

## The Tender Trap

There is little doubt that the tender based process has had some positive benefits for the adult learning sector and has opened up opportunities that have been denied to the sector before its introduction. I believe that are some important negative effects and these are the subject of this paper rather than any balanced analysis, The following comments probably have more relevance to rural areas though some of the judgements apply to the process as a whole.

The tender process favours the larger enterprises:

Competitive tendering by its very nature, tends to favour organisations which have the resources and business acumen to enable them to develop a successful tender (Beyond Cinderella, April 1997, p29) The large organisation can sustain the time and resources involved in unsuccessful bids. The smaller ACE provider based in a small rural setting has difficulty in participating in the process. Even if it "had a go", the chances are that the larger organisation would be successful if only because of the additional benefits that a larger organisation can offer.

Again by its very nature the tender process can result in often contradictory goals. Most Governments profess an overall aim in Regional development. Yet metropolitan-based organisations can win tenders over their regional counterparts. Just recently the RMIT University won the contract for Army TAFF- training based in Albury Wodonga over the previous provider the Wodonga Institute of TAFE. Similarly it pits region against region. Again just recently a Ballarat provider won a literacy contract for the Bendigo region winning against a Provider in Bendigo. In either case, a particular region is weakened by not gaining the resources and the control over those and by the loss of farther experience. In either case how does the loss of the contract help regional development?

The world, they say, belongs to those who plan for the future. Yet, for the most part, Tenders are often short term Organisations require continuous investment in their infrastructure and their human resources to be efficient and effective but if the contract is only short term, if the future of the next bid is uncertain, why would an organisation make the investment only to see it possibly wasted.

Rural areas, even large provincial cities, invariably lack the resources to provide whole range or optimum range of programs for their citizens. Tendering is, by its very nature, competitive and therefore tends to encourage offerings with the greatest possibility of enrolment and to limit offerings restricted to a smaller or more select audience. Examples abound where collaboration between organisations exploiting their developed emphasis or expertise of the organisation have combined to offer a greater range of educational offerings.

It was pointed out to the committee that it is in the nature of smaller, particularly rural, communities to encourage collaboration and the shared use of resources and facilities. This is enhanced by the fact that people working in different

organisations in regional towns are in regular contact at the social level, making the sharing of experience, ideas and aspirations more commonplace than might be found in an urban setting (Beyond Cinderella P30)

To protect their competitive advantage, providers are now more guarded in any cooperative process or sharing disclosure whereas the previous experience had been more open.

Tenders promote centralization and control. The tenders design the specification, set the performance objectives and control the resources. The successful bid is required to comply with the contractual conditions or else. It militates against, the notion of partnership where the funding authority and the provider work hand in hand. It breaks down the trust that use to prevail between them I know that, in these days of stringent accountability, trust is a romantic notion. But in the main the ACE sector grew up and was successful in that environment. There are very few examples of misplaced accountability. Admittedly the sums of money were much smaller. In fact the irony is that the examples of badly managed projects or corrupt practices are more common in these days of competitive tenders.

The demands and cost of compliance of tenders is often excessive, costly and therefore counter productive. However, in these days of increasing accountability, it is fanciful to consider that this is likely to diminish. Nevertheless it should also be borne in mind that the compliance, where excessive, comes at a cost to healthy working conditions or is contradictory to the aims of competitive tendering designed to produce a more cost effective delivery