

Questions in writing to the Attorney-General's Department
Joint Committee of Public Accounts and Audit

Inquiry into the procurement of mandated national support and advocacy services for victims of child sexual abuse

1. The ANAO found that these procurements did not comply with the CPRs in a number of key respects, including that they be open and competitive processes.
 - a. Why were the preferred tenderers for both NAP 10 and NAP 21 selected when they were among the 7 out of 11 applicants that did not fully comply with the requirements of the RFTs?
 - b. Why was a late tender for NAP 10 accepted for evaluation when this is not consistent with the CPRs?

The response to the question is as follows:

- a. The department received 11 tenders, of which some did not provide all of the pricing information requested by the department in the Request for Tender (RFT) process.

The preferred tenderers for both NAP 10 and NAP 21 were assessed as meeting the minimum criteria for participation in the tender, being the minimum content and format and the conditions for participation. This is set out in tables 2.2 and 2.3 of the ANAO report.

However, there were some elements within each of those responses where the tenderers did not provide all documentation, as requested through the RFT process.

In relation to pricing, the RFT documentation specified that tenderers 'should' and not 'must' provide the information in the format requested. Not providing the information in the format requested did not render them ineligible for consideration. The evaluation team concluded that they had enough information to do a comparison of prices, even though it was suboptimal to what was requested.

- b. The RFT process for NAP 10 closed at 4:00pm, Tuesday 27 February 2024, with all six tender responses received by the time of closing.

One tenderer emailed the department at 4:22pm on Tuesday 27 February 2024 to note that the electronic signatures from their submission had dropped off the Tenderer's Deed during the process of uploading their response to AusTender. The signed Tenderer's Deed was attached to this email advice.

The department considered that the initial lack of inclusion of the signed Tenderer's Deed was an unintentional error and was satisfied that the tenderer corrected this error

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by providing a signed Deed. The department did not consider that the correction of this error involved a material alteration or addition to the tender submission.

The department recommended that the tender Evaluation Committee exercise its discretionary right to accept the tender submission following the correction of this unintentional error. The tender Evaluation Committee agreed to accept the tender.

2. Why was the probity advisor that you used, Astryx Pty Ltd, not engaged using an open tender process and then subsequently engaged also to provide strategic advice on these procurements, an obvious conflict? In addition:

- a. How was the fact that Astryx recommended as the probity advisor that it be contracted also for this additional role found to be acceptable?
- b. The audit found that the Chair of the Evaluation Committee for the NAP 21 procurement had a conflict of interest in relation to the preferred candidate – why was this not managed properly?
- c. Why was a competitive open tender not employed for 5 of the 9 advisors and consultants that were engaged to support the conduct of the two procurements?

The response to the question is as follows:

In May 2022, Astryx Pty Ltd was engaged by the National Office for Child Safety for probity advice services ‘in support of probity matters to any procurement undertaken by the Agency to implement measures under the *National Strategy to Prevent and Respond to Child Sexual Abuse 2021-2030*’.

The official order was issued by the National Office while in the Department of the Prime Minister and Cabinet pursuant to an existing Deed of Standing Offer between the Commonwealth of Australia, as represented by the Australian Federal Police (AFP), under the pre-established AFP Capability Support Services (CSS) panel.

A limited tender approach was used because the National Office sought urgent probity support from an existing provider with a Commonwealth panel arrangement and probity experience. At the time, this was assessed as appropriate. The ANAO found that although this approach was permissible, documentation and governance should have been stronger. The Attorney-General’s Department accepts this finding.

On 20 September 2022, the National Office, having moved into the Attorney-General’s Department through Machinary of Government changes, requested probity advice from Astryx with regards to an appropriate procurement approach to market. A meeting was subsequently held between the National Office and Astryx on 27 September 2022. Following this meeting Astryx on 28 September 2022 confirmed via email advice provided in the meeting, suggesting that a procurement strategy and procurement plan be drafted, prior to the procurement being conducted. In this same communication, Astyx suggested they review the

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information and schedule a workshop for this work. Astryx also offered to provide ad-hoc guidance throughout the procurement process.

