exemption limit in the state for the purchase of social welfare services.

While restricting the market to the not-for-profit sector, the funding of services model directly supports competitive tendering and contracting initiatives of the government. The introduction of the funding of services model has allowed the department to award service providers with fixed term contracts for up to three years, instead of year-by-year contracts, thus establishing a stable funding base for the service providers. In addition, the advertising for fixed price tenders has encouraged the development of creative and alternative models of service delivery, as well as ensuring contracts for new services are negotiated in terms of the best possible service for the funds available.

The department currently funds 373 non-government services, of which 93 new or replacement services have been purchased through our request for proposals process. Furthermore, there are some 20 request for proposals currently in process. Of the 373 funded services, some 42 per cent are provided in the country, 42 per cent in the metropolitan local areas, and 16 per cent are metropolitan or state-wide in their focus.

Our submission has highlighted that there are three phases for the funding of services by non-government and local government organisations: planning, purchasing and managing the service agreement. I would like to expand on the importance of the management of service agreements and support to funded services, as these are critical aspects of how the department maintains a collaborative working relationship with the sector, in spite of the competitive environment. Each service is allocated a community development and funding officer, who is responsible to their manager for providing support to community organisations, assisting with the planning process, and negotiating and monitoring service agreements, particularly with preferred service providers.

This means that early indications of difficulties in meeting service agreements are identified, support is provided to organisations to enhance understanding and develop competency in areas such as performance management and financial management; support to small service providers can occur, which increases the competitive market and avoids the emergence of monopolies, and development of the service to changing demands can be negotiated.

The department provides further support to non-government organisations through a range of strategies including the provision of training by the department's community skills training centre, and other staff; through a contract with the Chamber of Commerce and Industry of Western Australia for an industrial relations advisory service, and the provision of membership allowances to each service provider so services can join or purchase services from a representative body of their choice.

I am tabling today for you some additional documents to add to our submission which reflect the further development of the model, particularly in relation to our work with preferred providers. But at this stage I would like to hand over to Paul Birchall to provide more information on outcomes and outputs and data collection.

Mr Birchall—A significant part of the process of funding non-government services has been the introduction of service specifications, and the requirement to collect data on outputs and outcomes. This has made the purpose of funding clear, increased the level of accountability and provided a tool for routine evaluation of service provision. The specifications form part of the funding agreement and consist of documentation under the following headings: description of the service provided, the target group, outcome objectives, strategies, output measures and outcome measures.

The outcome objectives are the clear statements of what should be achieved for clients, and the strategies section lists methods by which the outcomes can be achieved. These new components of the service agreement were introduced to non-government agencies in a staged manner, beginning with information sessions about the concepts of outcomes and outputs, and at a later date reference groups were formed for groups of similar services to assist in developing tools for data collection.

The degree of sophistication of agencies in data collection varied considerably, from large agencies which already had similar systems in place, to smaller services with maybe one or two employed workers with little experience in recording and analysing data. Most services originally collected some information on outputs, and this was translated into a format which was consistent across agencies in a particular type of service.

To assist in collection of information about outcomes for clients, the department developed recording systems and questionnaires for services to use. In addition, the state Department of Family and Children's Services receives and analyses questionnaires on behalf of service providers, and where national data collection systems exist, these are used to avoid duplication of effort for service providers. The main example of that is in the SAAP services. This process has led to a successful collection of data based on the

service specifications.

Three possible changes to this process are on the horizon, and include a review of the wording and layout of specification documents prior to the next funding round; a review of the frequency of data collection and the detail required where a group of services is reported on three or more six-month periods; and, in the future, consideration of ways in which the quality of service provision can be further defined and monitored.

CHAIR—Thank you very much for that. The committee has been hearing considerable concern from not-for-profit providers of community services about the imposition that all this accountability process imposes on them. They are very concerned, some of them, that whilst they may not be subject to a competitive model yet, that they will be—services like Meals On Wheels and many others. I am just wondering if here in Western Australia some of these organisations will be exempt under the model you have described in your submission. I would be particularly interested if you could just run us through the way that the State Supply Commission operates here in Western Australia.

You have just said that under a certain level there is not a need for a strong accountability process, but a lot of these community services are well under something like \$1 million; they are more like packages of \$50,000 and less. How does that all mesh together? Also, what are you doing to address the concerns that many of these not-for-profit, often volunteer based organisations are expressing?

Ms Bagdonavicius—I will answer that firstly by talking a little bit about the State Supply Commission and its work. We have worked closely with them since the development of the model, and we have over time gone through three stages of accreditation. Firstly, they worked with us and were involved in all our selection processes when we were doing new requests for proposals. We then were given a million dollar exemption. I have to state that, while we talk about \$1 million and \$5 million, that is for the total life of the agreement. Given the fact that we have shifted to three-year service agreements, that means in reality no contract can be worth more than about \$1.6 million overall, so we are talking about a maximum of around \$1.6 million per year for that three-year period.

I can actually go into a bit of the detail, if you would like, in terms of what our current exemption applies for. It does give us some flexibility. It basically means that we are going to advertise any contract over \$50,000, unless we go back to State Supply with a submission to argue why we should not do that and see if they will agree to that. We still have flexibility to identify services as preferred service providers, and the package of information that I am going to table today actually embodies a lot of the work that we have done in recent months.

If I can just give you a little bit of the history, in the last year we have been working on what we call the planning process for our non-government services. The majority of our services have agreements that end on 30 June 1998—this year. We have extended those services, with State Supply agreement, to 30 September, and we have put forward a proposal to State Supply as to how the vast majority of services will be

considered as preferred providers, which means they continue in the community until September 2001. We have done that on the basis of the fact that they are continuing to meet a need that we as a department have identified through the planning process. I emphasise: that planning process has involved consultation with all of them and other key stakeholders in the local community.

They also need to complete some basic documentation which substantiates the fact that they are incorporated bodies and the like, and actually clearly state what the objectives are that they will be funding. When we work with those preferred providers we will go back to them with service specifications approved by our minister which contain core specifications for each particular service type.

CHAIR—We have had an opportunity to peruse the submissions that we have received, and we will be talking to people here today from the Western Australian HACC Advisory Committee and the Western Australian Network for Community Based Home Care Services, who are expressing some concerns in their submissions. We will talk to them later in more detail on that. Most of it is concern about what might happen. I will be interested to find out if it is a concern about something that actually has happened. But, as is always the case, there is a lot of concern about what the future might hold.

Ms Bagdonavicius—Yes. I think that what has happened is that our department has worked a model for our sector; we have also quarantined the sector at this point to the not-for-profit sector in terms of what our non-government funding is to be used for. We still have the capacity to go and test the market if we determine that there would be a potential market with the for-profit sector. But I think that is the big difference that I can see in relation to where some of the concerns are coming from with some of our HACC providers; that it appears to be a wider market which opens up other avenues of competition.

The thing that we have really recognised is the investment by our local governments and communities in the services that they have and are providing. The other point I did not go on to talk about was, although we have identified with preferred providers how they will continue through to 2001, as part of our procurement plan with State Supply we have also put forward to them a strategy whereby we will look at how we can test the market in relation to each service type by the year 2004. We will be testing locally to see if in fact there are other preferred providers that we could identify because, as you can imagine, in a small country town it is unlikely there will be another financial counselling service on the horizon that could be then considered to be a provider.

So we are working with State Supply always around the concept of showing that we are not just assuming that, because a service has always been there forever, that they should continue to be there. We are just doing it in a very staged and managed way. I have to say that the other important link that we have had in developing our model has been with WACOSS. We have involved them in informal discussions as well and we also, of course, have received feedback from many of our non-government services as they have been going through our request for proposal process.

CHAIR—There seems to be an acceptance of the need for accountability and mechanisms to ensure quality and performance and all of that, but there is a debate about whether the whole sector could be realistically referred to as a market and all of that, but there are just so many different ways it does not operate in any commercial fashion—in fact there is an indicator that the market has in fact failed. Is there another way to set all of those objectives in place without necessarily subjecting every service provider to a tender every 12 months, because that then creates the uncertainties about tenure for the people or the professionals?

Ms Bagdonavicius—That is how we have addressed it—through three-year service agreement. No-one goes to tender every 12 months in our model. Three-year service agreements for the bulk of our agreements are being rolled over into another continuation for three years to take them through to 2001. Of our 373 funded services currently, 93 have been obtained since 1995 through the request for proposal process, which is where we have advertised in the paper and had people apply, and then they are given three-year agreements for the date that has been advertised in the paper. We always have the ‘in’ date for that service.

CHAIR—Are they always triennial agreements? Is there ever a short term 12 months?

Ms Bagdonavicius—They may be short term if they are a particular project. We have in SAAP for instance some case management pilot projects which are 12 months only. But where we are talking about a funded service that we expect to be needed by the community in the longer term, no. For the renewal they are going to be clearly a three-year period; for those where we test the market through the request for proposal process, it is up to three years, depending, and mostly they are now being done for three years close to the date at which it is advertised.

CHAIR—In fairness to the other members, I will not hog all the questions. My proposal is to work from the deputy chairman on my right over there, Harry Quick. Let’s keep it tight and disciplined. There are a lot of us today.

Mr QUICK—How many service providers have been defunded in the last five years?

Ms Bagdonavicius—I could not answer that, Mr Quick. We went through a process—when we introduced the funding of services model we, the staff, did a mapping process at the local level where we had to identify where we had duplication or gaps in service delivery, so we as a department could be clear about what our priorities would be. As I said before, historically a lot of services had been there because they had always been there. As an outcome of that process 18 services, if I am remembering correctly, were no longer funded after that time, and since that time, in the last three years there has been the occasional service that has not continued to be funded because they have had major significant performance issues where they were not providing a service and we have been clear in following our service agreement in terms of ceasing that funding. But that has been very limited; there have been very few.

Mr QUICK—Is planning done on a regional or zonal basis?

Ms Bagdonavicius—Yes. Until we were restructured last year, we had 21 local district offices, as well as services being administered through our central office, and planning for our non-government services has been—our planning process was one of our appendices to our submission. Last year we went through a process of consultations locally to have input from our funded organisations, as well as other key stakeholders, and that occurred.

Mr QUICK—So you have gone from how many zones to how many zones?

Ms Bagdonavicius—That occurred in each of the 21 offices that we had at that time. We now have nine zones—four metro, nine in the country. But in fact we have CDFOs still closely associated with our old boundaries, so they have had a good working relationship, on the whole, with agencies over a period of time.

Mr QUICK—How do you ensure that the full range of services is the same for children zero to five, irrespective of which zone they live in?

Ms Bagdonavicius—Through the model I am talking about here today, we are not talking about children's services per se. Although some of our services are family support services, we are not targeting zero to five.

Mr QUICK—So family services do not target zero to five?

Ms Bagdonavicius—Not in terms of this model that I am talking about. Perhaps Paul could just talk about children's services.

Mr QUICK—Well, irrespective of whether it is zero to five or 11 to 16, how do you ensure that whatever age group you do target, irrespective of which zone you live in, you get the same range of services as a Western Australian ratepayer, a taxpayer, and an Australian citizen?

Mr Birchall—When you mention the term 'children's services', that is sometimes used to refer to things like child care.

Mr QUICK—No.

Mr Birchall—You are talking about services for children.

Mr QUICK—The reason I am asking it is, on page 6 of your submission you said:

Funds will be provided to the following output areas—

and you have got:

Community development and education, parent services, family youth and individual support, family

safety services, crisis support, child protection services, and care for children.

So one would assume we are talking about people under the age of 18.

Ms Bagdonavicius—Yes, we are.

Mr QUICK—So how do you ensure that, whether you live at Kununurra or Geraldton or Kalgoorlie or out near Eucla or somewhere, you get the same range of services?

Mr Birchall—The specifications which exist in each of the agreements actually define what the service should be, and so if you take a concept there like counselling, it is the same specification across the state, and whoever is funded to provide those services is required to provide the services as defined in the agreement.

Mr QUICK—So part of the ethos of the department is that, irrespective of where you live in the state, the department will, as part of its ongoing evaluation of services, advertise on a regular basis to provide financial counselling or children's support or family support services to each of the zones in proportion to the population?

Ms Bagdonavicius—We have had services that have come from an historical base, and as I say and have emphasised before, most of those have continued. What we have been doing through our planning processes since 1995 is identifying where we identify gaps. For instance, until now there has not been a women's refuge at Derby, so part of our continuing planning process is to identify where there are changing populations—but we do not have a formula that says, 'Every community in Western Australia has X number of services.' In addition to the services we fund through our non-government, we also have departmental offices which are based across Western Australia.

Mr QUICK—You are talking about identifying gaps. Of the 93 new or replacement services, how many of those were put in place to fill in the gaps, to ensure that irrespective of where you live—if you are a single mother with three children going through some sort of domestic violence relationship with a de facto—that she is entitled to or is able to access the services, irrespective of whether it is 300 kilometres from the CBD of Perth or whether she is 10 minutes down the road from the mall?

Ms Bagdonavicius—That is a good example, because we have been putting in new domestic violence services, particularly in the country areas, and that is the way we do it. I mean we are not the only state government department also to fund domestic violence services, but in terms of our mandate, yes, we are. We identify the gaps, and mostly, most of the 93 services that we are talking about—but I cannot give you the exact number—have been in fact for new services.

Mr QUICK—This will be my last question, Mr Chairman. How are you working synergistically with other departments that handle the same age group, for example, Housing Services, Education and Health, to ensure the use of your whizzbang new strategy, which I applaud? Are the other departments developing the same innovative

strategies to ensure that we do not have the single mum with the three kids being case-managed by six other agencies that do not necessarily get to talk to each other and do not share cross-data information, and are basically wasting valuable money which could be put out to fill in some of the gaps that you have or they have?

Mr Birchall—I think that those sorts of concerns are really best addressed at the local management level, so managers in the zones or our old district offices and the workers in those offices should have been, as part of their case management processes, ensuring that they liaise properly with other government departments.

Mr QUICK—Should?

Mr Birchall—Yes, should, and it is not part of the funding of services process because it is not a case management process.

