



community services  
limited

4 October 2011

Committee Secretary  
Senate, Education, Employment and Workplace Relations Committees  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Committee Members

Comepass Employment Services, an activity of Westside Community Services Limited, a not-for-profit organisation, currently provides Employment Support Services (ESS) as part of the Disability Employment Services (DES) network. Comepass has been providing employment services to people with disability for in excess of twenty years and we currently provide employment services from twelve sites across Brisbane and Ipswich.

The Government's increased investment in Employment Services, as contained in the 2011 -12 budget, particularly in the areas of employer incentives and mental health reform, is welcomed. These measures provide practical assistance that increases the opportunity for disadvantaged jobseekers to successfully participate in the general workforce and in turn to improve their quality of life and community involvement and to contribute to the economic productivity of Australia.

However, I do have a number of concerns regarding the future purchasing arrangements for the Employment Support Services (ESS) and in particular to the requirement that certain providers will be required to tender for business for the March 2013 June 2015 contract.

I note that a higher performance expectation has been set for the ESS contract as it has not been universally open to interest from other organisations. I further note, that the tender process will enable existing three star providers "to be considered against other available options that may have the capacity to deliver better outcomes for people with disability and employers". While this may be the case, it is difficult to see how the tender process "will ensure that the most vulnerable jobseekers get the highest quality service". To ensure that all tenders are assessed objectively it is necessary that individual responses are 'marked' against pre-set standards or scope of responses. In an endeavour to ensure all tenders are assessed fairly the process may be able to rank organisations who can write a "winning" tender but it does not necessarily rank organisations that will actually be able to deliver. This observation is supported by the Disability Management Service (DMS) star ratings for December 2010 where 73% of eligible contracts were rated at "average" (i.e. three stars) or less. In

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the last Job Services Australia (JSA) tender there were incidences of high performing providers who were unsuccessful with their tender because, if I understand it correctly, they failed to adequately address the tender criteria. The current tender process may be the best, workable and equitable process that is available, but simply to require tenders because the market has not been tested does not appear to make sense. I believe that a business reallocation based on performance, which will apply to the DMS program, would achieve the desired outcome, without the cost and uncertain results that would be achieved by a tender.

Should the tender process proceed I believe that the requirement for all three star or less providers to tender is unnecessarily harsh. I do acknowledge that any arbitrary minimum standard of performance will result in a mix of reactions from providers depending on where they fall in relation to the cut-off point. I do, however, believe that the sector as a whole acknowledges that service providers must be able to demonstrate that they are "value for money" and that it is appropriate that poor performing providers should be required to tender. It is, however, difficult to understand how all three star providers can be described as "average". The three star bandwidth includes providers who are 19% above the national average to those who are 19% below the national average. I believe that a provider whose performance is greater than the national average is performing at above average and that this relationship to the national average should be used to determine who should be required to tender and who should not.

In addition, to the above, writing a tender is an expensive process for providers. Whether a provider writes the tender themselves or seeks the aid of a tender writing expert the cost in either time and/or money is significant. Smaller providers are likely to be disadvantaged as they generally have less capacity, financial or staff, to divert scarce resources to this critical process. I appreciate that writing tenders is a normal part of doing business in our sector, however, given my earlier comments; I believe that a modification to the proposed purchasing arrangement would allow providers to invest resources, which would have been utilised to write a tender, to the provision of service to their jobseekers.

At this point in time, Comepass Employment Services is well positioned to meet the requirement for the second contract extension to June 2015. Whether it is ultimately necessary for us to tender to retain our existing business, or indeed to gain additional business if available, we will continue to focus our efforts to provide high performance for all stakeholders.

Thank you for taking the time to consider this letter.

Yours sincerely

**Mike Stephan**  
**Managing Director**