



MEDIA RELEASE

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African -Australian leader has mixed response to new government employment service contracts

Dr. Berhan Ahmed, Chairperson of the African Think Tank, today delivered a mixed appraisal of the Federal Government's new employment contracts, announced today.

"It is great to see more support for some services that offer high support for migrants and diverse communities, such as AMES" said Dr. Berhan today. "However some very high-performing services have lost their contracts, and so have a number of religiously-based and small ethnic services that offer a range of supportive services in addition to job matching.

"The overall strategy has been one of directing support towards services operating in the most challenging environments. But some services with an excellent grassroots base will have to close. This disrupts continuity of services and destroys the relationship of trust with migrant and disadvantaged groups that has been built up over many years. Thousands of experienced and competent employment consultants will be lost to the industry, and along with them, the effort they have put into building contacts and relationships over the years.

"The fact that this government has withdrawn support from some services located within ministerial electorates shows a refreshing absence of pork-barrelling. However the closure of some excellent services is a bad move. In the present very challenging economic environment, it would have been better to have supported existing effective services while providing more support across-the-board. These decisions will cause one of the biggest waves of unemployment in a single industry in recent history. Nationally, lot of money is being spent to support failing industries that might be better directed to employment support at the grassroots level."

Background

The employment contracts that were offered last week offered more support to contractors such as AMES (Adult Migrant Education services). However, some very highly-rated employment services, such as The Salvation Army and Wesley Employment services, lost their contracts despite being in the top two percent of services based on outcomes. This will cost thousands of jobs, many of them in religiously-based services that offer a more caring and holistic approach. Many small ethnic organisations have also lost contracts.

The hardest-hit by the economic crisis will be the most marginalised sections of the society. New migrants and refugees will find it particularly hard to find jobs and to get accommodation and loans. The process of developing employment services for these communities depends on long-term trust that has been patiently built up by key players in employment services. To these developing communities, stability of services is essential. The new contracts will mean the loss of many key players and, along with them, the trust and contacts that they have built.

The government's \$4 billion overhaul of the employment system will streamline the system and make it more efficient. However the Australian Services Union estimates that up to 5,000 jobs could be lost in the industry. Among the services that will have to sack staff are The Westgate Community Initiatives Group (WCIG), which operates in Werribee in Deputy Prime minister Hon. Julia Gillard's electorate, and Djerriwarrh Employment Services Group in St. Albans in Employment Participation Minister Brendan O'Connor's seat.

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