Mr QUICK—The reason I asked that question is that we have received heaps of evidence to say that a in zone—from education, health—lots of cases do not necessarily crossover and match, and perhaps they should. We are talking about ABS statistics that are easily available to say that there are X number of children from zero to five, and money is being taken out of half a dozen baskets and being poured into these areas. There ought to be at a reasonably senior level, as we heard in South Australia yesterday, some consultation and effective planning to perhaps fill in some of the gaps, rather than its being left to the case managers on the ground or the field service workers—which, unless you are an exception are running flat-chat and there are not enough of them out there, and their pleas for help further up the bureaucratic tree are usually ignored or paperwork is duckshoved and put in the too-hard basket.

Mr Birchall—I think there are a number of mechanisms by which that happens. The domestic violence services which have already been referred to are coordinated across government. The head offices of the departments of education and health and Family and Children's Services are geographically located very close and there is constant communication between the senior officers in those departments where we have services which might overlap.

Mr QUICK—Are you aware of what is happening in Tasmania, where I come from? They are developing a one-stop state departmental shop where you can wander in and give everybody a hard time, irrespective of whether it is health, housing, community services, family support, land tax and the like, as a cost-saving budget measure, so that people do not have to get in their car and wander around searching in half a dozen different agencies trying to get an answer to a problem? Have you looked at that as part of your management strategy, or has the West Australian government?

Mr Birchall—I am not aware of that model.

Mr QUICK—Would you encourage that to happen?

Mr Birchall—No, I am not aware of that model. In the country areas often we are

the only office in a country town, and we do spread our services across areas which might in other areas be the responsibility of different departments.

Mr QUICK—Thanks, Mr Chair.

Mr ALLAN MORRIS—Mr Birchall, could you tell me, of that \$46 million I think it was, of non-government services, how many of those are not-for-profit?

Ms Bagdonavicius—They are all not-for-profit.

Mr ALLAN MORRIS—They are all not?

Ms Bagdonavicius—Not-for-profit, yes, which includes local government.

Mr ALLAN MORRIS—So if a for-profit tenderer was to tender—or have for-profit organisations tendered yet?

Ms Bagdonavicius—In terms of our process, we have contained our request for proposals process, our funding of services model, to the not-for-profit sector, and if we wish to go outside that—which we have done in one case, and that is when we went to the market to test the industrial relations and advisory service—then we would do that in conjunction with State Supply. But on the whole, we are saying that our standard model is not-for-profit.

Mr ALLAN MORRIS—Secondly, the problem about data, information about people. Many families and individuals who receive services will often move between services from, say, home care to nursing care or things of that nature, where there is an overlap of possible providers. Historically there has been a fairly good relationship and information transfer between organisations. What we are being told is that the people who are now competing for tenders are containing their information because that is an asset to them. So rather than sharing information about clients and about services and ways of doing things, they are actually out there fighting each other, and in fact perhaps even inadvertently, given the nature of the organisations, undermining or competing on grounds other than simply on service. Is that the case in Western Australia?

Ms Bagdonavicius—I do not believe it is the case. It has been raised as an issue of concern by non-government services with us that this may happen. One of the things we emphasise through our selection process is what people's local linkages are in that process, and those local linkages therefore mean their ability to be working with other local organisations. I think, too, our structure of having community development and funding officers who work with the agencies in their patch is another way of actually helping alleviate those problems and maintaining some sense of, 'We are part of a community in this area.'

Mr ALLAN MORRIS—I will finish with this one, Mr Chairman. I am sure other members have things to raise—we could speak for a couple of hours. Thirdly, the question of staff: what we are being told elsewhere is that the staff who write the tenders tend to

become quite valuable, given they know what is in it and so on, and there is in fact in some organisations this perception that staff are either being poached or are taking their contracts with them to some degree, so that the organisation becomes—if it is community based, usually with volunteers involved—non-viable, and that is another important thing that we should talk about.

But with volunteers involved, with a volunteer board, the key person is the person who does the contract, who does the tender, and if they decide to move, they can take the whole business with them. So staff members become perhaps too important in the long-term viability of the not-for-profit organisations, and people see that as being dangerous, possibly leading to a breakdown of organisations themselves. Have you had that kind of experience?

Ms Bagdonavicius—It has not emerged as a problem that has been brought to our attention, to my knowledge.

Mr ALLAN MORRIS—Thank you, Mr Chairman.

Mrs WEST—I would like you to clarify—are the aged and the disabled included in your service provision?

Ms Bagdonavicius—No.

Mrs WEST—Where do they belong, in another department?

Ms Bagdonavicius—Yes, Disability Services Commission in terms of disability, and Health in terms of the aged with the HACC funding, principally.

Mrs WEST—What happens within the three-year period, say, if there is a critical need for a service? How do you address the obvious needs where a service needs to be provided but you have only got contracts for three years? Is there a mechanism whereby you are able to bring in extra service provision for a need as it arises, or do they have to wait until the end of the three-year funding period to allow for application for those, for funding?

Ms Bagdonavicius—We have moved away entirely from application for funding. But people can come back to us at any point to renegotiate their service agreement, and then we would need to consider—say they were identifying, ‘There is a particular need in this suburb which really has not been identified but it is very close to where we are, and we think we should actually be outreaching to this area as well,’ we would have the capacity to make a judgment to say, ‘Yes, that fits within it,’ and vary the service agreement accordingly, if that was appropriate. But on the whole, what we are trying to do now through our planning process is project ahead: where are our needs going to be over the next three years and what should our priorities be?

Mrs WEST—Would you be able to provide the information on the mix of service provision for those 373 services, just so that we have an idea which age range or which

groups are being targeted?

Ms Bagdonavicius—Principally, our funding is directed to families and young people, and including anyone under the age of 18. We have a range of different streams of programs as they are currently known, but we are shifting more to an output focus as the introduction of output base management by the government. But, for instance, when I talk about \$40 million in terms of our non-government budget, \$19 million of that is the supported accommodation assistance program, a Commonwealth-state program. Another large component is what we call our out of home and alternative care area, which is residential child care, and they have been outside the planning process because we have had a major review of that area in recent times. Child sexual abuse treatment services is another area. Another large group is family support services, counselling for youth, youth services, and then some other unique services like adoption services, and parenting.

Mrs WEST—Do drug and alcohol education and counselling come into that as well, for families?

Mr Birchall—It is not a primary focus of our services because it is the responsibility of the Health Department, but in most of our services for young people, we have part of the service specification that they should be given support if they have problems with drug use.

Ms Bagdonavicius—I will just clarify that. That is, in fact, a review we are currently undertaking.

Mr Birchall—Yes.

Ms Bagdonavicius—So it is not actually in the service agreements, but because there has been a government concern and we have a drug abuse strategy in place, we are actually reflecting that in the new service agreements that will be negotiated later.

Mrs WEST—Thank you. Thank you, Mr Chairman.

CHAIR—Could I just ask a question. At page 7 of your submission you refer to the department undertaking certification for the purchase of non-government services, just before subheading (2):

According to international and Australian standards of quality assurance.

I am wondering if such international standards do not exist. That is part of the dilemma for the welfare-delivered services.

Ms Bagdonavicius—I can not give you the exact number of the international standard, but I am happy to supply that to you later if that would be helpful. But we are talking really more about quality management standards there, in terms of how we do our processes as a department in that unit.

CHAIR—You would not find a description in there of how somebody, when they deliver a Meals On Wheels service, would spend a bit of time with the person and keep their eyes open for other things.

Ms Bagdonavicius—No, it is not at all about the service provider. It is about our processes internally to ensure that we are doing things properly and accountably.

CHAIR—Right. I was just hoping against hope.

Mrs JOHNSTON—You cited in your model several outcomes which you find attractive, that is, greater accountability and choice for consumers. Could you perhaps give us a grass roots example of how your service deliveries work in my suburb of Armadale, how they dovetail in with all the various organisations, how you ensure that there is actually choice for those people. How do they get to it? These are lots of questions in one because I am only going to speak once. How is the consumer or the client aware of where they can actually get those services? Most importantly, how do you ensure that there is not a doubling-up of the services—because I have had several complaints in my electorate that people are getting either too much or not enough, or indeed the funding has run out to that particular organisation. They are then, if you like, off-loading their clients to somebody who may or may not actually be part of the registered process. So can we just look at it from the outside viewpoint rather than from the bureaucratic viewpoint?

Ms Bagdonavicius—What I would like to do is give you an example in relation to financial counselling services in the south-east corridor. We went through the planning process of non-government services in 1995. There was actually a ministerial decision at the time that historically there had been some organisations funded at much higher levels than others, and in the south-east corridor there was actually quite a collection of financial counselling services which were funded at a higher level. In the Gosnells area, for instance—recalling off the top of my head now—the Gosnells district information service at that time was receiving \$92,000 per annum.

Given the minister's wish that we actually have a better spread of financial counselling services—because he was concerned that we had some that people were not accessing—what we put back to the minister was a proposal that Gosnells would continue at the new rate, which at that time was some \$39,000 for all financial counselling services. It was the standard rate for metropolitan financial counselling services. Additional money was identified for another financial counselling service in the Maddington area to service people further down the corridor. So people could then access Maddington or Gosnells and—if my memory serves me correctly—at that point we also bought a recurrent funding for the Armadale information referral service. There was actually then a spread of services around.

The other thing I would say in relation to that is our department also provides services in that area and we make referrals to and from. So we actually know how those services are going in managing through both a local service delivery level, through our resource officers who will make referrals to those services; we also know through our community development and funding officers through their management of the service

agreement, and through other information.

Mr QUICK—In some places it is a lot cheaper, rather than to establish a new service, to perhaps put on an additional bus service or an additional train to enable access to the people who do not have adequate transport. Do you talk to the transport department or to the cabinet or to someone in the bureaucracy to say, 'Look, it is cheaper, rather than buying or building a new financial counselling building or tendering this out for \$300,000, to put on a couple of extra buses to enable those people to access a service that is already well-established'? and perhaps give them an extra person so that cost-effectively it is a lot more appropriate. Is there that sort of vision happening around the world in Western Australia? I do not say it lightly or facetiously, but quite often that is the case.

Mr Birchall—I am not aware that we have actually done that particular thing, but in the metropolitan area the population is fairly dense and I am not sure that that would be a solution. In the country areas the services are often in the country town. That is, because of their size, not really an appropriate solution so I do not think that particular issue has arisen for us.

Mr QUICK—But you do have, like other major cities, growth corridors where suddenly there is a huge expansion and where there is, initially, usually inadequate transport initially.

Mr Birchall—I think the areas of expansion in Western Australia are along existing corridors where there is adequate transportation. Certainly in the planning process that Pauline has spoken about we have taken into account that sort of growth which might occur in the following three years, in where we actually place the services.

Mrs JOHNSTON—If I can just follow on from that, I think Mr Quick has made a very relevant point, particularly if you are looking at the Armadale area and its surrounding areas. There is no way that you could say that transport is efficient there, or indeed is it adaptable for people. There is one train and there is a bus service which goes every now and then, and it has been difficult for people to access those services that you mentioned.

I also asked about choice for consumers, particularly with the elderly. They can not always shop around for their services as perhaps you suggested in your submission, or in your model. How do you address that? Also, there are other what I would call crisis moments in people's lives when they do need some help very quickly. How do they shop around?

Ms Bagdonavicius—Can I just address that by saying what we have done through our planning process from 1995 until now. The process that we have for identifying gaps is actually recognising that the outer metropolitan areas of Perth are our priority areas for new services. Armadale, Rockingham, Joondalup and the outer Midland area have been seen as not having the strong community base services that you have in the suburbs which are close to the heart of Perth. That has been a big thrust in terms of where we put new services in metro.

The other point that I would just like to come back to is that we have been trying to identify that at least there is a spread of services. Someone who is living in the outer city of Cockburn does not have to go into Fremantle to get a service. They can also access a service in that outer area in Cockburn, but if they chose then to go into Fremantle, they could also access a service there. Financial counselling is another good choice of example there because we spread services there so that the outer area of Cockburn in the South Lakes area has financial counselling services now, as does the Coolbellup area, as does Fremantle itself.

Mrs JOHNSTON—Finally, how do you monitor that clients are not accessing the services excessively? In other words, they go perhaps to a non-government organisation and then they might go into your departmental offices in a particular suburb. That is a concern that I have, and I know that is a concern that has been shared by some of your workers within your departments. There does not appear to be, at this stage anyway, a very good process for monitoring that.

Mr Birchall—Are you referring to financial counselling there, or financial assistance?

Mrs JOHNSTON—Financial counselling, also handing out of vouchers, providing certain services in the home, either for a child or in other situations.

Mr Birchall—With regard to provision of financial assistance, within the department there is an integrated computer system so that if a person goes to two offices that shows up. But to track them through the various non-government sections as well would be a difficult process because it would require everyone to exchange names and confidentiality on a regular basis. Given that there are, for instance, 50 financial counselling services, that would be an immense task.

Some years ago I did some research on the extent to which the phenomenon you are talking about occurs within the department, and we thought that it was around about just under half a per cent of clients who might possibly do that. One has to weigh up the cost and difficulty of doing it, against what the possible downside might be.

Mrs DE-ANNE KELLY—Thank you for a very interesting overview of the services in Western Australia. You mentioned earlier that the provision of services for disabled children comes under another area. Is that so?

Ms Bagdonavicius—That is right, that is the Disability Services Commission.

Mrs DE-ANNE KELLY—So it is not relevant to seek information on that?

Ms Bagdonavicius—No.

Mrs DE-ANNE KELLY—Some concerns that have been expressed to us from small service providers have been the cost of accreditation and the cost of preparing tenders. I notice you have some exemptions on those who do prepare tenders. Could you

explain how you overcome those difficulties with very small service providers where there may be only one or two in a small country town?

Ms Bagdonavicius—In terms of those we identify as preferred service providers and with whom we are going to be negotiating new agreements, what we have tried to do is actually simplify a package of information they just need to complete for us, and our community development funding officers can assist them with that, if that is required. We also develop the service specification, so negotiate those with them, and all of our existing services already have an existing service agreement.

