



**Submission to the Senate Education, Employment and  
Workplace Relations Committee Inquiry into the DEEWR  
tender process to award employment services contracts**

29 May 2009

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## **ABOUT CATHOLIC SOCIAL SERVICES AUSTRALIA**

Representing 66 member organisations, Catholic Social Services Australia is the Catholic Church's peak national body for social services. It advises the Australian Catholic Bishops Conference and Catholic Religious Australia on social policy issues as well as supporting the delivery of a wide range of social service programs. It reports to the ACBC through a board of nine people appointed by the Conference.

Catholic Social Services Australia is committed to an Australian society that reflects and supports the dignity, equality and participation of all people.

Members employ over 10,000 people and provide 500 different services to over a million people each year in local communities in metropolitan, regional and rural Australia.

Services provided include aged care, children's services, community care, disability services, drug and alcohol services, emergency relief, employment services, family relationship services, financial counseling, housing, homelessness services, mental health services, migrant and refugee services, pregnancy counseling and support, residential care and youth services.

# 1 Catholic Social Services Australia's Submission

Catholic Social Services Australia welcomes the opportunity this Inquiry provides to give evidence and advice on a range of issues relating to the results of the Department of Education, Employment and Workplace Relations' recent awarding of Employment Services contracts. Our submission outlines the inconsistencies and anomalies that exist in the current system and makes recommendations about the way in which business could be awarded in the future.

Catholic Social Services Australia's comments are made, as far as possible, against the Inquiry's Terms of Reference.

**(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:**

**(i) the design of 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,**

**(ii) evaluation of the tenders submitted against the selection criteria, including the relationship between recent service performance evaluations in various existing programs (such as provider star ratings), selection criteria and tendering outcomes, and**

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

***Overarching response to (a):***

Catholic Social Services Australia presumes that the Government's goal in the tender process is to select the best possible providers such that client benefits are high and value for money is delivered to tax payers.

The Government's principal defence of public criticisms of the tender process has been on the basis of the probity sign-off. While accepting some overlap between the two, Catholic Social Services Australia is concerned primarily with the "design and content" of the tender process, not the probity of its conduct. Inadequate design, not poor probity, has led to highly questionable selection decisions in many locations.

**Terms of Reference sub-categories:**

**(i) the design of 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,**

**Past Performance**

In retrospect, the 30% weighting allocated to past performance was inadequate, allowing far too many proven performers to be dumped from the services on the basis of their written responses to selection criteria which we have already argued biases the results to larger, richer entities so often unproven in particular local areas.

As a result, very strong past performance seems to have been overlooked in many cases. Ultimately, this situation favours large, rich organisations that invest more of their resources in tenders and less in services. The new JSA services may then be mediocre. Emphasis on past performance needs to be strengthened as one step towards ensuring that proven performers are favoured in the tender process.

### *Case Study 1*

Mercy Employment Perth has for many years been well regarded by its local community as well as DEEWR as a highly performing provider of employment services (see [Attachment 1](#) for South West Metro Perth performance), yet lost all three of its sites in the latest tender round.

At the tender feedback session, DEEWR indicated that Mercy Employment's tender did not advance past the first round of the seven round process.

The Probity Adviser confirmed that the only prospect of further consideration that may have occurred was if Mercy Employment's tender had been part of a random sample of first round failures, taken in order to check the adequacy of the first round process.

The 'random sample' process is clearly inappropriate and ineffective in ensuring that agencies with a proven track record of high quality service are not treated unfairly. Given Mercy Employment's high site performance over many years, especially for its Fremantle site that was the highest ESA performer over time, it is difficult to accept that the failure in the first round was not questioned further. This situation is an indictment of the process itself that can so quickly stand aside a highly performing agency well established in its local community.

### **Recommendations**

- CSSA recommends an ongoing "partnership" approach to the appraisal of each provider's suitability for future services, somewhat akin to the process of staff appraisal and performance management. This would engage each provider as a prospective ongoing "partner" with comprehensive, regular (six monthly), two-way, performance appraisals aimed at negotiated ongoing improvement. As long as negotiated performance improvements occur at satisfactory levels, future business should be assured, even when substantial service reforms are made (such as for JSA).
- The aim of such an approach would be to apply contract rollovers for satisfactory providers in each district, even when a reform of current services (as occurred with JSA) is involved.
- The business held by providers with continuing unsatisfactory performance would be put to tender at the expiration of current contracts. New tenderers would be encouraged at that time as the transition from one contract to another is the appropriate point to absorb new providers – as *Case Study 6* ably demonstrates.
- Assessed performances of sites should be taken into the tender process whereby all existing providers are fully aware of their rating/ranking prior to the tender. Those providers allocated relatively low performance ratings would then be in a better position to decide whether tendering was worthwhile or not:
  - This would reduce the costs of the tender process to both government and providers, simplify and possibly shorten the overall process, and provide an assurance that past high performers with community presence were not treated unfairly as has obviously occurred in the recent JSA tender.
- All tenders excluded in the first round should be re-assessed by a second team to ensure unintended and unjustified exclusions do not occur. This should place particular emphasis on any tenderers that have demonstrated above average past performance.
- If high performers with community presence (judged as such whether by using existing measures or the new improved performance measures recommended above) are excluded from the tender at any point along the tender process a review of their application should be triggered.

## Value for Money

In defining what constitutes “value for money”, the Government comes from a very narrow perspective relating only to Government expenditure and, even worse, to expenditure in individual Government programs. Increasingly, Commonwealth purchasing arrangements have shifted the financial risk from the Commonwealth to providers and therefore ultimately, to the community. In this situation, not-for-profit providers are left to perform a delicate juggling act of cross-funding programs, relying on surpluses in one program to fund deficits in others.

As DEEWR-funded employment and vocational programs have encouraged participation by the for-profit sector, they have been constructed to allow for commercial profits or surpluses. For not-for-profit providers, these programs have been a source of surpluses to cross-fund programs inadequately funded by other purchasers including other Commonwealth and State Government Departments.

This “silo-driven” mindset by individual Government purchasers evident in the JSA tender has collateral damage and cost for other Government purchasers. This is especially the case when the purchaser of a “surplus producing” program (such as DEEWR’s) withdraws its contracts from a local provider.

*Case Study 2*

The following information has been supplied by Centacare Toowoomba, a long serving agency committed to the Toowoomba and surrounding community offering a wide range of community services.

Centacare Toowoomba has for many years been well regarded by its local community as well as DEEWR as a highly performing provider of employment services – indeed the highest performer in its ESA over time (see [Attachment 2](#)), yet, along with all other current local providers, lost its site in the latest tender round. Three new providers without a track record in the Toowoomba community were appointed by DEEWR.

[Table 1](#) outlines the impact of the withdrawal of DEEWR-funded services on eight other programs servicing disadvantaged people, including five funded by another Commonwealth Department. As a direct result of losing DEEWR-funded programs, Centacare Toowoomba will be forced to reduce services to Indigenous people, refugees and migrants, remote clients and many with mental illnesses. New DEEWR-funded providers are not delivering such services in Toowoomba and any surpluses accrued by them will most likely be directed outside the Toowoomba community.

