

OPINION

ON LINE OPINION

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COMMUNITIES REPRESENT MORE THAN DOLLAR VALUES

When Lawrence Hammill QC (aka Bud Tingwell) gave his closing address 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 Tiriél 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”.

This month the Senate reported on its inquiry into the recent tender for employment services valued at more than \$4 billion. Important as that tender was, it actually raises far more important questions about whether government purchasing arrangements for programs and community services can adequately measure the value of services that are based in the community and whether the attempt to do so actually “does violence” to self determination and resilience in local communities, simultaneously undermining the development of a sustainable, high quality, social services sector.

The evidence to the Senate suggests that notwithstanding the goodwill of the Minister, his staff, the DEEWR officials and the agencies seeking to run employment services, and notwithstanding a tender system with very high standards of probity, the process delivered many results that fail the basic test of common sense.

How can it be that a church based organisation in Tasmania is invited by government to invest \$500,000 in expanding its employment services, performs well according to the government’s own assessment, and then has all its contracts withdrawn in a tender just 18 months later?

This was not \$500,000 in venture capital; it was \$500,000 entrusted to that agency by the community of local Church members - by donors, by local congregations, by citizens, and by good stewardship over previous works and government contracts.

But the local community invested more than just their cash; they also harnessed many other local resources in the hope of overcoming not just unemployment, but social exclusion, loneliness and despair. They invested their longstanding relationships with other government agencies and non

government organisations, with local businesses health services and their direct engagement with the local populations. They invested their personal commitment and sense of social responsibility and innovation. A business might call this goodwill, but even that term seems inadequate to describe the value of a local community taking responsibility for the destiny of their most vulnerable neighbours.

When that local agency participated in the recent tender, they were actually asking the government to assist them in their endeavours by providing some additional resources, but they ended up the victims of what the corporate world would describe as a hostile takeover. Their years of prior investment in premises, staff training, local engagement evaporated as their staff face the prospect of changing their uniforms and going to work for the new successful tenderer.

There is no room in the tender process to account for all the goodwill that had accumulated over a decade as the local community took responsibility for overcoming local problems. The “love and memories” identified by Bud Tingwell.

This example has been duplicated across the country.

This is no way for the government and the community sector to be working together. We do not need to accept that premise that it is a legitimate approach to the development and implementation of community services of any kind.

The inherent uncertainty in current purchasing arrangements is crushing the community sector. It detracts from our agencies’ capacity to build goodwill and to attract and retain staff, especially in regional areas. It also contributes to high staff turnover, destabilisation of the workforce and loss of expertise at a time when it is needed most.

More importantly, current purchasing arrangements see local community agencies inexorably displaced by private sector and franchise based social service agencies - arriving to deliver a contracted government service and then leaving again once the particular contract is concluded. But like Darryl Kerrigan’s home, local community services are built not just of bricks and mortar. What will remain when the contract is over?

Local community services are potential partners with government, not merely agents or providers of out-sourced government services. This means that not all of what a community service is or provides can be captured in a dollar terms on a balance sheet. It may even mean that they are not the cheapest to work with. But the cheapest may not always be the best.

Measuring the value of community-based services is a challenge for all of us. But to limit funding to those things that can be measured easily is short sighted.

There is currently no plan for future social services in Australia. No projections regarding the services that will be required over the next decade. No policy guidance to suggest what mix of agencies will best meet future needs - private providers and for-profits, churches, charities and other non-for-profits and community-based agencies. In the absence of such a plan the future of the sector is being determined by capricious tender processes that cannot measure some values that many consider to be not just important, but essential to building stronger, self reliant communities and community-based services.

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