

**SENATE STANDING COMMITTEE ON  
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS**

**QUESTIONS ON NOTICE**

**Inquiry into the DEEWR Tender Process to award employment services contracts**

**EEWR\_SIH\_W37**

Senator Black provided in writing.

**Question**

A4e is a private UK company.

What measures do you have in place to ensure the contractual performance of successful contractors?

How can you guarantee overseas providers have the capacity to meet their contractual obligations, including financial obligations?

**Answer**

All tenders were subject to the same tender requirements as detailed in the *Request for Tender for Employment Services 2009 – 2012* (the RFT). All tenderers were required to be incorporated or registered in Australia.

The RFT sets out the performance management framework at section 1.4. This framework will apply to all organisations.

The Department has demonstrated experience in managing employment services contracts effectively. Since the establishment on a purchased employment service market in 1998 there have been organisations with an overseas parent company who have been delivering employment services in Australia. Broadly, they have subject to the same level of stringent performance framework applied to the entire employment services system.

In checking whether an organisation has a capacity to meet its contractual obligations the Department undertakes checks of a tenderer and its relevant persons. To enable the Department to assess a tenderer's financial viability, tenderers must supply the information specified in the RFT. In determining the tenderer's financial viability, the Department considers the information provided using tools such as financial ratio analysis.

In accordance with section 3.8 of the RFT the objective of the financial viability process was to determine, on the basis of information provided with the tender whether the tendering organisation may be considered financially viable to meet the service requirements of the RFT, and whether there are any circumstances that may adversely affect the tenderer's ability to meet its contractual obligations to supply services for at least the Contract period. This process is used to minimise risk to the Australian Government.