**Table 1: Centacare Toowoomba Programs at Risk Summary**

Program	Funding	Actual 2007/2008	Budget 2008/09	2009/10	No. of Clients
Type	Source	(deficit i.e. CE Contribution)	(deficit i.e. CE contribution)	(Forecast deficit)	per Month
South West Qld Psychology Services	DSQ	-\$24,080	-\$24,310	-\$24,367	58
Refugee & Migrant Services	DIAG	-\$24,114	-\$32,360	-\$34,960	572
Indigenous Services	JAG	-\$28,249	-\$22,946	-\$23,510	164
<b>Sub Total:</b>		<b>-\$76,443</b>	<b>-\$79,616</b>	<b>-\$82,837</b>	<b>794</b>

Early Intervention Services - Roma	FaHCSIA	\$100	-\$11,527	-\$11,559	31
Family Relationship Centre	FaHCSIA	-\$28,589	-\$12,949	-\$13,461	103
Family & Relationship Counselling	FaHCSIA	-\$49,785	-\$11,057	-\$30,349	26
Family & Relationship Education	FaHCSIA	-\$6,856	-\$11,920	-\$11,817	15
Primary Dispute Resolution	FaHCSIA	-\$49,610	-\$16,031	-\$15,957	20
<b>Sub Total:</b>		<b>-\$134,740</b>	<b>-\$63,484</b>	<b>-\$83,143</b>	<b>195</b>
<b>TOTAL:</b>		<b>-\$211,183</b>	<b>-\$143,100</b>	<b>-\$165,980</b>	<b>989</b>

### *Case Study 3*

In a recent survey of its members' services, Catholic Social Services Australia identified that 19 of its member organisations held a total of 620 separate contracts for the delivery of services to disadvantaged people.

These agencies attempt to integrate "horizontally" a range of services needed by their disadvantaged clients in order to be able to meet the needs of each individual as holistically, effectively and efficiently as possible and to minimise the number of organisations that such needy people are required to deal with.

Clearly, the inefficiency and cost of administering so many separate contracts from diverse funding sources with differing systems, reporting mechanisms and approaches, put limits on and detract from the services to people in great need.

### **Recommendations**

- Government should adopt a 'whole of government approach' in assessing the impact of decisions taken in individual portfolios on the programs, services and costs of other portfolios. "Silo-driven" purchasing decisions should not be permitted.
- Requests for tenders should include consideration of the additional community benefits that community organisations provide through other programs funded by governments or additional agency-funded services provided in their communities. Weighting for this criterion should be significant to ensure additional benefits beyond the requirements of the program in question (whether incorporated in that or other programs and services) are actually encouraged.
- To ensure the full "community" costs of purchasing decisions are taken into account, there should be a requirement for DEEWR (and other Commonwealth purchasers) to undertake Community Impact Statements as a component of the purchasing process, including the impact on other Government services and the non-for-profit agencies delivering them.
- CSSA would like to see a move away from "silo" funding to a system of integrated agency funding for a mix of services to disadvantaged job seekers in a particular district.

**(ii) evaluation of the tenders submitted against the selection criteria, including the relationship between recent service performance evaluations in various existing programs (such as provider star ratings), selection criteria and tendering outcomes, and,**

### **Inadequate Selection Process**

The integration of seven programs into Job Services Australia (JSA) has created a program of substantial complexity both in administration and service provision. As a result, the level of sophistication needed in developing and explaining an appropriate service response to this tender was extremely high.

Such a model is biased strongly towards larger entities with substantial and costly business development and authorship expertise. Unfortunately, most small to medium-sized, not-for-profit organisations do not have the resources to engage specialist tender writers and draw their tender writers largely from service delivery managers and staff. Many of these organisations have long demonstrated their ability to deliver effective services in complex programs and environments but it does appear that they have been disadvantaged by the tender process adopted for JSA.

The issue here is that because the tender selection process is based almost solely on the written tender submission, the list of winners will be biased towards those organisations that can "talk the talk", whereas many that have long demonstrated their ability to "walk the walk" are disadvantaged in the selection process. There is a need to adopt a selection process that ensures that purchasing decisions favour those organisations that can indeed "walk the walk". Some of the organisations that have been disadvantaged by the current tender process have grown out of and so have deep roots in local communities and have all of the necessary linkages required to make such complex service models work.

The JSA tender process was based around written tender submissions with capacity to supply referee reports. However, referee reports were optional except for providers that had not previously delivered DEEWR-funded services. Even in these cases, DEEWR made no commitment to undertake reference checking.

The vagaries of selection processes are well known. Staff selection (for relatively low levels of expenditure) commonly include four components to minimise the risk of poor selection decisions: written submission; interview; competence testing; and reference checking. JSA tender decisions are for multi-million dollar expenditure for contracts employing hundreds and even thousands of staff. Why would a mostly single-component (written submission) process be assumed to deliver the best results? Indeed, in the United Kingdom, interviews are included in the process.

#### *Case Study 4*

Mercy Employment Perth has for many years been well regarded by its local community as well as DEEWR as a high performing provider of employment services (see [Attachment 1](#) for South West Metro Perth performance), yet lost all three of its sites in the latest tender round. Mercy Employment provided referee reports to attest to the close relationships it had with other local entities important for delivery of JSA services.

Following the tender announcement, Mercy Employment checked with its referees and found none had been contacted by DEEWR. Were the referees of providers external to the local area checked to ensure relevant relationships existed? If not, Mercy Employment's tender is likely to have been unjustly under-rated against its external competition.

## Scope for Inconsistent Decision Making

For streamed services alone, there were four criteria (weighted). However, there were 16 sub-criteria (not weighted) and since one of these was broken down further, there was a total of 29 unweighted sub-categories to respond to:

- Such a structure leaves considerable scope for individual assessor judgement and inconsistent decision making. For a provider, this is more of a “raffle” than a credible selection process.

As a result, in DEEWR feedback sessions, providers are frequently informed that they failed to emphasise some particular sub-criterion sufficiently. For providers, establishing the relevant balance among sub-criteria is a “guessing game”.

### *Case Study 5*

Centacare Toowoomba has for many years been well regarded by its local community as well as DEEWR as a high performing provider of employment services – indeed the highest performer in its ESA over time (see [Attachment 2](#)) – yet lost its site in the latest tender round. In this ESA, all three local providers lost their contracts, while three organisations external to the ESA were successful.

In the tender feedback session, DEEWR indicated that Centacare Toowoomba made good comments about its linkages with local employers and other organisations, but could have scored additional points if evidence such as Memorandums of Understanding with employers and others had been provided:

- First, such evidence was not required by the Request for Tender; and
- Second, it would appear that a written Memorandum of Understanding carried more weight in the tender process than demonstrated long term effective relationships in the local community.

### **Recommendations**

- Weightings on sub-criteria should be provided in future tenders to ensure all providers are given an equal opportunity to respond appropriately.
- To improve the accuracy and consistency of tendering decisions, additional selection techniques should be employed by DEEWR, such as: interviews; reference checking; site visits; and provider competence surveys of job seekers, employers, related community organisations and complementary providers.
- The Department should make greater attempts to ensure the language it utilises for the purpose of outlining purchasing requirements is universally understood. For example, evidence of partnerships.

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

Amongst other things, the 2002 Productivity Commission Inquiry into the Job Network recommended a rationalisation of certain sub-programs, a reduction in the cost of tendering through the introduction of licensing arrangements for providers, the promotion of greater choice for job seekers in the selection of services, and the reduction in compliance and administration costs. It is difficult to see that any substantial progress has been made beyond the first of those recommendations. Given how infrequently the opportunity for substantial reform presents itself, this is a very disappointing outcome for both the unemployed and the agencies that assist them.



