PRODUCTIVITY COMMISSION

DRAFT REPORT: REFORMS TO HUMAN SERVICES

Submission from

baptist care australia

CHURCHES HOUSING

Helping churches provide affordable housing.

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BAPTIST CARE AUSTRALIA AND CHURCHES HOUSING

Baptist Care Australia is a Christian association of Baptist organisations around Australia. Our members bring life-enriching care to their clients, residents, families and communities. We contribute to the economic, physical and spiritual well-being of Australian communities. Our members have an annual turnover of around $700 million, employ around 9,000 staff, and engage with more than 2,500 volunteers annually. Each year, our services touch the lives of more than 190,000 Australians.

The Baptist Care Australia network serves people in aged care, affected by family violence and homelessness, on low incomes, experiencing relationship breakdown, living with disability and affected by multigenerational disadvantage. Services provided include crisis accommodation, social housing, out-of-home care for children, counselling, no-interest loan schemes, and other services that help people rebuild their lives or live independently with the right support.

Churches Housing Inc. is the peak body for the ecumenical church and its faith-based community housing providers in the area of affordable community housing. Churches Housing sees the church ministering to their communities through the development of affordable community housing. We do this by providing consultation, information, inspiration and education on affordable housing to churches of all denominations. We also broker partnerships to facilitate development of affordable housing.

Churches Housing represents the major Christian denominations engaged in the construction, supply, management and ministry of affordable housing across a broad spectrum of needy and disadvantaged people including low income earners, refugees, the aged and elderly, the disabled and many other vulnerable groups. Churches Housing represents the Catholic, Anglican, Uniting, Baptist, Pentecostal and Orthodox churches. Churches Housing attracts most of its funding from a grant from the Department of Family and Community Services NSW.

OVERVIEW

This submission relates to the policy areas where Baptist Care Australia members and Churches Housing have practical operational expertise:

- end-of-life care
- social housing
- family and community services.

Baptist Care Australia and Churches Housing agree with the Commission's analyses of the current state of human services delivered to Australians at end of life, in social housing, and in family and community services.

However, the draft report does not present a strong case that increasing competition is the best alternative to the current inadequacies, particularly when these are largely the result of many years of inadequate resourcing by governments (especially in relation to community end-of-life care and social housing).

There would be a significant improvement for service users if some of the specific measures recommended in the report were implemented. Increased funding, greatly improved consumer direction, and sophisticated outcome measurement linked to service evaluation, improvement and innovation would certainly deliver significant benefits to service users over the current situation. This would occur without the risks and potential unintended consequences of introducing increased competition and the proposed seismic policy shifts outlined in the draft report.

These risks are real, as is being demonstrated currently with the implementation of increased competition and user choice in aged care home services and disability services.

There are significant risks to the most vulnerable Australians from wholesale policy reform to increase competition, contestability and user choice. The financial risks to taxpayers of poor implementation of policy reforms are substantial. The combination of these two sets of risks sounds a loud warning that reforms designed to improve the lives of vulnerable and disadvantaged people have a distinct chance of resulting in their being worse off. The Sturgess review of UK government contracting practices[1] paints a picture of a 'race to the bottom' where competitive tendering practices for complex human services provision are in the process of destroying the very services they are supposed to be improving.

The Commission's proposed method of mitigating these risks is much more effective government stewardship of a human services 'market'. However, the draft report makes it clear that this is a very, very long way in advance of the current approach of Australian governments to delivering human services.

Even if all Australian governments had a very strong desire to deliver effective stewardship of human services, this would entail a truly massive cultural shift across federal and state/territory governments alike. Should this be attempted and fail, these governments would not 'go out of business' as service providers do who fail to implement change effectively. Instead, it will be service users and providers who will pay the price of governments' failure to implement strong stewardship of a market-based human services environment. This is potentially the greatest risk of all.

