



Australian Government

Department of Education, Employment and Workplace Relations

Employment Services Deed 2009-2012 Extension

As you will be aware the current Employment Services Deed for Job Services Australia expires on 30 June 2012.

The Australian Government has decided that the procurement methodology for Job Services Australia – 2012–2015 will be a mix of deed extensions, business reallocation and an open tender process.

In the 2011–12 Budget, the Australian Government announced that Job Services Australia Stream Services providers in non remote areas (including non-remote excised areas in remote Employment Service Areas – ESAs) with a 3 Star and above rating, as at the end of August 2011, will be offered a deed extension from 1 July 2012 to 30 June 2015.

A formal offer of deed extension will be sent to these providers in mid February 2012.

Offering a deed extension for 3 Star and above rating providers is an illustration of how the Government is actively responding to industry concerns about long-term uncertainty and recognises the importance of maintaining stability in the employment services market. It also highlights the Government's ongoing commitment to identify unnecessary administration in employment services and streamline processes to ensure the highest quality employment services for job seekers.

Harvest Labour Services and New Enterprise Incentive Scheme

The Government has decided that Harvest Labour Services (HLS) and the New Enterprise Incentive Scheme (NEIS) will be included in the deed extension. This will be included in the formal offer of the Stream Services deed extension to be sent to these providers in mid February 2012, as indicated above.

Please note providers of HLS will only be offered a deed extension for their HLS business if they retain a Stream Services contract for the period from 1 July 2012 in an ESA which overlaps with the relevant Haverst Labour Area.

Remote Areas

For those providers servicing remote locations in remote ESAs, the Government announced that a 12 month extension will be offered from 1 July 2012. The Government is currently undertaking a review of servicing arrangements in remote areas and is expected to announce the outcome of the review with the 2012–13 Budget.

Providers that have service coverage for both the remote and non-remote excised areas of an ESA will be offered two separate extensions – a three year extension for the non-remote excised area and a 12 month extension for the remote area. This will be irrespective of the physical location of a provider's sites. A formal offer of deed extension for both the remote and non-remote excised areas of an ESA will be sent to these providers in mid February 2012.

Providers with a 1 or 2 Star Rating

The business of providers with a 1 or 2 Star Rating at the end of August 2011 will be subject to a Business Review process. As a result of this Business Review, the business share of some 1 and 2 Star providers may be offered to providers with a 5 or 4 Star rating in the first instance and, if DEEWR considers it appropriate, to a 3 Star provider in the same ESA.

Those 1 and 2 Star providers who demonstrate extenuating circumstances during the Business Review may be offered deed extensions but will continue to be subject to business review assessments.

Business not allocated through the Business Review process will be put to open tender. It is expected that a Request for Tender (RFT) will be released in late November 2011 and advertised on Austender (tenders.gov.au). It will be open to existing providers and prospective new providers.

Next Steps

As the first step in the offer of an Employment Services deed extension, I am now seeking your confirmation that you would be willing to accept the offer of:

- a **three-year extension**, where eligible as a 3 Star or above Stream Services provider, including HLS where applicable, for the deed in relation to non-remote ESAs and excised areas of remote ESAs, under existing deed arrangements, from 1 July 2012 to 30 June 2015;
- a **three-year extension** for NEIS services for the deed in relation to non-remote ESAs and excised areas of remote ESAs, under existing deed arrangements, from 1 July 2012 to 30 June 2015; and
- a **12-month extension** for all services under the deed delivered in Remote areas from 1 July 2012 to 30 June 2013.

To reiterate, this letter is only seeking your agreement to a proposed deed extension in relation to your existing business share or contracted area. In regard to Stream Services, if you are in an ESA where there are currently 1 and 2 Star providers operating that are subject to the Business Review process, you may also receive a further letter with an offer for additional business as a result of Business Review process.

For your organisation, the extension would be offered for your existing business and you may only indicate a preference to receive a formal offer of extension for the business as it is currently held against your deed.

In the email in which you received this letter you will also have received an attachment which shows a concise list of your currently contracted ESAs, and their current status according to star ratings and if they are in a remote ESA or an excised area. It is intended as a quick reference.

Any requests for variations will not be considered. Requests for deed variations, such as site changes, can be made on a business as usual basis at any stage up until March 2012. From March 2012, such variations will only be considered in exceptional circumstances and on a case-by-case basis.

The offer of an extension to the deed would also incorporate recent Government initiatives announced in the 2011–12 Budget and may include other changes as determined by DEEWR.

If you would be willing to accept a deed extension offer, under existing deed arrangements, you should complete, scan and return the signature page at Attachment A of this letter by **17 October 2011** to espurchasing@deewr.gov.au. Alternatively, you may also post hard copies of the documents to the following address:

Business Allocation and Contracting Team
Procurement Branch
Employment Services Management, Procurement and Evaluation Group
(Location Code: C60MA4)
GPO Box 9880
CANBERRA ACT 2601

Should you indicate your willingness to accept an offer of a deed extension, you will be forwarded a formal offer of extension to the Employment Services Deed in mid-February 2012. You will be required to sign and return the formal offer of extension to DEEWR by early March 2012 for commencement on 1 July 2012. This letter and your response to it is in no way binding on the Commonwealth and will have no legal effect until the subsequent formal offer is signed by both parties.

Following is an indicative timeline for the deed extension process and the open RFT arrangements.

September–October 2011	Business Review Assessment (Stream Services only)
Mid-November 2011	Providers offered business under the Business Review process
21 November 2011	RFT for remaining business released
15 December 2011	RFT closes
January 2012	Assessment/Evaluation of tender responses
March 2012	Announcement of Business Review and RFT results
March 2012	Deed extensions/new deeds offered.

Comments or questions regarding the information contained in this letter or any attachments should be directed to the Employment Services Purchasing Hotline. The Hotline is the primary means of contact during the Business Review and procurement processes. The Hotline can be contacted on 1300 733 514 (Monday to Friday, 9.00 am to 5.00 pm Canberra time, excluding ACT and national public holidays) or via email to espurchasing@deewr.gov.au.

Yours sincerely

Branch Manager, Procurement
Employment Services Management and Procurement

21 September 2011