



Australian Government
The Treasury

15 February, 2018

Ms Susan Cardell
Committee Secretary
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600
sent via email: jcpaa@aph.gov.au

Dear Ms Cardell

**AUSTRALIAN GOVERNMENT CONTRACT REPORTING – INQUIRY BASED ON AUDITOR-GENERAL'S
REPORT NO.19 (2017-18)**

I refer to your letter of 14 December 2017 to the Treasury Secretary requesting a submission to the inquiry.

Treasury is committed to complying with the Government's procurement policy framework, in particular the Commonwealth Procurement Rules and its core objectives, to ensure Treasury achieves value for money in the conduct of procurement activity. These principles are reflected in Treasury's financial processes.

Procurement is not a major activity for Treasury, representing only a small amount of annual expenditure.

Treasury's submission in relation to the inquiry is attached. I trust this information will be of assistance to the Committee.

Yours sincerely

Matt Flavel
Deputy Secretary
Corporate Services and Business Strategy Group

Part (a)

The Committee requests that your agency's submission provides the following data and information over the past five financial years (that is 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17) for:

Consultancy services:

- A list of top three categories of work (for example management advisory services) for which consultancies have been most frequently engaged, for each of the past five financial years.
- Provide expenditure figures on consultancies for each of the past five financial years, including a breakdown of expenditure against the top three categories of work.

Treasury response

Financial Year	Total expenditure for consultancies	Category 1	Category 2	Category 3
2012-13	\$1,645,652	Management advisory services - \$829,658	Legal Services - \$378,232	Strategic planning consultation services - \$108,215
2013-14	\$1,848,567	Management advisory services - \$1,530,744	Legal services - \$212,589	Economic analysis - \$54,500
2014-15	\$3,486,869	Management advisory services - \$3,339,175	Management support services - \$131,380	Software - \$16,313
2015-16	\$2,732,971	Management advisory services - \$2,661,857	Occupational health or safety services - \$27,114	Management support services - \$44,000
2016-17	\$2,263,883	Management advisory services - \$1,929,421	Management support services - \$114,070	Architectural services - \$21,037

* All \$ figures are GST inclusive

Non-consultancy services:

Contractors directly procured by the entity for labour (for the provision of either long or short term additional labour capacity)

- A list of the top three categories of work for which contractors have been most frequently engaged, for each of the past five financial years.
- Provide expenditure figures on contractors for each of the past five financial years, including a breakdown of expenditure against the top three categories of work.

Treasury response

Financial Year	Total expenditure for Contractors directly procured	Category 1	Category 2	Category 3
2012-13	\$460,248	Management advisory services - \$107,170	Professional associations - \$4,940	Personnel recruitment - \$103,779 Education and Training Services - \$96,988 Legal services - \$144,796 Temporary personnel services - \$2,574 <i>(equal number per category)</i>
2013-14	\$350,932	Management advisory services - \$227,975	Business administration services - \$71,544 Management support services - \$39,600 Security guard services - \$11,812 <i>(equal number per category)</i>	
2014-15	\$122,488	Management support services - \$77,583 Audit services - \$25,369 Business administration services - \$19,536 <i>(equal number per category)</i>		
2015-16	\$80,784	Management support services - \$80,784 <i>(equal number per category)</i>		
2016-17	\$146,055	Management support services - \$146,055 <i>(equal number per category)</i>		

* All \$ figures are GST inclusive

On-hire labour contractors

- A list of the top three categories of work for which on-hire contractors have been most frequently engaged, for each of the past five financial years.
- Provide expenditure figures for on-hire labour contractors for each of the past five financial years, including a breakdown of expenditure against the top three categories of work.

Treasury response

Financial Year	Total expenditure for on-hire labour contractors	Category 1	Category 2	Category 3
2012-13	\$ 871,450	Personnel recruitment - \$40,154	Software maintenance and support - \$165,000 Management support services - \$25,081 Audit services - \$52,360 Development finance - \$135,000 Data Voice or Multimedia Network Equipment or Platforms and Accessories - \$242,909 Information technology consultation services - \$105,346 Management advisory services - \$105,600 <i>(equal number per category)</i>	
2013-14	\$1,570,930	Accounting services - \$64,471 Business administration services - \$134,968 Management support services - \$286,568 Personnel recruitment - \$100,924 Software maintenance and support - \$876,024 <i>(equal number per category)</i>		
2014-15	\$1,596,845	Personnel recruitment - \$275,321	Human resources services - \$243,399	Software, maintenance and support services - \$272,964 Temporary personnel services - \$40,961 <i>(equal number per category)</i>
2015-16	\$2,543,448	Human resources services - \$786,120	Personnel recruitment - \$233,251	Management support services - \$757,693

Financial Year	Total expenditure for on-hire labour contractors	Category 1	Category 2	Category 3
2016-17	\$1,712,297	Human resources services - \$697,514	Temporary personnel services - \$215,588	Management support services - \$373,266

All \$ figures are GST inclusive

Part (b)

The Committee would welcome your agency's views and commentary on the matters raised in the audit report's following paragraphs/figures and chapters:

- Figure 3.2
- Figure 5.1
- Paragraphs 5.4–5.7 and Figure 5.2
- Paragraphs 6.3–6.5 and Figure 6.3
- Paragraphs 7.3–7.5 and Table 7.1 and Table 7.2 and Figure 7.3
- Chapter 8: Accuracy and timeliness of procurement contract notice publication

Treasury response

Treasury does not have any comments on the matters raised in the audit report.