

Senate Committee: Education and Employment

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

Outcome: Skills and Training

Department of Education and Training Question No. SQ17-000616

Senator Cameron, Doug asked on 31 May 2017, Proof Hansard page 98

Subcontracting RTO services

Question

Senator CAMERON: Will this need approval from the department?

Mr Morling: No, we deal with the party we contract with. But the subcontractor must be an RTO, so it must be registered with ASQA.

Senator CAMERON: It must be registered with ASQA?

Mr Morling: Yes.

Senator CAMERON: Can you provide details of the successful tenderers who are subcontracting?

Mr Morling: Yes. I will take that on notice.

Senator CAMERON: Are subcontractors able to pyramid subcontract—that is, subcontract again?

Mr Morling: I do not believe so, but I will check that for you on notice.

Answer

The agreement with providers delivering the Adult Migrant English Program (AMEP) and the Skills for Education and Employment (SEE) (the AMEP/SEE Agreement) specifies that providers cannot subcontract any part of the services to be delivered under the AMEP/SEE Agreement to another legal entity other than subcontractors that have been approved by the Australian Government.

The AMEP/SEE Agreement also specifies that if a provider does subcontract the delivery of services, providers must ensure that the provisions in the AMEP/SEE Agreement are mirrored in the subcontracting agreement that the provider enters into with its subcontractor.

This means a subcontractor can only subcontract services that are to be delivered under the AMEP/SEE Agreement to other subcontractors that have been approved by the Government.

The AMEP/SEE Agreement also states that AMEP and SEE providers warrant that they are registered with ASQA as Registered Training Organisations. This warranty also extends to subcontractors, who are delivering training and assessment services, since clauses in subcontracting agreements must mirror the clauses in the AMEP/SEE Agreement.

Refer SQ17-000887 for a list of subcontractors for the AMEP and the SEE program.