

Public Accounts and Audit

ANSWERS TO WRITTEN QUESTIONS ON NOTICE

Infrastructure, Transport, Regional Development and Communications

Division/Agency: Assurance Taskforce

Inquiry: JCPAA Inquiry into Governance in the Stewardship of Public Resources—based on Auditor-General Report 9 (2020-21), Purchase of the 'Leppington Triangle' Land for the Future Development of Western Sydney Airport

Topic: Financial Management and Procurement Training

Proof Hansard Page: Written (28 April 2021)

Senator Lucy Wicks asked:

Infrastructure notes that it is 'rolling-out additional financial management and procurement training', including 'a case study incorporating lessons from the Leppington Triangle transaction' (Submission 4.1, p. 2). Has this training now been rolled out, and can the department provide the Committee with a copy of the case study, incorporating lessons learnt?

Answer:

The Department has rolled out financial management and procurement training focussing on procurement best practice and value for money principles. The case study has been incorporated into this training and a copy is provided at [Attachment A](#). The training is delivered face-to-face and is available to all departmental staff. Training sessions are conducted on a monthly basis.

In addition, the Department is developing a modulised procurement, probity and contract management training program which will focus on the procurement lifecycle and best practice principles.

Attachments

- A: Case study

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Attachment A

CASE STUDY

Sam is part of a large team coordinating a significant infrastructure program, with an estimated value in excess of \$1.5 billion, to construct a by-pass on a main coastal highway in New South Wales. The planned route for the bypass will cross a large wetlands area that contains a number of threatened and endangered native wildlife species.

Several separate studies and reports have already been undertaken to assess the impact the construction work will have on the region, along with a range of options that can be adopted to protect these animals. It has now been determined that the services of an appropriately skilled and experience assessor are required to review the content of these reports, and to collate the findings into a single paper for presentation to the Minister and for public release. As the reports and recommendations have already been generated, this task is not expected to be lengthy or costly. The team believe the work will be less than \$30,000 (GST inclusive).

Sam has been asked to engage a suitable consultant to perform the work as soon as possible. The program is highly political and under significant pressure to deliver. Sam has been advised that the Minister has a preference for a particular supplier to be approached to undertake the work, as they have done similar work for the Minister and portfolio in the past. Noting this, Sam's supervisor verbally instructed him to send a Request for Quotation (RFQ) to that supplier. In response, a quotation of \$7,900 GST inclusive was provided.

CASE STUDY DISCUSSION QUESTIONS

- 1: What should Sam think about before he approaches the supplier? Why?
2. Do you think it's appropriate to only approach a single supplier for this procurement? Why? What would you consider an appropriate approach to market?
3. What procurement documentation do you think should Sam prepare:
 - Before approaching the supplier
 - After receiving the quote
4. Do you think the engagement of this supplier needs a risk assessment? Why/why not?
5. Noting the value of the quote, would Sam need to do a value for money assessment – especially as he can pay by credit card? Why/why not?