A more reliable approach would be for governments to progressively implement some of the smaller-scale reforms described in the Commission's draft report. Significant benefits to service users could be realised through implementation of reforms such as relationship-based contracting, consumer directed care, outcomes focus, adequate funding and stronger stewardship of human services systems by Australian governments.

The draft report does not make a convincing case that increasing competition, contestability and user choice would deliver better results for service users, and lower risks, than these other reforms on their own – especially adequate funding to meet existing and future needs.

END-OF-LIFE CARE

Baptist Care Australia agrees with the Commission's assessment of the shortcomings in the current approach to end-of-life care, particularly in relation to aged care. Baptist Care Australia organisations seek to support a dignified death that neither hastens death nor prolongs life as outlined in the World Health Organization definition of palliative care.[2]

With significant changes taking place in the aged care sector, along with rapid growth in older populations, it is time for quality end-of-life care to be adequately funded within the aged care system. High quality end-of-life care could be provided within aged care home support packages if appropriately funded. At the same time, there is an urgent need to reform residential aged care funding to support the need for adequate end-of-life care for people in those facilities who are increasingly frail and have complex healthcare needs.

Residential aged care

The draft report points out the rapidly changing profile of residential aged care residents, with a growing number entering a facility much closer to the end of their life than as recently as 10 years

[1] Sturgess GL. 2017, Just Another Paperclip? Rethinking the Market for Complex Public Services, Report to the Business Services Association.

[2] World Health Organization. *WHO definition of palliative care.* Available: http://www.who.int/cancer/palliative/definition/en/

ago. The reasons behind this trend include longer life spans, and drastically improved support for people ageing in place in their own homes. The trend for residents to arrive closer to the end of life, with much more complex health and behavioural needs, has been so rapid and marked that there is now discussion about whether residential aged care facilities more closely resemble a 'hospice' than a 'home'.[3]

Residential facilities face an increasing proportion of residents with dementia. When people with advanced dementia reach the end of life, they are generally non-verbal, and it's usually not possibly to understand their needs and wishes. Clinicians may not be aware that they're in pain or suffering. Aged care employees often do not have the knowledge and skills to meaningfully support advance care planning conversations, and ensure they are documented and communicated across health care settings.

Even in the acute hospital setting, people over 70 years with dementia have difficulty accessing palliative care services, palliative medication and receive less spiritual support, compared with older patients without dementia.[4] A retrospective study in a range of health settings found people dying with dementia had a symptom burden comparable to those with cancer, and required more help, but received less palliative services.[5]

After-death audit data

BaptistCare (NSW & ACT) is currently undertaking a study of deaths within 17 residential aged care facilities to monitor trends in order to tailor service delivery to specific resident needs. The data available as at 31 May 2017 is based on 425 after-death audits.

The initial data highlight that 22.9% of residents who died had been in the residential aged care facility for 0-3 months while 19.1% were in the facility for 4-12 months. Combined data shows that 42% of residents who died had stayed in the facility for less than 12 months.

Of the 425 residents in the study, 74.5% were deemed to be in the terminal phase of life with only 25.5% dying unexpectedly according to the Palliative Approach Trajectories.[6] Service delivery for this 74.5% of residents typically included palliative care conferences with the resident and/or their family (58.3%) and review and updating of Advance Care Directives. End of Life Care Pathways were commenced for 56% of residents.

Also of note is that, of all resident deaths, 81.8% were managed at the facility; only 16.8% died in hospital with 'unexpected' deaths likely to be contributing to this figure. This demands a shift towards hospice-type care, away from traditional models of aged care delivery where residents previously lived for much longer periods of time.

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[3] Phillips, JL. and Currow, DC. Would reframing aged care facilities as a 'hospice' instead of a 'home' enable older people to get the care they need? *Collegian* 24 (2017) 1–2.

[4] Sampson, E. L., Gould, V., Lee, D., & Blanchard, M R. Differences in care received by patients with and without dementia who died during acute hospital admission: a retrospective case note study. *Age and Ageing* 35 (2006) 87-189.

