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Auditor-General for Australia



14 May 2020

Mr Julian Hill MP
Deputy Chair
Joint Committee of Public Accounts and Audit
By email: julian.hill.mp@aph.gov.au

Dear Mr Hill

Australian Government Procurement Contract Reporting Update

Drawing from the publicly available information that underpinned analysis in the Information Report published on 11 March 2020, attached are answers to the questions and the additional information sought in your letter to me of 6 April 2020.

Consistent with our usual practice, your letter and this response have been published on the ANAO website. I have also provided a copy of this response Ms Lucy Wicks, Chair of the Joint Committee of Public Accounts and Audit as well as to the Committee Secretariat.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Grant Hehir'.

Grant Hehir

Copied to:

Mrs Lucy Wicks MP, Chair, JCPAA
JCPAA Secretariat

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Question: Why is there no centralised reporting on procurement activity by 34% of entities (including some engaged in significant procurement activities) as they're not covered by the CPRs.


1. While the Commonwealth Procurement Rules (CPRs) require publication of procurement activity by subject entities on AusTender, there is no requirement for entities not covered by the CPRs to report on AusTender. You may wish to seek advice from the Department of Finance on this matter.
2. As outlined in footnote 12 of the Information Report, 34 per cent of entities not being covered by the CPRs means that various corporate Commonwealth entities, including some Government Business Enterprises, are not required or permitted to use AusTender to publicise their procurement opportunities and report on procurement results. This issue was examined in Auditor-General Report No.16 of 2019-20 *Western Sydney Procurement Activities* with an audit recommendation to the Department of Finance that it require Government Business Enterprises to use AusTender to publicise their procurement opportunities and report on procurement results. The Department noted the recommendation, commenting that the change recommended by the ANAO would require a policy decision of Government.

Question: Why have no contracts been reported by National Portrait Gallery or Australian Institute of Marine Science in the 10-year period analysed?

3. In the course of preparing the Information Report, the ANAO wrote to the National Portrait Gallery and the Australian Institute of Marine Science about the absence of any reporting on AusTender. In January 2020, the ANAO wrote to both entities (as well as those five entities identified in the Information Report as having reported very few contracts) and offered them the opportunity to provide advice on the non-reporting. Neither entity took up this opportunity (although not within the period covered by Information Report, we have noted that on 12 August 2019 the National Portrait Gallery reported four contracts on AusTender, with start dates between 23 April 2019 and 25 June 2019).


Request: List of Parent Contracts Amended Three or More Times

4. Table 2.4 shows that 14 per cent of amended parent contracts had three or more amendments. This represents over 3 000 records. Accordingly, we suggest it might be more helpful for you if we identified the top 10 parent contracts (by number of amendments captured in AusTender) for each financial publish year. The enclosed spreadsheet provides this information.

The spreadsheet can be found → 

Request: List of Significant Examples of Contracts Having Their Value Amended from Below the Relevant Threshold for Using Limited Tender to Above the Relevant Threshold

5. See in the attached spreadsheet the top 10 examples (by percentage increase in value) of Contracts Having Their Value Amended from Below the Relevant Threshold for Using Limited Tender to Above the Relevant Threshold.


The spreadsheet can be found → 

Question: How Could Reasons for Amendments be Reported?

6. Our understanding is there may be limitations on the capacity of the information technology system used for AusTender to support enhanced reporting. You may wish to seek input on this question from the Department.

Request: Amended contracts with over 200 per cent increase in value and period of analysis

7. Table 2.5 analysed six years of data, from 2013-14 to 2018-19. Before 2013-14, AusTender did not have the functionality to report amendments.
8. See attached list of parent contracts that increased in value by over 200 per cent for the three categories: “Temporary Personnel Services”, “Management Advisory Services” and “Personnel Recruitment”. The output displays a breakdown of contracts by agency name, supplier and the year/panel the contract was raised under.

The spreadsheet can be found → 

Request: Definition for categories “Temporary Personnel Services”, “Management Advisory Services” and “Personnel Recruitment”

9. The three categories are part of the United Nations Standard Products and Services Code (UNSPSC). The Department of Finance uses a subset of these codes to categorise Commonwealth Government procurements. In its research, the ANAO could not identify definitions for the UNSPSC with the UNSPSC Organisation only publishing the codes and corresponding titles (e.g. 80111600 – Temporary personnel services). You may wish to seek input on this question from the Department.