In email communications between the National Office and Astryx on 26 October 2022, it was acknowledged that the National Office was intending to seek probity advice from Astryx in relation to the National Office Support Service Procurement Strategy (the Procurement Strategy). The email from the National Office acknowledged that Astryx had provided a proposal for procurement advice services and sought to clarify whether Astryx was able to review the Procurement Strategy under the existing probity contract, noting the prior offer by Astryx to review the information and schedule a workshop.

Astryx responded on 26 October 2022 outlining that they would be happy to review the Procurement Strategy under their current arrangement 'if we are not yet engaged for procurement services at that time'.

- a) Astryx advised they could review the draft Procurement Strategy for NAP 10, 21 and 7 services under the current probity engagement if they were not yet engaged for procurement services. The advice went further to clarify that they were able to do this under their current engagement from a probity perspective however, for audit records Astryx should complete the procurement review under the new engagement.

No advice was provided from Astryx in their capacity as probity advisors that they could not engage in both a probity and procurement contract with the National Office. At the time, the National Office considered the arrangement acceptable because probity advice and procurement support were to be delivered by separate personnel within Astryx, and the services were viewed as distinct. In hindsight, and consistent with the ANAO findings, this separation was not sufficiently robust to meet best-practice probity expectations.

- b) Genuine efforts were made to ensure that conflicts of interests were appropriately declared. However, the department acknowledges that a perception of bias may have existed, even when compliance requirements were met. This is because, although mitigation steps were taken, the documentation of those steps was incomplete and the sequencing of formal approvals did not fully comply with departmental probity procedures. The ANAO found that these governance shortcomings contributed to the perception that the conflict had not been adequately managed, and the department accepts this finding
- c) Please refer to the response provided in Response 1 in relation to the management of this perceived conflict of interest. The Australian National Audit Office's Final Report examined ten consultancy contracts that were executed to support the two procurements, (Final Report, 2.12). The National Office elected to employ limited tender processes for the following:
 - i) The National Office engaged the Australian Government Solicitor (AGS) to provide legal and commercial advice to support the Request for Tender (RFT) process for NAP 10 and 21 in July 2023 through an internal Request for Legal Services. Legal advice was urgently required to assess whether the internal department's RFT template was sound to allow the RFTs to be released by August 2023. The AGS was considered best placed to provide advice within the tight timeframes required, noting their specialised knowledge of Commonwealth processes, particularly in relation to procurement.

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- ii) The National Office engaged Astryx Pty Ltd to provide to strategic procurement advice, in addition to the existing contract for probity services. In email correspondence on 26 October 2022, it was confirmed that the whole-of-government Management Advisory Services Panel SON3751667 would be used to procure these additional services. The National Office progressed the engagement of Astryx for procurement support via a subcontract arrangement in good faith, on the basis that there would be continuity of advice.
- iii) Broomhall Consulting Psychology was engaged to sit on the NAP 21 Evaluation Committee. The National Office drafted a shortlist of candidates that held the appropriate clinical or academic subject matter expertise not covered by the Commonwealth and State and Territory Government representatives on the Committee. The National Office considered that approaching all shortlisted candidates through a Request for Quote (RFQ) process, or through an open tender process, may damage pre-existing relationships with these specialised stakeholders, as selection of one candidate over another may be misconstrued. As such, and given that the contract price was under \$20,000 which provided the National Office with the discretion to approach one candidate at a time, the National Office approached Broomhall Consulting Psychology and subsequently contracted Luke Broomhall, President of the Australian and New Zealand Associated for the Treatment of Sexual Abuse, to participate as a member of the NAP 21 Evaluation Committee.
- iv) Emeritus Professor Morag McArthur was engaged to sit on the NAP 10 Evaluation Committee. The National Office drafted a shortlist of candidates that held the appropriate clinical or academic subject matter expertise not covered by the Commonwealth and State and Territory Government representatives on the Committee. Given that the contract price was under \$20,000 which provided the National Office with the discretion to approach one candidate at a time, the National Office approached Morag McArthur, founder of the Institute for Child Protection Studies, and subsequently contracted them to participate as a member of the NAP 10 Evaluation Committee.
- v) In 2023, the National Office engaged MinterEllison Consulting to provide advisory services on the contact centre aspects of the NAP 10 and 21 RFTs through a competitive open tender process on the Management Advisory Services (MAS) Panel. Following the closure of the RFT in 2024, the National Office invited MinterEllison Consulting, through the MAS Panel, to respond to a RFQ process to provide advice to the NAP 10 and 21 Evaluation Committee and departmental contract negotiation team. MinterEllison Consulting provided a quote that was considered to provide Value for Money and was subsequently contracted to provide advisory services.