[5] McCarthy, M., Addington-Hal, l., Altmann, D. The experience of dying with dementia: a retrospective study. *International Journal of Geriatric Psychiatry* 12 (1997) 404-9.

[6] Brisbane South Palliative Care Collaborative (2013) Workplace Implementation Guide: Support for Managers, Link Nurses and Palliative Approach Working Parties, Brisbane: State of Queensland (Queensland Health).

Implications

As the presence of an onsite registered nurse is not mandated, end-of- life care may be managed by on-call staff, particularly in rural and regional areas where there are persistent shortages of qualified professional staff.

For example, in a BaptistCare (NSW & ACT) rural facility without 24-hour registered nurse cover, the Facility Manager and Care Manager take turns to be on call and drive in (approximately 30 minutes on country roads) when a resident requires a Schedule 8 medication after hours. This is the case whether the resident needs scheduled or when-necessary medication. For one resident a syringe driver (continuous subcutaneous medication infusion devise) was used to provide a continuous infusion of medication ensuring more consistent symptom management. However, if and when a syringe driver faults or alarms, the care staff must turn the pump off and call the on-call manager to return to the facility out of hours.

Shorter stays and higher care needs in residential aged care dramatically change the nature of the service provided. People being admitted for end-of-life care need a streamlined entry process that prevents the complex grief that families often experience when attempting to negotiate a 2-month admission process while their loved one is dying.

Similarly, the assessments required to access ACFI funding should be simplified for people entering a facility towards the end of their lives. Claiming and validating palliative care is extremely difficult under ACFI and time restrictions (especially when a resident is approaching the end of their life) make placing a claim challenging. A recent snapshot of residents in 17 BaptistCare (NSW & ACT) residential aged care facilities showed that of 1701 residents, 28% were assessed for ACFI funding as high needs in all three domains (activities of daily living, behavioural and complex health needs), while only 0.25% (4 residents) had an accepted palliative care claim. This is partly because is the resident is already assessed as having high care needs in all three domains, no additional funding is available to support their palliative care needs. This issue has been well-recognised in the current reviews of aged care funding, and it's to be hoped that it can be addressed in any future reforms.

This fundamental shift with rapidly increasing numbers of people entering facilities in the final stages of their life has implications for the staffing and services required in a residential aged care facility. There needs to be more streamlined access to and funding for palliative care specialist expertise. Ideally, one or two senior nurses in each facility would have responsibility for local expertise in palliative care. At the same time, the other care staff need training to support palliative care, and staffing models need to address the changing needs of larger cohorts entering the end of life stage. The role of chaplains and volunteer pastoral care workers in providing support to residents and families becomes even more critical.

Home services

For some older people already receiving support in their homes, it would be possible to add end-of-life services to their home care package as long as their care needs remain at a lower level of complexity. This would no doubt be preferable to many care recipients and their families than having to relocate at the end of life to residential aged care or an acute hospital.

The appropriate level of funding for this extended care would need to be determined to ensure these older people receive the level of care and expert advice they need. With the recognised scarcity of community-based palliative care services noted in the draft report, it would make sense to see this service as a natural continuation of the aged care system (that is, for those people already receiving aged care services). This would avoid the complexity of transferring care from a federally-funded to a state-funded system like community-based palliative care services.

SOCIAL HOUSING

Baptist Care Australia and Churches Housing strongly agree with the Commission's assessment of the current state of social housing in Australia. It is encouraging that the Commission understands the importance of social housing to community and individual wellbeing, and the serious implications of the system being broken. However, the most pressing need is not greater user choice, competition or contestability. It is reversing decades of neglect of public housing, and ensuring the supply meets rapidly increasing demand for sustainable, secure, low-income rental properties.