Question: How does use of panels where a single panel member is invited to respond to a procurement opportunity accord with the CPRs, and what are the value for money implications?

10. It is the ANAO’s understanding that not inviting all suppliers represented on a panel to respond to a procurement opportunity is an approach that complies with the CPRs.
11. The ANAO has examined the use of panels in various performance audits (for example, Auditor-General Report No. 12 *The Award of Funding Under the Regional Jobs and Investment Packages* that is currently being examined by the Committee as part of its grants administration inquiry) and is currently undertaking a cross-portfolio performance audit of the *Establishment and Use of IT related Procurement Panels*. When an audit examines the value for money implications of accessing suppliers from a panel when only one panel member has been invited to respond to a procurement opportunity the ANAO looks at factors such as: how long since the panel was established; the extent to which the goods/services being procured and rates/price being paid are consistent with the terms of the panel deed; and how the procuring entity satisfied itself that value for money was being obtained (for example, through benchmarking).


Request: Further information on three panels

12. The scope of the three panels would be established through the contractual arrangements. The ANAO did not examine the relevant panel deeds in preparing this Information Report. That information would need to be requested from the entity responsible for the panel.


13. For the Recruitment and Related Services Panel, the suppliers that have had contracts reported on Austender are identified in the enclosed spreadsheet. The suppliers identified in green highlighting are those that made up 80 per cent or over of the panel's total reported value. The output displays the supplier name and the total value of contracts awarded through the relevant panel from 2013-14 to 2018-19.

The spreadsheet can be found→ 


14. For the Consultancy and Business services under a Standing Offer Panel, the suppliers that have had contracts reported on Austender are identified in enclosed spreadsheet. The suppliers identified in green highlighting are those that made up 80 per cent or over of the panel's total reported value. The output displays the supplier name and the total value of contracts awarded through the relevant panel from 2013-14 to 2018-19.

The spreadsheet can be found→ 


15. For the Outsource Labour for Service Delivery Panel, the suppliers that have had contracts reported on Austender are identified in the enclosed spreadsheet list. The suppliers identified in green highlighting are those that made up 80 per cent or over of the panel's total reported value. The output displays the supplier name and the total value of contracts awarded through the relevant panel from 2013-14 to 2018-19.

The spreadsheet can be found→ 


Request: For 2017-18 and 2018-19, spreadsheet list of parent contracts under panel arrangements with start date after the panel's end date

16. Please see attached spreadsheet→ 

Request: For 2017-18 and 2018-19, spreadsheet list of parent contracts under panel arrangements with end date after the panel's end date


17. Please see attached spreadsheet→ 

Request: List of the 161 parent contracts that were commenced more than 365 days after the Panel's end date

18. Please see attached spreadsheet→ 


Request: More detail regarding the Management and Business Professionals and Administrative Services category

19. Further detail containing the count and total value of contracts raised for each UNSPSC Title under the Management and Business Professionals and Administrative Services category is provided in the attached spreadsheet.

The spreadsheet can be found → 

Request: More detail on labour hire/ temporary personnel firms and services

20. The only parent category in AusTender for labour hire/ temporary personnel firms and services is the Management and Business Professionals and Administrative Services category.
21. For the top 20 suppliers based on the total value awarded over the 10 year report period, the attached spreadsheet provides information in two formats:
- a. information, by entity, in aggregate over the ten year period; and
 - b. supplier information for each reporting year.

The spreadsheet can be found → 

Request: More detail on 8 major providers of consultancy services

22. The three worksheets in the attached spreadsheet provide the additional detail that was requested.

Part 1. The total value awarded to the 8 major providers

Part 2. The total value awarded to the 8 major providers flagged as consultancy and the proportion as compared to the total value.

Part 3. The total value awarded to the 8 major providers flagged as 'Management and Business Professionals and Administrative Services service' and the proportion as compared to the total value.

The spreadsheet can be found → 