



Australian Government

Department of Broadband,  
Communications and the Digital Economy

## EXECUTIVE MINUTE

on

### JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT 431

*Review of Auditor-General's Reports Nos. 24 to 32 (2011–12)*

Reference: 2010/11479#05

#### **The Chairman**

Joint Committee of Public Accounts and Audit  
Suite R1.108  
Parliament House  
CANBERRA ACT 2600

#### **General comments**

The Department of Broadband, Communications and the Digital Economy has already indicated that it accepts the Recommendations of ANAO Report 31, Establishment and Use of Procurement Panels. In relation to this report, JCPAA Report 431, Recommendation 1, seeks advice on how this Department is implementing Recommendation 3 of ANAO Report 31.

#### **Response to the recommendation**

##### **Recommendation No.1 after paragraph 3.86**

That the Department of Foreign Affairs and Trade, the Department of Broadband, Communications and the Digital Economy, and the Australian Securities and Investments Commission determine and report to the Committee how they are implementing ANAO Recommendation 3, including the timelines for procurement panel evaluations.

Recommendation 3 (paragraph 5.34 of the Audit) states:

*To assess whether procurement panels are providing the anticipated business benefits and to inform prospective procurement arrangements, the ANAO recommends agencies evaluate the use and effectiveness of panels at an appropriate time during their lifecycle.*

In response to Audit Recommendation 3, this Department has undertaken the following actions:

- Guidance has been promulgated on the Department's intranet specifically targeted at panel managers and includes panel usage reports that are uploaded on a monthly basis. This information is also available for ongoing analysis of panel usage by staff and will be used by decision makers and delegates in informing any decisions made regarding the

use and future of the panel. Historical data generated will also assist in determining whether a panel might be extended in accordance with any existing provisions or be subject to a retendering process;

- Internal guidance on the establishment and use of procurement panels has been updated focusing on the following specific areas:
  - Capping the number of service providers expected to be included on panels to ensure that the resources required to manage a panel are commensurate with the anticipated value for money outcome. This also addresses the cost to industry in tendering; and
  - That the anticipated size of a panel is clearly stipulated as part of the approach to market documentation so that potential tenderers are able to make an informed decision;
- The Department's Central Procurement Unit is now responsible for ensuring that the approval documentation in support of the establishment of a new or replacement panel includes either information on whether alternative panels are available or statistics on panel usage. Analysis of this information will assist a delegate in making an informed decision relating to the establishment of a panel.

I anticipate that the actions undertaken above will satisfy the requirements of Recommendation 3 of the Audit. We intend to monitor these arrangements and seek further improvements as the opportunity presents.



Peter Harris  
Secretary,

19 February 2013