In relation to any agency which applies for our request for proposals process, we clearly do not just go by what is written, as long as each agency, regardless of their size, addresses the selection criteria; we have been interviewing them and then giving them feedback after the interview. What is interesting out of our 93 requests for proposals that we have done—we are talking about 50 services, 37 of which have only been successful through one request for proposal—and when we have looked at the spread of that in the country areas, for instance, we have actually been successful in having locally based, community managed organisations apply, and be successful through that process.

Mrs JOHNSTON—Are there large fees or costs for service providers in becoming accredited?

Ms Bagdonavicius—They are not accredited as such by us. We do not have an accreditation model.

Mrs JOHNSTON—Right, thank you.

Mrs ELIZABETH GRACE—I would just like to follow a little bit on what Mrs Kelly has been speaking about and ask: do you know of any organisation or service that has actually disbanded, as a result of your new program, in that they have been unable, or not in an adequate position, to do something about applying for funding through the new service provider system?

Ms Bagdonavicius—I am not aware of any because those we have historically funded have continued as preferred service providers unless there have been difficulties for them in meeting the performance requirements around a service agreement. In other cases we would not know if they have not applied.

Mrs ELIZABETH GRACE—I think you have said this, but I would just like to get an emphasis on it; you have been able to keep the spread throughout the remote and regional rural areas of Western Australia, because of the diversification of the state.

Ms Bagdonavicius—Yes, we have.

CHAIR—Are you happy with your line of questions, Mrs Kelly? Have you finished?

Mrs DE-ANNE KELLY—Yes, thank you.

CHAIR—I was just interested in page 12, there is a dot point which refers to the concerns by many of the providers: ‘This new competitive environment will destroy a lot of the cooperation that has been achieved.’ The last sentence says, ‘This loss of cooperation impacts on the community and service users will be problematic.’ It is obviously a sentence only a bureaucrat completely away from the coalface would write, but perhaps I have misunderstood what is meant by that. It is very real, especially in rural areas where you have got very small providers whose strength is their cooperation. If you set up a competitive environment you destroy that. Could you please explain what you mean by ‘problematic’?

Ms Bagdonavicius—I think that was really just trying to summarise those sorts of issues that are coming up for people. I think the emphasis there is on ‘if there is that loss of cooperation’. I think I have earlier talked on how we are trying to maintain that sense of cooperation, particularly through our own local departments and our community development and funding offices, and the fact that we have actually had a good range of community based services coming forward from country areas, which have been successful.

I think there is an advantage, too, that in some cases large organisations have gone into country towns, and we should not say that that is a negative thing necessarily either, because that also brings additional resources into those communities, and they may already be providing some other services there. We had an example of that with Anglicare who now do a fly-in, fly-out service around family counselling in Kununurra. But for a small community, in some ways not having the counsellor live in the town is actually a good thing because they come back periodically as per their agreement.

CHAIR—So you are assuring the committee that you understand the nuances of the way that smaller rural communities operate. In the past they have had a block funding but they have stretched their service delivery to looking for other things and they liaise very closely. From the delivery of Meals On Wheels service can come another input when they express a concern about a person’s disposition or their health status. That is the way that rural communities operate. They are very concerned that if they are forced into competitive arrangements for their funding that they will start to tighten up and we will lose what is, as I said before, the strength of the way they operate.

Mr Birchall—It is interesting that quite a number of towns may have an informal network of community support organisations, and I am not aware that any of those have broken down as a result of our process being put in place, and there is still cooperation at that level.

CHAIR—I point out that the committee consists of a large number of members from rural Australia.

Mr JENKINS—The committee, in seeking a whole of government response, received a submission from the Department of Family and Children’s Services. I am

wondering if you could comment on how that came about, and also whether the same type of competitive tendering and contracting that your department carries out is carried out with, for instance, aged and disability services?

Ms Bagdonavicius—Your submission initially was referred to our minister, and we did it in terms of a departmental response, so it was not seen as a whole of government response that was prepared because different departments have their own models and are working with State Supply in different ways at this point of time.

Mr JENKINS—So whilst there is a move towards CTC there could be differences in the models adopted by the different departments?

Ms Bagdonavicius—Yes.

Mrs WEST—I was just wondering, further to what I was asking before, just say a service provider is granted funding for the three-year contract, that is as it exists now; what happens when the needs within that three-year program explode; there is greater need for, say, children's counselling? We have cases in Queensland where the need for family and parenting counselling has really increased in certain areas. Is there a mechanism whereby you can assist with coping with that greater need within that three-year time frame, or do they just get funding and that is it for three years, or for whatever length of time? Is there a mechanism to assist with that greater need?

Ms Bagdonavicius—There is really, through our departmental budget and government budget process, and that is exactly what has happened since 1995. Although we went through the mapping exercise in terms of identifying the duplications and gaps of existing services and where the needs were, as I said before, the vast majority of those services continued. Then we have also had other processes for additional moneys coming through, for instance, in the domestic violence area through our state government budget. So as moneys become available we have worked with the priorities as seen by the government at that time.

Mrs WEST—So there is a way of managing, within that time frame, the crisis—

Ms Bagdonavicius—Yes, for additional needs.

Mrs WEST—They just apply for more money.

Ms Bagdonavicius—No, we do not do it on a submission basis. It has been through planning, the planning process is there.

Mrs WEST—Do they have to wait until the end of three years before they apply for more funding, or does it come within that time frame? That is what I am asking.

Ms Bagdonavicius—As new funding is available we would go through the request for proposal process and do it that way. With our existing services it is about looking at what level of funding you currently provide and whether we consider there is a need for

that service to continue to meet that need, or do they need to change their service to meet different needs for the following three years.

Mr ALLAN MORRIS—Mr Chairman, just two brief things. Firstly, Mr Jenkins' question he was actually asking as well: is there a move in aged services to competitive tendering that you are aware of, or is the government considering that in other community service areas, like aged care? Obviously people are concerned, that is why they made submissions. Is it under consideration at the moment?

Mr Birchall—That is a Health Department matter and I cannot answer that question. I do not know what their proposals are.

Mr ALLAN MORRIS—The second thing I wanted to ask, and I do not suppose that we will discuss it too much further today, is the question about equality and measurement then becoming eventually the critical one and people having a concern about the service that is then provided for the lowest cost and the possible conflict between the cost of the service and the quality of the service. What is the arbitration system? Who eventually can arbitrate?

Mr Birchall—I suppose the arbitration, as you put it, happens when the service is selected. One of the processes in the selection is to determine whether an organisation can provide a quality service. Often that is done on the basis of our knowledge—

Mr ALLAN MORRIS—Is it a process of appeal or complaint? If the organisation is cutting corners because it has been forced to lower its price, and therefore starts to cut corners, the question then is about when it is cut too far. When there is a quality problem, is there a process of appeal or arbitration that actually says, 'This is not viable. The quality is not good enough'? Is there a neutral third party that actually provides some safeguards or some checks and balances there?

Ms Bagdonavicius—Within the service agreement, unless the service is 24-hour service, the level of service provision is something that is negotiated, either through the purchase of the new service, or at the local level in terms of existing service providers. So that is something which would be taken into account, and we monitor it, through the accountability mechanisms that agencies need to comply with in coming back to us with their six-monthly progress reports. As well as that, we do up to two service reviews where we sit down with the agency and talk through those sorts of issues with them in a three-year funding period.

In addition to that, if we were getting concerns coming forward from the community about the quality then that may give us grounds for going back and perhaps bringing forward one of those reviews and going in and working with the service more closely for a period of time to make an assessment of it.

Mr ALLAN MORRIS—So they complain to you or your department?

Ms Bagdonavicius—Yes.

Mr QUICK—Can we get a copy of Effective Contracting for Services? I would like to have a look at that. It sounds very useful.

CHAIR—Just in relation to that, I am wondering if you could name one by one for *Hansard* the documents that you are tabling and then perhaps if there is a request for them all we can identify them.

Ms Bagdonavicius—Yes. There is The Funding of Services Practice Model; this replaces attachment 2, because you were given the copy that was not endorsed by executive. This is the final copy. There are also: the Procurement Strategy for Services Ceasing 30 June 1998; Delegated Purchasing Authority Accreditation Process, October 1997; the Supported Accommodation Assistance Program, the Three-Year Plan Update for Western Australia, 1996-97 to 1998-99; and finally the Guideline to Assist in Identifying a Request for Proposal for Existing Services, December 1997.

Mr QUICK—It says here:

The funding services model used by the department is one of 14 case studies including Effective Contracting of Services and A Casebook of Good Practice in Western Australia.

Ms Bagdonavicius—Yes. I believe we made the book available to you as part of our submission.

Mr QUICK—Of these 373 services, how many of them are dealing specifically with indigenous families? Are a certain percentage allocated specifically for indigenous families or are all the 373 services there for all Western Australians, irrespective of race, colour, religion and creed?

Mr Birchall—They are all there for all West Australians. There are some services which are specifically funded for Aboriginal families. For instance, a refuge in the north country area might be for Aboriginal women.

Mr QUICK—In light of my push for the synergistic approach, and the obvious need to liaise between agencies like Youth Disability Services, drug and alcohol agencies, the juvenile justice system, health, education and housing, are there rumours of a super ministry being proposed by Western Australia? Do you see that as the way that Family and Children's Services should go to incorporate the total family, rather than be departmentally fragmented, as it currently is in Western Australia?

Ms Bagdonavicius—I think it is probably not appropriate for us to comment. That is really a choice for the government of the day.

CHAIR—Could I thank you, Ms Bagdonavicius and Mr Birchall, for your time today. You have given us a lot of information to digest. We will do that as we proceed with the inquiry. Thank you once again for your submission.

Ms Bagdonavicius—Thank you.

[10.21 a.m.]

McDONALD, Ms Eileen, Member, Western Australian Home and Community Care Advisory Committee, c/- Aged and Continuing Care Unit, Health Department of Western Australia, 189 Royal Street, East Perth, Western Australia 6004

OLLEY, Ms Elaine, Chairperson, Western Australian Home and Community Care Advisory Committee, c/- Aged and Continuing Care Unit, Health Department of Western Australia, 189 Royal Street, East Perth, Western Australia 6004

CHAIR—I must advise you that whilst this committee does not swear its witnesses, the proceedings are formal proceedings of the parliament and warrant the same respect as those of the House of Representatives itself. In that regard, any deliberate misleading of the committee would be considered as a contempt of the parliament. We are in receipt of your submission. It is an endorsed part of the public record now, so you need not feel the need to read it onto the *Hansard* record, but I would like to give you an opportunity to just briefly advise the committee of the concerns that you have raised in your submission.

I will take another opportunity to introduce our committee, as I did earlier. Since then, we have had Mr Allan Morris, the member for Newcastle in New South Wales, join us, and Mr Harry Jenkins, the member for Scullin in Victoria, a Melbourne suburban electorate. Mr Morris is the former chairman of the committee in the previous parliament. Over to you, and then we will proceed to some questions from the committee.

Ms Olley—Thank you, Mr Chairman. We both would like to make an opening statement. Perhaps the first thing I need to clarify is that we are not the Health Department, we are HACC Advisory Committee, so are therefore people within the community and services advising the government.

CHAIR—We understand that.

Ms Olley—Okay. And we thank you for this opportunity, and also for the broad nature of this inquiry, even though we must admit that we found the terms of reference a little confusing at first, until we started to work through them. We realise that this is a really complex issue with no easy answers. Nor with, perhaps, just one model being the only answer, as we indicated on page 6 paragraph 8. We do not have a problem with competitive tendering for new services, and I think we need to state that. For new services that have not been there, we do not really have a problem with that. Although we have pointed out on page 5 that this does create, sometimes, unintended discrimination as smaller agencies who can provide excellent services may not have the expertise to tender as required.

There are a whole lot of components in this term ‘competitive tendering’. Some of them are okay. For instance, the purchasing model itself I think is a move towards clearer service specifications which are a benefit to service providers, and the government’s policy goal towards consumer outcomes and increased consumer choice is a very good

policy goal. We are all working towards that policy goal—what is best for consumers—and we will continue to work with the government to try and find that way forward.

It does, however, present some difficulties in the HACC area, as we mentioned in paragraph 3 at page 5: this whole working towards consumer choice in the HACC area. I guess we have three major concerns. One is the monitoring of quality. We do not believe that that has really been adequately addressed yet. With respect to the distorting of networks, which are really valuable—we have a good network in HACC services—we have heard that it has been destroyed in other sectors, because when people are competitive and tendering they do not share information, and it is that sharing of information that makes for good service provision in our sector. Our third point is the fact that there is no clear indication that competitive tendering itself benefits consumers.

Ms McDonald—I would just like to say the HACC program in WA operates on the purchaser/provider model of funding to purchase specific service outcomes, specifying the quantity of services to be delivered by the provider, and the price the purchaser will pay for that service delivery within a period of time, which is usually a 12-month period. The committee feel that there is a general confusion in the concept of competitive tendering, and how that fits within the welfare service sector.

Perhaps a common perception with the terminology is its association with the commercial marketplace, and it does not sit comfortably with the human services industry which responds to human needs. What is confusing is the lack of clarity between contracting out and competitive tendering, and what that means for the consumer as the target group. These are some concerns of the committee I would like to point out. Of concern to the committee is the provider being able to maintain the flexibility of service type, and the ability to respond holistically to the individual needs. Of course we know the consumers are not an homogenous lot, but individual and diverse in their needs, in their culture, and their social and economic environment.

Of concern, too, is the multiplicity of government departments who administer the various groups within the welfare sector, each with their own requirements which cause confusion to the consumer, especially those who cross the boundaries of administration and receive various services with different expectations. The advisory committee recognise the complexity, as Elaine has said, of administering welfare services, and acknowledges that there is no single or easy method of doing so. Certainly good management and accountability are acknowledged as being of prime importance.

In the area of how outcomes are measured in terms of quality and satisfaction for the consumer, it is so controversial in its objectiveness. We as a committee do not presume to have solutions as to how governance of human services might best be achieved, but we certainly appreciate the opportunity to have input into the inquiry, and will attempt to voice some concerns of the consumers whom we represent. Thank you.

CHAIR—Thank you very much. I was interested to see the scope of the membership of your committee and its cosmopolitan mix, which was good to see. What is the formal structure and the arrangements you have for consultation with the government?

How often do you meet? Do they listen to your advice? What is your feedback on all of that?

