

GO2 Government Tender Results

The GO2 People Ltd ("GO2" or "the Company") and its subsidiary Skill Hire WA Pty Ltd ("Skill Hire") submitted numerous tenders to the Department of Education, Skills and Employment ("DESE").

The tenders have now been awarded and the imposed embargo period expires on Wednesday 23 March 2022. The renewed contract period is for 6 years starting 1 July 2022.

Contracts are subject to ongoing performance reviews against benchmarks, and companies unsuccessful in those future reviews will have their contracts reallocated to the original pool of applicants for resubmission.

Jobactive

Skill Hire was awarded a position on the Workforce Australia Services Sub Panel for 18 regions across 5 states, however, has been unsuccessful in obtaining a licence and work order to deliver services from 1 July 2022. If successful applicants choose not to accept their tender award, there is potential for Skill Hire to participate in the reallocation of these licences.

The DESE have advised that they will be enforcing compliance with ISO 27001 and Right Fit for Risk requirements around privacy and information management (where Skill Hire had already invested approximately \$500,000 and was deemed compliant) during the first 3 – 6 months which may also lead to contract reallocation.

In addition, the Quality Assurance Framework will be reviewed and any Providers who are deemed low performers will not receive an extended work order and the sub panel will be called upon, providing another opportunity for Skill Hire to participate

Transition to Work (TtW)

- Skill Hire was awarded a contract for 1 region starting 1 July 2022.

Career Transition Assistance (CTA)

- Skill Hire was awarded a contract for 3 regions commencing 1 July 2022.





Employability Skills Training (EST)

- Skill Hire was awarded a contract for 2 regions commencing 1 July 2022.

The expected outcome of the tender results is a reduction in revenue from this business stream from approximately \$10 million per annum to \$4 million per annum. Skill Hire will mitigate the revenue and resulting EBIT reduction by pivoting to provide support to contracted Providers in the form of Employer Requested Training (ERT), Six Month Activity Requirement Activities, Work for the Dole Host Activities and other services that complement Workforce Australia programs and initiatives.

In addition, a Board-led review of the tender process and outcomes will be immediately conducted with feedback from DESE taken into account. Rightsizing the business model to ensure sustainability and delivery has commenced.

Priority will be given to ensuring the contracts the Company holds are performing at the highest level possible to ensure the Company is well-positioned to be offered reallocations by DESE.

For more information, please contact:

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