

1 May 2015

Dr Richard Chadwick
General Manager
Adjudication Branch
Australian Competition and Consumer Commission
Canberra ACT 2601

By email: adjudication@acc.gov.au

Dear Dr Chadwick,

Subject: A91493 & A914 – Job Futures Limited – submission

I refer to your letter dated 20 April 2015 in which you invited the Disability Employment Australia to comment on the application for reauthorisation (application for revocation and substitution) from Job Futures Limited.

ABOUT DISABILITY EMPLOYMENT AUSTRALIA:

Disability Employment Australia is the peak industry body for Australia's Disability Employment Services (DES). We are recognised internationally as the pre-eminent organisation representing, supporting and resourcing the disability employment sector throughout Australia.

As a membership organisation, we exist to represent the interests of Disability Employment Services at a national level to government and a range of other stakeholders, such as consumer and employer groups. Disability Employment Australia supports the Australian Government to deliver high quality employment support to people with disability in Australia.

Disability Employment Australia currently has 97 members. Our membership is made up of organisations throughout Australia that are contracted by the commonwealth Department of Social Services to deliver the Disability Employment Services (DES) programs. Our member organisations range from small through medium to very large organisations, based in cities and in rural and regional towns.

As a membership organisation, we exist to represent, resource and support Disability Employment Services at a national level to government and a range of other stakeholders, such as consumer and employer groups. We do so in a variety of way, including providing members with training and forums to improve their capacity to deliver on their contract. We also advocate for the improvement on the program. Disability Employment Australia supports the Australian Government to deliver high quality employment support to people with disability in Australia.

We have a unique responsibility to foster innovation and flexibility of service within the Disability Employment Services program. We support our members to achieve best practice service provision in their role to find employment outcomes for people with disability. We advise, advocate, train, inform and undertake events to strengthen and promote the sector.

Disability Employment Australia believes in the right of every member of society to be included fully in the community, and to have control over their own life choices. Participation in the open labour market is a crucial factor in recognising this goal. There have been over 120,000 job placements through DES programs since March 2013.

Disability Employment Australia is keen to see the DES programs intersect with the NDIS Disability Employment Australia and proposes community awareness training, capacity building and broader structural and attitudinal work with the greater community across schools, employers and providers, as well as with people with disability (PwD), parents, carers to achieve that aim and increase workforce participation of PwD in mainstream workforce. Disability Employment Australia is working with PwD, employers, providers and academics to build a Disability Employment Centre for Excellence. This Centre would provide support and resources for PwD, employers and providers; expert policy advice to government; research papers; awareness raising; innovative pilot proposals and targeted projects to lead the current DES model into a support structure aligned with NDIS principles.

SUPPORT FOR JOB FUTURES LIMITED'S APPLICATION:

This letter is written in support of the application by one of our member organisations Job Futures Limited, for revocation and substitution for Job Futures Limited (Job Futures) for Authorisations A91084 and A91085 which expire 30 June 2015.

Disability Employment Australia notes that the ACCC previously granted authorisation to Job Futures Limited to tender on behalf of its members for government contracts to provide employment services but with contractual conditions, until 30 June 2015.

The Job Futures collective tendering model

Historically small and medium size not for profit community organisations have played a key role in delivering government-funded Disability Employment Services (DES), which often form part of their wider services supporting people with a disability.

Over time, the requirements of the contracts have become more rigorous, at the same time with a tightening of financial returns; the tender process has become more sophisticated while the market has become more competitive. While not as dramatic as the provider consolidation in general employment services, in recent DES tenders the results have shown a rationalization to fewer and larger providers, with a number of smaller organisations exiting the employment services sector and in some cases, ceasing to exist

The Job Futures model enables its member organisations to share resources, build capacity and draw on the incumbency and expertise of the network, effectively competing for business. Not only has this enabled existing providers to retain business but it has also facilitated the entry of new community based organisations into the disability employment services market. Despite a consolidating market, in the 2012 DES tender Job Futures enabled 5 organisations new to disability employment (but bringing a range of specialist skills) to enter the disability employment services market and so maintaining some diversity in the market.

The contractual and performance management arrangements that operate in the sector are complex and often challenging. The Job Futures model enables member providers to access performance and compliance support along with a range of resources to ensure ongoing strong performance. Job Futures is a corporate member of Disability Employment Australia which enables its member access to a further suite of services to assist in developing quality services and strong performance.

Job Futures' support enables these small to medium, community based organisations to increase their capacity to address social disadvantage in their local communities, which ultimately benefits the public.

It is a condition of Job Futures' membership that service providers do not tender contracted services in competition with Job Futures. The collective tendering and delivering arrangements require a high

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level of cooperation amongst the Job Futures' members, and between the members and national office. This cooperation could be undermined if members could compete with Job Futures for contracts.

Disability Employment Australia notes that membership of Job Futures is entirely voluntary, and that many not-for-profit employment services providers exercise their right not to take up membership of Job Futures Limited. We therefore do not consider that there is any public detriment to the arrangements.

For the above reasons, Disability Employment Australia supports Job Futures Limited's application. Should you have any inquiries about this submission, please contact myself at this office.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Rick Kane', with a small flourish at the end.

Rick Kane
CEO
Disability Employment Australia