Ms Olley—There is a member of the Health Department particularly associated with HACC services who is also part of the advisory committee, and also a representative from the Commonwealth department is also on that advisory committee, more for input than comment; more for listening to our input than actually inputting themselves. Also, our brief is to talk with the Minister for Health, and we do that. We consult with service providers and with consumers to really get a feel of how people are feeling.

CHAIR—Are you satisfied with that process? Are there any constructive comments you could make about improving it?

Ms Olley—I think it is an evolving process. You never feel you have done enough, but time does not allow you to do more. But I think it is working quite well. Eileen might like to add to that comment.

Ms McDonald—Yes, I think it is satisfactory, and I think the committee have a feeling that they are being listened to, which is a direct voice for the consumer.

Mrs ELIZABETH GRACE—In your opening comments you expressed a couple of concerns, one about monitoring of quality, and one about not sharing information. These things are both coming up or have come up several times during our inquiry. Would you like to expand on that, and just give us your view of where you are having concerns in those areas, please.

Ms Olley—Our concern is that quality is very hard to measure. I think as Eileen indicated in her own opening statement, it is very individual. How do you measure this? I think HACC is trying to address it and there is some work being done at the moment. We have to wait until that model is out just to see what it contains, and how it does address quality. Again, all we can say is, it is a difficult issue, but our concern is that if we do not have the quality there, why are we working with people who need a service? I know that there are some for-profits that are okay, but there is a concern that for-profits have a different ethos to where we are coming from, and they have to make a profit to be viable. Does the quality get eroded? We do not know the answer to that. That is a question we have. And if there are some monitoring procedures or something set up by government to make sure that does not happen, that is what we are looking for. That was the first question.

Mrs ELIZABETH GRACE—Yes, and the other one related to not sharing information.

Ms Olley—We are concerned about that with competitive tendering, and maybe in fixed-price too. There has always been competition. That is a reality. But when you are preparing a tender and specifications you are not going to share information with other agencies. So we lose out in what makes human services so good, because we talk to each other, we get ideas from each other, and that helps each service to be a better service. But

if that talking does not take place, if that is destroyed in any process, then it is the consumers who miss out.

CHAIR—In your remarks you said that you support the need for the accountability and establishing that.

Ms Olley—We have no problem with that.

CHAIR—Is there a model that still achieves that which causes the erosion of some of the other ethos you have referred to, a process of accreditation of organisations whereby they are aware of the standards expected of them, and then having them all accredited, and then, say, a process of allocating funding on a needs basis? Is there another model that you would support that still achieves those objectives which are driving the original intent for accountability and uniform standards around the nation?

Ms Olley—I think HACC is working towards that. It is a good model. There are national service standards. Therefore, each agency knows what those national service standards are. There is a complaints process that has been set up. Yes, it seems to be working towards a good model for us.

Ms McDonald—I certainly agree with that, yes.

CHAIR—For example, some submissions before us have suggested the establishment of a national regulatory body. To me, that is another bureaucracy.

Ms McDonald—Yes.

CHAIR—But to establish the accreditation, is that something you would support?

Ms Olley—Can I ask for clarification. What do you mean by accreditation?

CHAIR—A process by which organisations establish their credibility, establish their capacity to deliver a quality service, and are then available for an allocation of funding to a specific need in their region or area where they operate. That is so that you do not have to advertise and then tender and try and attract people once the need is established; that you have people and organisations available and if there is a real need you can say to them, ‘Well, you are an accredited organisation. Deliver this service for us.’

Ms Olley—I believe there are organisations around which provide very good services, but they are very much involved in, say, this sector, and have not been involved in that sector, I do not know how you would say, ‘Well, you can do that’—except how they have provided services in this sector. I guess we have a fear that the old model of innovation is going to be lost, because there seems to be no room for innovative people going to government and asking for funding. I have no answer as to how you overcome that with the new models that are happening.

CHAIR—You have made that point in your submission regarding this bottom-up idea, where an organisation at the coalface devises a program to meet a real need and may be at risk, if it is tendered, of not getting its idea implemented by its own organisation.

Ms Olley—Exactly.

CHAIR—I am aware of that.

Ms Olley—But I would like to say that HACC does have a training brokerage so that there is the availability of training, and that comes from each agency to the training broker, and they will broker out training that is needed.

Mrs ELSON—You have listed a large range of negative outcomes for competitive tendering. Can you see any positive side to competitive tendering?

Ms Olley—I think, as I said before, parts of it are okay. The purchasing model has certainly given much clearer specifications. We have no problems with the new service, because that is not going to destroy the networks that are around. So there are bits and pieces, and the way I think HACC is moving seems to be taking the good parts of that. I guess a fear we have is of it's going to the nth degree of competitive tendering.

Mrs ELSON—So you would like to see a new model made up of the positives of both sides?

Ms Olley—Yes. I think it has to be worked through. I do not think it is clear-cut. It seems to us to be really messy, and different departments are taking different bits of the model. Therefore, for an agency that is a multiple service agency, it is very confusing, particularly with accountability to different departments as it is a different type of accountability for each department.

Mrs DE-ANNE KELLY—I do want to compliment you on your HACC services in Western Australia. We hear very good things of them.

Ms Olley—Thank you.

Mrs DE-ANNE KELLY—I notice in your submission you mention that surpluses have to be returned to government. Is that state or federal, Ms Olley?

Ms Olley—The state governments actually manage the funding. I do not know where it goes after that. But we actually deal with state governments.

Mrs DE-ANNE KELLY—Is that something that happens in every state? Well, I guess that is a question you would not be able to answer, would you?

Ms Olley—No, we do not know the answer to that.

Ms McDonald—I do not know that.

CHAIR—It does, yes.

Mrs DE-ANNE KELLY—If you do not spend the money it goes back?

CHAIR—If you do not spend the money it has to be acquitted, yes.

Mrs DE-ANNE KELLY—Even in a competitive tender arrangement, Ms Olley?

Ms Olley—That is why it is so confusing, because if you look at that—and we are not trying to say we are—but that is a different model: that if you are able to save money and put that to other services to give added value, that is possible, but it is not within these services.

Ms McDonald—This happens in the purchaser provider model under which HACC operates.

Mrs DE-ANNE KELLY—It just seems extraordinary, because we spoke with Meals On Wheels the other day, and they have a surplus, because they charged just a little bit more for their service, and they are able to put that into capital expenditure. But that is private.

Ms McDonald—That is privatised, yes.

Mrs DE-ANNE KELLY—Although they are partly government-funded. Yes, all right. You made the point that the ethos of a service provider, the philosophy, the volunteer commitment and so on, is not taken into account with competitive tendering. What sort of mechanism would you like to see for putting a value on that? Do you want to see a weighting for an organisation that has a lot of volunteer effort behind it? Or perhaps, as we saw from a group the other day, perhaps a prayer network. Because all of that is very significant, I think, as you rightly say, in the quality of the service that is delivered finally. Would you want to see a negative cost in a tender if you had, say, half of the work effort done by volunteers, and that is a negative cost? How would you see that being put into a competitive tender such that those important principles were taken account of?

Ms McDonald—I think by ensuring credible agencies who have a proven worth of that holistic-type attitude to service delivery, and in fact have established—or that cuts out a new service perhaps—that they can prove that they can work within that holistic model of service delivery, and that incorporates the use of trained volunteers, not just volunteers per se, but volunteers with the capabilities of standards of care and support services.

Mrs DE-ANNE KELLY—Were you happy with the explanation that was given earlier by the department regarding the cost of the preparation of tenders?

Ms Olley—The information we actually put into our submission came—I am also on the WACOSS board and this was a WACOSS move to get a feel of what was happening in the sector—from the sector.

CHAIR—In paragraph 5(a) on that point you make the point that the for-profit organisations could absorb the tendering cost but you can not. Really, what is the difference? It is still a labour component. Isn't there any real distinction that for-profit organisations do not get every tender, either, so what is the distinction between them being able to build their costs in and not-for-profit agencies not being able to do it?

Ms McDonald—I guess the committee were feeling that the for-profit organisations have the reserves to draw upon to spend some money on a tender and in fact contract the appropriate people, where the not-for-profit and benevolent organisations do not have that luxury, and perhaps there are no reserves to call on and that causes a difficulty. It perhaps might even force very good charitable organisations out of the race so to speak.

CHAIR—But presumably if a for-profit organisation is getting the revenue, they have to acquit too, and if they do not spend it they have to send it back. It does not accumulate in a reserve for them.

Ms Olley—I guess what we were trying to indicate in our submission was that there is a huge time factor in hours spent. The for-profit organisation can actually buy that for a consultant to do that. A non-profit organisation has to use current staff and those hours are cost hours. They are cost because they are not put into services. It means that somebody has got to spend those hours preparing their tender, rather than giving direct services, because we can not buy in that expertise.

CHAIR—Thank you for that explanation. Sorry, Mrs Kelly, it was a good point there.

Mrs DE-ANNE KELLY—The department, I think, said that they were going to simplify service agreements. Is that something that you would be supportive of, that might overcome that difficulty?

Ms Olley—Very much so. The committee is concerned that the service agreements are understood by the service providers, because they are now legal documents. The old funding arrangement was not a legal document, but now a service agreement is a legal document and so we have to be very clear in understanding what is involved.

CHAIR—Mrs Johnston, on your home patch here.

Mrs JOHNSTON—Thank you. Could you name a couple of, say, non-profit organisations? Is Perth Home Care, for example, a non-profit organisation?

Ms Olley—Yes, it is.

Mrs JOHNSTON—It is, okay. Getting back to your comments about the for-profit organisations or the agencies there, I do not exactly share your very negative viewpoint that they are perhaps not delivering the same sort of service. I can assure you, that being very much involved with this industry, they are. For example, we have some of the non-

profit organisations, or the government organisations actually tendering out to the so-called service-for-profit organisations. Would you like to comment on that; how you see that fitting into your viewpoint?

Ms Olley—We are aware that it is being done, but it is being done in a way that the actual service is monitoring the quality, and that is not an issue for us. It is the quality that is our concern. If that is monitored and monitored adequately that is not really the problem.

Mrs JOHNSTON—Whilst agencies such as Perth Home Care would obviously send out their people to monitor that service, equally those profit organised or focused organisations send their people out also to supervise, measure the outcomes and ensure that the service they provide is of the highest quality, so where do you then see the problem coming in for competitive tendering? I might also add that it is probably far less likely for those profit organisations, service-for-profit organisations to be successful in the tendering, rather than those which are now currently termed non-profit organisations.

Ms McDonald—I am having difficulty hearing, quite frankly.

Mrs JOHNSTON—Let's not beat about the bush. There are very few private agencies that win tendering processes at the moment.

Ms Olley—I think we did say that we do not have concern that all for-profit have problems, because that is not so, but we just have this fear that some—because they need to make a profit—may not look at the quality issues because there is a certain amount of money—

Mrs JOHNSTON—But that could equally apply to something that is a government agency. What would be the difference from somebody in a government agency saying, 'We have the highest quality'? You can not be with every person who provides a service every minute of the day. That would mean you would have two people supervising one service.

Ms Olley—Sure. I guess the added value for the not-for-profit organisations are the volunteers. That goes beyond what a tender arrangement would be, and that is an added value that is probably the strength of the non-government services.

Mrs JOHNSTON—But if I could go back again to Perth Home Care—and I am not singling them out for any particular reason, it is just because they are a well-known agency. They, I understand, have all of their people paid for. They are not volunteers in the sense of volunteers, are they?

Ms Olley—They began as a volunteer agency and they have kept a lot of that ethos. For instance, the time spent,—you could go in and shower somebody and you are out in 10 minutes. That, to us, is not quality but for some organisations it could be a time management issue. Our ethos says that that person is a human being, we need to connect. They are often alone in the home for long periods of time and so perhaps a little longer

time spent is really important to them, and we believe that that is part of the quality.

Mrs JOHNSTON—Just one final question along that line: if you then believe in that model you have just outlined to me, who sets, and how do you set, the time that you provide to each service? Are you going to say, ‘If the showering takes 10 minutes, we will add an extra 10 minutes to have a cup of tea with them?’ Do we say, ‘The showering could take half an hour’? There has to be some process because in the end people are being paid—even the volunteers, as we go back to Perth Home Care, although they are no longer volunteers—they are being paid to provide a service, so at some stage there has to be money exchange hands from the government to that organisation to pay for that. What solution would you have in coming to some sort of price arrangement? How do you judge that? Who sets the parameters?

Ms McDonald—In the assessment process of the funded organisation the case manager, as appropriate, decides together with the client what is a suitable time—and that is monitored and evolves and changes as needs change and it is usually in percentages of an hour, half an hour, two hours or whatever it may be. There might be the identified need of this person’s isolation or loneliness. That is the perfect opportunity, if that person needs personal care—and that is not easy to provide particularly to an aged person who needs some confidence and trust building with that person—and so time spent is very well spent in dollar terms and in time terms.

Mrs JOHNSTON—I did not actually get an exact answer, but thank you very much.

CHAIR—Try and tease it out.

Mrs JOHNSTON—I think it is a judgmental issue that we are talking about here. I would suggest that very few services, or very few agencies that provide service these days—in my opinion and to my knowledge—would go into a house, give a 10-minute service, charge for an hour or whatever, and be out again. I think most agencies would be very much concerned with providing not only quality to their client, as you very rightly point out, but provide that companionship which is extremely important these days, regardless of whether it is going shopping or providing a shower.

I might use another example. I was recently made aware of a case where a volunteer in this instance was to provide a shopping service, a car pick-up to a number of customers. This particular customer was in the habit of taking a taxi with subsidised taxi vouchers. However, she had been persuaded on this occasion to use the volunteer service from her local council and in the end she said, ‘I’m not doing that because I was picked up along with six or seven different people. I was left standing for an hour to wait until the other people were delivered’—which did not suit that particular person’s need because she was an invalid. So there is an example too where perhaps volunteers can be overworked, if I can use that word, in what they are expected to provide to the community. I guess it is a judgment that has to be taken on balance. Where do you finish one service and where do you start another?

Ms Olley—That would certainly be a concern of ours, and that needs to be monitored from the agency, and very carefully monitored. Certainly we would consider that not quality service.

