



**Australian Government**

**Services Australia**

Our Ref: EC25-001032

Chief Executive Officer  
David Hazlehurst

The Hon Linda Burney MP  
Chair  
Joint Committee of Public Accounts and Audit  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

Dear Ms Burney

**Status of responses to the independent review of procurement and contracting at  
Services Australia**

Thank you for your correspondence of 11 February 2025, in your capacity as Chair of the Joint Committee of Public Accounts and Audit (JCPAA), requesting an update on the work of Services Australia (the Agency) to implement the recommendations of the Independent Review of Services Australia and NDIA Procurement and Contracting (the Review).

The Agency welcomed and accepted the recommendations of the Review, led by Dr Ian Watt AC (Dr Watt), which have been implemented in full to strengthen procurement and contracting practices. Further, the Agency supports broader work led by the Department of Finance (Finance) and the Australian Public Service Commission (APSC) to uplift procurement and contracting capability and practices across the APS.

In relation to the specific areas listed in your correspondence, I am pleased to provide the following updates on the Agency's implementation of the Review recommendations:

**Tendering processes**

The Agency has strengthened its procurement and contract management frameworks, guidance, tools and templates to implement the recommendations of the Review, and to ensure consistency with better practice and policy developments in the Commonwealth Procurement Framework. This includes enhancements to planning processes and governance oversight when seeking to undertake limited tender procurements.

The Review specifically called for the Agency to tighten up the use of limited tenders justified by claims of urgency, and to closely monitor the extent of their usage including requiring clear, fully documented justification for the decision.

Giving effect to this, the Agency’s policies require that all proposed procurements over the relevant procurement threshold that seek to exercise a limited tender exemption from the Commonwealth Procurement Rules (CPRs) must be reviewed and signed off by the central procurement Senior Executive. This enhanced oversight ensures that proposals are consistent with the CPRs and that justifications are appropriately documented.

As the below table shows, the Agency’s count of limited tender procurements over \$80,000, justified by claims of extreme urgency, has trended down and remains very low, with only a single procurement in 2024 exercising such an exemption.

	2018	2019	2020	2021	2022	2023	2024
<b>Limited Tenders for extreme urgency (CPRs 10.3b exemption)</b>	5	2	6	1	1	3	1

Implementing the Review’s recommendations has supported the Agency’s delivery of well-planned, high-quality procurement and tendering processes consistent with the Commonwealth Procurement Framework.

### **Probity and ethical considerations**

Aligned to Finance guidance on ‘Ethics and Probity in Procurement’, the Agency has strengthened the ongoing delivery of robust procurement probity and conflicts of interest guidance that clearly articulates responsibilities in relation to ethics and probity for officials.

Procurement templates and processes have been updated to operationalise this guidance, as well as to embed policy developments like the new requirement for application of the Commonwealth Supplier Code of Conduct (the Code) clauses from 1 July 2024.

Since the implementation of the Code, the Agency has ensured that the Code clauses are incorporated into all Commonwealth forms of contract, except where exemption is allowed, justified and agreed by the Accountable Authority or his delegated officials. Requests for exemption from the Code are rare in the Agency.

The Agency has also updated its guidance on the provision of probity advice, ensuring it is available for all procurement activities.

Consistent with the Review recommendations, the Agency has regularly briefed incoming Ministers and senior agency officials on the CPRs and the PGPA Act, which set the role of officials as those who undertake and decide on procurements, in line with the recommendations of the Review. This has included briefing on probity requirements, including the latest update to the CPRs, which now detail the Government’s policy position on ministerial involvement in Commonwealth procurement processes.

### **Contract management and variations**

The Agency has undertaken a thorough review of its Contract Management Framework to ensure appropriate contract administration, governance, supplier performance management and relationship management, including for contract variations.

Interactive training programs have been developed and made available to all staff to address the need to consider value on an ongoing basis, including through contract management. High value contracts and variations are also subject to Chief Operating Officer endorsement and enhanced transparency to the Agency's Executive Committee and Audit and Risk Committee.

### **Training**

Since the Review, new procurement and contract management training packages have been made available to all staff. This includes an Agency-developed suite of 7 procurement and contract management eLearning modules, as well as new training programs provided to all APS employees by the Department of Finance and the APSC.

As at 31 January 2025, there have been 5,275 procurement and contract management eLearning course completions across the Agency, which is equivalent to 754 officials completing the full suite of 7 courses, including the Agency's 88 central procurement staff.

The Agency has also dedicated resourcing to support and encourage further uplift in procurement capability beyond the Review recommendations.

### **Other Issues**

The Agency remains committed to continuous improvement. In January 2025, the Agency engaged Dr Watt to undertake a follow-up management-initiated review, which includes assessing the Agency's implementation of the Review recommendations.

I thank you for expressing an interest in Services Australia's implementation of the Review. Should the Committee or its Secretariat require additional information, the Agency contact is Mr Doug Rutherford, Acting Chief Financial Officer, who can be contacted on 02 5163 1959 or via email on [Doug.Rutherford@servicesaustralia.gov.au](mailto:Doug.Rutherford@servicesaustralia.gov.au).

Yours sincerely

A solid black rectangular box redacting the signature of David Hazlehurst.

David Hazlehurst

28 February 2025