



Brotherhood
of St Laurence

Working for an Australia free of poverty

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The Hon Bruce Billson MP
Minister for Small Business
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Dear Minister, *Bruce*,

Final Report of the Competition Policy Review

The Brotherhood of St Laurence supports reforms that improve outcomes for people experiencing disadvantage. Accordingly, we are interested in the outcomes of the recent Competition Policy Review, particularly the recommendation to extend competition policy to the delivery of government-funded human services.

We are keen to engage with you regarding the Government's response to this issue. We want to ensure that implementation of future reforms deliver the intended benefits, described in the Final Report of the Review as improving services for those who need them most, empowering service users, stimulating innovation and increasing productivity. We also want to ensure that future changes will not have adverse impacts on people and communities experiencing disadvantage.

It is pleasing that the Final Report includes clear principles and positions to guide the reform process. The Brotherhood strongly endorses a number of these, including:

- the need to ensure that community and volunteer service are not crowded out of the delivery of human services.
- that governments make commissioning decisions with a clear focus on outcomes, and that these decisions are sensitive and responsive to individual and community needs and recognise the contribution of community organisations and volunteers.
- that competitive tendering is not the only way for commissioning human services, and is only appropriate in particular circumstances.
- the need to foster a diverse range of models that best meet the needs of individuals and the broader community.
- the co-design of human services with community providers and people using services.

- the need for service users to be equipped to make an informed choice and critically, the need to provide greater assistance to disadvantaged groups to navigate their choices through accessible communications channels that suit their needs.
- that a culture of innovation needs to be actively encouraged including through a willingness to pilot, demonstrate and evaluate new approaches.
- that less prescriptive tender processes be trialled to encourage bidders to put forward new and innovative methods of achieving desired results. This necessitates a shift away from the current overarching focus on value for money and risk management, and an increased emphasis on outcomes.

We are, however, alert to the danger that these important principles are at risk of being diluted, or even lost, in the translation of competition policy reforms into practice.

To this end, the Brotherhood supports the Review Panel's call for the need for caution in implementation. The Report acknowledges 'there are complex issues that will take time to work through so that people's lives, particularly those facing disadvantage, are not unduly or unhelpfully disrupted.' It recommends that changes not be rushed, but instead be progressively introduced through trials or pilot schemes and that the learnings from these be shared. It also recommends that the Federal, state and territory governments each develop an implementation plan reflecting the unique characteristics of providing human services in its jurisdiction.

To assist, the Brotherhood would be willing to work with the Australian Government as it develops a response to the Report and plans for the implementation of reforms.

Before closing, I would also like to draw your attention the recommendation regarding competitive retail energy markets, and in particular the call for deregulation of electricity retail prices. Shortly, the Brotherhood will be releasing a report that highlights the shortcomings of Victoria's retail market, which I will forward to you. Improving on the Victorian experience will be essential if vulnerable consumers are to get the full benefit of de-regulation.

I would welcome the opportunity to discuss this with you and can be contacted on (03) 9483 1327 or via email tnicholson@bsl.org.au.

Yours sincerely,



Tony Nicholson
Executive Director

cc. General Manager, Small Business, Competition and Consumer Policy Division, The Treasury (competition@treasury.gov.au)