Mrs JOHNSTON—Yes.

CHAIR—But again, in that situation, if there were very clear procedures for a complaint to be lodged—let's be realistic, a lot of people, especially the frail elderly, are frightened to complain.

Ms Olley—They are, and that is what we see.

CHAIR—They think there could be some backlash or their ethos is, 'I'll put up with it.' But they have got a right to have a process to say, 'Look, waiting for an hour does not suit me,' and there may be some way the service could be improved. That all needs to be stipulated and my assumption is that that is what this whole process is designed to do. Any comment on that? It is a complaint that I have often received. We have a very successful volunteer based travel assistance agency where I come from, and I often do the complaining to them because the people say, 'I do not want to complain.'

Ms Olley—I absolutely agree with you, and we are not saying services are perfect, and there do need to be those mechanisms. HACC has tried to address that because all agencies are required, in their assessment, to let the person they are assessing know that there is a complaints mechanism that is not necessarily to their agent, but it is to advocacy service. It is separate from the agencies and that is in an endeavour to address these issues. It is a requirement of all services to let that be known. I know a lot of services actually stick that on the telephone, because again you have got people who are frail aged who forget information. It is a difficult issue and not easy to address, because people do forget.

CHAIR—Yes, thank you for that.

Mr JENKINS—Could I ask Ms Olley and Ms McDonald about the organisations that they have been involved with and the expertise that they bring to the advisory committee.

Ms Olley—For 10 years I was coordinator of South Care, a community based agency, and we were already involved with community aged care before HACC became an act of parliament, and South Care was actually asked by the government to expand those services. We have had quite a significant role there. For the last four years my job has been 'umbrellaing' all the Uniting Churches community services in Western Australia in planning and policy work.

Ms McDonald—For the last 10 or 12 years I have been involved with a charitable Christian organisation providing services, from children to the frail aged, and in fact I am still involved at an administrative level.

Mr JENKINS—Thank you for that. It was really just to get into context your type

of experience. Sometimes it seems a very forward and embarrassing question. Before going to some specific questions, who are the for-profit agencies—the flip side of Mrs Johnston's question? What type of for-profit organisations are competitors for HACC services?

Ms McDonald—Private agencies who employ care staff, whether they be trained nursing staff, paramedical staff, carers, right through to unskilled staff.

Mr ALLAN MORRIS—Self-employed nurses?

Ms McDonald—Yes. That is, I guess, what we are classifying. I think we have given the impression that all is not good, we feel, with for-profit organisations.

Ms Olley—We did not mean to give that impression.

Ms McDonald—In fact we have some very good agencies.

Mr JENKINS—What percentage of the—I hate to use these commercial terms—market have they captured?

Ms McDonald—Funded-wise—

Ms Olley—No, it is hard for us to know that, but I do not think it is very much.

Ms McDonald—I would think it would be a very small percentage.

Mr JENKINS—One of the things that concerns me about competitive tendering is that we lose the development aspect and the needs identification that some of the—especially NGOs—bring to the sector. Your backgrounds would sort of suggest that you have been heavily involved in those aspects. How, if we were to continue down the path of competitive tendering, would we be able to protect those aspects, or would there need to be a further program for which you would have to competitive tender to do those sort of things?

Ms Olley—I think it is coming from the point of view that we said that maybe you need a mix of models so that there is still room for innovation to direct needs that community agencies, who are there at the grass roots, identify. There are well-qualified people out there who do good research. They know their communities. If we are locked into a situation where we are only servicing what the government identifies as a need, we could have a lot of people falling through holes.

Mrs WEST—Is it the duty of the advisory committee to liaise with policy makers to make suggestions and put forward recommendations for needs in the communities that you represent? Is that your role?

Ms Olley—We put forward recommendations to the Health Department and to the Minister for Health.

Mrs WEST—Speaking as a representative of a variety of community organisations, do you feel there is adequate assistance and advice and information from the departments to assist community organisations in applications for tendering; that there is a free flow of information that assists them when they have to tender for funding?

Ms Olley—In the HACC area we have not had to go down the track of tendering at this stage, so it is difficult for me to comment within that area.

Ms McDonald—The experience that the organisations have had is that they do submit for the purchaser provider model when advertised, and my experience—and I think the experience of several people on the committee—has been that there is good liaison between the HACC regional offices and the various organisations. I think the organisations have stated that HACC has always been receptive to inquiries and assistance and that sort of thing. I do not think that has evolved as yet as an issue; not that we are aware of.

Mrs WEST—Do you perceive of any difficulty within community groups themselves of certain providers receiving recurrent funding and others missing out, causing a community divisiveness or maybe an inability to access funding for their community groups? In other words, they have preferred providers, or it appears that HACC funding is going to preferred providers, and newcomers cannot access funds?

Ms McDonald—I do not think that comes from the community groups so much. In Western Australia there is a very large organisation with a very large piece of the pie, and I guess there is almost some worry with groups and organisations that there could be a monopoly of service providers, and perhaps about what that would mean. Would that downsize choice to consumers? I do not know if that answers your question.

Mrs WEST—Yes, thank you. Thank you, Mr Chairman.

Mr ALLAN MORRIS—Could I just clarify a few things. Firstly, I think from recollection HACCAC in Western Australia was reconstituted subsequent to our previous inquiry.

Ms Olley—That is correct, and we negotiated changes to our terms of reference two years ago.

Ms McDonald—Two years ago, yes.

Mr ALLAN MORRIS—Yes, that would be about right. Has the regionalisation of HACC in Western Australia now been achieved? Are you now operating in regional budgets? Or is it still a global state budget?

Ms McDonald—We are operating in regional budgets.

Mr ALLAN MORRIS—Does HACCAC advise the government about how well that money is distributed between regions, and within regions, between different services? How is that worked out?

Ms Olley—We certainly do. I think one of our most recent examples was, I had a visit to the Kimberley area and became aware of the high cost of travel that is an add-on that city organisations would not have. So that is fed back into the committee. So we consult where possible, and feed back concerns into the committee.

Ms McDonald—There is such a diverse representation on the committee.

Mr ALLAN MORRIS—That is not new, though, is it? We had witnesses from those areas telling us the problems they had with the cost of travel being much more than the cost of the actual service.

Ms Olley—That is right. That is still a problem.

Mr ALLAN MORRIS—What proportion of the HACC budget now goes to Silver Chain? Is it Silver Chain?

Ms Olley—Yes.

Ms McDonald—Silver Chain Services. I am not sure of the percentage.

Ms Olley—Seventy?

Ms McDonald—Seventy.

Ms Olley—I do not know.

Ms McDonald—I am not sure.

Ms Olley—It is really difficult for us to say, but it is fairly high.

Mr ALLAN MORRIS—Okay. Some could argue there is not much difference between a for-profit provider and a not-for-profit provider who has a small organisation and pays quite good wages to its senior personnel. One could argue that there is not a great deal of difference between one and the other.

Ms Olley—Are you saying a large organisation?

Mr ALLAN MORRIS—Well, we talk about not-for-profit organisations as one generic term, as if they are all the same.

Ms Olley—No, they are not. That is correct.

Mr ALLAN MORRIS—They are not. And one could argue that there is a vast difference between an organisation that has a relatively small number of members and a very highly paid senior executive system, compared to a small community organisation running a community options program in a country town or in an outer suburban area.

CHAIR—Or even a self-employed nurse acting on her own.

Mr ALLAN MORRIS—Or even a self-employed nurse, yes. So we probably need to better define some of that terminology because we do tend to use words as if they mean the same thing. I was just curious, and I just wanted to make sure that my perceptions of what was happening in Western Australia were accurate. HACCAC, as I understood it, would be supported by personnel or staff, departmental staff, which is appropriate. I have got no problems with that.

Ms Olley—We have an officer, yes.

Mr ALLAN MORRIS—In that situation, though, why didn't the government endorse the submission—because HACCAC is a bit of both. I mean, it is important that you are community, but also that you are linked to government. Otherwise it is not effective.

Ms McDonald—We can not really answer for them.

Mr ALLAN MORRIS—Why didn't the government actually endorse it. I mean, it is a good submission. It is well thought out.

Ms Olley—We can not answer for the government.

Mr ALLAN MORRIS—Right, okay. Was it discussed at all amongst yourselves?

Ms McDonald—A decision was made to put a submission from the committee, and was certainly supported by the government representative, the liaison officer on the committee.

Mr ALLAN MORRIS—Yes. I have no problem with the HACCAC committee being part of the submission and both of you representing the HACCAC today. I think that is excellent. I have no problem with that at all. I thought it would have been nice to have with you a member of the department as well, so we could ask some technical questions of the department and not have you in a situation of not being able to answer for that. So when you go back to your advisory committee, you might just mention the question was raised. I am not wishing to embarrass you, because you have done an excellent job, and it is a good submission, so do not get that wrong.

CHAIR—Hear, hear!

Mr ALLAN MORRIS—But I would just like to encourage the government to see that these things would work better when government and community are working together.

Ms Olley—Very much so.

Mr ALLAN MORRIS—Which obviously you are.

Ms Olley—Yes.

Mr ALLAN MORRIS—But it would be nice if they were here as well. That way, we could actually ask them questions that we can not fairly ask you. I think that is a bit awkward. The questions you raise in terms of the various models of funding and designing and so on are all fairly relevant and all fairly pertinent, and they are all okay, except that we talk about them a lot and do not do them—the planning and the various models of funding and so on. But when you get into the question of quality and monitoring of quality, I really suspect there is a bit of a vacuum there.

We have talked about it a lot. We talk about national standards, and we try and say where are they, and how are they actually working, and who is actually monitoring, and when the chairman asked earlier about accreditation what he was really saying is that some people are saying, ‘Look, unless someone at a national level says that the standards are being applied and we are checking that they are,’ they become basically a mantra but without substance. How can we be sure that the national standards and data collection and so on are actually being applied, and are actually being adhered to across the state in some objective way? Is there a way we can do that? Do you have any advice or any observations? Because all the rest of your stuff depends on that happening.

CHAIR—Good question. Let’s have an answer.

Ms Olley—We wish we had an answer.

Mr ALLAN MORRIS—Just some advice?

Ms Olley—I think from what we have seen, we have been really pleased with the creativeness that has come from the Commonwealth government in HACC, and there has been a number of working groups—for instance, there is one now on assessment—and these have been really positive inputs to HACC. So I guess you have got the creativeness there to do something in that area.

Mr ALLAN MORRIS—Were you part of the forum over here on the HACC report after the report came out?

Ms Olley—Yes.

Mr ALLAN MORRIS—So that is all going on. I am pleased that that is still happening. But I guess in a sense I am asking you about this at a personal level for each of you, given that things have moved on. When we had the inquiry, there was not a Western Australian HACCAC. It did not exist. It had been moribund. So you have been recreated, which is great. You have been regionalised, which is great. You have regional budgets, which is great. We are moving on national standards. All those things are excellent. But if you were the federal minister or if you were us, what would you recommend about making sure that the national standards are actually being adhered to?

Ms Olley—I think we have got to wait to see. There is a model that is being

planned at the moment. That has been flagged by the government. We have not seen it. I guess it is our place to comment on that when it comes through, and have input. It is really hard for us to comment unless we see some sort of model. When that comes through, then it will be part of our job to actually look at that model.

CHAIR—That will be our task, I imagine, as the committee.

Ms Olley—I think what is important for you to know is that we do not actually advise on any of the funding issues.

Mr QUICK—I want to put on record, Mr Chairman, my extreme disappointment that the state Health Department has not been here. I think they have sent in very well-trained and dedicated foot soldiers while the generals are sitting on their heels, watching. I want to ask a whole heap of questions. You mentioned that there had always been competition in Western Australia, yet Silver Chain probably provides 80 per cent of HACC services in this state, and has done for a long period of time.

Ms Olley—I would like to clarify that term that there had always been competition. When people have gone for the old model of funding, it is a naturally competitive thing. If there is an ad in the paper, a number of agencies apply. It is in that respect we are saying there has always been competition.

Mr QUICK—Who sets the priority of services currently provided?

Ms Olley—The priority?

Mr QUICK—Yes. For example, I understand the people who are talking to us next state in their submission that there are 38 per cent of funds dedicated to community nursing, 15 per cent to home help, 11 per cent to community respite, and only 4.7 per cent for the community options programs.

Ms Olley—The government would set the priorities in those, but we would comment—and that is all we could do.

Mr QUICK—So if we had competitive tendering and the government said, 'Home help is pitifully low at 15 per cent and we need to increase it to 45 per cent,' they could put out a tender to say, 'We need to sort out the unmet needs.' Because one of my next questions is, what is the level of unmet need in the HACC services in Western Australia, considering that you have, probably along with Tasmania, the highest proportion of aged population?

Ms Olley—Yes, there is always going to be unmet need because it is not a bottomless pit of money. I do not really know the answer to that. There is a dilemma. We were talking to the Minister for Health just recently, saying that we would like the fact that HACC services exist to be known in the community, but you have got the dilemma then of the amount of money, and once it becomes really widely known, can we service everybody? Already there is a pressure on HACC services, and they are saying they are

full, full to capacity. So there is a need out there.

Mr QUICK—Has Western Australia implemented the fees policy where people pay 20 per cent cost of the service?

Ms Olley—I believe the Health Department has put something up to the minister, but that is all we could say at this point.

Mr QUICK—So WA is probably the last state to implement that 20 per cent user pays. So if that was implemented—

Ms McDonald—We do not know if it is the last state, but it has not—

Mrs JOHNSTON—There is fee for service now.

Mr QUICK—There is fee for service? Yet these people are not aware of it.

Mrs JOHNSTON—There is a very small percentage that I understand a client is now expected or asked to pay for a service at home, and it certainly is happening with Perth Home Care.

Ms McDonald—Yes, but I think you were meaning the national fees for service policy.

Ms Olley—The national fees for service policy—the state has not implemented state legislation on that, but agencies are moving towards that, because we know that for increased funding that is what is going to be needed.

Mr QUICK—If we set up a tendering service, would Silver Chain swallow up most of the services?

Ms Olley—That is not our role.

