

# Senate Finance and Public Administration Legislation Committee

## ANSWERS TO QUESTIONS ON NOTICE

### Inquiry into Public Consultancy and Services Contracts Bill 2025

Finance Portfolio

Hearing of 20 February 2026

**Department/Agency:** Department of Finance

**Topic:** Contract reporting threshold - Public Works Committee

**Senator:** Richard Colbeck

**Question reference number:** 1

**Type of question:** Hansard Proof, page 23

**Date set by the committee for the return of answer:** 20 March 2026

**Number of pages:** 1

#### Question:

**Senator COLBECK:** Yes. There's been discussion within evidence today about a predisposition to break a contract up into smaller pieces to get below the threshold. In the Department of Finance's experience with the public works committee, do you have any evidence of that occurring?

**Mr Danks:** I'll have to take that on notice.

#### Answer:

The Department of Finance has not observed entities breaking projects up into smaller pieces of work to avoid reaching the threshold for referral of major works to the Public Works Committee (PWC).

PWC processes require entities to notify the PWC of 'medium works' prior to commencement. Medium works are defined as projects which fall below the referral threshold (\$15 million for non-defence and \$75 million for defence projects), but exceed a total cost of \$5 million.

The medium works process was introduced by the PWC in 1989 to deter entities from splitting projects up into smaller pieces of work to avoid referral requirements for major works. Whilst medium works notifications do not require the same level of detail as a major works referral, entities are expected to provide sufficient information to enable the PWC to effectively consider whether to provide approval for the works to commence.

Following approval, entities are required to notify the PWC of changes to the nature of medium works projects and where there are significant changes (including increases to the total cost), the PWC may request that the matter be formally referred for inquiry.