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3. The original value of the Astryx procurement services contract was reported by the Department as \$120,000, “although departmental records did not explain how this was determined” (Page 51, Paragraph 2.115). How did the Department determine this contract value?

- a. Why did the Department fail to document how the contract value was determined?
- b. Were minutes taken at contract negotiation meetings with Astryx?
- i. If not, why not?
- c. Why was Astryx the only supplier invited to bid?
- d. How did the Department determine that Astryx would provide value for money, given that a value for money assessment was not conducted?

The response to the question is as follows:

Astryx Pty Ltd is a small-to-medium enterprise available on the Whole-of-Government Management Advisory Services (MAS) Panel as a consultant.

The department understood that it was able to engage Astryx to provide specialist procurement advice through the small to medium-sized enterprise exemption, which enabled the department to expeditiously procure their services without conducting an open tender process. Having identified Astryx as a suitable provider, the department issued Astryx a Request for Quote (RFQ) under clause 11.2 of the Head Agreement for the MAS Panel Standing Offer Notice.

Prior to procuring specialist procurement advice, there was a significant volume of requests for advice across the National Office for Child Safety (National Office) in relation to multiple procurements. Based on this volume and the National Office’s procurement forecast, the department accepted Astryx’s pricing model which set out that Astryx would charge a monthly retainer fee of \$18,000 excluding GST (\$19,800 including GST) for the provision of procurement support. The initial contract was for a period of six months, with the possibility of two six-month extensions. Under the agreed pricing model, if actual spend on procurement advice was less than the retainer fee, remaining funds were carried forward and additional effort was to be billed at standard rates. Based on the accepted RFQ response, the proposed original contract value came to \$118,800 including GST, and was rounded to \$120,000 to include a modest buffer to account for a potential additional effort in excess of the retainer value.

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- a. The department determined the contract value based on email correspondence and internal discussions that assessed the estimated level of effort and hours required for the specialist procurement advice. These records are held by the department.

While this information was retained internally, it was not incorporated into the formal contract documentation at the time. This is why the ANAO noted that the basis for the contract value was not clearly explained in the documented contract file.

- b. No formal minutes were taken. Negotiations with Astryx for this work occurred primarily through email correspondence, and those records have been retained by the department.
- c. Astryx is a small-to-medium enterprise available on the Whole-of-Government Management Advisory Services panel as a consultant.

The department understood that it was able to engage Astryx to provide specialist procurement advice through the small to medium-sized enterprise exemption which enabled the department to expeditiously procure their services without being required to conduct an open tender process. Astryx was familiar with the complex and time-sensitive procurement environment of the National Office and the department utilised this exemption in good faith.

The department accepts the integrity concerns raised by the Australian National Audit Office in its report regarding the Conduct of Procurements Relating to Two New Child Sexual Abuse-related National Services. The department has released updated procurement guidance material to ensure that the lessons learned from the audit are embedded into the department's procurement practices going forward.

- d. Prior to their engagement, the department determined that Astryx would provide value for money by considering services provided by Astryx to date, their existing membership on the MAS Panel, a monthly cost that reflected industry standard charges at a daily rate, the criticality of services, and the risk of continuing business without receiving specialist procurement advice. The department also undertook a risk assessment and the risk related to procurement of specialist procurement services was judged to be low.

4. In August 2023, the Department recorded that there were contract management challenges with Astryx in its capacity as strategic procurement advisers and that there were concerns around the deteriorating quality of Astryx's work. When Senator O'Sullivan raised this matter with the Department representatives on 31 October, the Department referred to advice provided in the report (Page 53, Paragraph 2.124) that this was an "isolated incident".