**(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;**

Catholic Social Services Australia is unable to provide factual evidence regarding the change in provider numbers and the proportion of job seekers required to change providers. However, Catholic Social Services Australia would suggest that the Inquiry seek information beyond that publicly released that appeared to deliberately conceal the level of provider attrition and the business losses that many so-called “successful” providers may have sustained.

In some ESAs, there has been a 100% turnover of existing providers, despite many examples of strong local performance.

The Minister indicated that 72% of JSA providers are existing employment service providers and that these providers would deliver 93% of JSA services. This should be supplemented with further information regarding the proportion of current providers affected by the tender decisions.

We currently don't have the data relating to percentage of business awarded to 'existing' providers given that 'existing' does not necessarily mean 'local'. It appears self-evident to suggest that given performance levels and other key selection criteria were met, communities with high levels of employment or facing significant increases in unemployment would have been better served by existing local service providers that have established relationships with local businesses, have an existing understanding of the local unemployment market and the clients in their care. This would inevitably drive efficiencies in responding to any increase in unemployment levels.

**Recommendations**

- Based on its analysis of the demographic trends among job seekers and features of the ESA, DEEWR should provide a detailed strategic vision of the number, type and location of services it anticipates will be required to meet the foreseeable demand. Such a plan would allow potential service providers to make more informed decisions about their application to participate in the program.
- In relation to the JSA tender, the Inquiry should ascertain from DEEWR:
  - The number and proportion of existing contract holders, for each of the seven former programs and overall, that tendered;
  - The number and proportion of existing contract holders, for each of the seven former programs and overall, that were allocated JSA contracts in their own right;
  - The number and proportion of existing contract holders, for each of the seven former programs and overall, that were allocated JSA contracts as part of an “owning” member of a consortium or newly formed entity;
  - The number and proportion of existing contract holders, for each of the seven former programs and overall, that were listed as formal sub-contractors to new JSA contract holders.; and,
  - The proportion of job seekers in each ESA and each stream required to change providers.

## **Resource Wastage**

The whole process is highly wasteful of government and community resources:

- The tendering process is extremely costly both to government and providers, many of the latter each investing hundreds of thousands of dollars to prepare tender submissions.
- Unsuccessful former providers face massive bills in retrenching staff, paying out property leases and selling off furniture and equipment.
- New providers face substantial start-up costs in recruiting staff, finding and leasing premises and purchasing furniture and equipment etc.

Surely a less disruptive and orderly contracting model that achieves desired outcomes for job seekers and the clients of other community services clients, without the excessive wastage involved in the current system, can be developed. For instance, since 72% of JSA providers are existing employment service providers and these providers have won 93% of JSA services, this suggests that the vast majority of the cost of the tender process (to both Government and the Sector) is ultimately wasted. Even allowing for some unpredictability in selection processes, there is considerable scope for substantial savings in the process.

## **Impact on Not-For-Profit Multi-Service Providers**

The impact of sudden funding changes of this scale:

- weakens the infrastructures of not-for-profit providers that support quality and efficient service delivery in an integrated way across their programs;
- detracts from services as, ultimately, such costs must be met from program resources. This is a serious issue at this critical time of increasing demand on community service resources;
- affects the viability of some agencies with long histories of effective local service provision;
- has the effect of creating uncertainty for employees in the sector, thereby contributing to high staff turnover, destabilisation of the workforce and loss of expertise at a time when it is needed most; and
- disenfranchises many staff who, having come to the service seeking to assist vulnerable job seekers, find themselves embroiled in a process that has become bureaucratic and administratively complex.

Ultimately, the results of the JSA tender will effectively remove several hundred million dollars of revenue from the not-for-profit sector across the country. This has serious ramifications for the infrastructure that provides most of the existing social services support in Australia. In the foreseeable future, this shift of resources away from the not-for-profit providers will have serious repercussions for the social services provided across the country. This is a major social and political issue.

### *Case Study 6*

Centacare Tasmania has a long history of service in local communities throughout Tasmania, offering a wide range of community services. It is well regarded by those local communities.

Centacare Tasmania tendered successfully for services in West and North West Tasmania in the mid-contract business re-allocation tender in ESC3 Extended. New job seeker referrals commenced in September 2007, only 13 months prior to the opening of the JSA tender. The services had been operating for only 19 months when the JSA tenders were announced, and Centacare Tasmania lost all of its contract in this ESA.

The business won in August 2007 required the establishment of three full-time and five part-time sites, some in remote areas. The costs of setting up sites and then settling down and improving performance are substantial and take considerable time – especially when services are spread over a wide geography as in this case.

Despite the difficulty involved in setting up this local site network at very short notice, the early ESA performance was strong (4.0 and 3.5 Stars in the two ratings available). Indeed, the average performance of 3.8 Stars, albeit taken over a shorter period than others, was equal highest of the averages of other providers (see [Attachment 3](#)).

Shutting down sites when they have been given insufficient time to mature and reach their peak is disrespectful to a long standing service “partner” and disregards the high and unnecessary cost to both government and community resources – to say nothing of the human cost to the staff who have worked so hard to establish the services and business and disruption to vulnerable clients.

The loss of the West and North West Tasmania business has cost the agency over \$500,000. Obviously, this loss will result in service reductions to other agency services to disadvantaged Australians, mainly funded by Commonwealth and Tasmanian Governments.

### *Case Study 7*

The futility of replacing local, high performers is illustrated by the fact that:

- The Manager and 13 staff of Centacare Tasmania’s Launceston site that lost its contract have been offered positions with a successful external provider; and
- Most of the staff at Mercy Employment Perth’s Fremantle site that lost its contract have been offered employment with a successful external provider.

In these and similar cases, what benefit has been gained from the enormous cost to Government and the providers involved by changing the contracted organisation?

### *Case Study 8*

DEEWR-funded programs accounted for 40% of Centacare Employment and Training Perth’s revenue. Despite strong performance (see [Attachment 4](#) in relation to the agency’s East Metro Perth site), all DEEWR-funded business was lost in the JSA tender. Loss of this business will require a major historical re-alignment of the agency and a major organisational re-structure is being implemented. Indeed, the agency’s future long-term viability is unclear as the agency’s ability to function has been severely affected. Despite this, the decisions regarding the Government’s Agency Adjustment Fund, promised by 13 May 2009, have not been announced which adds to the risk of agency closure with further impacts on the clients of the agency’s other programs mostly funded by Commonwealth and Western Australian Governments.

**(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;**

CSSA has no information on this issue.

**(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;**

**Impact on Job Seekers**

- The transition of services from one provider group to another, is very disruptive of the service to job seekers. The additional workload associated with absorbing large numbers of new job seekers takes months to complete. This impacts both on clients remaining with their former provider (because fewer resources will be available to assist them) and on transferred clients (whose service is badly interrupted). Many job seekers caught up in this transition receive inadequate services for up to six months such that their spell of unemployment is lengthened and any ongoing personal and family issues exacerbated - thereby increasing the duration and cost, and lessening the effectiveness, of subsequent assistance.
- The substantial turnover of local providers (all local providers in some cases) means the initial loss of community links that new providers will take years to re-build. This will impact most severely on those job seekers in greatest need as these are the job seekers most in need of support from other community organisations. There is also a loss of faith and confidence amongst employers, businesses and other community stakeholders whose relationships with employment services providers are also affected by the change.

