Australian Government
Digital Transformation Agency

Digital Seller Underperformance Policy, now live

Establishing a structured approach for identifying serious underperformance

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The Policy

The Digital Seller Underperformance Policy (DSUP) is designed to improve information-sharing in whole-of-government digital procurement.

In effect as of ***6 July 2026***,
the policy establishes a structured approach for recording instances of serious underperformance by sellers.

The DSUP drives accountability and safeguards public value. Making past performance more visible encourages earlier remediation of issues and more effective contract management across major digital projects.

The DSUP applies generally to large ($4 million and above) or strategically significant government contracts for digital products and services.

Standard & Guidance

Buyers can report underperformance to the DTA at any stage of a contract.

Reports trigger a structured, impartial assessment process. Sellers are given a fair opportunity to respond within 15 business days to provide evidence or rebuttals, ensuring procedural fairness and transparency.

Where underperformance is confirmed, it is recorded on a central ***Confirmed Serious Underperformance Register***.

Importantly, inclusion on the register does not exclude a seller from future contracts but informs value-for-money assessments alongside other factors.

Industry consultation

The policy was shaped by industry consultation that took place from November 2025 to February 2026.

Our summary collates key feedback from 19 written submissions and three roundtable discussions on the policy and its implementation

Read the policy in full

digital.gov.au/investment/digital-seller-underperformance-policy