- How does the Department justify that this was an isolated incident, given that a secondary internal complaint was recorded on 10 July 2024 in relation to Astryx's "inconsistent quality of advice, including advice which has confirmed to be incorrect" (Page 54, Paragraph 2.125)?
- What actions have the Department taken, given that "some sections are advocating for a new provider" (Page 54, Paragraph 2.125)?
- If no actions have been taken yet, why not?

The response to the question is as follows:

In August 2023, an internal working-level minute was prepared noting concerns regarding Astryx's performance on the NAP10 and NAP21 procurements. These concerns related to the quality and consistency of advice provided. The minute was not formalised, and the concerns were not substantiated against Astryx's broader engagement or professional conduct. At that time, the Department considered this an isolated incident, as Astryx's overall contributions had been useful and consistent with expectations.

- The Department has reviewed its records and has no record of an internal complaint dated 10 July 2024. The only documented performance concerns on record are those raised in August 2023.
- As part of normal contract management, feedback and concerns were raised with Astryx in a meeting on 17 January 2024. This discussion included:
 - setting expectations for future engagement
 - clarifying the requirements of the National Office for Child Safety, and
 - addressing any performance matters noted previously.
- No additional formal action was taken because the August 2023 concerns were deemed isolated and unsubstantiated, and performance was monitored through normal contract management processes, including the January 2024 discussion.

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5. What actions has the department been taking to address the significant delays in getting the NAP 10 and NAP 21 services in place?

The response to the question is as follows:

The requests for tender provided an indicative timetable for finalisation of these procurement processes and noted that the department expected to notify the preferred Tenderers in April 2024.

Tenderers for the service have been kept informed of the changes in timeframe.

The department executed the contract for NAP 21 on 29 July 2025 with Jesuit Social Services, which was reported through AusTender on 28 August 2025 in line with Commonwealth Procurement Rules.

The department is currently working with Jesuit Social Services to advance Phase 2 of service delivery and anticipates the launch of the service in the first half of 2026.

The preferred tenderer for the NAP 10 service withdrew from the procurement process in late October 2025, resulting in the cancellation of the procurement process on 30 October 2025, with no contract awarded.

The department is now considering next steps to urgently progress the delivery of this critical national service.

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6. ANAO found that the relative importance of the criteria used to evaluate the tenders was not clearly identified.

- a. Although request documents for both procurements indicated that the criteria were not in any order of importance, how then was it appropriate to subsequently give 'service delivery' the highest weighting?
- b. Why was there no rationale provided for the decision not to weight the price criterion or provide clarity on what the relative importance of other non-weighted criteria would be?
- c. In terms of engaging the 'Evaluation Providers', what was the reason for not weighting the six criteria in the request for quote (RFQ)?

The response to the question is as follows:

- a. Each criterion identified in the evaluation criteria was considered critical to the success of the respective service. Each weighted criterion was given a weighting that corresponded with how the Evaluation Committee's ratings would be aggregated in order to achieve a robust Value for Money assessment. The criterion weightings were included in the Request for Tender (RFT) and explained in each procurements' Industry Briefing to support Tenderers' responses to each criterion.
- b. The decision to not weight the price criterion or the other unweighted criterion provided the Evaluation Committee with the appropriate flexibility to determine which tender response represented the best Value for Money. To provide clarity, the role and relative importance of the unweighted criteria was explained in the Industry Briefings for both procurement processes.
- c. For the RFQ, the department assessed Value for Money using a qualitative evaluation methodology. Aggregating weighted scores for the six criterion was unnecessary given that the Evaluation Committee could identify the most suitable provider using the standardised evaluation rating process.

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7. ANAO found that the most common area of non-compliance with the NAP 10 and NAP 21 RFTs was the requirement to provide service pricing for 30-minute calls under low, medium and high call volume scenarios.

