

ITEM 4:
COMPETITIVE CONTRACTING
AND THE “MULTI-PROVIDER” MODEL

AMEP Evaluation Requirements:

“to build on the AMEP multi-provider model evaluation plan developed by Social Compass to determine the appropriateness, effectiveness, value and viability of a multi-provider service delivery model in the AMEP and make a recommendation on the advantage and viability of expanding the multi-provider model into other contract regions.”

ACTA's Concern:

- ▣ the competitive contracting model used to deliver the AMEP

The National Competition Policy (1993)

The stated objective of National Competition Policy, as it applies to the public sector, is to achieve **the most efficient provision of publicly provided goods and services** through reforms designed to minimise restrictions on competition and promote competitive neutrality. The principal reform required under the policy is the application of a public benefit test to justify the maintenance of any public policy that *prima facie* restricts competition. **Policies for which a public benefit cannot be demonstrated must be repealed or modified so that they do not reduce competition.**

The objective of competitive neutrality policy is the **elimination of resource allocation distortions** arising out of the public ownership of entities engaged in significant business activities: Government businesses should not enjoy **any net competitive advantage simply as a result of their public sector ownership.** Such principles apply only to the business activities of publicly-owned entities.

[https://en.wikipedia.org/wiki/National_Competition_Policy_\(Australia\)](https://en.wikipedia.org/wiki/National_Competition_Policy_(Australia))

2013 Harper Review

Competition in human services

Harper recommended that there should be a diversity of competing providers of human services **to stimulate innovation in service provision** and to **give consumers choice**. The recommendation foreshadows a new focus for governments being one of **overseeing the impact of policies on users** ('stewardship') rather than on service delivery. Harper cautioned governments that where they are involved in commissioning services, it should be done with **a clear focus on outcomes**.

The welfare gains from implementing competition policy reforms into human services are potentially significant – previous estimates by the PC suggested that **improved productivity of health service delivery alone could implicitly boost household consumption by \$40 per person in 2005–06 dollars**.

2013 Harper Review (cont.)

Harper recommends measures aimed at ensuring that competition policy remains of central relevance to governments. It recommends that governments commit to **transparent competition principles**, including:

- ▣ all government **regulation that binds public or private sectors should not restrict competition.**
- ▣ **consumer choice** in the funding, procuring or providing of government services should be promoted.
- ▣ government procurement should *separate* the [3] roles of **policy** (including funding), **regulation** and **service provision**, while also **encouraging a range of providers.**

When applying the competition principles, all governments should subject regulation to a public interest test to ensure that **governments do not restrict competition unless it is in the overall community's interest to do so, and that there are no other means by which the policy can be achieved. (my emphasis)**

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook45p/CompetitionPolicy

What did/does this mean for the AMEP?

1948-1996: Commonwealth-funded AMEP (incl. tuition entitlements, curriculum development, PD, research, employment conditions & pathways), located and centrally managed within the Immigration portfolio.

late 1980s/early 1990s: Education portfolio (incl. short-term labour market programs; Dawkins' focus on "literacy" – LLNP; NRS) questions AMEP "outcomes".

1996: first 5-year competitively tendered contracts; space for non-Govt. owned providers; (ACL/Navitas begins 1994)

201??: AMEP shifted from Immigration portfolio to Dept Trade. then Dept. Education & Training (DET)

2017, 1st July: new AMEP & SEE 3-year contracts - DET "AMEP New Business Model".

Implications for the AMEP: Senate Estimates Questions

Question on notice no. 225 Portfolio question number: SQ18-000927; 2018-19 Supplementary budget estimates Education and Employment Committee, Education and Training Portfolio
Senator Mehreen Faruqi: asked the Department of Education and Training on 25 October 2018

How many teachers lost their jobs in the transition to private providers taking over what was previously a Government program? Were any teachers re-hired by the private providers? Under what conditions? How many teachers went from full-time to contract and/or casual positions? Did the department ever check whether the teachers retained their wages and working conditions? Are there any requirements for private providers to maintain the same level of staff and maintain their working conditions as Government providers?

