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Committee Secretary
Senate Finance and Public Administration Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

24 October 2025

Submitted via email: fpa.sen@aph.gov.au

Re: Parliamentary Joint Committee on Public Consultancy and Services Contracts Bill 2025

Dear Committee Secretary,

EY Australia (EY) welcomes the opportunity to provide a submission to the Senate Finance and Public Administration (FPA) Legislation Committee's inquiry into the Parliamentary Joint Committee on Public Consultancy and Services Contracts Bill 2025 (the Bill).

We acknowledge and broadly agree with the Bill's objective to enhance transparency and ensure there is appropriate scrutiny of government expenditure on consultancy and services contracts, as outlined in the explanatory memorandum¹. We believe that transparency of engagements with external service providers, including consultants, is fundamental to protecting the interests of the Commonwealth.

During the Senate FPA References Committee's inquiry into the management and assurance of integrity by consulting services (Consulting Services Inquiry), EY suggested a number of measures aimed at strengthening transparency and accountability in procurement practices across government entities. We were pleased to see that the recommendations in the final report² reflected some of our suggestions, and we continue to look forward to the Government's formal response to these recommendations.

In relation to the Bill that is currently being considered by the FPA Legislation Committee, there are several aspects that we believe require further deliberation through this inquiry.

Existing mechanisms to scrutinise government expenditure

The Bill, which responds to one of the recommendations from the Consulting Services Inquiry, would establish a Joint Standing Committee on Public Consultancy and Services Contracts (Public Consultancy Committee) with powers and functions analogous to those set out in the *Public Works Committee Act*. The intended purpose being to address an oversight gap for consultancy contracts entered into by Commonwealth entities.

It is important to recognise that the Parliamentary Standing Committee on Public Works (Public Works Committee) is one of the oldest parliamentary committees which was first established in 1913³. At that time, it served as a primary mechanism to ensure accountability for government capital works where limited controls and safeguards existed for government expenditure.

Today, there are other mechanisms in place to ensure oversight and accountability of government expenditure, including on consultancy services. This includes the Senate Estimates process, which is one of the most powerful tools used by the Senate to hold the government to account⁴, as well as the Joint Committee of Public Accounts and Audit's ability to examine performance audits undertaken by the Auditor-General and self-initiate inquiries into public administration matters⁵, including government procurement and expenditure.

¹ [Parliamentary Joint Committee on Public Consultancy and Services Contracts Bill 2025 Explanatory Memorandum](#)

² [Inquiry into Management and Assurance of Integrity by Consulting Services Final Report \(June 2024\)](#)

³ [Parliamentary Standing Committee on Public Works](#)

⁴ [Estimates committees commence operation / Senate Committees](#)

⁵ [Joint Committee of Public Accounts and Audit](#)



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In addition to parliamentary oversight, Commonwealth entities are now also subject to strict governance, transparency and approval requirements for procuring goods and services as set out in the *Public Governance, Performance and Accountability Act* (PGPA), the Commonwealth Procurement Rules (CPRs) and other associated policies.

The risk of unchecked government spending that originally justified the establishment of the Public Works Committee more than a century ago has diminished, as subsequent reforms have introduced various mechanisms to scrutinise and safeguard public expenditure. We therefore question whether a new Public Consultancy Committee, duplicating existing oversight mechanisms, is necessary and an efficient use of parliamentary resources.

Consultancy spend represents a small portion of government expenditure

One of the justifications put forward for the Bill is that where large sums of public funds are being expended, there is a case for wider scrutiny⁶. However, public AusTender data shows that consultancy contracts represent a low proportion of total government procurement⁷.

In the 2024/25 financial year, the value of consultancy contracts awarded was \$855 million, equating to approximately 0.82% of total government contracts⁸. The value of consultancy contracts above \$2 million, which would require parliamentary approval under the Bill, is even lower at \$343 million. For comparison, the total estimated cost of Major Works⁹ referred to the Public Works Committee was approximately \$6.485 billion in 2024¹⁰.

Despite the lower value, the volume of consultancy contracts that would need to be assessed by the proposed Public Consultancy Committee is likely to be much higher than the volume of Major Works referred to the Public Works Committee for inquiry and reported to Parliament. There were 67 consultancy contracts above \$2 million in the 2024/25 financial year, compared to 22 Major Works referred to Public Works Committee in 2024. Similar figures were observed in the preceding years (see Appendix for details).

Given the significantly lower value but higher volume of consultancy contracts relative to major public works, we consider this as another reason to question whether a new Public Consultancy Committee is necessary and an efficient use of parliamentary resources.