**Recommendations**

- A thorough research and evaluation project should be conducted into the impacts the transition from one service provider through to another has on the job seekers involved.
- Any extension to a period out of employment which is exacerbated by a change in government policy and/or operation should not be borne by the unemployed. Therefore, we would also suggest that work activity requirements be reduced during this period of transition for affected clients and that transitional clients are exempted from any threat of the eight week financial breach penalty for a period of at least six months.

**Impact on Services, including Staffing Issues:**

DEEWR's three-year contract cycle has long been criticised by providers as not conducive to maximum performance and the highest quality services. It takes at least six months to bed down services and ensure that staff are adequately knowledgeable and skilled to carry out the complex service, system and administrative requirements involved. In many cases, especially where all or most staff are new to the industry or where high staff turnover is a feature of the local environment (eg, in remote locations), it can take 12 months or more to reach desirable operational standards. Unfortunately, work on the next contract begins about 18 months into the current contract. This is distracting for providers. As a result, maximum performance may not be achieved by many providers for more than six to 12 months in the whole three-year cycle.

The approach used by DEEWR to its three-year contracting model results in a long drawn-out process 18 months long incorporating consultation, exposure draft, tender, tender

assessment, business allocation, announcement, transition and implementation. This process ensures that uncertainty and stress reign supreme in the industry. Such stress levels have resulted in considerable staff attrition which further heightens the stress levels of those staff remaining in organisations.

Associated with this is the loss of expertise from the industry at this critical time. The psychological impact of redundancy, especially when extreme efforts have been made and high performance achieved, are substantial. Many effective staff become quite jaded with an industry that can see them looking for work every three years - and in some cases, even more frequently because of the mid-contract business reallocations. This puts further pressure on organisations and their remaining staff and results in poorer job and client outcomes than were otherwise achievable.

### **Recommendations**

- "Redundancy" provisions should be spelled out in contracts to respond to the financial impact on organisations of losing contracts. These should be significant to provide a disincentive for purchasers to make unnecessary wholesale changes to participating program providers and to ensure purchasers are held accountable for the full cost of their purchasing and contracting decisions.
- DEEWR's contracts should be at least five years' duration and successful providers should be assured of business for the full five years unless "reprehensible" issues are proven. In the longer term, Catholic Social Services Australia believes we should have a more open-ended funding arrangement as exists with schools and hospitals. The horizontal service integration model and our proposed partnership approach to contract management (pg.5) would be conducive to such an arrangement.
- As recommended previously in this submission, continuous quality improvement could be achieved by a contract management process akin to staff appraisal.
- Any changes to the contract and associated regulations and procedures should be subject to negotiation among the parties including compensation for providers for the costs of associated disruption and changes that require additional resources.
- The Government should appoint an industry "umpire" with power to investigate contract disputes and direct the parties where negotiated resolution of disagreements proves impossible.

### **(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;**

There was considerable media coverage of the shortcomings of the "preferred provider" and subsequent "tender announcement" processes. Catholic Social Services Australia's network experienced similar difficulties with these processes as other providers did.

These processes are indicative of ongoing complaints about DEEWR's relationships with its providers over many years. These relationships are best described as "master-servant" and are characterised by:

- Very high expectations on providers for very swift turnaround in all DEEWR-initiated communications, and endless delays in requests from providers for often simple decisions;

- A one-sided contract that gives all power to DEEWR and only responsibilities to providers; and
- Constant changes to program requirements without any consultation and/or compensation for the additional costs of such impositions and often without negotiation with providers.

Therefore, the discourtesy and humiliation embedded in the tender process that resulted in lack of timely advice, lack of personal phone calls for providers with many years of successful service delivery etc, is simply another demonstration of a departmental culture based upon hierarchical authority rather than effective partnership.

#### *Case Study 9*

Centacare Employment and Training Perth has had over 30 years' experience delivering a range of employment and training programs including those funded by DEEWR and its predecessors. The agency is well regarded by its local community. Despite being regarded by DEEWR as a strong, sustained performer in recent years (see [Attachment 4](#) in relation to the agency's East Metro Perth site), this agency lost all of its DEEWR-funded business in the JSA tender.

This agency found its feedback session with DEEWR to be very disappointing. DEEWR could not provide any specific information concerning the agency's tender responses that would have explained their contract loss. DEEWR staff appeared to be working from a simplified script response which had no specifics with regard to the agency's tender details. Their responses were "generic" responses.

This is a disrespectful and discourteous way of severing a 30 year association.

There have been considerable problems with the communication processes established to handle the transition of job seekers to new JSA providers.

#### *Case Study 10*

Personal Support Program participants are highly disadvantaged and vulnerable. There have been several problems with the letters being sent to those being transferred to new JSA providers:

- Participants receiving letters that they cannot understand and/or are inappropriate for their circumstances and becoming highly anxious as a result. It would seem that there is no consistent process in place to ensure that PSP participants receive the correct letters designed for them.
- Advice to most participants that they are to "keep looking for work" or that "you must accept suitable jobs when they are offered to you", when the reason for current participation in PSP is their incapacity to work at this time.
- Several participants have reported ripping the letters up before they discussed them with their current provider that then has no way of knowing which letters they received or who their respective JSA providers are. Others have the perception, fuelled by the inappropriately worded letters, that they are being sent back to Job Network. One very vulnerable client said he would rather go without any money than "go to Job Network".
- Others think that the letters are about being breached and are distressed because they think their benefit will be stopped even though they are meeting their PSP participation requirements. Some think they are being sent to Work for the Dole.

- Advice about Interpreter Services on the second page of the letters is a very inappropriate alternative to the provision of language-specific letters and materials for CALD clients.
- The following statement on page one of the letters is confusing and gives the false expectation (for those who can read/understand the letter) that PSP may continue beyond 1 July 2009: "The activities that you may be currently participating in (for example Work for the Dole) will continue until the end of the activity which may be beyond 1 July 2009."
- While providers have been told that there is a window of opportunity for job seekers to choose their preferred JSA, the letters do not properly convey the notion of choice. The only reference is as follows: "If you **need** to change from (JSA Provider name) you should call the Customer Service line on 1800 805 260. The Customer Service line will be able to connect you to a different JSA Provider where one is available in your local area."

The DEEWR Customer service line has advised on at least one occasion that there is only one letter for everyone. This is not the case.

The DEEWR Customer service line is apparently receiving such a volume of calls they are not able to respond to customer inquiries.

A Catholic Social Services Australia staff member has tried without success to get further information from the DEEWR Helpdesk 1300 305 520, the "Contact Us" number on the DEEWR website 1300 363 079 and the Employment Services information line 1800 805 206. The last informed we have is that they had a lot of calls concerning the letters but could offer no explanation or solution. The Customer Service line 1800 805 260 was initially unavailable due to some "crisis situation" – likely the same crisis which has seen inappropriate letters sent to our most vulnerable job seekers. A representative from the Customer Service line has since contacted and advised that it is not their role to comment on the process and suggested we take our questions to our DEEWR Account Manager. This has been done but no response has been received to date.