ANSWER: The Adult Migrant English Program (AMEP) is an Australian Government-funded program administered by the Department of Education and Training through contractual arrangements with service providers. AMEP teachers are employed and managed by service providers. **The department does not collect data on teacher's wages or employment conditions.** AMEP service providers are required to comply with Commonwealth policies on the engagement of workers, including the *Fair Work Act 2009*, and the same standards and obligations that are imposed on Commonwealth Personnel under the relevant state and Commonwealth Work Health Safety Act.

Question on notice no. 227 Portfolio question number: SQ18-000929
2018-19 Supplementary budget estimates Education and Employment
Committee, Education and Training Portfolio

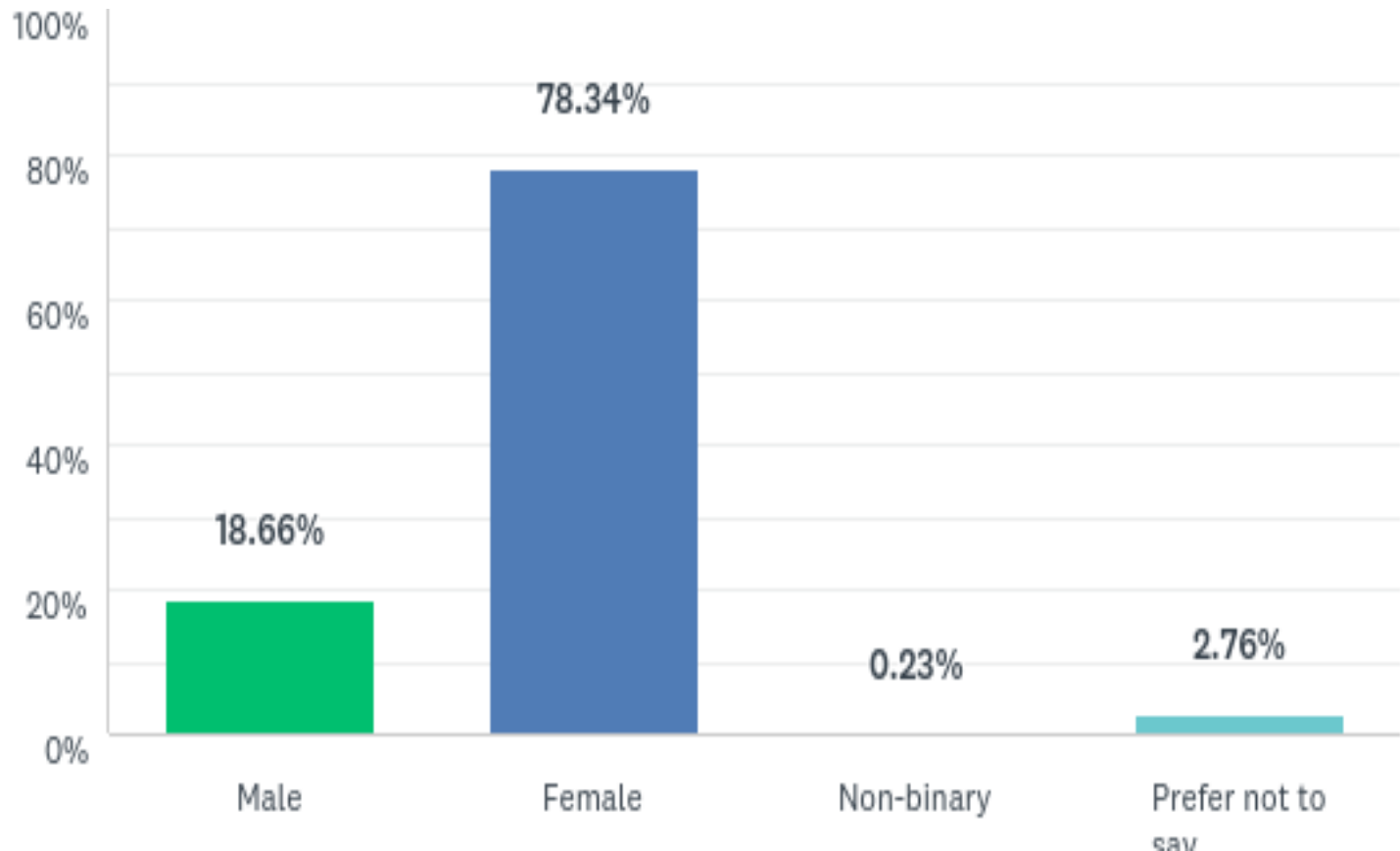
Senator Mehreen Faruqi: asked the Department of Education and
Training on 25 October 2018 —

