

General Purpose Standing Committee No.2

Inquiry into Child Protection

Australian Services Union response to supplementary questions (26 September 2016 hearing)

Supplementary questions:

- 1. Competitive tendering of targeted early intervention programs – can you provide some context and elaborate on your concerns about the future of TEIP's? (pages 16 - 17 of submission)**
 - a. What indications has the Government given you about their intentions regarding the future TEIP's?**

ANSWER:

The NSW Government has commenced a district-by-district “commissioning” process for the new Targeted Early Intervention Program (TEIP). The TEIP, commencing July 2017, brings together several current funding streams as outlined in our written submission to this Inquiry.

It is unclear how current programs funded under these streams that do not fit the tight parameters of TEIP program will continue to deliver quality local community services for the people they support once the TEIP program is fully implemented. There has been no guarantee of ongoing or increased funding for areas that do not fit the narrowed terms of TEIP.

- b. Are we looking at a repeat of the Going Home Staying Home experience?**

ANSWER:

As outlined in our written submission, the ASU is concerned that the TEIP will repeat some of the mistakes of the Going Home Staying Home program, in particular:

- Competitive tendering that destroys collaboration in the community sector
- Changing program parameters which could see several specialised services (particularly those provided by smaller local services) lose funding and programs supporting vulnerable people having to be shut down as a result

- 2. Are you aware of for-profit providers willing to provide these services? If so, please detail (pages 16 - 17 of submission)**

ANSWER:

The ASU does not have access to a list of eligible providers for TEIP services. However, we are aware that the NSW Government has not ruled out for-profit providers being eligible to tender for these services in a competitive tendering process.

3. What sort of impact would for-profit provision have? (pages 16 - 17 of submission)

ANSWER:

As raised in our submission and at the hearing, it is an established fact that the non-government community sector is largely Award reliant in terms of wages and conditions of employees. Furthermore, we know that approximately 70 – 90% of organisation funding goes directly to employee wages and conditions in the community sector. Therefore we are concerned that the only way an organisation can make any profit for its shareholders in the provision of community services is by reducing worker entitlements and wages (who are already low paid and Award reliant) or by reductions in service delivery. Either way it is not a good outcome for the workforce, the people of NSW or the vulnerable people being supported by the community sector.

4. What sort of indexation arrangements are required? Are the contracts substantial to ensure that the same level of services are being provided year on year? (pages 16 - 17 of submission)

ANSWER:

We understand that across human services departments there are different indexation arrangements for community services that support vulnerable young people in the child protection system. The only way contracts can manage to deliver the same services year on year is to know with security that indexation will be paid.

At the moment indexation has been paid by most NSW Departments but it is not secure. It is generally not included explicitly in funding contracts and then can vary year by year, department by department. At the very least a commitment to paying annual indexation should be written into service provider contracts across all human service departments in NSW.

A further issue is that when an existing program is re-tendered or recontracted, NSW Departments often then call it a “new program” and do not pay indexation for the first year of the new contract. This can lead to reduced services.

The actual indexation paid by NSW Departments is based on a formula which may be seen to be adequate in some years, but does not always take into account the full impact of the National Minimum Wage Review which stipulates increases in the minimum rates for the non-government child protection sector in NSW each year. This can mean that in some years the indexation formula does not adequately cover minimum wage increases services are required to pass on to their employees.

Separate to indexation, the payment of the Equal Remuneration Order supplementation to providers to cover Equal Pay increases for employees (following the successful ASU Equal Pay campaign) is in accordance with a formula that is not being applied on several new programs or on any growth funds and this is placing significant pressure on some programs and causing programs to reduce so providers can ensure they comply with the Equal Remuneration Order increases.

5. Is there a need for increased contract lengths and more stable funding cycles in the child protection system? (page 21 of submission)

ANSWER:

The ASU has been campaigning for longer term funding contracts for community services with a minimum 5 year period. This is so services can effectively plan, prioritise resources on supporting vulnerable young people (as opposed to constant tendering) and provide secure employment to their workers which improves retention and recruitment.

Currently there are various funding cycles for different child protection programs which puts pressure on organisations to be in a constant re-tendering process and does not provide a stable funding environment for continuity of quality care and continuity of secure employment for front line workers.