### **Recommendations**

- DEEWR's contracts should include a communications protocol that ensures mutual respect and details the obligation of each of the parties involved, including clients.
- DEEWR's contracts should include an outline of the respective rights and responsibilities of the parties, including response timeframes, that eliminates the one-sided nature of current contracts – an application of the principle of "mutual obligations".

**(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;**

### **Broken Promise**

The 11 year history of Job Network tenders reveals a progressive linear reduction of providers from over 300 to about 100. Such provider attrition continued unabated with the latest JSA tender where, once again, a large reduction in provider numbers occurred. Unfortunately, the Government has not released accurate information regarding the reduction in overall provider numbers from those delivering the original 7 programs to those now contracted to deliver JSA.

Despite this very clear trend, in the lead-up to the tender, the Government encouraged smaller specialist agencies to tender, indicating that it wanted to retain access to the

specialist expertise these agencies offered. Nevertheless, these agencies were encouraged to partner with larger entities, seemingly an acknowledgement of the risks of tendering alone. In response to this, many smaller agencies, seeing the writing on the wall, decided not to tender. In retrospect, their judgement was vindicated given the substantial provider attrition that occurred.

Catholic Social Services Australia advised the Government that encouraging smaller agencies to partner with larger ones was an unsatisfactory solution that would add to the costs of administering the new program. This was based on experience that has demonstrated the difficulties of maintaining inter-organisational partnerships because of the added management and communication costs involved and the difficulties of marrying organisations with different values, internal cultures and systems.

Catholic Social Services Australia was concerned about the impact of this proposed new approach on services to the most disadvantaged job seekers because of their need for specialist assistance from a number of sources concurrently.

In view of this, Catholic Social Services Australia lobbied the Government regarding the need to separate services for highly disadvantaged job seekers from mainstream services. CSSA proposed two service streams:

- Mainstream: For job seekers with employment and training needs only (this would be roughly equivalent to JSA Streams 1 and 2 – about 75% of all job seekers); and
- Specialist: For job seekers with serious personal barriers and/or a combination of significant personal barriers and employment and training needs (this would be roughly equivalent to JSA Streams 3 and 4 – about 25% of all job seekers).

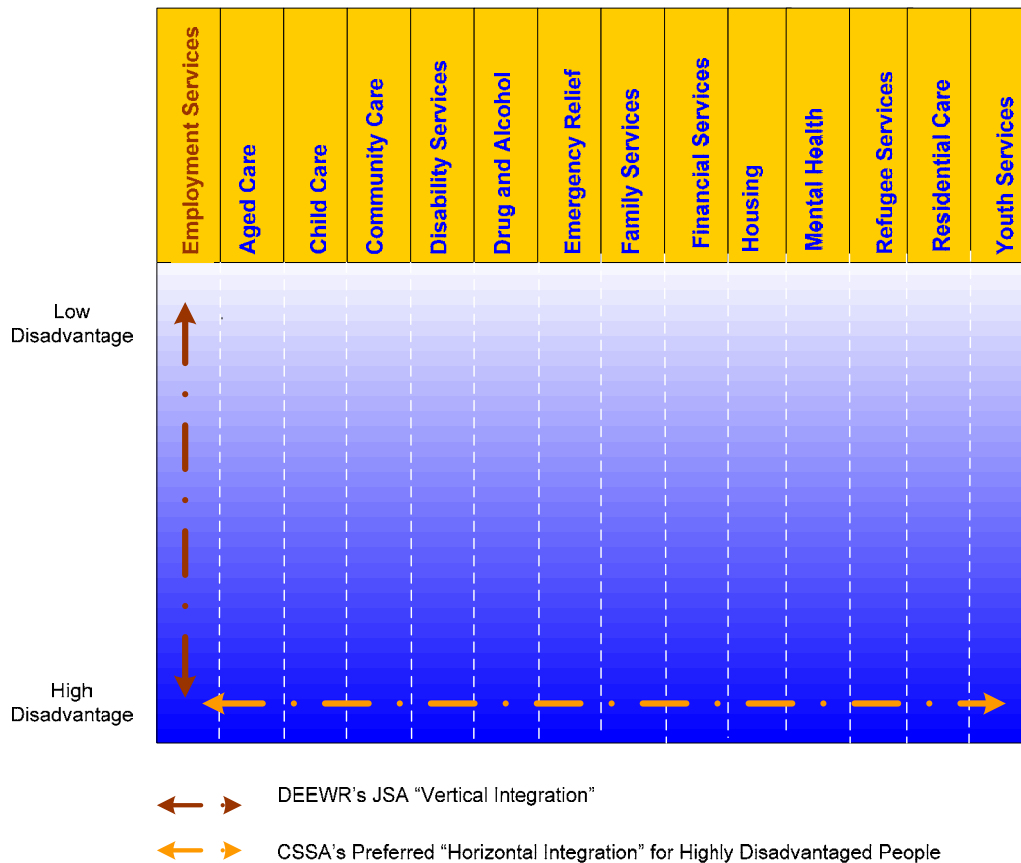
The reason for such a separation relates to the need for a “one-stop shop” of integrated multi-services to meet efficiently the highly varying combination of needs that highly disadvantaged job seekers possess. Catholic Social Services Australia’s position is that “Specialist” services should require demonstration by providers that they have in-house access to all or most of the services needed to address the complex needs of highly disadvantaged job seekers.

The value of such a system is that multi-service providers can integrate “horizontally” the various services needed by disadvantaged people with minimal “provider bouncing” for job seekers and so deliver these more efficiently and effectively.

Contrary to Catholic Social Services Australia’s advice regarding the service structure and the unsuitability of organisational partnerships to most specialist organisations, the Government decided on a “silo-driven” approach using “vertical” integration of DEEWR-funded employment services. (see Diagram 1).

*Diagram 1: Disadvantaged Job Seeker Service Integration Model*





*nb: This is not an exhaustive list of services, it is intended to provide an indication only*

### Case Study 11

At present, 30 Catholic Social Services Australia member organisations deliver one or more DEEWR-funded programs; however, about two-thirds of these agencies are involved only in specialist PSP and/or JPET services because of a strong commitment to and expertise in serving very highly disadvantaged people.

The Government's decision to "vertically" integrate its employment services into one major complex mainstream program had the following effects:

- 16 of Catholic Social Services Australia's 30 agencies previously involved in PSP and/or JPET services (that is, specialist services to highly disadvantaged job seekers) decided not to tender, although some may offer fee-for-services to local successful tenderers;
- 14 of Catholic Social Services Australia's member agencies tendered for JSA but only seven were successful;
- Hence, 23 (77%) of these agencies no longer have DEEWR-funded contracts; and
- Since CSSA agencies were one of the two largest deliverers of PSP (servicing about 15% of very highly disadvantaged PSP clients throughout Australia), as well as being organisations with possibly the largest multi-service base of all community service networks in Australia, the Government, and more importantly, a large number of highly disadvantaged job seekers, lost direct access to more than three-quarters of this network in assisting highly disadvantaged job seekers, many in remote, disadvantaged regions.