- a. The preferred tenderer for NAP 21 did not comply with this requirement either and priced for 45-minute calls, based on its experience, which was only addressed afterwards by AGD. Why was this tender accepted in the first place under these circumstances?
- b. Why was the highest ranked tenderer for NAP 10, who was in full compliance with RFT requirements, unsuccessful when the ultimately preferred tenderer had also priced on the basis of 45-minute calls and was thus also non-compliant?

The response to the question is as follows:

- a. The NAP 10 and 21 Requests for Tender (RFT) set out the Minimum Content and Format Requirements and Conditions for Participation (clauses 9.3 and 9.4). The RFTs noted that the department did not specify any further essential requirements.

Annexure A: Pricing Response Form (Attachment 6: Pricing, Clause 1.3 (a) – (c)) of the RFT noted that:

1.3 Tenderers should ensure their response:

- (a) *is inclusive of all costs and expenses associated with the Tenderer's delivery of the Services for each relevant service phase;*
- (b) *provides a detailed explanation of how the proposed price was reached, including any relevant cost breakdown where appropriate;*
- (c) *provides details of any qualifications, assumptions, exclusions or dependencies upon which the proposed price relies;*

As such, the preferred tenderer's inclusion of a Pricing Response that accounted for their assumptions around the expected call times, alongside a detailed explanation of how the proposed pricing was reached, was compliant with the requirements of the RFT.

- b. The department notes that the preferred tenderer for the NAP 10 process, like the preferred tenderer for the NAP 21 process, submitted a Pricing Response that was compliant with the RFT.

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The Pricing Response accounted for the preferred tenderer's assumptions around the expected call times, alongside a detailed explanation of how the proposed pricing was reached. This response was compliant with the requirements of the RFT (Attachment 6: Annexure A: Pricing Response Form (Attachment 6: Clause 1.3 (a) – (c)).

One tenderer received higher ratings on some weighted criteria than the preferred tenderer. However, the Evaluation Committee assessed that this tenderer did not present the best Value for Money when the whole tender response was taken into consideration, noting that financial information provided by this tenderer raised significant concerns about their ability to meet their obligations under the contract (NAP 10 Tender Evaluation Report, clause 1.3.2).

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8. Can the department comment more generally on why 4 out of 5 tenders for NAP 21 and 3 of 6 for NAP 10 were progressed to evaluation despite being non-compliant with the RFT requirements?

a. There seems from the audit findings to have been no disadvantage to tenderers that failed to supply all of the required information. How did this come about given that it is not consistent with the CPRs?

The response to the question is as follows:

Two tenders from six for NAP 10, and four tenders from five for NAP21, did not provide all of the pricing information requested in the RFTs' Attachment 6: Pricing. However, the inclusion of all pricing information was not mandatory, noting that required content for a Tender response to be considered compliant was detailed in Minimum Content and Format Requirements and Conditions for Participation (clauses 9.3 and 9.4). Failure to include all pricing content did not render these Tender responses as non-compliant with the RFT and they were therefore eligible for further consideration.

In relation to the omissions for the remaining three tender responses, the evaluation committee received legal advice that it was open to the department to consider the omissions as an unintentional error of form and, under the discretionary clauses in the RFTs, seek to correct the errors by requesting the tenderers to provide the required documents.

a. The department is not of the view that the assessment of tendered prices was inconsistent with the CPRs but acknowledges that it would have been better practice to evaluate all pricing provided. The department notes that the pricing evaluation was consistent with the Tender Evaluation Plan (TEP) which outlined that the results of the price evaluation will not be scored and weighted but will be assessed as part of the overall value for money consideration by the Evaluation Committee.

The TEPs noted that the price evaluation needed to take careful account of any assumptions stated by tenderers in relation to their tendered prices. Where assumptions between tenderers varied, these were to be equalised to ensure that the eventual price comparison was undertaken on a like-for-like basis.

The Evaluation Committee considered each tender 'on the extent to which the Tenderer's proposed pricing and payment arrangements will deliver value for money'.

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9. Low, medium and high call scenarios were intended to form part of the pricing considerations in the evaluations.

a. Have the preferred tenderers now fully costed all of these based on 30-minute call lengths? Will the budgets cover the higher call volume scenarios?

