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Joint Committee of Public Accounts and Audit

ANSWERS TO QUESTIONS ON NOTICE

Inquiry into the procurement of mandated national support and advocacy services for victims of child sexual abuse

Topic: Attorney-General's Department procurement processes

Question reference number: 01

Type of question: Written

Date set by the committee for the return of answer: Friday 21 November 2025

Number of pages: 3

Question:

It is notable that AGD's procurement framework took its cue from the successful Department of Social Services (DSS) process in 2020 to 2022 for its procurement of counselling and support services provided through 1800RESPECT.

- a. ANAO's audit of that DSS process in 2023 found it to be effective and compliant with the CPRs. What were the core reasons why the AGD processes fell well short of this rating?

Answer:

Achieving value for money is the core rule of the Commonwealth Procurement Rules (CPRs). The CPRs also require open and effective competition, in recognition that the more competitive the procurement process, the better placed an entity is to demonstrate that it has achieved value for money. There are also a range of detailed rules set out in the CPRs including on matters such as ethical conduct (including the identification and management of conflicts of interest) as well as process requirements such informing candidates of the evaluation criteria (and any weighting) and, once contracts are awarded, publishing information on AusTender.

The following are the key findings that led the ANAO to conclude that the conduct of the NAP 10 and NAP 21 procurements by the Attorney-General's Department did not involve open and effective competition and were not consistent with achieving value for money (as per paragraph 7 of the report summary):

1. Tenders for the NAP 10 and NAP 21 procurements were not fully and fairly evaluated against each of the criteria. This included six of 11 tenders that did not provide all of the pricing information that the Requests for Tender (RFT) stated was required to be submitted to inform evaluation. The department's approach did not include any marking down of the evaluation of those tenderers against the price criterion to reflect that information required by the RFT had not been provided. The two preferred tenderers were in the cohort of seven. The ANAO analysis of the department's conduct of tender evaluation is summarised as follows in the audit report:
 - a. NAP 10: Table 2.3, Table 2.5, Figure 2.1 and Table 2.6; and
 - b. NAP 21: Table 2.2 and Table 2.4.

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2. The procurement processes were not consistently conducted in accordance with ethical requirements. In particular:
 - a. The engagement of the probity adviser was through a process that lacked probity (see paragraph 2.113), and the later engagement (without any competition) of the probity adviser to also provide strategic procurement advice adversely impacted the independence and objectivity of the probity adviser (see paragraphs 2.114 to 2.127).
 - b. The declaration and management of conflicts of interest was also not to an appropriate standard (see paragraphs 2.132 to 2.150). This included ineffective management of a conflict the chair of the Evaluation Committee for the NAP 21 procurement had with the tenderer that emerged as the preferred candidate.
3. Tender evaluation plans were in place prior to the closing date for the NAP 10 and NAP 21 tenders but had not been signed off by the probity adviser. The evaluation plans also did not adequately address how the department planned to evaluate the pricing information tenderers were required to submit. See further at paragraphs 3.20 to 3.28.
4. There have been significant delays with the department's conduct of the procurements with the result that the services are not yet being provided. The delays were raised with the ANAO by a number of tenderers who submitted contributions to this ANAO performance audit (the ANAO has a citizen's contribution facility for each performance audit), as well as in contributions from parties that were not tenderers. See further at paragraphs 3.15 to 3.17 and 3.31 to 3.44. Of note:
 - a. Had the department met its timeframes as set out in the RFT packages released to the market, it would have signed contracts for both services in April and May 2024, before the ANAO performance audit commenced in June 2024.
 - b. Key contributing factors to contracts not being signed in the planned timeframe were delays in the department preparing the RFT packages and then further delays by the department in evaluating the tenders that were received and, once preferred tenderers were selected, progressing contract negotiations to the signing of contracts.
 - c. The offer validity periods expired with substantive matters continuing to be negotiated with each preferred tenderer. The department took no steps to seek agreement from the preferred tenderers to extending the offer period until after this matter was raised by the ANAO. The validity period was extended twice by the department for NAP 21 before a contract was signed, and three times for NAP 10 before contract negotiations ceased (as advised to the Committee by the department on 30 October 2025).
5. The department's evaluation records do not clearly demonstrate that the preferred tenderers provided the best value for money. Of note:
 - a. For the NAP 21 procurement (see paragraphs 3.45 to 3.50):
 - i. the department did not appropriately manage the Evaluation Committee Chair's conflict of interest with the tenderer;
 - ii. the department did not address the tenderer's nonconformance with the RFT relating to the pricing information;
 - iii. the evaluation report had identified 24 items related to service delivery, the solution/technical issues, legal/contract issues and pricing issues for which additional information was required by the department before a contract negotiation directive could be

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prepared. This situation meant that the tender evaluated by the department was not capable of being accepted; and

- iv. after it was selected as the preferred tenderer, the department obtained significant additional information from the tenderer related to service delivery, the solution/technical issues and legal/contract issues. The need for this information was not identified in the tender evaluation report and this situation meant that the tender response as evaluated by the department was not capable of being accepted and that there was a resultant delay in commencing contract negotiations; and

b. For the NAP 10 procurement (see paragraphs 3.51 to 3.54):

