

# WAYS pushed out of market

Rob Bates



Brendan O'Connor

THE \$1.8 million in federal funding that WAYS had used to provide employment services to the Eastern Suburbs' most disadvantaged young people has gone to the American and British for-profit firms Max Employment and Ade and the Marrickville-based not-for-profit organisation MTC Work Solutions.

WAYS chief executive Russell King, who was aware of the decision before the official announcement last week, said it was a "sad and tragic day".

"Despite putting thousands of young people in jobs and education over 16 years, WAYS is not considered good enough to continue this work and will be replaced by 'welfare for profit' organisations," he said. "We've been here nearly 30 years; what relationship would an English multinational have with the community?"

A spokeswoman for the Minister for Employment Participation, Brendan O'Connor, said demonstrating local strategies was worth about 40 per cent in the decision-making process but that being "physically located" in the area was not a criterion.

A Senate inquiry will investigate the awarding of \$4 billion in contracts, as the Opposition has supported the Greens' push for an independent audit of the process.

"There seems no rational basis for the decisions made on who got contracts. We have seen four- and five-star-rated providers lose contracts," Greens Senator for WA Rachel Siewert said.

"Thousands of committed and dedicated workers are about to lose their

jobs at a time when their skills are most needed."

Mr O'Connor's spokeswoman labelled the inquiry a "political stunt" and said the Opposition was "more focussed on wasting time and resources than actually getting job seekers into jobs". She acknowledged there were "obviously disappointed providers who weren't successful" but said the changes folded seven separate programs into a "one-stop shop" and were necessary to meet the predicted rise in unemployment.

It is estimated that as many as 2500 staff will lose their jobs with as many as 100 agencies affected by the cuts and Mr King said he would have to shed at least 25 full-time and nine casual positions from WAYS centres in Bondi Beach, Bondi Junction, Double Bay, Maroubra and Redfern.

Commenting on the news last week, the federal Opposition Leader and MP for Wentworth, Malcolm Turnbull, said WAYS had a very good success rate and that he found it "hard to believe that anyone else could provide a service as effective as WAYS".

"New employment providers entering the market now just won't have the existing relationships that WAYS has with their community and their clients," Mr Turnbull said.

Mr King has been told that the department will offer as much as \$100,000 for a contractor to help WAYS draw up a new business plan to deal with the loss of funding, but he said this money would be better spent paying about \$91,000 in redundancies. "The impact in the community sector is huge and will continue to be felt for months and years to come," he said.

"The Rudd Government should be ashamed of its conduct."

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