Mr QUICK—No, but I am asking you—you know that currently Silver Chain have got probably 80 per cent of the services, and it is basically within—I do not know—a couple of hundred kilometre range of the CBD of Perth, and outlying services are less adequate than those in that radius I have spoken of. So if we did say, 'Look, competitive tendering is the way to go,' what would the impact be on Western Australia? Would Silver Chain get the pickings, or more of the pickings than they currently have? Would it be detrimental to the service in Western Australia?

Ms Olley—We certainly could not answer that.

Mr QUICK—But you are advising the minister.

Ms Olley—Not on funding, not on allocation of funds.

Mr QUICK—But you must know the impact if one person got more. I mean, it has 80 per cent now, and you know how effective, or ineffective, the service is. If they got the whole state, would that be far more effective? Would the people in the Kimberley get a better service than they are currently getting?

Ms Olley—I think we have already commented to the government that we are a bit concerned about one agency dominating. In the sense of nursing care, they are the best. There is no doubt about it. They are excellent in nursing care, and that is not an issue. I think it is the other areas of HACC where there are community based organisations that are closer to their community; aged people in their community have related to them for years. That may become an issue.

Mr QUICK—In light of the fact that there are about 323 organisations providing HACC services, how many new ones have jumped out of the ground in the last five years? In light of the fact the target group has had some additional followers like people with AIDS, people with psychiatric disabilities, and post-acute care, and cost shifting from the state to the Commonwealth, which has forced another sort of group out, how many new services of the 323 have jumped out of the ground in the last five years?

Ms Olley—I do not know that we could correctly answer that, but we could give you that information. We could access that information.

CHAIR—The department answered that earlier, Harry.

Mr QUICK—No, not on HACC.

Ms Olley—We have put something in here, but it does not answer your question regarding the new services within the last five years.

Mr QUICK—No, especially in light of the fact that the program was designed to receive 20 per cent growth funds per annum, and probably got a tenth of that in the last few years from state.

Ms Olley—We would be happy to provide that information.

CHAIR—You can take that one on notice.

Mr ALLAN MORRIS—There may be a typo in it. In two submissions, yours, and that of the next witnesses, one says 233 and one says 323, so one may be a typo. So when Harry said 323, it may be 233, rather than 323.

CHAIR—Could you take that on notice to clarify it for us, please, and the secretariat will follow that up with you.

Ms Olley—Sure.

CHAIR—I propose to end it there, although Mrs Johnston indicated she had one

last question.

Mrs JOHNSTON—It was really just more of a clarification. We seem to have used the term ‘self-employed nurses’ delivering a service. In my association with this industry, I have not been aware of that, but obviously you in your capacity as the advisory panel may be more aware of that. Could you explain whether it is actually happening in Western Australia, that self-employed nurses are accessing HACC funding in providing services to the community?

Ms McDonald—No, not accessing HACC funding.

Mrs JOHNSTON—I think we need to clarify that very carefully.

Ms McDonald—Contract out from.

Mr ALLAN MORRIS—Community options?

Mrs JOHNSTON—No, not community options; no way, not in this state, to the best of my knowledge.

Mr ALLAN MORRIS—But they can do so.

Mrs JOHNSTON—No, they can not.

Mr ALLAN MORRIS—Yes, they can.

CHAIR—Okay, let’s not have a debate about it.

Mrs JOHNSTON—Let’s ask Ms McDonald.

CHAIR—I am aware that from a Victorian point of view it does happen.

Ms McDonald—It is not happening in Western Australia.

Mr ALLAN MORRIS—Right. From recollection, at the hearings we had before on HACC, I thought in some of the outlying areas, community options were using self-employed nurses engaged on a per-hour basis.

Ms McDonald—Sure, but those nurses are not then directly HACC funded. That is out-funding.

Mr ALLAN MORRIS—No, community options programs.

Ms McDonald—Community option programs are.

Mr ALLAN MORRIS—Which is HACC-funded.

Ms McDonald—Yes.

Mr ALLAN MORRIS—Yes, community options at a HACC program—

Ms McDonald—And contracting—

Mr ALLAN MORRIS—To a self-employed nurse in remote areas. And I thought, Mr Chairman, that was the case in Western Australia.

CHAIR—If it was not for nurses married to farmers in some of my rural towns, we would not get the service.

Mr ALLAN MORRIS—I am not disagreeing with it. I think that is a pretty vital thing. If it was not for them, there would not be a service, so it was not a criticism. It was just to ensure that we understood that it was not simply a commercial organisation like Doug Moran or somebody. A lot of the people were actually people like self-employed nurses who were in the same community. So I am not being negative, I am just trying to be clear.

CHAIR—I think the point was just made to justify the distinction. There is a wide variety in for-profit organisations themselves, from single-operator to big organisation.

Mr ALLAN MORRIS—It is probably why, Mr Chairman, I should point out why the previous HACC inquiry recommended in favour of allowing for-profit organisations to be funded by HACC direct; partly because they were via community options, and therefore they were being funded indirectly and that seemed unfair. But also in some areas, a local hotel providing meals was an alternative, or self-funded or self-employed nurses were very real options that should be available to all people. I was not anti that, I just wanted to—

CHAIR—Can we leave it at that? Our next witnesses have been waiting for a while. Can I thank Ms Olley and Ms McDonald for their time appearing before us today. The *Hansard* record will be available for you to peruse; there may be things that you have said and others have said that you could have further comment on. Thank you once again.

[11.24 a.m.]

DULLARD, Ms Helen, Board Member and Service Provider, WA Network of Community Based Home Care Services Inc, 79 Stirling Street, Perth, Western Australia 6000

ROBERTSON, Ms Rachel, Senior Policy Officer, WA Network of Community Based Home Care Services Inc, 79 Stirling Street, Perth, Western Australia 6000

TAKAYAMA, Mrs Leonore, President, WA Network of Community Based Home Care Services Inc, 79 Stirling Street, Perth, Western Australia 6000

CHAIR—Welcome. You have jointly prepared the submission that we have received between the three of you, thank you. Before proceeding I need to point out that whilst this committee does not swear its witnesses formally, the proceedings today are legal proceedings of the parliament and warrant the same respect as the House of Representatives itself. Therefore any deliberate misleading of the committee would be considered as a contempt of the parliament. We have received a copy of your very comprehensive submission and it now forms part of the published volumes of the inquiry so you need not feel any desire to read all that into the public record, it is already there—but you might like, each of you, to make an opening statement.

Mr ALLAN MORRIS—Mr Chairman, could I seek leave to apologise. One of these witnesses I have actually referred to in an alternative submission, so when I mentioned Rachel Robertson it was actually in a different submission, so I apologise for that. I hope I have not put you in an awkward situation.

CHAIR—You have corrected the record. Thank you for that. In whatever order you would like to make an opening statement, I am in your hands.

Ms Robertson—Thank you, and thank you for the opportunity to be here today. As you say, you have read our submissions so we will try not to repeat. What we have come here to do today is to also give you the opportunity to ask questions. Two of us here are service providers and I am a policy officer working closely with service providers, so we anticipate we can give you some more concrete examples in the area of home and community care. I should point out that our submission and the things that we have to say in preface now are based upon a broader cross-section of agencies because of our knowledge and our research on other areas of funding, including family support services and disability services, but our own particular expertise is in the area of home and community care.

Just to introduce the WA Network, it is a group that has been around for 12 or 13 years. It is an independent association incorporated for those people working with frail aged, people with disabilities and their carers. We have a membership of around 98 organisations and you will be interested to know that 38 per cent of those are outside metropolitan Perth. They range from organisations in Broome, Kalgoorlie, the western desert, Albany and in metropolitan, outer metropolitan Perth.

I am employed as a part-time policy officer. For the last year the network has received a small amount of funding to have a policy and liaison officer. I have here to table the 1996-97 annual report of the WA Network which gives further information and a list of current members then, as at the end of the financial year.

CHAIR—Thank you for that. I wonder if the members might want to peruse that.

Ms Robertson—Certainly.

CHAIR—There might be some questions arising, now that you have tabled them.

Ms Robertson—Thank you. I would like to make a number of key points. I think there are five key points we want to make. Obviously in our submission we raise some concerns, and that is in response to our membership, and we would like to discuss those a little bit further. The five points I want to make are that in our view we believe that governments should take a continuum of procurement approach, that is, different funding models should be used to purchase services from non-government organisations according to differing contexts and circumstances, and that one model will not work in the HACC sector, nor indeed in other wider sectors.

In any case the impacts and outcomes of using competitive tendering as a model for funding should be weighed up and potential losses considered as well as potential gains. It is obviously those losses that we are focusing a little bit on because we believe we have a good sector in WA and we do not want to lose what is working well. We also think that sometimes competitive tendering is viewed as an end in itself, competition as an end in itself, and in this area we feel that it is not. It should be viewed as a means and sometimes it is the right tool to help fund an organisation and sometimes it is not.

With regard to quality control, there have been some discussions about that today and my own feeling about competitive tendering is that it is a very good way of quality control with regard to the quality of writing tenders. The person or the organisation who is most successful at writing tenders and completing forms is likely to win tenders, rather than necessarily the one that is most successful at delivering services. As a quality control mechanism I think it has limited use.

We would also like to raise another issue that has been raised before—partnerships between government and the non-government sector. We really would like to see them developed further, strengthened, and that is so important for consumers in the HACC area in particular. These partnerships are not just words, they have to be based on a reality, a grass roots reality, common goals and directions, needs based planning processes that really work, equity for consumers in resource allocation—so that some organisations do not get more funding than others that have more consumers; those sorts of issues—a diversity of consumers and a diversity of service providers and choice for consumers where they are able to exercise that choice—and that means small agencies as well as large agencies in the sector—and security and continuity for consumers. I think you would realise that is very important for people who are frail aged, or have disabilities. These people are under enough stress. They do not want to keep having discontinuity.

Finally, in the area of partnership, we think there do need to be more resources devoted to partnership initiatives, projects. A lot of them can be about quality, benchmarking, but it needs to be a partnership approach, not a government talk-down approach. Our fourth point is about the better coordination and integration of the HACC program, and there are a lot of moves nationally to do that, and we realise that it is a significant problem. We are concerned that any form of competitive tendering will actually work against some of those national initiatives. Everyone in the HACC program realises there are many diverse players and we want to work on collaboration.

We also would like to see government departments better coordinated—and I think this was raised earlier. One of us here runs an agency with six different government streams of funding and the accountability for each of those is different. Even within the Health Department, which is the department here that manages the home and community care area, even within that, two or three different sections of the Health Department have different requirements, different quarterly reporting of finances, different contracts and letters of agreement, different time lines, different approaches, different officers in the field. The mental health units, the women's health area and the home and community care area have very different requirements. If you are an agency in the field trying to coordinate with other agencies this makes it very difficult.

We are also looking for better coordination at the service provider level, and I think service providers recognise there is a need. An example of this is the numbers who joined this network and meet in their regions, including in Perth and seven other regions on a regular basis. In Perth we might have 40 different services represented at one of our monthly meetings. That would be just one of the networking occasions they attend, so there is that commitment to networking. But sometimes that costs and sometimes it takes time and that needs to be recognised.

My fifth point here is that the main issue for the HACC program and the consumers is the lack of resources, the unmet need which is very high in some areas of WA at the moment. There are new populations coming in—for example, people with psychiatric disabilities, people are being deinstitutionalised. For consumers the real issue is there just are not enough services and there is not the clear information about what services are available. I can tell you a good example: someone rang me and said, 'You are the 33rd person I've rung. I just picked up the yellow pages and I was trying to find something for my elderly mother who has had a stroke.' Now, 33 phone calls down the track, she had been in contact with people and none of them were able to give her that service. Her next phone call was to her minister—

CHAIR—Was she in an urban area or an isolated area?

Ms Robertson—No, she was in an outer metropolitan area of Perth. The issue of unmet needs cannot be resolved by however efficient and effective any form of service provider is. There is just a huge growing population and I think we are all aware of that problem. We are working in that context. We have some concerns over the notion of competitive tendering being introduced into HACC. We know that there are discussions, certainly at the state level, that competitive tendering is likely to occur in the ageing and

disability field. Some disability funds are already competitively tendered in WA and, as you have heard, the Department of Family and Children's Services, which is a different department from the Health Department, has already pursued competitive tendering in that field. We have been able to watch what has happened in that field from the service provider level, and I think have learnt some things.

So our concerns relate to the consumer level, some of their experiences: continuity of service, reduction of service range, sometimes of service quality because of the lack of flexibility, the rigidity of funding technologies, special needs of consumers, for example, for Aboriginal specific services some of them do not even tender for funds now because it is not a way they feel comfortable working; and the costs, the creeping cost. We have heard some examples—not all of them can be proven—but we have heard that, for example, Meals On Wheels in a Victorian region was actually tendered out and the group that got it was not the group that had been running it before, so the voluntary Meals On Wheels Association did actually close down. The volunteers left the field, probably went into another area, but the group that actually—

CHAIR—Be careful about hearsay. It is a long way from Victoria. We have actually been there, but there is a concern about some of what you have said.

Ms Robertson—Our concern there is more about the loss of volunteers and the loss of that non-profit group and the associated wisdom that they have in that area. As I say, that one was just something we have heard, and that is the sort of thing that people hear and they are concerned about. We also know from other countries—there has been research in other countries about the effects, and while I am not saying it is comparable, we have certainly heard that American people in the field look at what is happening in Australia and marvel at the wonderful HACC services that we do have.

They have had an experience where costs have increased in America as a result of some of those moves. In fact, someone at the World Congress of Gerontology recently quoted that in the USA it is nine times more expensive per head of population than Australia for services that he considers to be of less high quality. So we have heard some stories where cost actually appears to be lower and then creeps up, and that is one of our concerns, because of the level of unmet need.

In terms of service provider, the issue of collaboration and information sharing has been raised. The issue of rural agencies—it is very important that there is employment in rural regions, and I do not think that it is the same to have a larger agency flying in or flying out or outsourcing all services; it is important for people to feel there is someone providing services in their region. It is employment, it keeps younger people in a town, it therefore helps older people stay in the town, so that is very important.

CHAIR—Ms Robertson, can I say that a lot of what you have said is in your submission. I am not wanting to constrain you, but members are champing at the bit to get to the bone.

