



bjl *connecting communities*

Submission of BJL Connecting Communities (BJL)

To the Parliament of Australia Senate

**Senate Committee Inquiry by the References Senate Standing
Committee on Education, Employment and Workplace Relations
Committee into Job Services Australia Tender.**

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The fundamental means by which the Commercial Tender (Employment Services

Tender) Economically Excluded of the Smaller/Medium Size Local Community Based: Not-for-Profit Provider:

- There is an underlying assumption that local community based, Not For Profits, benevolent society (Third Sector Providers) are not as professional or polished as the for profit sector. To exemplify this point: It is the case that many non profits seminars on good management/governance (many sponsored by Governments) is all about the for profit sector teaching the non profits sector how to fit into their business models. This is essentially the same exercise when Governments release Commercial Tenders, they are commercial/for profit, the framework is commercial, the language is commercial the measurement is commercial. They are written and executed in a manner that has the non profit sector trying to fit into a business model. It should be said that there are many synergies between profit and non profit organisations. It should also be said that there is much to learn and benefit in adapting business and governance models – but still the underlying assumption is that the private sector management techniques which have sustained capitalism, are superior and more effective than those traditionally belonging to the non profit sector. It should be remembered “The business of non profits is not business”. The third sector is committed to a strategic direction that it is ethically sound; holistically placed within their value system and that it is grounded within their philosophy and purpose. For the many of the smaller non profits that were excluded from gaining a new Employment Service Contract their core business is social inclusion and they work to ensure that in this global society community-driven solutions to local problems is more than a Commonwealth Government statement – it is the reality we work in and achieve in everyday.

They were not national organisations - they were local nonprofits; many who have held Job Placements Employment Training (JPET) or Personal Support Program (PSP) – the previously so named complimentary services to Job Network for many years, enduring many different Federal Government policies changes, Departmental changes and overall changes to social/economic circumstances that effected their communities. All with good performance (otherwise they would not have endured) all who offered their communities tremendous value for money. The Commercial Tender process wiped us away because we were economically excluded because we did not fit the business mould, not because we did not know the business nor because we could not do the business – and we had been undertaking your social inclusion and community driven business for years.

Lumping non profits, for profits and laying one over the other is not possible, even when we do speak the same language our words have different meanings. Let's take the concept/definition of value for money/value adding. Value for money has a very different meaning in the private sector - “value for money” translates into the lowest unit cost. Non profit organisations would not cut the unit price of an unemployed Australian citizen – nonprofits translate the term “fixed price contract” as the amount of money that unemployed Australian is entitled to by the means of citizenship. “Value for money” in the third sector means value adding. And unfortunately many of the value adding exercises completed by non profits do not translate well into economic terms, the Government is aware of this because it has the Productivity Commission this year trying to work it through. It is apparent that Government knows some for-profit management models need serious modification for the non profit environment because there are fundamental differences – and those differences economically

exclude us from being able to fully speak in “for profit” commercial terms such was the framework of the tender.

The Perth metropolitan area had eight Job Placement Employment and Training (JPET) providers. Of those providers; seven were not for profits community based agencies. Of those seven not for profit, community based providers – only one received a new Employment Services Contract. The majority of these providers were long-term contractors. That is, those that have delivered those services for a least six years (two tender rounds). The Perth metropolitan area had sixteen Personal Support Program (PSP) providers. Of those providers; fourteen were not for profit, community based providers. Of those fourteen providers, two received new Employment Services contract. Again, the majority of these providers were long-term contractors. That is, those that have delivered those services for at least six years (two tender rounds/roll-overs).

BJL was one of those providers who did not gain any business in the Employment Services contract despite having held the JPET contract since its inception, having increased its client loads (business allocation) with every previous commercial tender it has gained over those years including increasing its service delivery area. BJL has held the Personal Support Program for the last six years, increasing its business levels with each commercial tender/roll over and increasing its service delivery area with each tender round/roll over. I would think this would prove consistent, good performance of service delivery to the local community.

I would ask the committee to remember it is the Government Department who sets the performance indicators of the programs. Over the years BJL have delivered PSP and JPET we have worked within and performed with different and various contracts and contracted performance measures, all submitted, documented and audited by your Departments (DEEWR; DEWR: FACS: DEET) – does this not prove without reserve the ability to deliver services; an ability to be adaptable to any policy change, to reflect governmental directions, strategies – achieving both the Government's funding achievements and within the community. The definition of “performance” in the tender neglected to value this long-term relationship and history of delivery as a measurement of performance. I would also ask the committee to remember it is the community based agency who makes that service delivery work within its local community because it lives there – the Employment Services contract is universal regardless of whether that community is in the north metropolitan region of Perth, the north-west Kimberley, the north of Queensland, north of Alice Springs, northern Tasmania or the north of Sydney.

It is a pity that there was never a performance indicator that measured how it is a community based agency manages the differences between Canberra and those communities and still manages to deliver the outcomes. The for profit sector knows this is a hard ask and that is why many only applied for business in the metropolitan and larger regional regions – this is evident by simply mapping the results of the tender.

Furthermore, there is not a measure to what extent the local community based agencies drive community capacity, its social well-being, its wealth, care for its environment and its health. Over the period of the last three years BJL has poured its surplus from JPET and PSP back into the two programs. It has added value to those programs by successfully going out and gaining addition funds to run other complimentary programs

to JPET and PSP to give the clients registered in those programs and other members of the community access to broader services. I am sure if there was a quantitative economic measure for this, and this was given the weighting it deserved in the global marketplace the overall tender result for the small/medium local community based agencies would have been different.

To conclude - what extent did the Government keep its promise to the existing client focused JPET and PSP Providers?

The Perth metropolitan area had eight Job Placement Employment and Training (JPET) providers. Of them seven were not for profits community based agencies. Of those eight – only one received a new Employment Services Contract.

The Perth metropolitan area had sixteen Personal Support Program (PSP) providers. Of those, fourteen were not for profit, community based providers. Of those fourteen, two received new Employment Services contract.

If the Government and the tender process valued and supported the Employment service providers delivering more client- focused services, surely more of the existing and experienced providers of those services would have gained new contracts?