*Do you have any figures on how many Adult Migrant English
Program teachers are contractual employees and how many are
full time?*

Answer:

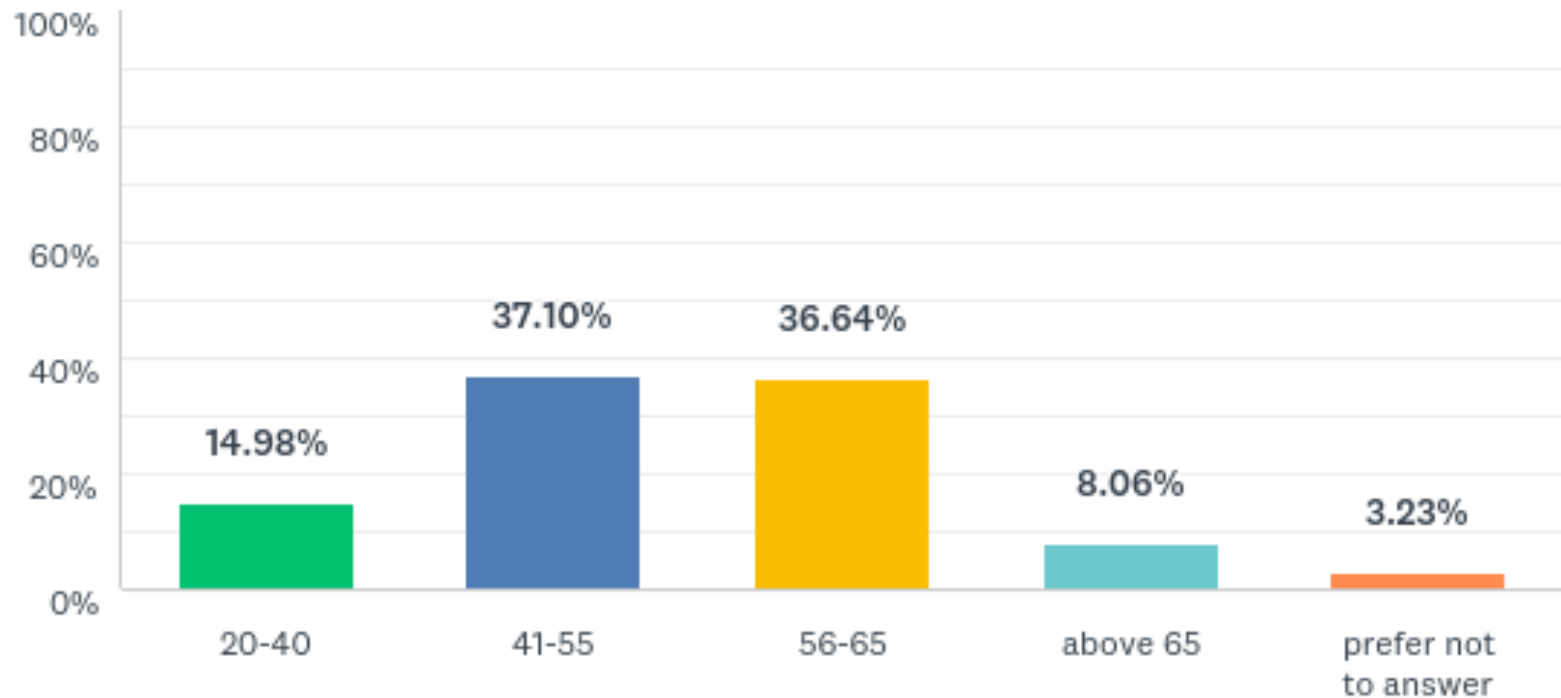
The Department of Education and Training **does not collect data on the number of AMEP teaching staff, or their employment conditions.** AMEP teachers are employed and managed by AMEP service providers.