Independent panel of the executive government as an alternative

An alternative to establishing a new Public Consultancy Committee could be for the executive government to establish a centralised independent panel to review and approve significant services procurements that meet a set of risk-based criteria, which was one of our recommendations to the Consulting Services Inquiry.

The panel should include specialists with relevant expertise and knowledge across the range of consultancy services procured by Commonwealth entities. Also, to ensure transparency and accountability, the panel should publicly report its decisions and be subjected to parliamentary questioning, for example at Senate Estimates.

Specifics of the Bill

In relation to the content of the Bill, we believe the following areas warrant further consideration by the FPA Legislation Committee as part of this inquiry:

Role of the Committee – The legislative remit of the proposed Committee only covers public consultancy contracts. However, the range of professional services that Commonwealth entities procure is much

⁶ [Second reading speech for the Parliamentary Joint Committee on Public Consultancy and Services Contracts Bill 2025](#)

⁷ [AusTender consultancy contracts](#), accessed 12 October 2025

⁸ *ibid*

⁹ Estimated cost in excess of \$15 million, or in excess of \$75 million for Defence

¹⁰ Public Works Committee [Eighty Eighth Annual Report](#)



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broader than just consultancy, for example legal services and ICT services. There should not be a differentiation in the level of scrutiny applied to consultancy contracts compared to other professional services contracts of the same value and risk profile.

Referral threshold – Public consultancy contracts in excess of \$2 million would require referral to the proposed Committee under the Bill. This is considerably less than the *Public Works Committee Act* and *Public Works Committee Regulation*'s mandatory referral thresholds of \$15 million for non-Defence public works and \$75 million for Defence public works.

Timing – Compared to major public works projects that generally span several years from planning to completion, consultancy services contracts are typically more time-sensitive and often require the work to be completed in a much shorter period of time. Adding a layer of parliamentary review and approval at the contracting stage could create significant delays, and likely increase costs. While the Bill does permit a Minister to declare the consultancy contract must be executed urgently, such exemption still requires consent from the Chair and Deputy Chair of the Committee, potentially delaying time-critical work.

Specialised skills – Public consultancy services require specialist professional knowledge or expertise that is not available in-house¹¹. For instance, Commonwealth entities are increasingly seeking highly specialised consultancy work on the use of AI, cybersecurity and data governance, and that work is often time-critical in order to extract the maximum value. Accordingly, it is important to consider how the proposed Committee would be able to access the required specialised knowledge and expertise to assess such consultancy contracts in a timely manner.

Confidentiality – In many cases consultancy engagements are highly confidential, particularly those that relate to national interest and defence. An explicit exemption for such engagements should be considered for the Bill.

Membership, quorum and voting – The Bill stipulates that the proposed Committee shall consist of eight members (four members of the House and four members of the Senate), but does not specify the quorum and voting procedures. With reference to the *Public Works Committee Act*, it would be worth considering whether quorum and voting procedures should similarly be included in the Bill.

As recommended by the Public Works Committee in its Eighty Seventh Annual Report, the Government has agreed in-principle to undertake a thorough and consultative review of the *Public Works Committee Act* and consider potential areas for reform¹². Given this Bill is largely based on the *Public Works Committee Act*, the FPA Legislation Committee should consider postponing the Bill until after the review of the *Public Works Committee Act* is completed.

We appreciate the opportunity to provide our views and comments to this inquiry. Should you wish to discuss our submission further, please do not hesitate to contact us.

Yours sincerely

David Larocca
EY Oceania CEO & Regional Managing Partner

Dean Yates
EY Oceania Government and Health Sciences
Leader

¹¹ [Characteristics of consultancy contracts and common examples | Department of Finance](#)

¹² [Government response to the Parliamentary Standing Committee on Public Works Eighty Seventh Annual Report](#)

APPENDIX

Referrals made to the Parliamentary Standing Committee on Public Works

Annual Report	Major Works (in excess of \$15m, or in excess of \$75m for Defence)	
	No. of referrals	Estimated total cost (m)
88th Annual Report for 2024	22	\$6,485
87th Annual Report for 2023	16	\$2,379
86th Annual Report for 2022	10	\$1,263

Consultancy contracts data from AusTender¹³

Financial year	All consultancy contracts		Consultancy contracts in excess of \$2m	
	No. of contracts	Total value (m)	No. of contracts	Total value (m)
2024-25	3,401	\$855	67	\$343
2023-24	3,199	\$686	44	\$155
2022-23	3,137	\$575	22	\$95

¹³ [AusTender consultancy contracts](#), accessed 12 October 2025. AusTender data provides the total value of contracts awarded and does not reflect annual expenditure. The reports are based on the period contracts or amendments to contracts were awarded to government suppliers.