

Submission
No 47

**INQUIRY INTO PROCUREMENT PRACTICES OF
GOVERNMENT AGENCIES IN NEW SOUTH WALES AND
ITS IMPACT ON THE SOCIAL DEVELOPMENT OF THE
PEOPLE OF NEW SOUTH WALES**

Organisation: St John Ambulance Australia (NSW)

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Submission to the Inquiry into Procurement practices of government agencies in New South Wales and its impact on the social development of the people of New South Wales

St John Ambulance Australia (NSW)

Summary

St John Ambulance is Australia's most trusted first aid charity and leading provider of first aid training, products and event health services.

As an accredited Social Trader, our commercial offerings fund our highly trained volunteers and infrastructure. These volunteers and infrastructure in turn provide the NSW Government with a 'medical reserve' capability that is used to supplement the health system and is deployed during natural disasters.

However, these capabilities provided to government (as an indirect consequence of government procurement spend) are not taken into consideration during tender evaluation.

Our submission and recommendations focus on the following issues in the terms of reference:

- evaluation criteria used in tenders in making a decision to award a contract, in particular consideration of social and economic outcome, and
- overall policy settings and incentives in place for NSW Government procurement that will deliver best overall value for money and social impact aligned with government objectives.

Government procurement decisions need to take into account both the direct *and* indirect value that accrues to Government.

Purchasing from organisations like St John Ambulance provides strong value for money for Government. Government can leverage existing necessary operational spend (eg, on first aid training and equipment, or event health services at NSW venues or endorsed events). Any profits made by St John Ambulance go directly to maintain and improve capability that is required by Government. Government receives both the product or service tendered and also ongoing 'medical reserve' capability. Avoiding the need for greater direct funding for such capabilities.

We believe government procurement policies and practices can be adapted to recognise the real, full benefit both government and communities, and help ensure the sustainability of 'social trader model' charities like St John Ambulance.

In particular, organisations like St John Ambulance should be provided with 'first right of refusal' on relevant contracts. Given the opportunity to grow our commercial operations we believe we can remain a sustainable and effective health and emergency services partner for Government.

St John Ambulance is Australia's most trusted first aid charity

We are part of the global St John organisation with a shared purpose of relieving sickness, suffering and distress, and preserving life. We seek to lead globally in first aid and community healthcare responses.

St John Ambulance Australia is recognised and trusted by governments and communities alike, as a pre-hospital health and medical services provider, and as a leader in high-quality First Aid training and products. The Australian Charity Reputation Index Survey (Charity RepTrak) ranked St John Ambulance as the 4th most trusted charity in Australia in 2023.

St John Ambulance is the medical reserve for NSW and provides health and emergency response capability to government – in addition to community safety and resilience benefits

We have thousands of first aid and medically trained volunteers across NSW. We also maintain fit-for-purpose infrastructure like vehicles adapted for emergency and ambulance response, advanced medical monitoring and other live-saving equipment, and a state-wide radio network. We have built strong interoperability with NSW government agencies through joint training, investment in relevant equipment and clinical governance and standards.

With this, St John NSW provides capability and capacity to the NSW Government:

- for the NSW Health system as required to supplement Ambulance services or other community based health care needs during crises (we are a participating agency in the Health Services plan under the NSW State Emergency Management Plan).
- in support of effective emergency services deployment (by providing first aid and medical care during emergencies), and
- by providing first aid and support to communities in government run evacuation centres.

Our operational impact and mission align directly with NSW Government objectives. Looking at previously articulated State Outcome measures in the NSW budget, we align with health objectives like timely emergency care and access to care outside hospital. Our treatment of patients in the community avoids ambulance and ED admission costs and reduces peak demand of hospitals, improving their ability to maintain service levels.

In addition to these benefits provided more directly to the NSW Government, St John Ambulance works in the community to increase safety and resilience. We teach first aid skills and provide first aid services at local community events in both metropolitan and regional and remote areas.

Our vibrant youth program (Junior and Cadets for ages 8-17) teaches young people first aid and communications skills every week during term time in over 40 locations around NSW. Young people are often taught and mentored by healthcare professionals who are part of our volunteer base, and many go on to careers in the healthcare sector as a result. It is provided at little to no cost to families.

We use our commercial activity to fund our volunteer operations and impact

St John Ambulance is a registered charity and accredited Social Trader. Over 95% of our revenue currently comes from our for-purpose commercial operations. An overview of our key commercial areas is provided at the end of this submission.

Social enterprises like St John NSW are businesses that exist for good. Our large volunteer base and infrastructure is maintained using the profits from this commercial activity.

We are an effective charity and return value to the NSW community. A recent report on *The Economic and Social Value of St John Ambulance NSW* (Deloitte Access Economics, November 2022) showed that for every \$1 invested through St John NSW, more than \$3 was returned in benefits to the NSW (both individuals and the government).

St John provides value-for-money to Government that is not recognised in the current procurement approaches

We are proud of our business model as a self-sustaining Social Trader charity. All our commercial operations align directly with our mission (the training, products and major event health services we sell increase safety and resilience in the community), which further reinforces our social impact.