Ms Robertson—Certainly. Our concerns are at the level of consumers, service

providers, the community, that loss of volunteering, and government. We are happy to answer questions about those four different areas, thank you.

CHAIR—Thank you. Ms Dullard or Mrs Takayama, do you want to make a brief statement?

Ms Dullard—Very brief. I would just like to say that I think our concerns relate to why government is moving into competitive tendering; is it sure why it is moving into it, and does it have a well-documented process? Is it just because, as has been discussed earlier, there is a lack of a good monitoring tool to see whether they are getting an effective, efficient service? That is, I think, perhaps worth asking. That is all I have to say.

CHAIR—We are asking the same questions, too, as a committee. That is what we are trying to get to the bottom of. Mrs Takayama?

Mrs Takayama—No, we are ready for questions, thank you.

CHAIR—Thanks very much. I did not want to cut you off there, but I know the reputation of members here, they want to get to the bone very quickly and in the interests of balance I think it is the turn of members on my right: Mr Quick.

Mr QUICK—In light of your statement that:

government should provide welfare services in the following instances: where citizens have a universal right to such a service; where the service is related to entitlements and eligibility criteria; where the service has a statutory function; when the government can provide the service at the lowest cost or highest quality; and when intervention is required to rectify market failure, for example for remote populations

wouldn't competitive tendering ensure that all of those criteria were met far more effectively than what we have got at the moment, where services have grown up higgledy-piggledy?

In Western Australia you have got one organisation that has a huge monopoly. What if, in order to ensure that everyone has got a universal right to a service, and irrespective of whether you live at Kununurra, Kalgoorlie or five minutes from the GPO, the government could say, 'We are putting a tender out to ensure that this is going to happen and these criteria have to be met.' As you say there needs to be a dollar equivalent for some aspects—meals on wheels costs so much per unit to person. If you put all that out there in the real world, service A says, 'We can provide meals on wheels for \$1.27 because we have got 41,000 people currently under HACC services and receiving meals on wheels and the cost-benefit ratio can come down.'

Ms Robertson—A couple of comments in response to that. Firstly, I think we tried to make the point in our submission that competitive tendering as such is a marketplace solution, or a marketplace tool. If you are talking about an area where the marketplace has failed, that is people who are on pensions who cannot afford to buy the services, that they need to stay in their own home, then a marketplace tool is not likely to be the most

effective, and that is our position.

In the case regarding higgledy-piggledy services, the reason those many diverse services have grown in WA is because they have grown from the needs of the people in their communities, they are local solutions to local problems. Many of them were running before they received any HACC funding. They have changed. They have become more professional, they have grown. Many people who used to be volunteers are now paid workers in the field, but they still are local responses to local problems. People live in a real environment. They live in a home and that is where they want their responses to come from. They do not really want something that is put out through a different mechanism that is determined by government, that is advertised in the paper that anyone can apply for. They want that personal connection with a local association.

Mr QUICK—Okay, so with an ageing population and suburb A that is currently delivering say 165 meals per day, right; its ageing population is going to increase over the next five years, all the ABS statistics are there, a local government agency can tell them, right?

Ms Robertson—Yes.

Mr QUICK—They are not going to get any additional money. They are still going to do their 165 because Meals On Wheels might receive a five per cent increase in funding if they are lucky. So there is a huge unmet need in this area A. Also in area A, or just alongside, because someone has drawn an arbitrary line—a council group—that area B is there. If there was a more collaborative approach to the aged care needs of those people the unmet need would surely be better met. The Canning City Council—if there is such a group—would say, ‘Look, ABS figures say that there are X number of people 75 plus and we’ll write to them and say, “The service is here and if you’d like to access it, get it touch with Rachel Robertson on such and such a phone number, Canning City Council.”’ If you do not want to access it, that is fine, but at least you know the service is there. Then you can put out a tender and say, ‘As a result of our survey we know that there is a 20 per cent unmet need,’ and put a tender out. At the moment it is all sort of anecdotal.

Ms Robertson—No, I think the process of tendering has very little to do with how you plan what your needs are. You need to do needs based planning. Then, if you realise there is a need for more meals on wheels in an area, the question is how will you determine where those funds will go to pay for that? Will you buy them from a catering firm? Will you buy them from the hospital? Will you buy them through the Meals On Wheels service, which will also deliver them? I think we are talking about how that happens.

A very good example is the involvement of local authorities where they actually sponsor HACC agencies. They receive HACC funding, but they add a significant component of their own funds. If they have to apply through competitive tendering for that, many of them have said they will not actually do that. They are in the business of servicing their local area, and they will add value. They contribute free administration costs and financial costs. They help with the building where there are day centres. Local

authorities contribute a huge amount in partnership with HACC funds, and so do the non-profit groups and many of the charities. So by competitive tendering what you are doing is sending all those groups to apply for funds against one another, rather than taking that partnership approach.

Mr QUICK—But getting back to my point, in area A there might be seven little groups, right—and, as you say in your submission, there are probably close to 50 per cent receiving less than \$50,000 per annum. I used to be involved in a community group, and my concern is how much goes out in administration costs of that \$50,000, and how much actually goes out in service provision. The administration costs of those eight or nine agencies would be a lot less if they worked collaboratively, and the percentage of service provision would be increased. And, as you say in your submission, growth funding has not appeared and there are a whole lot of new groups that need to be targeted.

But if we said to state and Commonwealth governments, ‘Let’s find out what the unmet need is. Let’s put out a tender and let’s make sure that 20 or 30 per cent of people who currently do not get any service at all, or who get their Mickey Mouse one hour a week when they need five hours, is met’—

Ms Dullard—Could I just say that perhaps another way to respond to that would be for the government actually to look at the second step: as you say, there might be an agency there whose first step is heavy on admin costs, but whose second step will not be. Would it not be good for the government to look at that second step, which could—if you funded it, sort it out, it was doing a good job—get more value for money at the service provider level, because the infrastructure has gone in the first round of funding. That is what we are experiencing; it is not happening; that those organisations are not even aware that a tender has been put out.

Mr QUICK—You say in your submission that the Health Department has got a different sort of outlook on competitive tendering than has a previous witness, community services, and somebody else has got a different tendering approach—the Disabilities Services Commission I think has got a different approach.

Ms Dullard—Yes.

Mr QUICK—In light of my question a bit earlier about the so-called rumour in Western Australia of having a super ministry, that will mean fewer costs, hopefully, administratively, and you would have one hoop that you would have to jump through, rather than the two or three that you are jumping through at the moment.

Ms Robertson—With regard to the super ministry, the proposal we have heard is that the super ministry would include Housing, Disability, and Family and Children’s Services. I do not know, but at this stage we have not heard that it would include the Health Department. I do refer you of course, to my earlier comments that one section in the Health Department does not have the same requirements as another section, and they do not appear to communicate, so have different expectations of agencies.

Mr QUICK—Would it make your job easier if you had one super ministry, one master rather than four?

Ms Dullard—Can I just respond to that. Because we are responding to the Disability Services Act at the moment where that question is being addressed, our feeling is that as long as there were some statutory bodies in there to make sure that the disability sector, let's say, and the need for funding was not lost within that super ministry, that there were some very clear processes whereby the minister could be made aware of disability issues, and that they not get swamped, and equally for the other players in that ministry—

Mr QUICK—That super ministry would cut back on your administrative costs. Rather than putting four separate submissions to four separate departments, you could put it into one, basically, that hopefully would read it and implement it far more effectively than four separate departments. As you say here, government is taking months. One report even noted seven months following the call for tender bids before notifying any agency of its decision.

Ms Dullard—It is a bit difficult to comment on the model they have got in mind because, of course, we are not being consulted yet.

Mr QUICK—Yes. Thanks.

Mr ALLAN MORRIS—Can I just firstly clarify, Rachel, you work for WACOSS still? It looks like, in your annual report, that WACOSS contracts you to the agency?

Ms Robertson—Yes, that is correct.

Mr ALLAN MORRIS—I just wanted to get that clear.

Ms Robertson—The WA network buys my services two days a week.

Mr ALLAN MORRIS—Yes, that is what I thought was the case, but I just wanted to clarify it. Can I just get to really the core issue, as far as I can see, and it is this question—a two-link question—about unit cost and quality. I understand from your submission that Western Australia is carrying out some assessments of unit cost, and you are raising concerns about whether or not they can measure all the measurables. I share those concerns very much. One of the options in terms of the competitive tendering model, if you like, is to work out what is a reasonable cost, or what is an appropriate cost for an hour of nursing care in, say, Karratha, or Broome, or metro Perth; let a tender to an organisation to provide that, and then the consumer could in fact access those services at that rate.

Now, such a system would in fact probably be more effective than many that we have now, if we could overcome the costing and quality considerations. It would not be a dog-eat-dog or organisation-eat-organisation situation; it would be a way of actually ensuring that the person was getting a reasonable service, and the community was paying

a reasonable price. Can you see a way of getting from where we are towards that kind of situation, where your client is provided with one hour of nursing service at \$25, and they have a choice of only one provider or a choice of three providers to provide that service?

Ms Robertson—If you are saying that a consumer could then go out shopping for their hour of service in a sense—

Mr ALLAN MORRIS—That is one of the options, yes.

Ms Robertson—that is a bit like a system where you fund the consumer to purchase that service.

Mr ALLAN MORRIS—But to get to that, you have got to have a unit cost and you have got to have a quality assessment process.

Ms Robertson—You have, and they would vary widely in WA.

CHAIR—Just let them answer the question. You will get what you want, Allan, if you are patient.

Mr ALLAN MORRIS—That is okay.

Ms Robertson—My thoughts on that are that in this particular sector there may be some problems with consumers owning their own fund, pool of money, and buying services. Of course that does happen with some disability funding, but for frail, aged people I think you would have many problems and also for carers—

Mr ALLAN MORRIS—Sure, but unit costing and quality in that context—

Ms Robertson—But they could have a case manager, yes. I mean, the notion that there is a cost to every service of the right quality that you can quantify—that is, I think, the position that we are moving to in WA, trying to develop those unit costs. But the problem is that they do vary according to context and circumstance, and sometimes people's special and particular needs, which are so important in this field, get left behind. They can not be factored in because it becomes too complex. A system that works on unit cost wants only one or two different unit costs for each type of service, it does not want a range of 10 different costs according to whether you are Aboriginal, whether you are frail, aged, with a disability, or with Alzheimer's. So it always becomes an averaging.

Mr ALLAN MORRIS—So it is impossible?

Ms Robertson—It becomes an averaging—

Mr ALLAN MORRIS—Is it impossible, or is it possible?

Ms Robertson—You might like to comment.

Ms Dullard—I am not sure that I am going to answer your question, but one of the concerns we have is that unit costing does not cost in quality, and it does not guarantee quality.

Mr ALLAN MORRIS—I share your concerns. On the other hand, to try and get to a system which is effective where people get the best services—

Ms Dullard—So you do get quality?

Mr ALLAN MORRIS—Yes, linked to quality.

Ms Dullard—So you do get quality. I would agree with accreditation of agencies, and that is happening in some of the sectors. I think it is the only way to go.

Ms Robertson—I guess the problem is that if people feel that you are using the unit cost as a tool for then redistributing funds, there are problems about reaching the true cost.

Mr ALLAN MORRIS—Yes.

Ms Robertson—Because often the true cost and the price paid by government are not the same.

Mrs WEST—Do you believe that it is the role of government alone to provide the services for HACC—Home and Community Care?

Ms Robertson—No. At the moment it is mainly non-government agencies that provide those services. But do you mean in terms—

Mrs WEST—That the government funds.

Ms Robertson—The funds.

Mrs WEST—Government alone.

Ms Robertson—Does your question refer to whether users should pay also?

Mrs WEST—No, I am asking whether you believe it is the role of government alone to fund Home and Community Care services?

Ms Robertson—No. I mean, I think we value the contribution local authorities, charitable organisations, volunteers, and many people contribute to the field. That is important. It is important to keep their contributions. There is also a role for people to pay who can afford to pay and people do pay fees in WA in many areas. I think people in principle do not have a problem, so long as that is kept at a reasonable limit.

Mrs WEST—Do you feel the funding levels for Home and Community Care are

being met adequately at the moment?

Mrs Takayama—No. There is a huge unmet need out there, and I think one of the undocumented factors in the equation is the amount of informal care mostly done by relatives, neighbours and friends of our clients. There has been no documentation or quantification of this factor. It is currently being looked at in a pilot project—a community care classification project—and it is yielding very interesting results.

Mrs WEST—Your network has 94 members, is that right?

Ms Robertson—98 at the moment.

Mrs WEST—Do they give you a subscription?

Ms Robertson—Yes.

Mrs WEST—Are there any groups not included, or do you continually network to include all community associations, voluntary associations?

Ms Robertson—Our membership is open to anyone who is involved with or who supports or who is active in the field of providing community based home care services.

Mrs WEST—What do they get for their membership?

Ms Robertson—This financial year they paid \$60 membership. For that they receive invitations to regular meetings in Perth. They also can attend their own meetings in regional areas. There are subgroups. They receive a monthly mail-out with information, and a news sheet which is one or two or four pages long. They receive access to my services. Because the WA network is funded by the Health Department for my services, anyone who is HACC funded can access my services. The membership of the network allows them to receive additional information, such as a copy of the annual report, but anyone who is in the field can ring me up and request my assistance. If I am able to give it I will. I will attend any meetings I am invited to. Our membership is open to anyone, but you do not have to be a member to use the services.

Mrs WEST—Do you provide advice for all community groups on how to access government funding?

Ms Robertson—For this purpose, I work solely for people in the home and community care or community based home care field. To the extent that I am able to give them assistance on finding funds, I will do so, but mainly they work through their own Health Department contacts.

Mrs WEST—Do all your community members receive government funding in some way, shape or form?

Ms Robertson—No. We have some members who are unfunded groups, or church

sponsored groups, but the majority of our members receive funds for home and community care, and we have large organisations. The Silver Chain is a member, as is Perth Home Care Services, and we have many more smaller agencies as members.

Mrs WEST—So the community organisations are receiving government funding, and with some of that funding they are acquiring your services to provide advice or information to access further government funding.

