



Catholic Social Services
Australia

**Submission to the Senate Education Employment and
Workplace Relations Committee**

***Inquiry into the DEEWR tender process to award
employment services contracts***

Public Hearing

Melbourne
11 June 2009

OPENING STATEMENT

Frank Quinlan
Executive Director

Yesterday I travelled from Canberra to Melbourne on the same flight as the former Workforce Participation Minister, Brendan O'Connor. Separately yesterday I had the opportunity to chat with some of his staff. Last night in this hotel, I encountered some of our colleagues from DEEWR as I had dinner with the Catholic Social Services Australia Directors who have joined me to give evidence. I was reminded that these are all good people, attempting to do good things to assist some of Australia's most vulnerable citizens – the unemployed.

But there is something wrong with the system.

This Inquiry will rightly discuss many aspects of program design and the implementation of the tender process. But I hope, more than anything else, the Inquiry has the opportunity to ask – even if implemented with probity – is this purchasing model the best way to ensure high quality services are provided to the unemployed and their families and the broader community?

How can it be that a church-based organisation in Tasmania is invited to invest \$500,000 in establishing new services under the old contract, performs well, and then has all its contracts withdrawn just 18 months later. This is not \$500,000 in venture capital, it is \$500,000 of resources entrusted to the agency by the community of local Church – by donors, by congregations, by good stewardship over previous works and contracts.

I would contend, simply, that this is no way for any government and the community sector to be working together. We do not need to accept that premise that this iteration of the purchaser/provider model is a legitimate approach to the development and implementation of community services of any kind.

When Lawrence Hammill QC (aka Bud Tingwell) gave his closing addressing to the High Court in the classic Australian movie, *The Castle*, he argued that no amount of money could provide “just terms compensation” for the government's compulsory acquisition of Darryl Kerrigan's home.

He argued eloquently that; “You can acquire a house, but you can't acquire a home. Because a home is not built of bricks and mortar, but love and memories.”

The suburban lawyer, Dennis Denuto (aka Tiriel Mora) had argued to lower courts that this protection was provided by the Constitution of Australia, referring somewhat less eloquently to the “vibe of the thing”.

Social economists describe the argument these actors were making as the principle of “incommensurability”. As Sunstein says; “two goods are incommensurable if they are not valued in the same way, and if their assessment along a single metric therefore does violence to our considered judgments about how (not how much) these goods should be valued.”

I think the most important question this inquiry can ask is whether this purchasing system and this tendering process is actually examining and valuing all the things that a good government would hope for in a system of services for the unemployed –

or is it valuing only the very limited fraction of factors that can be measured relatively easily.

Essentially community services are person-centred. Our agencies are often the thread that links an individual with the help they need to enjoy the benefits of participating more fully in their community, including meaningful work where possible.

This is not something that happens according to a particular formula. Because of their long standing relationships with other non government organisations, local business and local health services, our agencies are able to negotiate and advocate on behalf of all their clients, and particularly for their most disadvantaged clients.

Measuring the effectiveness and value of this model of service delivery is a challenge for all of us. But to limit funding to those things that can be measured easily is short sighted.

It is our submission that the current tendering and purchasing process wastes a huge amount of government and community resources. Producing tenders alone cost our agencies hundreds of thousands of dollars. And yet for all this expenditure and effort, the inconsistent and unpredictable results speak of a purchasing system that has failed.

The inherent uncertainty in the current arrangements detracts from our agencies' capacity to attract and retain staff, especially in regional areas. Uncertainty also contributes to high staff turnover, destabilisation of the workforce and loss of expertise at a time when it is needed most.

Most importantly, uncertainty has a direct impact on job seekers, especially disadvantaged job seekers, such as the long-term unemployed, especially during periods of transition.

Our discontent with the Department's handling of the announcement of the successful tenders is on the record. But it is worth reiterating here that this is merely symptomatic of purchasing arrangements that foster a master servant relationship.

Community services are potential partners with government, not merely agents or providers of government services.

I hope this inquiry can make some very concrete recommendations about how this partnership might be fostered.

11 June 2009

Contact: Judith Tokley 0408 824 306 / 02 6285 1366