- i. the department accepted for evaluation two tender responses, including NAP 10 Preferred Tenderer's, that did not conform with the pricing information requirements of the RFT;
- ii. the analysis set out in the evaluation report to support the Evaluation Committee's recommendation included evaluation criteria that were different to those included in the RFT. Specifically, a financial viability criterion was included as the Evaluation Committee had placed considerable weight on a financial viability assessment of the tenderer that received the highest score against the weighted criteria, NAP 10 Tenderer 5;
- iii. while the tenderer that received the second highest score against the weighted criteria, the NAP 10 Preferred Tenderer, was afforded an opportunity to address concerns with its tender as part of a 'collaboration activity', the higher scoring NAP 10 Tenderer 5 was not;
- iv. The department decided that it was not appropriate to put financial risk management strategies or guarantees in place with a supplier. This was inconsistent with the RFT package as a performance guarantee was a requirement of the draft contract; and
- v. the tender evaluation report did not identify that the department considered there were areas requiring clarification relating to pricing issues and solution/technical issues, including a concern that the tenderer's pricing for the medium and high call volume scenarios exceeded the budgeted amount for each year of service delivery.

6. While available records addressed the requirement for the NAP 10 and NAP 21 procurements, evidence to support key decisions was not maintained. In addition, the tender evaluation report did not accurately reflect the evaluation process that was employed or satisfactorily demonstrate that value for money had been achieved. There are no records evidencing how the department arrived at the budgeted amounts for the two services. (see paragraphs 3.66 to 3.69)

7. At the time the audit was completed, contracts for the two new services have not been signed, meaning the requirement to report on AusTender has not been triggered. For the adviser and consultant contracts the department entered into for the purpose of assisting with the main procurements, there were delays and inaccuracies in reporting of six of the eight contracts that required reporting on AusTender. (see paragraphs 3.72 to 3.74)

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Joint Committee of Public Accounts and Audit

ANSWERS TO QUESTIONS ON NOTICE

Inquiry into the procurement of mandated national support and advocacy services for victims of child sexual abuse

Topic: Advice to senior officers

Question reference number: 02

Type of question: Written

Date set by the committee for the return of answer: Friday 21 November 2025

Number of pages: 2

Question:

An area for improvement identified by ANAO in this audit was to ensure that advice to senior officers is not affected by the fear of consequences.

- a. What did the evidence indicate in relation to this issue during this particular audit of AGD?
- b. How widespread is this problem?

Answer:

(a) In respect to (a), Auditor-General Report No. 44 2024-25 identified an opportunity for improvement (at paragraph 3.19) that, consistent with the Australian Public Service Commissioner's Directions, when advising Ministers on the conduct of procurements it is important that the department provide advice that is relevant and comprehensive and does not, for example, withhold important facts that identify shortcomings with the conduct of the procurements. The basis for identifying this opportunity for improvement related to shortcomings in the content of two key briefings from the Attorney-General's Department to the Attorney-General which meant they did not provide a complete picture of the department's conduct of the procurements, as follows:

1. Paragraph 3.10 in relation to July 2023 advice:
 - a. the Attorney-General was not advised that substantive work by the department on preparing the documentation for an approach to the market (including the Requests For Tender, RFT) did not commence until June 2023; and
 - b. the Attorney-General was also not advised that there had also been delays in the procurement processes for procurement and probity advice; and
2. Paragraphs 3.17 and 3.18 in relation to October 2024 advice:
 - a. on key milestones that had been achieved did not inform him that the timeframes were well outside those that had been planned and advised to the market in the RFTs;
 - b. in relation to NAP 21, did not inform him that there had been a delay proceeding to contract negotiations with the preferred tenderer because the tender evaluated by the department was not capable of being accepted given the evaluation report had identified 24 items related to service delivery, the solution/technical issues, legal/contract issues and

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pricing issues for which additional information was required by the department before a contract negotiation directive could be prepared; and

- c. in relation to NAP 10, did not inform him that there had been a significant delay between the evaluation report being finalised and endorsed by Evaluation Committee members, the replacement Chair endorsing the evaluation report to enable a recommendation and the delegate decision or that, overall, the timeframes were well outside those that had been advised to the market in the RFT.

(b) In respect to (b) this has not been an area of focus for the audits undertaken by the ANAO. As such, the ANAO is not in a position to provide a position on this matter.

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ANSWERS TO QUESTIONS ON NOTICE

Inquiry into the procurement of mandated national support and advocacy services for victims of child sexual abuse

Topic: Probity and ethics in the APS

Question reference number: 03

Type of question: Written

Date set by the committee for the return of answer: Friday 21 November 2025

Number of pages: 1

Question:

Probity and ethics were clearly a problem in this particular audit. What is ANAO's assessment of this more widely across the APS?

Answer:

The ANAO reviews the management of probity as part of its performance audits. Probity is routinely assessed in performance audits of procurement and grants administration. In 2024–25, nine out of 13 ANAO performance audits examining grants administration or procurement activity (including contract management) had negative conclusions. These performance audits identified failures to comply with well-established rules and a lack of adherence to the intent of those rules - particularly in relation to the management of probity, transparency and competition in procurement processes.

The ANAO is not able to provide commentary on the broader APS.

For statistics related to the performance audits we conducted in 2024–25, please refer to chapter 2 of [2024–25 Performance Audit Outcomes](#). This information report has a section on integrity across audits in the 2024–25 financial year.

The Auditor-General presented a series of three performance audit reports in June 2023 that examined the effectiveness of probity management in financial regulators. Insights from these performance audits, provided seven key lessons in managing probity in Australian Government entities, refer to: [Probity Management: Lessons from Audits of Financial Regulators](#).

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