The AMEP & SEE Program Workforce: Gender



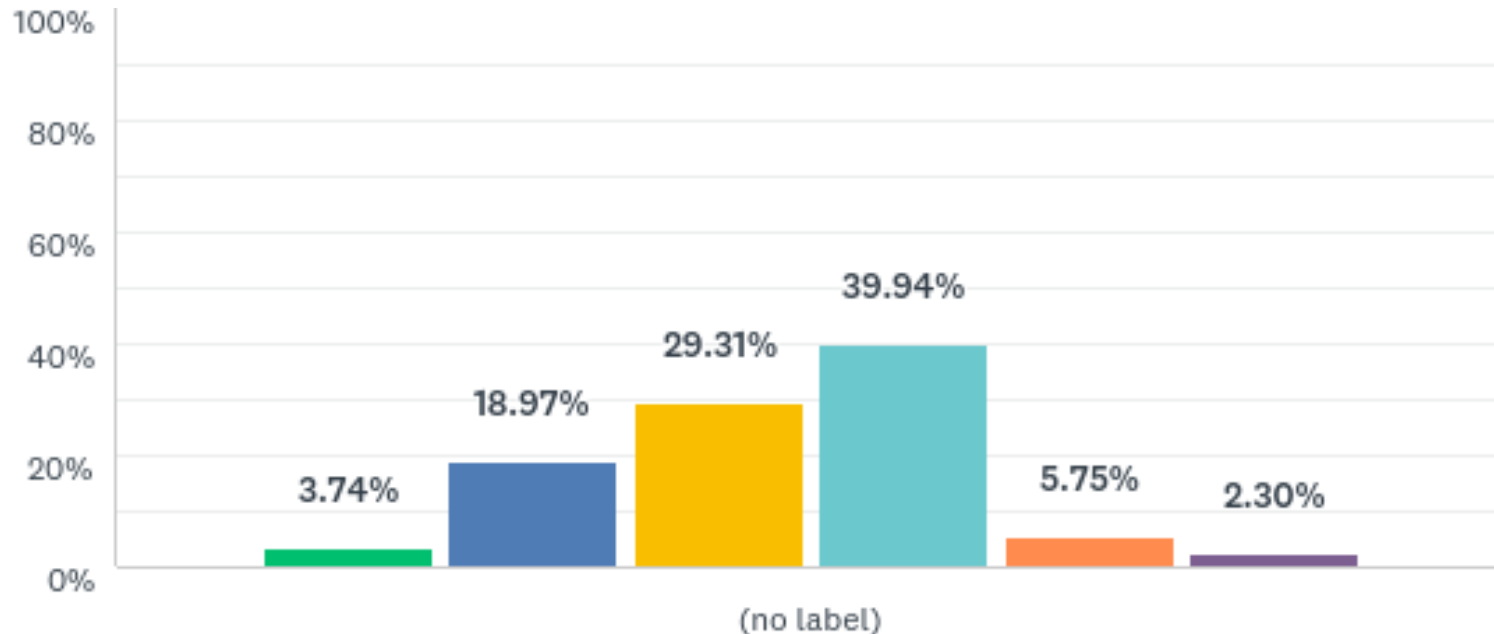
No. Respondents: 434

The AMEP & SEE Program Workforce: Age



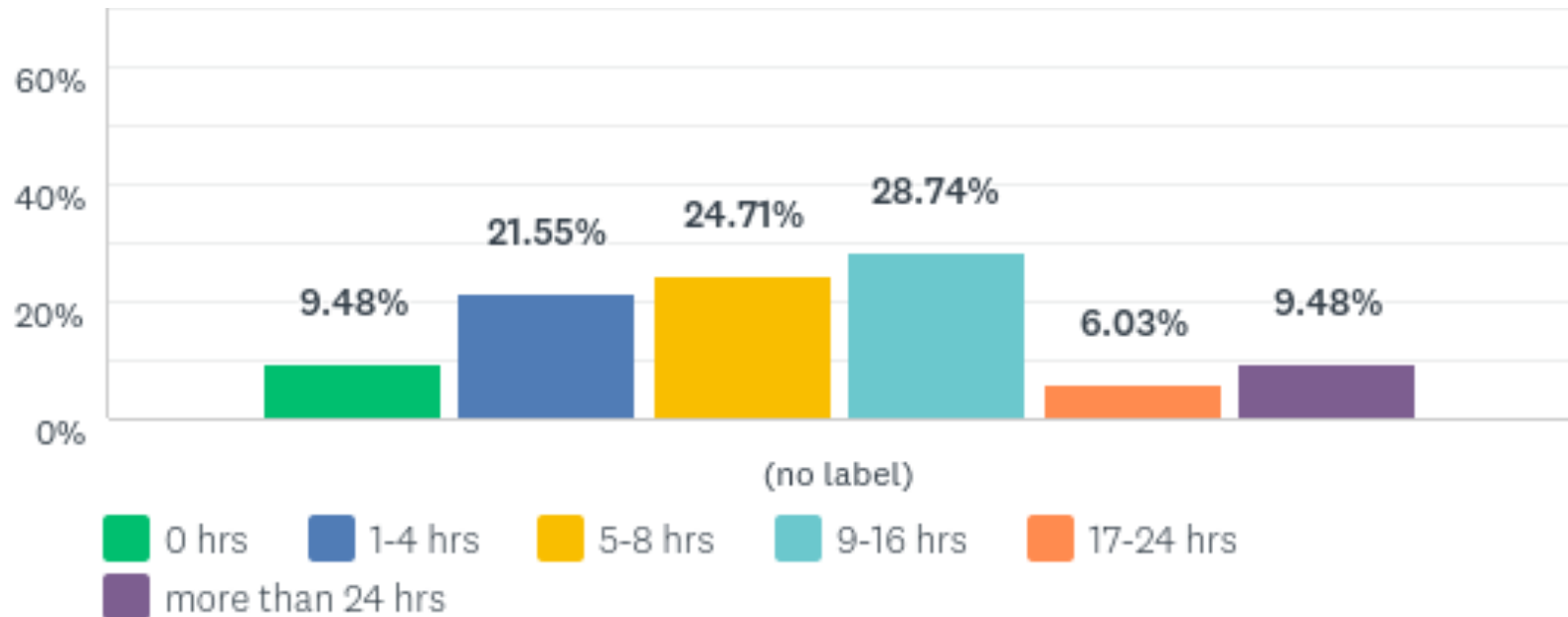
No. Respondents: 434

The AMEP & SEE Program Workforce: Average Hourly Pay



No. Respondents: 348

The AMEP & SEE Program Workforce: Average Unpaid Hours (previous 10 weeks)



No. Respondents: 348

ACTA Survey: Physical Facilities

	VERY SATISFACTORY	SOMEWHAT SATISFACTORY	SOMEWHAT UNSATISFACTORY	VERY UNSATISFACTORY	N/A: DOESN'T EXIST	TOTAL
Classrooms (desks, chairs, ventilation, heating etc)	27.19% 93	44.15% 151	19.01% 65	9.06% 31	0.58% 2	342
Technology for students (computers, smartboard etc)	19.59% 67	40.64% 139	27.19% 93	10.53% 36	2.05% 7	342
Library/independent learning centre	30.41% 104	41.23% 141	8.77% 30	4.68% 16	14.91% 51	342
Student toilets	37.54% 128	43.40% 148	11.44% 39	4.99% 17	2.64% 9	341
Indoor recreational areas for students	12.57% 43	33.04% 113	19.88% 68	12.57% 43	21.93% 75	342
Outdoor recreational areas for students	13.78% 47	34.60% 118	14.08% 48	7.62% 26	29.91% 102	341
Staff room	26.02% 89	35.38% 121	19.30% 66	9.36% 32	9.94% 34	342
Staff toilets	28.07% 96	35.38% 121	9.65% 33	7.02% 24	19.88% 68	342
Administrative & reception areas	29.82% 102	50.88% 174	13.16% 45	4.39% 15	1.75% 6	342

Physical Facilities (Comments)

- ▣ *We share a building with other organizations. Everyone uses the same kitchen and toilets. The classrooms are small and stuffy. The centre has no windows. There are Chromebooks for students to use, but when they are broken, nobody seems to fix them.*
- ▣ *At Navitas the chairs were the cheapest and not good for students (hard plastic with no padding and not terribly ergonomic). There were laptops but the wifi was extremely unreliable. I set up my own class libraries for each level and paid for everything out of my own pocket. There weren't enough student toilets for the number of them. There was one disabled toilet that had a 'Staff toilet' sign put on it. The staffroom was way too small for the number of teachers using it but it seems their new venue will be even worse.*
- ▣ *The ventilation in the staff room and classrooms is often not good enough. The air seems thick and stale at times. Often I and some of the students experience sneezing, light-headedness and the need to go out for fresh air. Student toilets are often very smelly during most days. Staff toilet is relatively clean but sometimes dirty.*

