

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Additional Estimates 2014 - 2015

Outcome 1 - Employment

Department of Employment Question No. EMSQ15-000066

Senator Cameron asked on 10 April 2015 on proof Hansard page 27

Question

Business share allocation

Senator CAMERON: Max Employment was successful in gaining contracts for 223 sites—that is 13.45 per cent of the total—in 27 regions; and Sarina Russo Job Access 93 sites—that is 5.61 per cent across 11 regions. Can you provide the business share allocated for each successful tenderer by region?

Ms Leon: We would not have it here but we can take that on notice.

Answer

The Department does not publish the market share awarded to each provider.

When tendering, Tenderers must bid for their preferred minimum and maximum business levels in each Employment Region as a percentage. The bid ranges that are submitted by Tenderers are taken into account by the Department when determining which tenders represent the best value for money in a particular Employment Region.

The business that each successful Tenderer has been awarded is, therefore, key information about the overall value for money of Tenderers' bids, and publication of the business shares of successful Tenderers in each Employment Region would provide potential future Tenderers with an insight into the bidding strategy of their competitors.

This may give Tenderers a competitive advantage in structuring their bid ranges for future purchasing exercises and allow them to identify a minimum bid that is deliberately structured to exclude other Tenderers rather than reflecting their organisational capacity to deliver a particular minimum percentage of business. This, in turn, could decrease the department's overall ability to ensure value for money in offering business to Tenderers as it would adversely impact the competitive tension that otherwise exists through an open approach to market.