Safe and secure housing is a critical foundation for a range of health, education, financial and social benefits. Policy reforms should be based on the goal of providing more secure, safe, appropriate and affordable housing to the people who need it. Our preference is for this goal to override any ideological adherence to competition. Given the current parlous state of social housing in our communities after decades of underfunding and neglect, we want to see significant improvements in the security, safety, appropriateness and affordability of social housing as soon as possible. This would start, not with wholesale policy reform, but with adequate funding – both from governments and through private capital. There has been such accumulated neglect of social housing for so long, it will take concerted effort and investment to bring the sector to a place where policy reform might safely introduce contestability and user choice to the system.

It makes sense to us that organisations developing housing policy should be different to those providing services.

However, mandating that organisations to manage tenancies must not also deliver tenancy services is not equally sensible. Our experience in the housing sector suggests that this may be an idea that doesn't work all that well in real life.

Churches and faith-based organisations approach their involvement with social housing in a person-centred and holistic way, by providing both housing and a range of services to support tenants. Mandating the separation of tenancy management and tenancy services would in effect be moving backwards, away from a holistic person-centred approach to a more siloed one – exactly the opposite to the main thrust of the person-centred reforms currently under consideration by the Commission.

The NSW Government's Social and Affordable Housing Fund has issued 25-year service agreements which include wrap-around services along with housing to ensure the best opportunities are provided for tenants to improve life outcomes. Community housing providers are now investing in support staff and building partnerships with others to ensure wrap-around services are provided in line with these agreements. This is a recognition that housing and support services go hand in hand to deliver transformational outcomes in the lives of vulnerable tenants. It also provides an opportunity for providers to build with a more holistic approach. Providers are now building with a greater focus on developing a sense of community, through shared spaces that support strong relationships, places for support and training, and a myriad of other services not just through programs but also through the built form.

Relevant examples exist in other sectors. For example, the National Disability Insurance Authority established a system where service provision and needs assessment must be undertaken by different organisations to avoid conflicts of interest. It was not long before practical issues arose that argued in favour of closer connections between service providers and assessors. National Disability Services has recommended several strategies to help involve service providers in service assessment

and planning processes to overcome serious problems caused by the current gulf between assessors and service providers.[7]

Baptist Care Australia and Churches Housing support the Commission's proposal for consistent national regulation across all types of housing and tenancy service providers. The National Regulatory System for Community Housing (NRSCH) should be suitable for this purpose without major changes, except for bringing in the States that have not yet joined the system.

The NRSCH sets out key performance requirements ensuring transparency, governance, probity, financial viability, management, assets and tenancies are all adequately managed. We would support the concept of State public housing also undergoing the same checks and balances, however this would require the Registrar's office to become independent of government to ensure there are no conflicting interests. There should also be a national body to oversee the state operations and to report on efficiency and innovation to the Federal government.

There may be a strong case for State governments to hand over responsibility for all social housing to community housing providers. This would need to be done in a strategic way that benefits tenants and allows community housing providers to effectively leverage assets or tear down and rebuild assets no longer fit-for-purpose. State governments seeking to maintain control by having the housing assets on their own balance sheets may be a blockage in freeing up new investment and recycling of aged and inappropriate assets.

We support resolving the current government support inequity between public, social and private housing tenants. However, this should ***not*** be to the detriment of those who are currently enjoying more government support than others. If the Commission's suggested reforms go ahead to support tenants and charge rents on equitable terms across all housing types, the worst possible outcome would be for public housing tenants to be forced further into poverty because their government support is insufficient to pay market rents. The current discrepancy between public housing and private market rental is so enormous in both Sydney and Melbourne that seeking to initiate any reform that opens vulnerable people to market rates may have serious consequences, with any current payments being hopelessly inadequate to make up such differences.