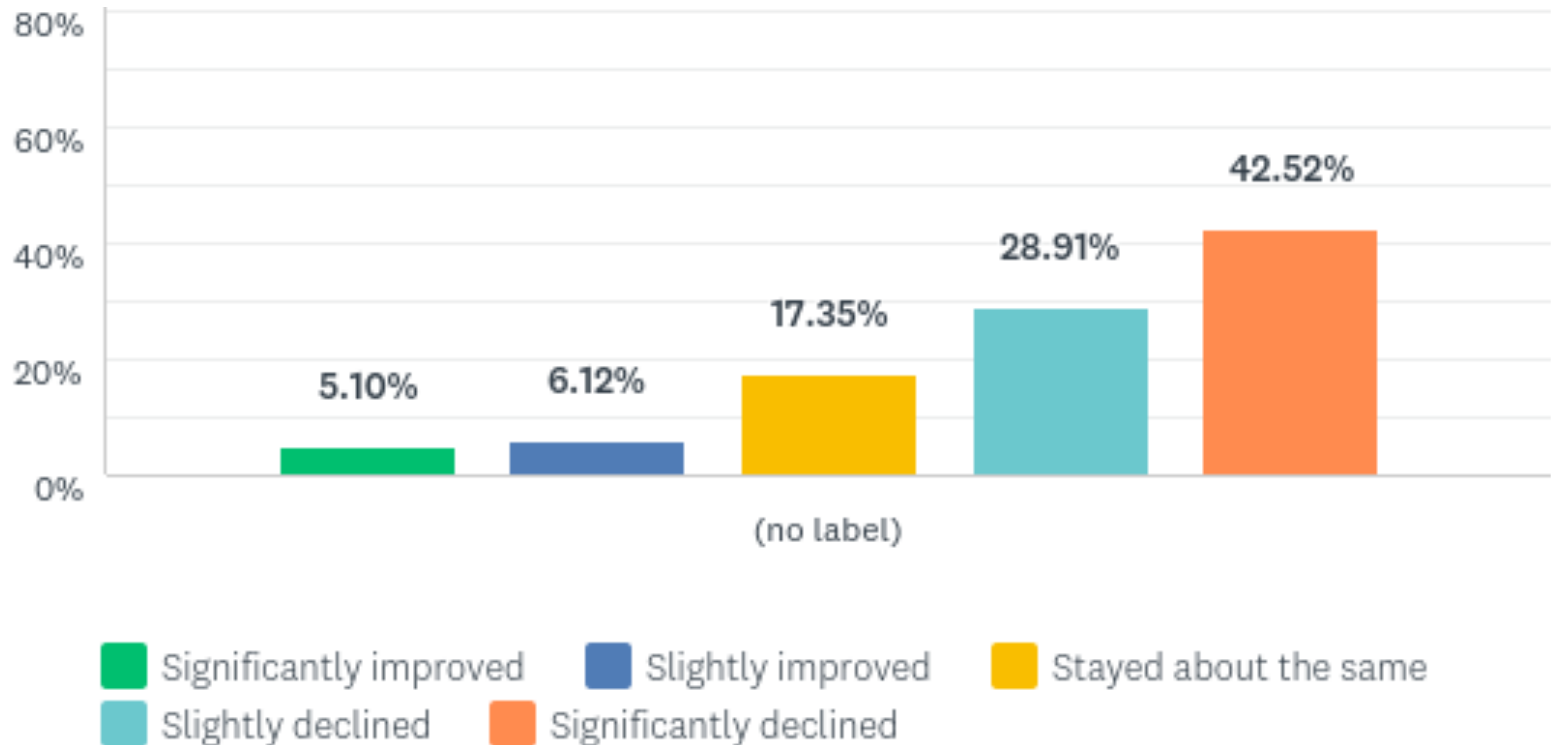
Contracts awarded to new providers

- Eventually Max Solutions had some things in place, but on the first day there were **no toilets/kitchen** available for students to use and **they were told to go across a busy road and use the public library across the street**. There was nothing in the way of recreational facilities for students but by about Week 6 they had an open area upstairs for students to use during break time. Staff facilities were shared with general Max Employment staff and I think some staff were a bit put out at having their space invaded. **Classrooms had to be built during the first few weeks** which meant many students had to suspend their studies while construction was going on. The classroom I taught in was pretty cramped for the 20-25 youth students I had. There were banks of Chromebooks available for use in class but I had to negotiate with other class teachers to use them but there was no booking system so it was essentially first in best dressed. No smartboards, had to haul in a projector and set it up in a cramped classroom. **Admin was essentially a single desk in the foyer**. No staff room and no place to get away from students, and admin staff would try and 'catch' me during lunch break to answer questions. I would literally dash out the door during my lunch break so that I could just be alone and in a quiet place for 30 minutes.

- ▣ *The building we occupy consists of concrete blocks built in the 60s. There are holes in the staff room ceiling and when it rains we have water fountains flowing down the stairs from the 3rd to the 1st floor. The lift is ancient and staff and students have been trapped in there. It has been repaired but obtaining parts proved difficult.*

- ▣ *Old building; plumbing is appalling; 20 teachers in a space previously occupied by 4 teachers in the last contract; no onsite IT support; no separate tea room despite union requests to supply a space and this is unlikely to change with the move to a new venue. Chairs for students are uncomfortable and not good for people studying for 4-5 hours. Desks are fine. Centralised heating is poor, but addressed by management to improve the cold classrooms.*

Since 1st July 2017, has your feeling of well being at work changed?



No. respondents: 294

If your well-being at work has declined, has this manifested itself in any of the following ways? (Choose any that apply)

ANSWER CHOICES	RESPONSES	
Losing my temper	33.48%	75
Crying at work	17.86%	40
Crying at home	22.77%	51
Depression	27.23%	61
Sleeplessness	62.95%	141
Relationships/ colleagues	23.66%	53
Relationships/ managers	31.25%	70