## **Recommendations**

- In conjunction with successful providers, the Government should review urgently the service model and funding arrangements for JSA so that those changes needed to ensure the effectiveness of JSA in the GFC context are implemented by end September 2009.
- The Government should move immediately to establish a separate program to serve job seekers whose circumstances are judged as unsuitable for Stream 4 services or whose situations remain unresolved after Stream 4 service options are exhausted. Delivery of such a program should be restricted to not-for-profit organisations with in-house access to most or all of the integrated multi-services necessary to deal with their circumstances.
- Over time, the Government should expand this new service to absorb all Stream 4 job seekers as well as Stream 3 job seekers with significant personal barriers to employment.

### **(g) The particular impact on Indigenous Employment Services providers and Indigenous-focused Employment Services providers;**

Catholic Social Services Australia can offer a specific example of disruption to Indigenous job seekers in Perth:

Centacare Employment and Training Perth was a major Indigenous provider in the Perth metropolitan area and was awarded nearly all of previous indigenous specialty business through the re-allocation process in 2007. This agency lost all of its DEEWR-funded business in the recent JSA tender. The impact on Indigenous job seekers will be substantial as most will have to be re-routed to new providers limited understanding of the value/necessity for long-term relationships with vulnerable clients.

### **(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**

The development of the JSA model preceded the Global Financial Crisis and JSA was not designed for times of high unemployment. CSSA welcomed the changes Government made to shift resources to the most vulnerable and to reflect the increase in unemployed registrations and relative paucity of outcomes (hence, revenue) but these are modest by comparison with the massive economic and labour market upheaval that has occurred subsequently.

It still remains a critical concern to Catholic Social Services Australia that the JSA Model was designed to function in a booming economy with a much lower rate of unemployment. This is the critical flaw in the current JSA model in attempting to meet the changing needs of unemployed people.

The question is: what model would have emerged if the development had taken place in the GFC context? For instance, would the Government have heeded our call to keep services to the very disadvantaged separate from the mainstream as has occurred for Disability Employment Services? If a different model would have been preferred in light of the GFC, then it would seem obvious that selection criteria would have been different and the list of successful providers would also have been different. If so, the validity of the whole process in relation to selecting the best providers for the situation should be questioned and rectified. This is not the probity of the process involved, but the relevance and appropriateness of the whole model and the principles that guided it.

## **Recommendations**

See Recommendations listed under (f) above.

### **(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.**

In broad terms, Catholic Social Services Australia supported the direction of the Government's reform of employment services leading to the introduction of JSA, especially the shift in priorities in favour of disadvantaged job seekers, access of Stream 4 job seekers to the Employment Pathways Fund that permitted expenditure on non-vocational services, moderation of the activity testing regime and some simplification of administration.

Nevertheless, at that time, Catholic Social Services Australia, along with other providers, did not anticipate the massive impact of the Global Financial Crisis. Had this context been understood, Catholic Social Services Australia would have sought significant changes to the JSA service model.

Resolving issues arising from the tender process for JSA services, involves dealing with some fundamental flaws in the construction of the program itself, partly to do with the GFC, but also related to other systemic factors such as the silo driven approach Government takes to provision of services, the way DEEWR administers its programs and relates to its contracted providers.

The "silo" approach to the JSA tender process ignores the unmeasured community benefits of not-for-profit providers, the best interests of disadvantaged job seekers with needs that go well beyond employment issues and the responsibility of other Government portfolios (eg: FaHCSIA) to say nothing of State Government responsibilities.

There is a real danger for the Government in 'pushing' these services away from local community, not-for-profit providers.

Recommendations regarding how such integration may be better captured, assessed and valued in future employment services tenders have already been outlined in this submission under our response to the first term of Reference in relation to "Value for Money" – see pp.5-7 of this submission

Specifically in relation to DEEWR tendering practices and the JSA Service Model, Catholic Social Services Australia's recommendations go beyond the tender process itself and are summarised in five broad areas as follows.

### **Providing the best service for job seekers and the JSA Service Model:**

- In conjunction with successful providers, the Government should review urgently the service model and funding arrangements for JSA so that those changes needed to ensure the effectiveness of JSA in the GFC context are implemented by end September 2009.
- The Government should move immediately to establish a separate program to serve job seekers whose circumstances are judged as unsuitable for Stream 4 services or whose situations remain unresolved after Stream 4 service options are exhausted. Delivery of such a program should be restricted to not-for-profit organisations with in-house access to most or all of the integrated multi-services necessary to deal with their circumstances.

- Over time, the Government should expand this new service to absorb all Stream 4 job seekers as well as Stream 3 job seekers with significant personal barriers to employment.
- A thorough research and evaluation project should be conducted into the impacts the transition from one service provider through to another has on the job seekers involved.
- Any extension to a period out of employment which is exacerbated by a change in government policy and/or operation should not be borne by the unemployed. Therefore, we would also suggest that work activity requirements be reduced during this period of transition for affected clients and that transitional clients are exempted from any threat of the eight week financial breach penalty for a period of at least six months.

### **Purchasing Arrangements**

- Based on its analysis of the demographic trends among job seekers and features of the ESA, DEEWR should provide a detailed strategic vision of the number, type and location of services it anticipates will be required to meet the foreseeable demand. Such a plan would allow potential service providers to make more informed decisions about their application to participate in the program.
- Catholic Social Services Australia recommends an ongoing “partnership” approach to the appraisal of each provider’s suitability for future services, somewhat akin to the process of staff appraisal and performance management. This would engage each provider as a prospective ongoing “partner” with comprehensive, regular (six monthly), two-way, performance appraisals aimed at negotiated ongoing improvement. As long as negotiated performance improvements occur at satisfactory levels, future business should be assured, even when substantial service reforms are made (such as for JSA).
- The aim of such an approach would be to apply contract rollovers for satisfactory providers in each district, even when a reform of current services (as occurred with JSA) is involved.
- The business held by providers with continuing unsatisfactory performance would be put to tender at the expiration of current contracts. New tenderers would be encouraged at that time as the transition from one contract to another is the appropriate point to absorb new providers – as *Case Study 6* ably demonstrates.
- To ensure the full “community” costs of purchasing decisions are taken into account, there should be a requirement for DEEWR (and other Commonwealth purchasers) to undertake Community Impact Statements as a component of the purchasing process, including the impact on other Government services and the non-for-profit agencies delivering them.
- Catholic Social Services Australia would like to see a move away from “silo” funding to a system of integrated agency funding for a mix of services to disadvantaged job seekers in a particular district

### **Tendering Process**

- In relation to the JSA tender, the Inquiry should ascertain from DEEWR:
  - The number and proportion of existing contract holders, for each of the seven former programs and overall, that tendered;

- The number and proportion of existing contract holders, for each of the seven former programs and overall, that were allocated JSA contracts in their own right;
- The number and proportion of existing contract holders, for each of the seven former programs and overall, that were allocated JSA contracts as part of an “owning” member of a consortium or newly formed entity;
- The number and proportion of existing contract holders, for each of the seven former programs and overall, that were listed as formal sub-contractors to new JSA contract holders.; and,
- The proportion of job seekers in each ESA and each stream required to change providers.

