

Record of conversation with Ostara – 29 May 2008

Nic Bolto – Ostara

David Hatfield – ACCC

- Ostara is a public company limited by guarantee with not-for-profit member organisations that seek, amongst other things, to provide assistance in finding employment for persons who, by reason of their mental health, are having difficulty finding employment.

Ostara provides services to its member organisations including co-ordination of the bidding for and delivery of employment services. The individual member organisations are responsible for the actual delivery of the services.

When the Commonwealth Government announces a relevant new tender process, Ostara approaches its members to see who wants to participate, for what services and in which regions. Ostara then tenders on behalf of all those interested members. If successful, Ostara will be the contracted service provider, with subcontract agreements with member organisations.

Ostara has around 25 members, who pay an annual membership fee and a percentage of the revenue from any employment contracts to Ostara for the services it provides.

- Membership of Ostara is open to not-for-profit organisations which share its goals and objectives. If a prospective member is interested in joining and having Ostara tender on its behalf in a region where an existing member is already providing services, it will consider what is best for the overall business – including who has actually been providing services in that area and how recently.
- Maintaining a ‘critical mass’ is important for Ostara – to ensure that costs are kept to a viable level. If members leave Ostara, it seeks to recruit other organisations.
- Ostara does not have a non-compete clause with its members – such that members are free to tender on their own and still remain members of Ostara. This has not been a significant issue to date, although it has happened. Members have left and tendered against Ostara – and won.

If a member indicates it does not wish to participate in an upcoming tender through Ostara, it will not be privy to the information about the joint tender.

- There is a free exchange of information and experience between Ostara members, with those more experienced helping new entrants get established. The issue of new members benefiting from that process and then leaving to tender on their own has not been a significant issue for Ostara – but that may be because it has not been around as long as similar organisations such as Job Futures. It is an issue that Ostara is starting to look at – particularly the potential need to ensure the intellectual property or proprietary information of the organisation is not unreasonably used by (ex)members in tendering individually.