



Committee Secretary,  
Senate Foreign Affairs, Defence and Trade References Committee,  
PO Box 6100,  
Parliament House,  
Canberra,  
ACT 2600.

14<sup>th</sup> February 2011.

**Ref:** Inquiry into Department of Defence's Request for Tender (AO/014/09) for the provision of air support to the Middle East Area of Operations.

Dear Sir/Madam,

Pel-Air is an authorised contractor to the Commonwealth and is named on the Air Transport Standing Offer Panel for the provision of transportation services, on an ad-hoc basis. In relation to the terms of reference in your letter dated 9<sup>th</sup> of December 2010, we welcome the opportunity to submit two comments to the Senate Committee. This letter includes a comment in relation to the process surrounding the Middle East tender, and secondly, a comment regarding the awarding of Department of Immigration and Citizen (DIAC) charters.

With regard to the Middle East tender, RFT AO/014/09-10, on this occasion our bid was unsuccessful. We received a telephone de-brief from Group Capt. Rob Barnes on the 8<sup>th</sup> of November last and were advised, that while our tender was compliant, the successful tenderer had submitted a lower price. Group Capt. Barnes gave a brief outline of the tender process including an overview of the subsequent investigations. It was pointed out by Group Capt. Barnes that there were "No Faults Found" with the tender process and Pel-Air acknowledges this statement. However we note that recent tenders have included clauses relating to the engagement of ADF personnel in ADF contracts and the RFT process. We therefore assume that there may have been recommendations arising from these investigations which would be of interest to the Standing Panel members, and if so, we suggest that these be made known.

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Secondly, under the terms of reference, para. (b) (v), our comment is in relation to the awarding of DIAC charters. Over the period 7<sup>th</sup> October 2010 to 22<sup>nd</sup> January 2011 last, DIAC issued 48 requests, for which Pel-Air submitted quotations for the majority, but did not succeed in winning any of these charters. These tenders are always given very tight deadlines (overnight or within 2 days) and there is the perception that certain parties may be given advanced notice and unfairly advantaged. We suggest that there be an investigation as to whether the tight deadlines were indeed unavoidable or were indeed intentional. Additionally Pel-Air is concerned that there may be some bias associated with the awarding of these contracts and therefore we support the suggestion to appoint a permanent and independent probity auditor to oversee the awarding of all aviation contracts by the commonwealth.

Thank you for the opportunity to participate in this inquiry. Should you require any further information concerning our comments, please don't hesitate to contact me.

Yours sincerely,

Danny Foster  
Chief Operating Officer