In relation to future tenders:

- Government should adopt a ‘whole of government approach’ in assessing the impact of decisions taken in individual portfolios on the programs, services and costs of other portfolios. “Silo-driven” purchasing decisions should not be permitted.
- Requests for tenders should include consideration of the additional community benefits that community organisations provide through other programs funded by governments or additional agency-funded services provided in their communities. Weighting for this criterion should be significant to ensure additional benefits beyond the requirements of the program in question (whether incorporated in that or other programs and services) are actually encouraged.
- Assessed performances of sites should be taken into the tender process whereby all existing providers are fully aware of their rating/ranking prior to the tender. Those providers allocated relatively low performance ratings would then be in a better position to decide whether tendering was worthwhile or not:
  - This would reduce the costs of the tender process to both government and providers, simplify and possibly shorten the overall process, and provide an assurance that past high performers with community presence were not treated unfairly as has obviously occurred in the recent JSA tender.
- Weightings on sub-criteria should be provided in future tenders to ensure all providers are given an equal opportunity to respond appropriately.
- To improve the accuracy and consistency of tendering decisions, additional selection techniques should be employed by DEEWR, such as: interviews; reference checking; site visits; and provider competence surveys of job seekers, employers, related community organisations and complementary providers.
- The Department should make greater attempts to ensure the language it utilises for the purpose of outlining purchasing requirements is universally understood. For example, evidence of partnerships.
- All tenders excluded in the first round should be re-assessed by a second team to ensure unintended and unjustified exclusions do not occur. This should place particular emphasis on any tenderers that have demonstrated above average past performance.
- If high performers with community presence (judged as such whether by using existing measures or the new improved performance measures recommended above) are excluded from the tender at any point along the tender process a review of their application should be triggered.

## **Contracts**

- DEEWR's contracts should be at least five years' duration and successful providers should be assured of business for the full five years unless "reprehensible" issues are proven. In the longer term, Catholic Social Services Australia believes we should have a more open-ended funding arrangement as exists with schools and hospitals. The horizontal service integration model and our proposed partnership approach to contract management (pg.5) would be conducive to such an arrangement.
- "Redundancy" provisions should be spelled out in contracts to respond to the financial impact on organisations of losing contracts. These should be significant to provide a disincentive for purchasers to make unnecessary wholesale changes to participating program providers and to ensure purchasers are held accountable for the full cost of their purchasing and contracting decisions.
- DEEWR's contracts should include a communications protocol that ensures mutual respect and details the obligation of each of the parties involved, including clients.
- As recommended previously in this submission, continuous quality improvement could be achieved by a contract management process akin to staff appraisal.
- Any changes to the contract and associated regulations and procedures should be subject to negotiation among the parties including compensation for providers for the costs of associated disruption and changes that require additional resources.
- The Government should appoint an industry "umpire" with power to investigate contract disputes and direct the parties where negotiated resolution of disagreements proves impossible.
- DEEWR's contracts should include an outline of the respective rights and responsibilities of the parties, including response timeframes, that eliminates the one-sided nature of current contracts – an application of the principle of "mutual obligations".

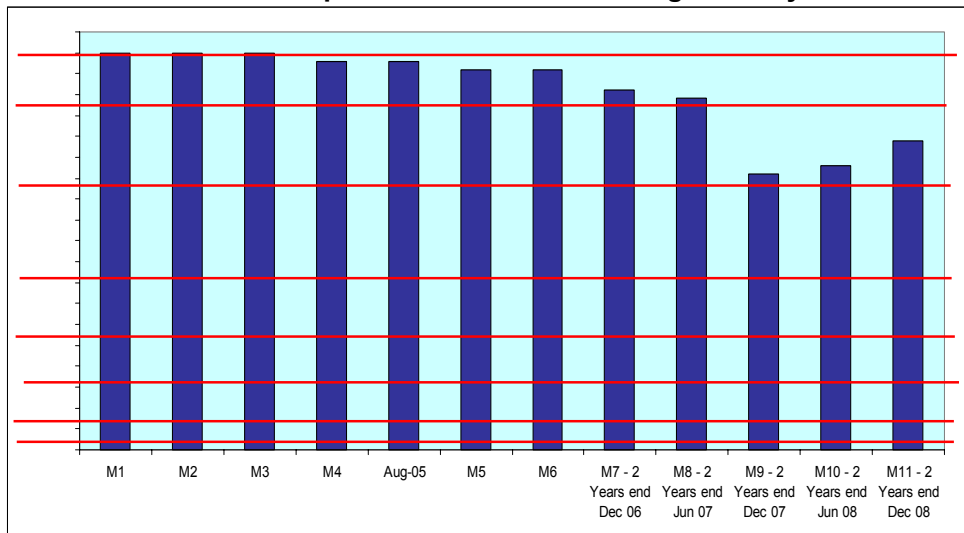
## **Industry Umpire**

The Government should appoint an industry "umpire" with power to investigate contract disputes and direct the parties where negotiated resolution of disagreements proves impossible.

**MERCY EMPLOYMENT SOUTH WEST METRO PERTH**

- A highly performing site for the whole six years of ESC3 and ESC3 Extended. At no stage has the performance dropped below 4 Stars (see Graph 1)
- Average Star Rating over the six year period (4.5 Stars) is the equal highest in the ESA (see table 1).
- Recent performance is trending up in terms of percentile ranking (see Graph 1)

**Graph 1: Fremantle Star Ratings History**



**Issues**

What possible advantage can there be in dropping such a sustained high performer from the program?

If this site is being replaced by an organisation external to this community, this will have a negative impact on the community itself as the agency has a long and strong relationship with its local community.

	Mar 04	Jul-04	Jan-05	Jul-05	Sep 05	Feb-06	Jun-06	Dec 06	Jun-07	Dec 07	Jun-08	Dec 08	Avg
<b>MERCY EMPLOYMENT</b>	5.0	5.0	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.0	4.0	4.0	4.5
IPA PERSONNEL	2.5	2.5	2.0	2.0	1.5	1.5	1.5	1.5					1.9
ORS EMPLOYMENT SOLUTIONS	4.0	4.0	4.0	4.0	4.0	4.0	4.5	4.5	4.0	4.0	4.0	4.5	4.1
ORS EMPLOYMENT SOLUTIONS	3.5	3.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.5	4.5	4.0
PVS WORKFIND	3.0	4.0	4.0	4.0	4.0	4.5	4.0	4.5	4.5	4.0	4.5	4.5	4.1
ATWORK AUSTRALIA								New	4.5	4.5	4.5	4.5	4.5

**CENTACARE EMPLOYMENT TOOWOOMBA**

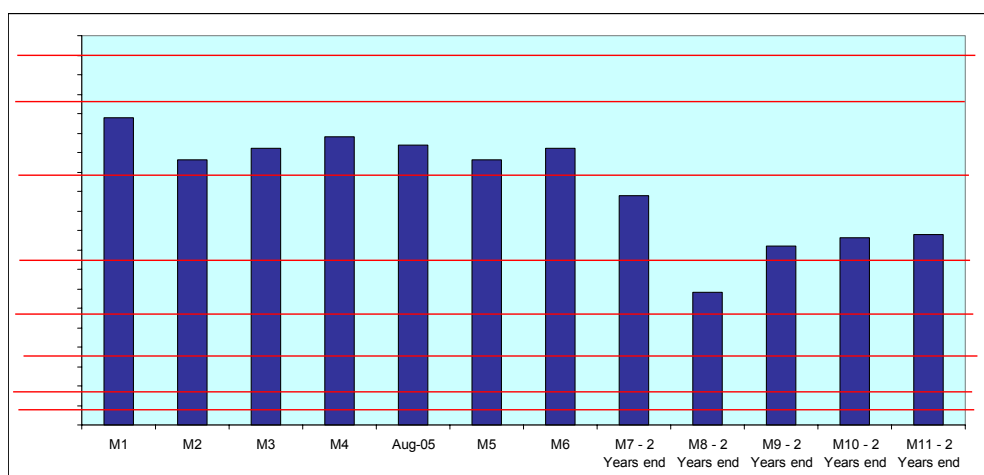
- Site Star Ratings are 3.5 or better in almost every milestone in ESC3 and ESC3 Extended (See Graph 1)
- The Site's average ESA Star Rating of 3.7 Stars over the six years of ESC3 and ESC3 Extended (even higher at 3.9 Stars over the 17 Star Ratings of the site's life) is the highest of providers in the ESA and recent performance has been trending up (see Table 1).
- The Site has been the best performer in the ESA for 9 out of 12 Star Ratings releases, including the three most recent releases (see Table 1).

