

Try Youth and Community Services	 <small>Try Youth and Community Services (Incorporating WILLIAM FORSTER TRY BOYS' SOCIETY) INC</small>
Submission to the Senate Inquiry into the DEEWR tender process to award employment services contracts	
Senate Standing Committee on Education, Employment and Workplace Relations Committee	Page 1 of 1

Thank-you for the opportunity to response to the Senate Inquiry into the DEEWR tender process to award employment services contracts. Try Youth and Community Services is a medium sized not for profit with programs across Children's Services, Youth Services and Training & Employment. The Work for the Dole program was by size a small part of our operations but one that we were innovative, passionate and provided great results in dynamic employment programs like 'Our Future Our Place'.

On behalf of Try Youth and Community Services and in my capacity as Chief Executive Officer, I offer the following responses to the Inquiry terms:

(a) the conduct of the 2009 tendering process by the Department of Education, Employment and Workplace Relations to award Employment Services contracts, with particular attention to:

It is our view that the priorities for the actual 'Job Seeker' were lost in the purpose of the Employment Services contract.

We do not believe small not for profits were duly considered as an acceptable alternative model.

There are significant cost imposts for smaller not for profits to only submit one or two applications.

We perceive that we may have been disadvantaged as we have an active Liberal Party Member on our Board of Directors.

(i) the design on the tender, including the weighting given to past performance and the weighting given to the 'value for money' delivered by previous and new service providers,

The weightings were not clear and as the 'value for money' issue is important, it was never defined or clarified clearly in the tender procurement documents. It would appear that 'value for money' has been based on client 'turnover' as opposed to the wellbeing and outcome for the Job Seekers.

It seems that there was no consideration to links in the community and the current programs on offer despite the 40% criterion.

(ii) evaluation of the tenders submitted against the selection criteria, including the relationship between recent service performance evaluations in various existing

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programs (such as provider star ratings), selection criteria and tendering outcomes, and

The tender evaluations did not meet the guidance provided in the documents. It seems that larger 'corporate' organisations dominated the outcomes as opposed to smaller, regional based, community organisations. This is specifically concerning for rural communities. Larger organisations may have a proven 'metropolitan area' model and will just try to implement their structures in rural areas, which clearly require different considerations.

(iii) the extent to which the recommendations of the 2002 Productivity Commission report into employment services have been implemented;

No Comment

(b) the level of change of service providers and proportion of job seekers required to change providers, and the impacts of this disruption in communities with high levels of unemployment or facing significant increases in unemployment;

There has been significant impact on our workers in the disadvantaged communities of Dandenong and the Latrobe Valley. We will have to make 14 positions redundant in the imminent future, keeping on 1 staff member for archival purposes. All positions that were made redundant were in Gippsland and Dandenong.¹ We are unaware of any staff that have been re-employed in the Employment Services arena, despite reassurances that these staff will be sought out / actively encouraged to be re-employed by successful tenderers.

A domino-effect will also result in further job losses in the region on other TRY projects for the long-term unemployed, such as retrofitting and construction jobs including our award winning program 'Our Future Our Place'.

(c) any differences between the recommendations of the Tender Assessment Panel and the announcement by the Minister for Employment Participation of successful tenders on 2 April;

No comment.

(d) the transaction costs of this level of provider turnover, the time taken to establish and 'bed-down' new employment services, and the likely impacts of this disruption on both new and existing clients seeking support during a period of rapidly rising unemployment;

There have been major costs in losing the Tender – including the cost of leases and large-scale redundancy payments, having previous CWC Contracts in

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excess of 10 years. This has put a significant financial strain on Try Youth and Community Services.

The Agency Adjustment Fund was a great concept – What happened?

We were exceptionally disappointed and amazed not to be granted even a small amount of funding. Our application met all criteria and pertained to transitioning Employment Services operations in 2 high priority areas of Victoria, to addressing skills-in-demand, climate control/home sustainability, and housing shortage – major issues in each of these regions.

(e) communication by the department to successful and unsuccessful tenderers, the communications protocol employed during the probity period, and referrals to employment services by Centrelink during the transition period;

Disgraceful. The communication process was disgraceful. Firstly, the logic to negotiate with preferred tenderers still bewilders our organisation and have all staff wondering about their jobs for 2 weeks before the final outcome eas of great concern. Secondly, we found the outcome of the submission on the DEEWR website when it went public. There has been no further communication with the Department and any plans that the Department may have been developing for the transition to new operators have not been communicated with existing providers.

(f) the extent to which the Government has kept its promise that Personal Support Program, Job Placement Employment and Training and Community Work Coordinator providers would not be disadvantaged in the process, and the number of smaller ‘specialist’ employment service providers delivering more client-focused services still supported by the Employment Services program;

We believe that this promise or consideration was totally disregarded during the tendering review process. The cohesion between Government Departments planning and releasing such information prior to and during the Tender, and the Department or Panels adjudging the tenders was non-existent. What was presented, to what was considered, were poles apart as it is apparent that PSP, JPET and CWC providers have been severely disadvantaged.

(g) the particular impact on Indigenous Employment Services providers and Indigenous-focused Employment Services providers;

No comment

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(h) the Employment Services Model, including whether it is sustainable in a climate of low employment growth and rising unemployment, and whether there is capacity to revise it in the face of changed economic circumstances; and

We believe the new model will create ‘monopolies’ and will ensure that the service provided will continue to decline, with the Job Seeker losing out to sterile, streamlined, high profit-lined systems of operation.

(i) recommendations for the best way to maintain an appropriate level of continuity of service and ongoing sector viability while at the same time ensuring service quality and accountability and maximising the ancillary benefits for social inclusion through connection and integration with other services.

No Comment

Damien Mowlam
Chief Executive Officer

ⁱ We find it ironic that we are ceasing employment of people in the South East and Gippsland when it has been identified in numerous Government studies that these areas face higher unemployment