For example, a single pensioner renting a one bedroom unit in Campbelltown NSW through the private market will be paying 81% of their income in rent if paying the median market rental price.[8]

Sydney has seen market rents follow house prices which have increased 70% over the last five years, with wages only increasing by 13%.[9] Renters in both Sydney and Melbourne are now particularly squeezed in the private market, with most people on very low and low incomes experiencing housing stress. Pensioners, workers on basic wages and those on Centrelink benefits are particularly vulnerable.[10] Many of these people may have been eligible for public housing in times past but under-investment over many years has led to the many problems the draft report has defined.

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[7] National Disability Services. *How to get the NDIS on track*. May 2017. Available: https://www.nds.org.au/pdf-file/fb95ed81-c92f-e711-a0f7-0050568e2189

[8] Rental data retrieved 3 July 2017 from: https://www.domain.com.au/rent/campbelltown-nsw-2560/apartment-unit-flat/1-bedroom/

[9] Butler J. (2017) This chart shows just how ridiculous Sydney house prices are. Available: http://www.huffingtonpost.com.au/2017/03/20/this-chart-shows-just-how-ridiculous-sydney-house-prices-are_a_21903757/

[10] Anglicare Australia (2017) Anglicare Australia Rental Affordability Snapshot, Canberra. Available: http://www.anglicare.asn.au/docs/default-source/default-document-library/rental-affordability-snapshot-2017.pdf?sfvrsn=4

For all these reasons, Baptist Care Australia strongly supports retaining income-linked rents for social and public housing, rather than exposing vulnerable people to the vagaries of a volatile private rental market.

Economists throughout the last century have written about and documented the relationship between investment and productivity. Without investment, productivity growth is dampened. Significant investment in social and affordable housing may result in:

- economic stimulus through the flow-on effects of a mini building boom
- a new market for housing, different from the short-term investor-driven boom we have seen. Benefits may include:
    - attraction of larger institutional investors i.e. super funds.
    - a market not dependant on capital growth but cash-flow for profit. This is where government will need to provide certainty and incentives.
    - businesses employing low-moderate income earners benefiting from improved recruitment and retention figures.
- community housing providers maturing into large and viable organisations that have economies of scale and ability to generate new and ongoing investment and growth in their housing portfolios
- a renewal of social housing that is fit-for-purpose and the ability to offload aged assets as and when needed with an ongoing reinvestment in new stock
- pressure easing over time in the regular housing market as community housing growth creates flow-on positive effects
- new models for both rental schemes and affordable purchases.

Business and governments must accept that long-term affordable rental is now the only option for many workers in capital cities. This will assist in developing new models for housing and take the pressure off the lower end of the market, including social housing. It may also become an economic driver in its own right, particularly in supporting businesses reliant on low to moderate earners.

By far the most urgent priority for low-income renters is to increase the supply of suitable social and public housing. Focussing on this urgent and pressing social need has to be the number one policy priority, far outweighing any need to increase user choice, contestability or competition in the sector.

FAMILY AND COMMUNITY SERVICES

Baptist Care Australia fully supports the Commission's assessment on current problems and issues with tendering and commissioning of family and community services.

Short time frames mitigate against robust evaluation of service provision, and hamper effective innovation. They make it impossible to co-design services with families and communities, and very difficult to be responsive to their needs. There are also very serious implications on the quality of care that results from funding instability and uncertainty for skilled workers to deliver services.

We strongly support longer contract time frames in family and community services. Seven years is an appropriate length of time to provider higher quality, better service evaluation and improvement, and support innovation.

As Sturgess points out, "There can be no real accountability for performance if policymakers and commissioners are not willing and/or able to prioritise outcomes, provide the resources necessary to

deliver the agreed results, and allow front-line managers the freedom to innovate and the time to deliver."[11]

The time to deliver is just one of several necessary elements of contestability – appropriate funding levels are another, and being able to articulate clear outcome measures is also essential.

Outcome measures

As the draft report points out, outcome measurement in family and community services is still in its infancy. There is a general consensus that this more holistic approach to measuring social impact is far preferable to an input/output approach to commissioning and service provision.

