

Senate Committee into The Administration and Purchasing of Disability Employment Services in Australia:

Dear Members:

The decision by the Government to put over 80% of the DES -ESS business out to open tender in 2012 is wrong and will have a devastating affect on the long term viability of the industry. My major concern with this submission is the affect this will have on the recruitment and retention of good staff within this industry.

I do not believe that the Government has considered the impact this will have on staff nor have they learnt from this same scenarios in the JSA contracts. Constant tenders increase staff turn over, increase the number of trained staff leaving the industry completely and leads to a reduction in quality service due to lack of experience.

This occurs because individuals futures are not secure. Any staff member with a mortgage, with children or indeed ambitions of a future career path will think twice about working in an industry that is so heavily dependent on performance goals and not on individual needs and aspirations. The number of people who are willing to work with individuals that have a disability are not endless. They are generally not performance driven people but are more driven by assisting individuals to achieve their goals rather than their own. This individuals do not flourish in a high demand performance framework which is where this is headed.

The experience from JSA contracts is that staff turn over exceeds 50% pa in a tender year and that the level of staff absences increase. This is because staff are not certain of their future, they become stressed, they take more sick leave and they look for more secure employment. At the same time companies spend less on development of staff, drive for higher performance and reduce overheads as much as possible so that any redundancies can be paid. This all comes at the expense of the client.

The argument put forward by Government in the past that the same business level is available and therefore staff can move between providers in the same area is false. New providers to the area have different business models and are reluctant to take on staff from a failed provider. In particular they are reluctant to take on the more senior staff with the experience because they see them as the primary source of failure. They do not take into account the level of tender, the business model of the previous provider etc.

The staff also loose out on their pay and condition as these do not transfer between providers. Any accrued sick leave or long service leave is lost. Any annual leave is paid out but generally the new provider wants staff to start immediately so their chance for a rest and a holiday is lost and their stress level are increased. Staff then have to learn a new business model, learn to work with a new client caseload and productivity drops in the first six months of the new contract.

This is a very bad decision by Government and I am happy to discuss further with the committee.

Regards

Geoff Bassett

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