Relationships/ outside	23.21%	52
Physical illness	49.55%	111
Taking sick or stress leave	32.59%	73
Other	19.64%	44
Total Respondents: 224		

Questions

- ▣ Do **the costs** of the current model of competitive contracting **outweigh the benefits**?
- ▣ What *is* the “**public good**” served by the AMEP?
- ▣ How do the perceived benefits **relate to and support this public good** i.e. the AMEP’s contribution to successful outcomes in Australia’s immigration program?
- ▣ **What costs are disguised and not accounted for** in the current model of competitive contracting?
- ▣ What is the motor that **drives educational endeavours or educators**? Is competition the most effective way of fuelling this motor?

My Questions (cont.)

- ▣ What is the impact on programs and conditions of **competition between for-profit providers and public providers**?
- ▣ Against what criteria are **the appropriateness, effectiveness, value & viability** of the “multi-provider service delivery model” being determined i.e.:
 - ▣ appropriate to *what*?
 - ▣ effective in doing *what*?
 - ▣ what *sort of value*?
 - ▣ viable in *doing what*?
- ▣ How might a “multi-provider service delivery model” **promote collaboration & concerted effort** between providers?
- ▣ How can **economies of scale be harnessed** while **preventing rigidity & complacency** in AMEP provision?

*Are there more effective, efficient,
less divisive, less costly &
less professionally & personally
destructive ways
of achieving the goals of the AMEP?*

The ACTA proposal

The award and monitoring of contracts for the AMEP and SEE Program should be **streamlined and modernised on risk-based principles** as follows:

- 1) Overall provider performance should **be assessed annually and rigorously by independent assessors on a 5-point performance ranking scale**, viz.:

A = outstanding performance

B = good performance

C = satisfactory performance

D = somewhat unsatisfactory performance

E = unsatisfactory performance.

- 2) The scale should be determined in relation to **KPIs devised by DET in collaboration with providers and external experts in English assessment and public administration.** A research project should be instigated to investigate and develop effective and viable KPIs for the next round of contracts.
- 3) **Providers scoring C or below** more than once in any 4 year period should be asked to show cause as to why their contract should be re-opened for tendering.
- 4) **Providers who consistently score A or B** should not be required to compete for new contracts until a new 10 year cycle – see below.
- 5) **New tenders for all provision** should be called every 10 years.

Over to you!