

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Budget Estimates 2017 - 2018**

Outcome: Skills and Training

Department of Education and Training Question No. SQ17-000962

Senator Cameron, Doug provided in writing.

Australian Apprenticeship Support Network (Tender)

Question

1. Is it correct that the tender round leading to the current contracts required providers to furnish two separate sets of costings – one pricing schedule based on existing administrative arrangements and systems; and a second pricing schedule based on a new IT system that was about to be introduced?
2. Were tenderers instructed or advised to provide a lower price for service delivery under the new system?

Answer

1. Yes.
2. The Request for Tender documentation for Australian Apprenticeship Support Network Contracts made two references to lower prices for service delivery

Australian Apprenticeships Support Network RFT (page 44)

Fee For Service (FFS) rates from the 2012-2015 Australian Apprenticeship Support Services Contract Unit FFS prices have been provided at Attachment 15 for information. The Department expects tenderers to tender lower prices due to the efficiencies available through the improved IT functionality as well as the flexible approach to delivery. The FFS unit price represents the overall amount payable for each Australian Apprentice excluding completion payment bonuses or payment reductions.

Attachment 15 – 2012-2015 Australian Apprenticeships Support Services Contract Unit Prices

It is expected that the increased IT functionality offered through both the enhanced TYIMS and AAMS in conjunction with servicing efficiencies gained through a state-based structure will result in tenderers submitting tendered prices that are considerably lower than current FFS rates.