

# **Media Release**

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## **COMPETITIVE TENDERING THREATENS CARE SERVICES**

“The Federal Government moved yesterday to put many existing services out to competitive tender which could result in the closure of some of the community care services used by more than 200,000 people across Australia,” Paul Sadler, chair of Aged & Community Services Australia’s National Community Care Committee said today at the Tri-State Conference in Mt Gambier.

The Government in press advertisements on 5 March called for new applications to run a range of community care services worth more than \$110 million nationally. Hundreds of existing services are affected, providing services such as respite care, continence advice, telephone information and carer support to older people, people with disabilities and their family carers. It has also written to all providers.

Last year, more than 75,000 people used respite services under the National Respite for Carers Program and 200,000 contacted Commonwealth Carelink Centres, two of five programs affected.

Mr Sadler, who is also CEO of the Aged & Community Services Association of NSW & ACT called on Julie Bishop, Minister for Ageing to reconsider this move.

“Competitive tendering was tried widely in community services in the 1980s and 1990s. The theory is it brings savings by tapping into a market of service providers who compete to provide services for the lowest price. Using competitive tendering to achieve service coordination is a blunt instrument. It is better to negotiate outcomes with existing providers and reduce the risk of service disruption. ,” Mr Sadler said.

“The reality, graphically illustrated by the failure of Compulsory Competitive Tendering in local government community services in Victoria, was that the savings were often illusory and resulted in great dislocation for clients as service providers swap and change. In some cases, poor quality care also resulted.

“ACSA supports the Minister’s avowed goal of simplifying the complex community care system for clients. We have been calling for fundamental reforms to community care for many years and welcomed the Government’s blueprint for reform released last year.

“It is critical, though, that the process of reform respects the skills and investment of existing provider organisations and their staff and volunteers, and the relationships they have built with clients.”

If the competitive tender process continues, ACSA seeks assurances that:

- Existing service recipients receive guarantees that they will not lose their services
- The tender process is fair and transparent
- If existing providers are unsuccessful, they are given sufficient time to manage the impact on staff and volunteers who will lose their jobs. Some staff are already leaving.

“This tender process is a high risk strategy for hundreds of thousands of Australians,” Mr Sadler concluded.

**Contact Paul Sadler on 0438218003, for Vic comment contact Mary Barry 0412295094, SA Rob Dempsey 0408231047, Nationally Greg Mundy on 0416 203 065. SERVICE PROVIDERS ALSO AVAILABLE FOR INTERVIEW ON HOW IT COULD AFFECT THEIR SERVICES. For their names & Tri-state information and program contact Megan Stoyles on 0408 147 829**