The response to the question is as follows:

The preferred tenderers for the NAP 10 and 21 procurement processes provided compliant costings that accounted for their assumptions around the expected call times, alongside a detailed explanation and breakdown of pricing, as required under Annexure A: Pricing Response Form (Attachment 6: Pricing, Clause 1.3 (a) – (c)) of the Request for Tender (RFT).

As such, there was no requirement for the preferred tenderers to provide updated costings to align with 30-minute call lengths. Please refer to the response provided in Response 14 for a summary of pricing information required to be provided by tenderers in RFT submissions for both NAP 10 and 21 services.

The department executed the contract for NAP 21 on 29 July 2025 with the preferred tenderer, Jesuit Social Services, and the NAP 21 service will be delivered within the budget stipulated in the RFT. As the preferred tenderer for NAP 21, Jesuit Social Services did not fully cost all of the scenarios based on 30 minute calls.

High call volumes are regarded as a minimum of 500 calls per month. When progressing the contract negotiations for NAP 21, the medium call volume (250 calls per month) scenario was progressed, based on the existing service demand and practice experience of the preferred tenderer, as well as feedback from consultation with international services. It was estimated that call volumes would begin around low call volumes (up to 100 calls) and increase to the medium call volume (250 calls). The preferred tenderer proposed a staged approach regarding helpline opening hours, stakeholder engagement and communication strategy to generate awareness of the service and develop referral pathways, to enable appropriate monitoring and management of service demand and enable responses as required. Service delivery data (including call volume and duration) was agreed to be monitored monthly with appropriate adjustment activated as available, to support changes in call volume.

The preferred tenderer for the NAP 10 service withdrew from the procurement process in late October 2025, resulting in the cancellation of the procurement process on 30 October 2025, with no contract awarded.

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10. The audit report states that '*The department did not conduct all tender clarification and collaboration activities in a fair and transparent manner as required by the Commonwealth Procurement Rules.*' ANAO noted specifically that collaboration activities are not included as one of the additional steps and stages in the department's RFT template for more complex procurements.

a. Can the department please explain why these activities were then conducted?

The response to the question is as follows:

The department understands that the referenced ANAO statement (i.e. 'ANAO noted specifically that collaboration activities are not included as one of the additional steps and stages in the department's RFT template') is only specific to department's RFT template, and not a reference to the RFTs used for both the NAP 10 and NAP 21 procurements. The RFTs used for both NAP 10 and NAP 21 were amended to include these collaboration activities. The department refers the Committee to the following paragraphs from the report:

2.92 The request documentation for both the NAP 10 and NAP 21 procurements provided for the department to seek clarification or additional information from any tenderer for the purposes of tender evaluation, shortlist one or more tenderers and seek further information from them, and conduct 'collaboration activities' with one or more tenderers in order to clarify, improve and maximise value for money of tenders (including pricing) for the Commonwealth.

2.98 On 10 July 2023, the department requested that AGS review the clause relating to collaboration activities in the draft RFT noting that it was adopted from the RFT for the 1800RESPECT procurement conducted by the Department of Social Services (see paragraph 2.4).

In relation to NAP 10 these collaboration activities were set out in section 9.7 of the RFT and are reproduced below.

9.7. Collaboration activities

9.7.1. The Commonwealth may, as part of the RFT process, conduct additional activities with one or more Tenderers in order to clarify, improve and maximise value for money of tenders (including pricing) for the Commonwealth (Collaboration Activities).

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9.7.2. Where the Commonwealth elects to conduct Collaboration Activities, the Commonwealth may issue a Collaboration Activity process document to Tenderers shortlisted to participate in the Collaboration Activities process that provides further details of the process and specific terms and conditions governing the Collaboration Activity process.

9.7.3. The Commonwealth may refuse to conduct, or to further conduct, Collaboration Activities with a Tenderer if the Tenderer fails to comply with the requirements of a process document issued to the Tenderer under clause 9.7.2.

9.7.4. Collaboration Activities may include the following: a. tender clarification workshops; b. submission of additional information; c. discussions with Tenderers; d. provision of feedback to Tenderers; e. workshops; f. interviews; g. improved definition and refinement of draft plans and programs; h. assessment of capabilities; or i. submission of final tenders and best and final offers upon completion of any Collaboration Activities.

