

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN FEDERAL POLICE

Question No. 261

Senator Allison asked the following question at the hearing on 31 October 2005:

Did the AFP make a formal response to the Auditor-General in regard to contracts the AFP considered confidential (that ANAO did not)?

The answer to the honourable senator's question is as follows:

Yes. During an ANAO audit of the Senate Order for Departmental and Agency Contracts in 2003, the AFP was identified as listing a contract which contained confidential provisions. The contract specified that both parties agreed the pricing information would be confidential as it would be detrimental to the contractor if the information was disclosed to competitors.

The ANAO considered the contract to be inappropriately classified because although the pricing schedule contained unit prices for services, it did not reveal the contractor's pricing structure or profit margins. While not agreeing with the decision made by the AFP regarding the contract, the ANAO noted the negotiated approach was consistent with the approach outlined in the *Finance Guidance on Confidentiality*.