As described above, our volunteer base and infrastructure – funded from commercial profits – provide surge capacity for the NSW Health system and help emergency services deploy effectively. But this is not captured adequately in current tender criteria.

Given the opportunity to sustain and grow our commercial operations, we can continue to provide health and emergency response capability to Government without significant impost.

Government funding for organisations such as the NSW State Emergency Service and Rural Fire Service provide good counterpoint examples of the cost for government to directly sustain similar emergency capabilities.

We believe more favourable commercial procurement settings for organisations like St John Ambulance offer Government a value-for-money solution.

Changes to NSW Government procurement approaches would improve our sustainability and is an efficient way to ensure capability for Government is available in future

Purchasing from organisations like St John Ambulance provides strong value for money for Government. Government can leverage existing necessary operational spend (eg, on first aid training and equipment, or event health services at NSW venues or endorsed events) to also gain 'medical reserve' capability that is strongly interoperable with existing emergency services.

We believe demand for the services and capability St John Ambulance provides will continue to grow. We face an increasing prevalence of natural disasters like floods and bushfires, coupled with population growth and demand on the acute health care system due to chronic disease.

Creating procurement policy settings that incentivise use of organisations like ours will allow us to grow and thrive using the profits of from our commercial operations rather than needing to seek direct government funding in the future.

Recommendations:

Government procurement policy and practices must be updated to fully recognise the value provided to Government by respondents who amplify the investment by providing social impact. St John Ambulance does this by providing tangible health and emergency response capability for the NSW Government.

Bidders could be evaluated against criteria that reflect desired Government outcome measures (previous NSW State Outcomes or frameworks for Social Trader accreditation provide examples of such measures).

- 1. Include social impact as a mandatory criterion in tender evaluations, and develop specific criteria to take into account the full value to community (that is aligned with Government objectives) and/or capability provided to Government.**

We support stronger incentives to ensure organisations that provide significant social impact and benefit to Government are able to participate.

Models already exist with both the Australian Government Indigenous Procurement Policy and NSW Aboriginal Procurement Policy, and the Victorian Social Procurement Framework that covers a wider scope of social enterprises.

- 2. Consider a whole of government social enterprise procurement target.**
- 3. Consider a whole of government mandatory contract value ‘set-aside’.**
- 4. Allow social enterprise tenderers the opportunity to demonstrate value for money on certain contract types or contracts of certain values before going to market.**

In the context of St John Ambulance this might mean the right to first demonstrate value for money (or ‘first right of refusal’) on first aid training services for government agencies. This approach also has the benefit of improving the efficiency of charities (improving the percentage of revenue going towards mission) by decreasing the cost of winning business.

Dominic Teakle
CEO, St John Ambulance Australia NSW

ATTACHMENTS

St John Ambulance The Medical Reserve – Ready to Respond
The Economic and Social Value of St John Ambulance NSW, Deloitte Access Economics 2022

ABOUT ST JOHN AMBULANCE NSW FOR-PURPOSE COMMERCIAL ACTIVITY

First Aid Training

St John Ambulance Australia is recognised as a Registered Training Organisation with gold standard compliance. delivers nationally recognised training and assessment on behalf of St John Ambulance Australia (RTO 88041).

Registered Training Programs we provide relevant to government may include:

- Provide cardiopulmonary resuscitation (CPR) (HLTAID009)
- Provide basic emergency life support (HLTAID010)
- Provide first aid (HLTAID011)
- Provide first aid in an education and care setting (HLTAID012)
- Occupational first aid skill set (HLTSS00068)
- Provide first aid in remote or isolated site (HLTAID013)

St John Ambulance Australia also offers specialised Accredited, Non-Accredited and eLearning Training programs to meet the needs of specific groups and audiences. Bespoke training programs can be developed for sector/industry specific or commercial use with guidance from Training and Development experts, and advisory support from St John's national Clinical Governance Committee (CGC).

First Aid Products

St John Ambulance Australia also provides first aid supplies including first aid kits, defibrillators, PPE and emergency response kit equipment, as part of a national social enterprise. Strong, established supply chains enable economic and efficient procurement and distribution. This service also provides direct-to-public sales via an Online Shop.

Major Event Health Services

We are one of NSW's largest and most trusted providers. Our advisory, advanced medical capabilities and skilled teams provide peace of mind for event organisers and patrons.

Our services include harm minimisation, pre-hospital medical teams, advance care medical centres, and mass casualty and incident management. We're approved by the NSW Ministry of Health to purchase, hold and supply Schedule 4 and Schedule 8 drugs. Our strong clinical governance is driven by St John's National and NSW Clinical Governance Committees and aligns strongly with NSW Health.

Teams are made up of event responders, health care professionals and operational staff like our radio communications specialists and incident management teams. We operate under

Health Services

We can provide tailored solutions to keep businesses safe and compliant. We provide group training, health and safety audits, quality first aid equipment and restocking services.

We also offer a range of healthcare support services and staffing solutions are available to healthcare, government and corporates. These include recruitment, workforce planning and help with surge workforce requirements.