

**SENATE STANDING COMMITTEE ON
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS**

QUESTIONS ON NOTICE

Inquiry into the DEEWR Tender Process to award employment services contracts

EEWR_SIH_H77

Senator Humphries asked on 11 June 2009, EEWL Hansard pages 91 – 92.

Question

Can you provide the breakup between how many not-for-profit providers have won contracts vis-à-vis the old proportions, can we have number of providers and the share of business?

I would like to know what proportion of for-profit organizations and not-for-profit organizations have won head contracts compared with previous arrangements?

Answer

Job Services Australia comprises integrated services that incorporate a much broader client base and require a broader range of service delivery options than existing individual programs.

The proportion of Stream Services business contracted to not-for-profit and for profit entities is broadly consistent with the current Job Network arrangements.

For existing programs that will be integrated into Stream Services from 1 July 2009, of the 247 providers that deliver these programs, 198 (or 80 per cent) are not-for-profit and 49 (or 20 per cent) are for profit.

Business under the current employment services is contracted differently depending on the program, such as point-in-time capacity, total number of places or business share of new client flows. These different concepts cannot be added together to compare with the business share for the integrated Job Services Australia arrangements.

Of the around 140 organisations that have been awarded Job Services Australia business in Stream Services as a single entity or part of a tendering group, 111 (or 79 per cent) are not-for-profit and 29 (or 21) per cent are for-profit.

The proportion of not-for-profit and for profit organisations contracted in Job Services Australia is broadly consistent with the current arrangements. The tender outcome has provided a diverse range of national and local Providers, including a large number of Providers with specialist expertise.

For the first time since 1998 community-based organisations feature significantly in the profile of Providers of employment services with an increase in the number of such organisations who have business shares placing them in the twenty largest employment service Providers. This places a significant amount of business in the hands of smaller/local Providers offering diversity for job seekers and opportunities for small organisations.

The 111 not-for-profit organisations have been awarded around 66 per cent of the national business share, whilst the 29 for-profit organisations have been awarded around 34 per cent of the national business share.

Stream Services in Job Services Australia are demand driven. The number of job seekers in Stream Services assisted by a Provider will be affected by the number of job seekers registering with Centrelink, the provider's business levels in Employment Service Areas and job seeker choice.