For example, for the last two years, Baptist Care Australia member, Baptcare, has been developing and implementing an organisation-wide approach to measuring outcomes. It is now embedded across family and community services and the asylum seeker accommodation program, and the pilot has recently concluded across aged care. The development and piloting of outcome measurement is about to be implemented in social housing.

The Baptcare Quality of Life Framework has been used to measure whole-of-life quality across three impact areas (independence, social participation and wellbeing) and nine outcomes (personal development, self-determination, rights, interpersonal relations, social inclusion, emotional, physical, material and spiritual wellbeing). The Framework has been able to demonstrate improvements in clients' lives across these impact areas by using baseline and follow-up measures. At the same time, client responses also attribute a proportion of their quality of life improvement to the work of Baptcare (compared to change attributable to other circumstances). These quality measures will also start being used to improve service design, planning and delivery in around 12 months.

While the value of these types of measures is indisputable, development and implementation of robust indicators that measure the right outcomes takes considerable investment of both time and money. But the potential value in terms of demonstrating effectiveness and service improvement is enormous for clients, providers and funders alike.

However, there are currently a number of different approaches being developed across state and federal governments. Given the amount of time and money it takes to develop outcomes frameworks and indicators suitable for each program area, there will need to be a very consistent approach nationally for the true value to be realised.

Baptist Care Australia strongly supports reforms that would promote and accelerate the development and application of consistent national client outcome measures across all care sectors, including family and community services.

Regional planning

The proposed reform to plan family and community services by assessing regional needs makes a lot of sense. If done well, it has the potential to significantly improve the quality of family and community services available to Australians.

Governments must partner with communities and service providers to assess and plan regional needs. There needs to be the right balance in the numbers of people participating from government, providers and communities. There are local government areas in Victoria where this approach is working well.

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[11] Sturgess, GL. 2015, *Contestability in Public Services: An Alternative to Outsourcing*, ANZSOG Research Monograph, Melbourne, p.28.

Some government approaches to capturing client and outcome data are designed to facilitate analysis and planning of services on a geographical basis. However, on the whole, there is not widespread interest among Australian governments to invest the necessary time and money to implement this approach consistently and effectively within their jurisdictions.

Government stewardship

Effective government stewardship of human services 'markets' must include adequate funding. This is possibly the largest barrier to implementing the significant reforms outlined in the draft report.

Given where we currently are with commissioning of family and community services in Australia, it is doubtful that Australian governments are likely to commit to the level of funding and stewardship necessary to deliver functioning 'markets' in human services.

Should the proposed reforms deliver dysfunctional 'markets' in human services due to inadequate government stewardship, those who pay the price will be the people in our communities most in need of support. Baptist Care Australia thinks that this risk is far too high, and we should not attempt to deliver competition and contestability when most Australian governments have demonstrated a diminishing commitment to adequate funding for family and community services.

CONCLUSION

The practical implications of increased competition and user choice in aged care home services and disability services should be properly evaluated before seeking to implement these approaches more broadly in human services.

Many organisations are reporting that increased user choice introduced in these sectors has offered benefits to those who have existing support or advantages. Unfortunately, people with greater disadvantage and fewer supports often fare worse as their choices contract in a market-based system – often due to providers being able to choose their clients rather than clients being able to choose their providers. Evaluation of these policy reforms must include measuring unmet need, and how these changes have impacted those at the most disadvantaged end of the spectrum.

As the draft report points out, the need for reform in the nominated policy areas is urgent and serious. While the aged care and NDIS reforms are evaluated, there are a number of significant reforms that could be implemented to begin improving human services provided to Australians in the nominated policy areas:

- Greater government investment that accurately reflects the cost of delivering the service - especially in social housing and end-of-life care which have been historically starved of funding for many years
- Relationship-based contracting
- Longer contracts for family and community services
- Stronger focus on consumer-directed care across all sectors
- Outcomes-based approach to needs assessment, service design, service commissioning, provider evaluation, service management and service innovation.