9.7.5. As part of the Collaboration Activity process, the Commonwealth may make changes to the Draft Contract and Statement of Requirements, and require Tenderers to amend their tenders to reflect the changes.

9.7.6. Without limiting clause 9.7.5, the Commonwealth will not be responsible for any costs or expenses incurred by any Tenderer in participating in the Collaboration Activity process.

In addition to clause 9.7 in the RFT, the Tender Evaluation Plan (TEP) (Clause 10) also provided that the Evaluation Committee could invite one or more shortlisted Tenderers to participate in Collaboration Activities.

The Collaboration Activity that one Tenderer was invited to participate in for the NAP 10 process complied with the conditions set out in the RFT and TEP.

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11. The audit states also in relation to the preferred tender for NAP 21 that '*the non-compliant pricing information, along with the nature and extent of the additional information required, meant that the tenderer's offer was not capable of being accepted.*'

a. Could you please comment on how this offer for NAP 21 was therefore deemed acceptable to AGD?

The response to the question is as follows:

The NAP 21 Request for Tender (RFT) set out the Minimum Content and Format Requirements and Conditions for Participation (clauses 9.3 and 9.4). The RFT noted that the department did not specify any further essential requirements. The preferred tenderer was assessed and found to be compliant with these requirements.

Annexure A: Pricing Response Form (Attachment 6: Pricing, Clause 1.3 (a) – (c)) of the RFT noted that:

1.3 Tenderers should ensure their response:

- (a) is inclusive of all costs and expenses associated with the Tenderer's delivery of the Services for each relevant service phase;*
- (b) provides a detailed explanation of how the proposed price was reached, including any relevant cost breakdown where appropriate;*
- (c) provides details of any qualifications, assumptions, exclusions or dependencies upon which the proposed price relies;*

As such, the preferred tenderer's inclusion of a Pricing Response that accounted for their assumptions around the expected call times, alongside a detailed explanation of how the proposed pricing was reached, was compliant with the requirements of the RFT.

The preferred tenderer provided a tender response that was capable of being accepted under the RFT and Tender Evaluation Plan documentation.

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12. Although there was no financial viability criterion for the NAP 10 procurement set out in the RFT, the tenderer with the highest weighted score was not selected because of this very concern.

- a. Could the department please explain why this decision was taken, particularly as the risk rating for this tenderer's financial viability was given as 'low to medium' by your financial advisor?
- b. Why was this essentially higher rated but ultimately unsuccessful tenderer afforded no opportunity to address any concerns through collaboration activities whereas the preferred tenderer was afforded this opportunity?
- c. Further to this, the audit indicates that the probity advisor expressed no concerns about this decision, was the probity advisor fully aware of this situation?

The response to the question is as follows:

- a. In accordance with advice from the Department of Finance (<https://www.finance.gov.au/government/procurement/buying-australian-government/assessing-financial-viability>), the NAP 10 Request for Tender (RFT) requested that tenderers provide a completed Financial Viability Questionnaire to support an assessment of the financial viability of each tenderer. This is a mechanism used in Commonwealth procurements to assess whether tenderers present significant risks that ought to be captured in the Value for Money assessments. The NAP 10 RFT noted that the Financial Viability Questionnaire would be assessed as part of Evaluation Criterion 6 – Compliance and Risk.

As noted within the Tender Evaluation Report (TER), 'financial viability was not scored or weighted but formed part of the risk assessment and overall assessment of Value for Money'. The department notes that in the TER's summary of scores and risk ratings (at clause 6.2), the risk ratings for Criterion 8 – Compliance and Risk were incorrectly titled as 'Financial Viability'. However, Financial Viability was not assessed as a stand-alone criterion, but was considered by the Evaluation Committee when assessing the risk profile and overall Value for Money of each tender response.