**Issues**

On what possible basis would such a provider not be favoured for business in this ESA? To what extent have the cross-subsidies provided this agency been taken into account. Is the difference the way a tender is written?

If this site is being replaced by an organisation external to this community, this will have a negative impact on the community itself as the agency has a long and strong relationship with its local community.

**Graph 1: CE Toowoomba Site Star Rating History**



**Table 1: ESA Star Ratings History**

	Mar-04	Jul-04	Jan-05	Jul-05	Sep-05	Feb-06	Jun-06	Dec-06	Jun-07	Dec-07	Jun-08	Dec-08	Avg
ADD EMPLOYMENT	3.5	3	3.5	3.5	3.5	3.5	3.5	3	2.5				3.3
<b>CENTACARE</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3.5</b>	<b>2.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.7</b>
JOBFIND CENTRE										2	1	2	1.7
MISSION AUSTRALIA	4.5	4.5	4	3.5	3.5	3.5	3	2.5	3	3	3	3	3.4



**CENTACARE EMPLOYMENT WEST & NORTH WEST TASMANIA**

- Entered Employment Services only in August 2007.
- New job seeker referrals completed in September 2007.
- First 13 week outcome achieved in November 2007.
- Qualified for only two star rating releases prior to UES tender finalisation.
- Although judged over a shorter period than others, currently Centacare Employment's ESA Star Rating is the second highest in the ESA averaged over the combined ESC3 and ESC3 Extended contracts.

**Issues**

Centacare Employment's Services in this ESA consist of three full-time and five part-time or remote sites. Sites cover a wide geography including remote locations.

The sites were established 13 months prior to the release of the JSA Request for Tender and 19 months prior to the JSA tender announcements and have performed quite well – equal first in the ESA on average Star Ratings to date.

The costs of setting up sites and then settling down and improving performance are substantial and take considerable time – especially when services are spread over a wide geography.

Shutting down sites when they have been given insufficient time to mature and reach their peak is unjust and a disgraceful waste of agency and public resources – to say nothing of the human cost to the staff who have worked so hard to establish the services and business.

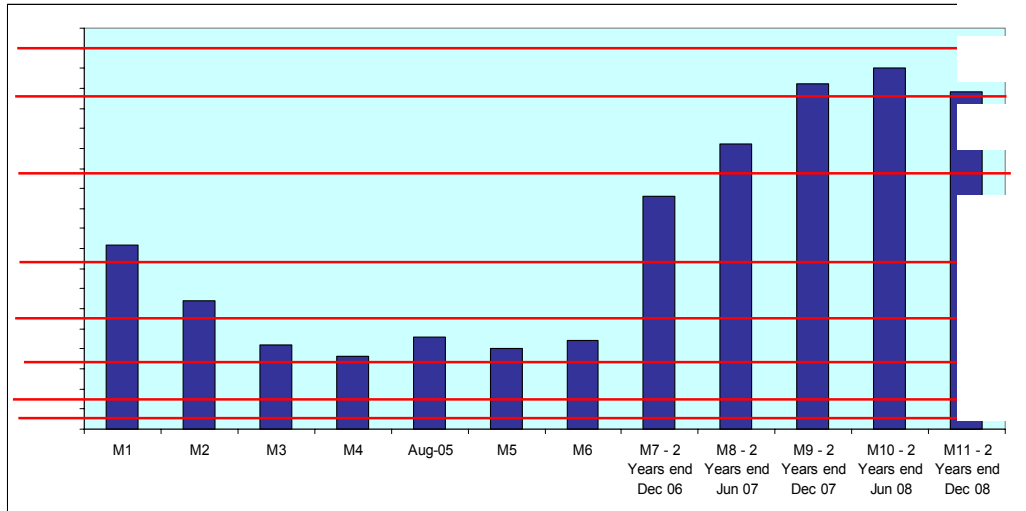
**Table 1: ESA Star Ratings History**

	Mar-04	Jul-04	Jan-05	Jul-05	Sep-05	Feb-06	Jun-06	Dec-06	Jun-07	Dec-07	Jun-08	Dec-08	Avg
BUSINESS AND EMPLOYMENT	4	4.0	3.5	4.0	4.0	4.0	4.0	3.0	2.5	2.0	3.0	3.0	3.4
CENTACARE EMPLOYMENT										New	4.0	3.5	3.8
JOBFIND CENTRE	4.5	4.5	4.5	4.5	4.5	4.5	4.0	3.0	2.5	2.5	3.0	3.5	3.8
JOBNET TASMANIA INC	3.5	4.0	3.0	3.5	3.5	3.0	3.0	2.0					3.2
THE SALVATION ARMY EMPLOYMENT PLUS	3	3.5	3.5	4.0	4.0	4.0	4.0	3.0	2.5	2.5	4.0	4.5	3.5

## CENTACARE EMPLOYMENT AND TRAINING PERTH EAST METRO PERTH

- Early performance issues led to a rebuilding strategy in this site.
- The outcome was very high, sustained performance for five consecutive milestones averaging 4.2 Stars, the highest in the ESA over that period.

**Graph 1: Site Star Rating History**



### Issues

Both DEEWR and the site have invested heavily over the years to overcome entrenched problems in the agency. It seem incredulous that having finally overcome those problems DEEWR would now engage a new provider in this very difficult ESA.

**Table 1: ESA Star Rating History**

	Mar-04	Jul-04	Jan-05	Jul-05	Sep-05	Feb-06	Jun-06	Dec-06	Jun-07	Dec-07	Jun-08	Dec-08	Avg
CENTACARE	3.5	2.5	2.0	2.0	2.0	2.0	2.0	3.5	4.0	4.5	4.5	4.5	3.1
JOBS AUSTRALIA	4	3.5	3.5	3.5	3.5	4.0	4.0	4.0	4.0	3.5	3.5	3.0	3.7
ORS EMPLOYMENT SOLUTIONS	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.0	3.5	4.0	4.0	4.0	3.6
ORS EMPLOYMENT SOLUTIONS	3.5	4.5	4.0	4.5	4.5	4.5	4.5	4.0	4.5	4.5	3.5	2.5	4.1
PVS WORKFIND	4	3.5	4.0	4.0	3.5	4.0	4.0	4.0	4.0	3.5	4.0	4.0	3.9
THE SALVATION ARMY EMPLOYMENT PLUS	2.5	3.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	2.5	2.0	1.5	3.0