

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Budget Estimates 2015 - 2016

Outcome 1 - Employment

Department of Employment Question No. EMSQ15-000222

Senator Lines provided in writing.

Question

jobactive tenders

The Department said in Senate Estimates on 10 April:

“Ms Leon: Averages played no part in the allocation of the business. The scores were allocated and then ranked from highest to lowest.”

Can the Department confirm that only the highest scoring organisations received contracts in each employment area?

- So, were any of the highest ranking organisations not awarded contracts?
- If yes – who was the decision maker on ruling out the highest ranking organisations?
- Was it the Minister (which one? Abetz or Hartsukyer) or a Department officer?
- If yes – how many employment areas did this occur in?
- If yes – on what basis was this done? (it may be long term financial viability or the organisation)

Answer

In four Employment Regions, the organisations that received the highest scores in the preliminary allocation were not offered Deeds to deliver *jobactive* Employment Provider Services in those regions.

Section 7.12.4 (Preliminary allocation of business) of the Request for Tender stated that the Department of Employment would allocate business on the principle of giving preference to higher ranked tenders, but reserved the right to allocate business to a lower ranked tender over a higher ranked tender where this represented better value for money, less risk for the Commonwealth and ensured the best service for Job Seekers.

In accordance with Section 7.12.6 (Capacity to deliver) of the Request for Tender, the department reviewed the preliminary allocations of business taking into account the capacity of each Tenderer to which business had been allocated to deliver all of that business in all of the relevant Employment Regions.

The review involved consideration of each Tenderer's financial and organisational capacity to deliver the relevant services at the allocated level, and maintain the required quality of service delivery and any risk exposure for the Government. It looked at each Tenderer's whole business including any business allocated to the Tenderer under business reallocation processes. The review also took into account the financial viability assessment of the tenderer, as well as the audit history submitted by Tenderers.

The Delegate for the Employment Services, the Deputy Secretary, Employment, made his final decision on the award of Deeds having regard to the principle of value for money, including the consideration of risk to the Commonwealth.