Ms Robertson—I would say the major part of the information and advice I give is on service level issues, national and state policy initiatives, liaison with other groups, and running conferences and seminars. A very small percentage of my work would be to do with funding issues, because it is not something that we would see as a major role for my position.

Mrs WEST—You were talking about the cost and price of services. Do you see that there could be some leakage in terms of what the government actually puts out to community organisations and the actual delivery of services, or, in terms of time and quantity of service; that there is a leakage that might go in administration, or to a secondary layer almost of bureaucracy, if you like, that filters or cascades that funding, that depletes the overall government allocation?

Ms Robertson—Certainly some funds do go in running a service, and that goes to issues of employing staff and doing it properly, and rostering. It is a very complex business, employing many staff, so funds are spent on administration, and correctly so. In terms of leakage, I suspect that it is actually going the other way, and that in fact most agencies are fundraising to add to their funds; they are sponsored by a large religious group or a local authority, and therefore they actually contribute a major amount towards the service. So in fact I think that the pay-off is largely the other way around.

Mrs WEST—Can you see that governments may be looking at competitive tendering as a more direct way of funding the services that go directly to provision of time and resources, and bypassing the sort of administrative mazes that may chew up a lot of the funds?

Ms Robertson—I understand government wants to fund the actual delivery in the home, but to have a high quality care aide go into a home on time with the right equipment, the right attitude, the correct training, and to be there every day, and to be a caring person who reports back when that person has a fall or some other incident, costs money. That costs in administration. I think that will always be the case. However that money is administered, there will always be that requirement.

Mrs WEST—You mentioned lack of resources. What do you mean by resources? What do you actually mean by that?

Mrs Takayama—Lack of funds actually to provide the services.

Mr ALLAN MORRIS—Money.

Mrs Takayama—Funding.

Mrs WEST—Is it essentially money?

Mrs Takayama—It is essentially money, yes. It is money that buys the buses we need to transport people. It is money that buys volunteer reimbursements for their services—in terms of petrol, I mean, when they drive people to appointments. It is money that buys more hours of service.

Mrs WEST—Have you ever looked at a collective model that may use your resources in terms of human plus capital plus money in a different combination, using a different definition of resources; that you actually look at networking in a way that everybody helps cooperatively within that community; that you build a sense of community cooperation amongst—it is the next step to talking. It is the action and activities by other groups that can actively cooperate and help each other.

Ms Dullard—In the region that I work in, which is the east metro region, that is quite considerable, and I understand in the south-west also—in fact I think they even surpass us—they have an excellent network of people working together. We discuss critical issues like discharge planning, which is very difficult for us to all cope with, to actually prevent overlap of services and make sure that the consumer does not fall through the net. I think the networks are considerable at the moment, and it is something that could be built on. Certainly in this national assessment that is in the wings, and it is something that I think we do very well. I can not compare it to other states, but I know that in two of our regions it is alive and well and it is very healthy.

Mrs WEST—Do you input directly into government policy decision making as a group?

Ms Robertson—The network does. One of my roles is to consult with members and other HACC funded agencies and make input and responses. For example, in this way we are hoping that we will input to federal government policy, but also at a state level we do liaise with the Health Department and we do request to be consulted over issues, and we will do a consultation with members.

CHAIR—Are you satisfied that the concerns that you have expressed to us in your submission have been heard at state level?

Ms Robertson—I am not sure to what extent we have been influential yet at the state level in influencing policies of the Health Department. It is a complex thing, influencing policies in HACC, because both federal and state government are involved, and the places decisions are made are often places where we are unable to exert influence. So we attempt to raise issues and make submissions, but I am not yet able to say how successful we are in all cases.

Mr JENKINS—Is the grant under the HACC program support services subject to a contractual arrangement?

Ms Robertson—The grant for the network?

Mr JENKINS—Yes, for the network.

Ms Robertson—Yes. It is a non-recurrent grant. This particular grant for \$29,500 runs to the end of June this year. There is a standard letter of agreement or contract which the Health Department has with service providers, and we have a similar one.

Mr JENKINS—Does it set the sort of outcomes that the department expects?

Ms Robertson—Yes, and they are subject to negotiation between the board and the Health Department. The Health Department is buying certain services, if you like, for HACC funded agencies. But because the network also has a membership base, they provide other services to members in addition out of their own subscription funds.

Ms Dullard—I would just like to add that as a result of that the state was able to nominate a person from the network to actually sit on the national steering committee, and that seems to be the way it works. That is one of the benefits of that. Because the network now has a resource and policy officer we are able to write position papers and actually do a sector survey on what really the issues are, and represent the sector.

Mr JENKINS—Whilst it is not involved with direct service provisions, does that type of contractual arrangement serve as a model to cover the accountability requirements, and also to look at, by way of a partnership, both government and the agency, whoever it might be, achieving things?

Ms Robertson—I think the network board sees that they are very much in the business of partnership with government, and that I believe the network is very accountable, both to its members, but also to its funding body, and it has constitutional accountability to membership and then formal accountability to the Health Department through a letter of agreement.

Mr JENKINS—Mrs Takayama, what is the city of Stirling's involvement with HACC services as an example of local government's involvement?

Mrs Takayama—We have quite an extensive HACC funded program. We have community options. We are also funded for in-home respite and home help. We have three day centres including a multicultural day centre and one for younger disabled groups. We also have domiciliary podiatry and an extensive volunteer service and a Meals On Wheels program.

Mr JENKINS—Is local government in Western Australia, as separate from HACC services, undergoing a trend towards competitive tendering of all services?

Mrs Takayama—Not all services. Select services, yes.

Mr JENKINS—Are community and human services included in that umbrella?

Ms Robertson—Yes. I have recently heard from one local authority who sponsors a purpose built local authority day centre, their management has been told that they will have to put out to tender that service, even though it was council developed and sponsored initially. So there is a kind of double tendering process occurring.

Mr JENKINS—Again using the city of Stirling as an example, are the day centres under separate committees of management, or is it all controlled by council?

Mrs Takayama—They are totally HACC-funded.

Mr JENKINS—And managed by council?

Mrs Takayama—Yes.

Mr JENKINS—Can you give me a thumbnail sketch of what the Hills Community Support Group is?

Ms Dullard—It is an autonomous organisation that has a board of management, and it operates basically within the Shire of Mundaring. It has attracted funding in its own right for services. It provides all HACC services except Meals On Wheels, and nursing, of course, which we leave to Silver Chain. It has shire support, which is an infinitesimal amount in comparison to what the other local governments put in, but the shire does not have a welfare department as such, which is really interesting, compared to local governments. We are actually the providers of welfare services.

Mr JENKINS—What is the population of the municipality?

Ms Dullard—I do not know.

Mr JENKINS—Is it big or small?

Ms Dullard—It has got 14 towns. Geographically it is a nightmare.

Mr JENKINS—Right. I get the feel for it. Have you got any Family and Children's Services funding?

Ms Dullard—Yes, we do have.

Mr JENKINS—So you have had experience of competitive tendering from that department?

Ms Dullard—No. I have had experience of the warning that it is coming, which I was disappointed about. I reiterate again that I do applaud the efforts that have been made to actually put in some processes that can document what FACS are getting for their funding. What concerns me is that we have been told that preferred providers will go out to tender because that is the way you really do find out what the market is like, what we are offering, and what else could be offered. Again, my query is, 'Are you sure you've got

the tool that you really know what we are providing?’ That would be the question I would be asking, because I do not think that exists.

For instance, can I just say that in the forms that I send back to FACS there is no identification there of the other resources that go to make that service viable. There is nowhere that that is clearly talked about. The service that we operate through FACS is absolutely supported by the whole of the organisation to provide the quality, the decent funding, to retain a youth worker who has the qualifications necessary now to be working with young people who are very much at risk. The target group is very much young people at risk who have all sorts of drug problems. Gone are the days when you can have just anybody doing that service.

Mr JENKINS—Can I characterise what you are saying to me as you would not be scared of looking at things to see if there are better ways of doing it, or more innovative ways, but it is this commercial market testing that is queried?

Ms Dullard—Yes. I just question why it is being done. I am not sure that government knows why it is being done. I do not think they have asked the question. I do not think they have got the processes right.

Mr JENKINS—One final specific question from the submission. On page 8 you talk about Aboriginal consumers. This is of interest to an inquiry that we are doing concurrently specifically on indigenous health. You talk about how Aboriginal agencies opted out of the tendering because the process is complex, and amounts of money being offered are unrealistic, but most importantly you go on to say:

There is no acknowledgment or understanding of how Aboriginal agencies operate.

Can you expand on the whole item, but especially that last bit.

Ms Robertson—As you know, government requires a high degree of accountability from agencies; lots of reports and forms and data to be collected by postcode, by age, by all sorts of other things. There are many of those that agencies funded from any government department need to fill in. Aboriginal communities may have funding from a range of different areas, so they have all these different accountability issues, and for many of them it is a problem to get all that data. Sometimes there are cultural issues over asking for information from their consumers. Sometimes it is the way the forms are put together. Sometimes it is geographical isolation; they can be three or four days drive from anywhere else.

So the individual worker, who may be terrific at the service delivery end, at making people feel comfortable about providing the service, may be not at all comfortable with filling in forms, and therefore may be officially breaching the terms of a contract. Although there is assistance offered, if you have to drive for two days to get to Karratha that is not a really helpful form of assistance. I think in the HACC field, for example, the government project officers in the Pilbara and the Kimberley have been wonderful in providing that support. The on-the-ground staff up there provided a lot of support. But the

technologies of funding make it difficult for them to be flexible.

Mrs JOHNSTON—You all three have been very negative in your perception of competitive tendering. I have two questions. Firstly, do you see anything positive? Secondly, have you had any experience at it, rather than from what you have read in papers, or from speaking with your colleagues, or from your assume that there is going to be something where you will not feel comfortable as someone who runs the whole show? All three of you can answer that one.

Ms Dullard—I have had experience in the disability field and the mental health field, and I have a tender in at the moment with the Commonwealth. So my experience is based on having seen a process that just has not been clear about what was wanted. We were funded. We won a tender based on a service model, so that was the way the tender was written up, with no costing. Then the cost was negotiated. The cost was negotiated in such a way as to try and get the cheapest that could be put forward. I began to truly wonder, ‘Well, if you liked my service model and it had certain quality and standards in it, I’m not sure that we’re coming from the same perspective.’

Within that same tender, I was not the only one who was having difficulty in trying to come up with an appropriate costing. There was a new player in the field and he was having great difficulty working out admin costs. My budget that I had in a previous service, without my name on it, was given to him as an example of what was an acceptable budget. The interesting thing about my previous budget was that it had a one-off amount in there that was for a specific incident, which was for someone with very high support needs who might need hospitalisation. It was a one-off amount and had to be returned if it was not spent. It was presented to this other provider as total budget, which was an example of a budget that they thought was okay. So I would question legally how that could happen.

The only reason that I found out about it was because the new player was desperate for support and said, ‘Look, I’ve got a funny feeling from what we’ve been talking about that this looks awfully like your budget. Can I fax it to you?’ Yes, it was. I have had another first-hand experience where a tender was just put out by a government department; we provide a first-off where we incorporated the admin costs for the one-off first lot of funding; the funding was expanded in the same area—in our area—and we did not even know if the funding was available. We were not notified.

Now, I would say, ‘Okay, if we are doing a rotten job, tell us, for a start.’ But, sure as heck, because I know we are doing a good job, economies of scale surely would have been an efficient way for that government funding body to think it could almost put all that next bit of funding into service provision instead of into the admin where it first went. So I would question what is happening in an example like that. I am just not filled with confidence that the best thing has been done by the sector in approaches like that.

CHAIR—Those experiences resulted in a good summary on page 10 of your submission, which has some punchy dot-pointers on achieving a model. But it is pretty clear that the intention is accountability, monitoring of performance statistics, so we get a

good handle on the situation. That is in the future going to be of some benefit. We can say, 'Look, there's a model that works very well and has delivered these quality outcomes. Let's fund that.' But you have got about 15 good points there on achieving that objective without running rife with the ideology of a competition environment.

Ms Dullard—I just think it could be done with negotiation. As Rachel has already said, there are many approaches to looking at the best way to get the best out of the dollars for the consumer, given that there is such a shortage of funding. There should be a negotiation, and I think competitive tendering in this sector, which is not competitive on the whole—you know, each of us has our different areas, our different expertise, and we feel that it is being forced upon us for not the right reason. It just does not fit.

CHAIR—HACCAC earlier suggested a sort of mixed formula. Is that achievable, in your view?

Ms Dullard—I believe it is, with a partnership, and sitting down and truly negotiating what is the best way to go.

Mrs Takayama—I would like to respond to the question from a different point of view. In the city of Stirling we actually put out for competitive tendering our community options funding. Our experience with that is that the quality of the service is not reduced at all. We are very happy with the service that is delivered to the clients. But where our services come into play most of all is monitoring that service for the consumers' best interests. We find very often agencies are working with a very itinerant type of workforce which really destroys any continuity for the client and the carer, and many of them will provide a different carer up to eight or 10 times in a row for the same service. This is very difficult for the aged and people with disabilities to cope with.

This is where we are in constant communication with the agencies that we are in contract with, to try and ensure that there is continuity for the client, and that the service is performed as specified by the person who did the assessment.

Mrs JOHNSTON—I totally agree with you, but I think that is poor management on behalf of that agency, because if you were providing that service you would ensure that you would have the same carer going in as long as possible, not only because of the client, but also from the point of having to go with your carer through the requirements of that client's needs.

Mrs Takayama—Yes.

Mrs JOHNSTON—So, yes, that is a good point.

Mrs Takayama—They always promise us that they will have the same carer continuing, but there are many reasons why they can not.

Mrs JOHNSTON—You will have to change your agency.

Mrs Takayama—We are in contract with several and we experience the same problems with all of them.

CHAIR—I propose to wrap it up now. Thanks to Ms Dullard, Ms Robertson, and Mrs Takayama for your time and effort in coming to talk to us today, and the good submission you have prepared, which we will digest.

Resolved (on motion by **Mrs Johnston**)

That, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises publication of the evidence given before it at public hearing this day.

Your comments are now part of the public record and available for everybody to peruse. Thank you.

Committee adjourned at 12.22 p.m.