The department's Financial Advisor provided an assessment of each tenderer's pricing and financial viability. Three tenders were assessed to have 'Very Low' or 'Low' risk associated with their responses. Two tenderers were assessed to present 'Medium' risk, and the tenderer in question was originally assessed as presenting a 'Low to Medium' risk. The Evaluation Committee requested that the Financial Advisor provide further information on these assessments during the Evaluation Committee's Consensus Meeting

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in April 2024. In this discussion, the Financial Advisor noted that, in their view, the risk presented by this tenderer's financial viability, and therefore ability to meet its obligations under the NAP 10 contract, outweighed the potential benefit presented to the Commonwealth in procuring their services. The Evaluation Committee considered this advice when assessing the tenderer's Value for Money. As a result, this tenderer was considered to have an overall risk profile of Medium-High, with the Evaluation Committee noting that there were 'significant risks around its ability to deliver a trusted and sustainable service offering.'

The risk profile for the preferred tenderer was assessed to be the lowest of those that tendered, with an overall risk rating of Low-Medium.

- b. The decision to conduct the Collaboration Activity with the preferred tenderer was made by the Evaluation Committee.

The Evaluation Committee noted that there was no information that could be requested from the other tenderer that would satisfy the whole of the Evaluation Committee that the tenderer would be able to meet the obligations of the NAP 10 contract and deliver the NAP 10 service.

In contrast, the preferred tenderer was asked to participate in a Collaboration Activity to provide further information, if possible, that would mitigate some risks identified by the Evaluation Committee in relation to the tenderer's ability to deliver particular aspects of the NAP 10 Service. The preferred tenderer provided a response that satisfied the Evaluation Committee.

- c. Yes. The Probity Advisor for the NAP 10 procurement was present during the entirety of all of the Evaluation Committee's Consensus Meetings that took place, including discussions relating to the Collaboration Activity. The Probity Advisor also reviewed the invitation and content of the Collaboration Activity, via email on 24 April 2024, before it was cleared by the Evaluation Committee and provided to the Tenderer.

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13. Two tenderers informed the ANAO via the Citizens Contribution Facility for the audit that they were hesitant to tender due to concerns about inadequate funding for the services.

- How was it determined that the budgets allocated to procure the NAP 10 and 21 services were sufficient given that the ANAO found no records of how these decisions were made?
- What market indicators were used to make these determinations?
- How is the department confident that the intended services can be provided going forward with this level of resourcing?

The response to the question is as follows:

- The budget for the NAP 10 and 21 services were based on the New Policy Proposal (NPP) costings progressed by the Department of Prime Minister and Cabinet (PM&C) in 2021.
- These costings were based on market research regarding the operating costs of various organisations delivering similar services in 2021. These operating costs were provided by organisations in the Child Sexual Abuse sector to assist with the proposals development.
- The Attorney-General's Department (the department) notes that a contract has been executed with the preferred supplier for the NAP 21 service under this budget.

The department remains confident that the NAP 10 service can also be established under the approved budget.

If required, additional resources may be sought through future processes. However, determination of funding is a matter for Government.

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14. The audit states that the tender evaluation plans had not been signed off by the probity adviser and did not adequately address how the department planned to evaluate the pricing information that tenderers were required to submit.

a. How is the department addressing this going forward?

The response to the question is as follows:

On 3 October 2025 the department completed a review of internal procurement templates (e.g. tender evaluation plans, requests for tender templates) and guidance to address the ANAO findings, reflect better procurement practices, and assist staff when they undertake an open tender.

The revised templates incorporate further drafting instructions to assist staff to meet their record keeping requirements including maintaining accurate and concise records of the process, demonstrating how value for money was considered and achieved, and articulating other relevant decisions and the basis of those decisions.

The revised guidance includes two new checklists to assist the procurement evaluation committee members and the spending delegate to successfully perform their roles and in meeting their obligations under the Commonwealth Procurement Rules.

Both the revised tender evaluation plan template and evaluation committee checklist include prompts for the procurement project team to affirm and document that the probity adviser has signed-off on the tender evaluation plan, where a probity adviser is engaged. This checklist must also be provided to the financial delegate.

Both the revised tender evaluation plan template and request for tender template include prompts for the procurement project team to consider and document how pricing, including scenarios, will be evaluated and what will occur where pricing information is not provided.