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JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

Reference: Review of Auditor-General's reports Nos 7 to 34 (2005-06)

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**JOINT STATUTORY COMMITTEE OF
PUBLIC ACCOUNTS AND AUDIT**

Monday, 22 May 2006

Members: Mr Anthony Smith (*Chair*), Ms Grierson (*Deputy Chair*), Senators Hogg, Humphries, Mark Bishop, Murray, Nash and Watson and Mrs Bronwyn Bishop, Mr Broadbent, Dr Emerson, Dr Jensen, Miss Jackie Kelly, Ms King, Mr Laming and Mr Tanner

Members in attendance: Senators Hogg and Watson and Mr Broadbent, Ms Grierson, Mr Laming and Mr Anthony Smith

Terms of reference for the inquiry:

To inquire into and report on:

Review of Auditor-General's reports Nos 7 to 34 (2005-06).

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Committee met at 10.15 am

BOYD, Mr Brian, Executive Director, Australian National Audit Office

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MALLETT, Mr Julian, Senior Director, Performance Audit Services Group, Australian National Audit Office

GRANT, Mr John, Division Manager, Procurement Division, Department of Finance and Administration

O'LOUGHLIN, Mr Steve, Acting Branch Manager, Procurement Policy Branch, Department of Finance and Administration

CULLEY, Mr Adam, Assistant Secretary, Financial Operations, Department of Defence

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KILLESTEYN, Mr Ed, Deputy President, Repatriation Commission, Department of Veterans' Affairs

LAING, Dr Rosemary, Deputy Clerk, Department of the Senate

CHAIR (Mr Anthony Smith)—I declare open today's public hearing of the committee, which is examining two reports that have been tabled by the Auditor-General in September last year and January this year, those reports being Audit report No. 11 2005-06, *Senate order for departmental and agency contracts*, calendar year 2004 compliance; and Audit report No. 27 2005-06, *Management and reporting of expenditure on consultants*.

On behalf of the members of the committee, I welcome the representatives from the National Audit Office and our witnesses from the Department of Finance and Administration, the Department of Defence, the Department of the Senate and the Department of Veterans' Affairs. I would ask participants to remember that only members of the committee can put questions to the witnesses if this hearing is to constitute a formal proceeding of the parliament and attract parliamentary privilege. If other participants wish to raise issues for discussion, I would ask them to direct comments to the committee. It will not be possible for participants to respond directly to each other. Given the time available today, statements and comments by witnesses should be relevant and succinct, as they always are. I remind witnesses that the hearings today are a legal proceeding of parliament and warrant the same respect as proceedings of the House itself. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament.

As I indicated, for the most part we will deal with the reports together. Firstly, would the department of finance like to make an opening statement, and then we will move to the others before we go to some questions?

Mr Grant—We are quite happy to go straight to questions.

CHAIR—The deputy chair has some questions.

Ms GRIERSON—I will start with report No. 11, relating to the Department of the Senate. What was your reaction to this report and the sorts of themes that were coming out—namely, that there was great variance with what is required?

Dr Laing—It seemed to us that the latest report of the Auditor-General, who monitors the operation of the Senate order, showed no improvement in the results generally across the board. One would have to be disappointed that there does not seem to be a marked level of improvement. I think this is the Auditor-General's seventh report monitoring the operation of the Senate order. The Senate order has been around since 2000-01, so that is five years. The purpose, I believe, was to not so much put information on the public record, although that is a very important part of it; it was also designed to have an educative effect to ensure that claims of confidentiality were soundly based and that claims were not being made at a very high, generalised level. Unfortunately, I think the results of this audit show that there has not been a lot of change.

Ms GRIERSON—Audit, did you want to comment on the areas that you see as key to why this is happening, or the characteristics that were repeating themselves?

Mr Coleman—As these audits often are, it is a little patchy. I will answer in the negative initially. One thing it is not is that the policy frameworks within agencies are deficient. We did find that, generally, the overall policy frameworks in agencies have improved over time, as you would expect, and therefore they do, from a policy and procedural context, have a broad understanding of what the rules are, and also advise the marketplace of those rules. The failings relate to the understanding of and application by agencies and individuals of those policy frameworks. There is an ongoing need for awareness and training, essentially, and to reinforce the importance of these requirements in not all but most of the agencies. There is sometimes a degree of not understanding the importance of the judgments that have been made in this area, and that comes back to, again, an appreciation by individual officers of the importance of it.

Ms GRIERSON—On page 40 of the report, Veterans' Affairs, PM&C and Immigration, DIMIA at that time, as well as Transport and Regional Services, seem to have a pattern where they claim confidentiality in every report, and in each one of these this was not accurate. Finance, what has happened to respond to that?

Mr Grant—We basically support the recommendations of the ANAO. We have in fact recently re-released a department of finance publication which deals with the Senate order and confidentiality of reporting. We have raised it at our procurement conference, in our procurement seminars and in our procurement development forum, and we continue to work to improve the knowledge and the application of the requirements.

Ms GRIERSON—I found the guidelines a little hard to understand. I found that the four main categories of deciding whether things were confidential or not seemed to have some leeway that I could manipulate if I wanted to. Has anything been done to improve that, to make it more specific?

Mr Grant—We are in the process of reviewing our guidance and will take into account any comments that you might have. We are certainly talking to agencies in relation to their understanding of those four criteria.

CHAIR—What stage is that up to?

Mr Grant—It is in its early stages. I would suspect that we would have draft revised guidance to circulate inside the next three months. Our process is to look at the issues, talk to agencies, draft the guidance, and circulate it for discussion to see that it is able to be implemented and understood.

CHAIR—Following on from that, what scope do you have as a lead department, if you will, in terms of ensuring that the next Senate order has a higher accuracy rate, if I can put it that way? How far can Finance go?

Mr Grant—We have a role in ensuring that people in departments understand what is required, but we do not have a role in terms of monitoring or enforcement.

Senator HOGG—Who does?

Mr Grant—The monitoring, I assume, is one of the roles that the ANAO undertakes, but Mr Coleman might be able to correct me if I am wrong there. In addition, agencies are expected to act appropriately.

CHAIR—Although the numbers of contracts throughout all of the departments are dealt with by large numbers of people, are there certain individuals in each department who are responsible for the Senate order and for bringing all of that material together for their department before it is submitted?

Mr Grant—I think that depends on the organisation. It does differ between organisations. Generally, though, most departments do tend to have a coordination system or person who brings it together. It is up to each department.

CHAIR—The reason I raise it, of course, is that I have great confidence you will ensure the guidelines are all they need to be, but there is that next step of ensuring someone in each department has them in front of them at the appropriate time and is ensuring that everyone down the line in the department complies with them.

Ms GRIERSON—It is very easy to omit something and say, ‘Look, let’s just tick the box. It’s got confidential; we can’t put it in.’ But one of the provisos is that you have to then justify that, and recommendation 3 was that agencies ensure adequate documentation of their reasons for agreeing to identify specified information in contracts as being confidential. Finance, are you aware of whether there has been any progress in that way?

Mr Grant—In that regard, as we revise our guidance, we will in fact be providing a checklist type approach of what officers should be doing as they go through the process. One of the things we have made very clear is that this is not something that should be done at the end of the

contracting decision. In fact, it should be part and parcel of the process from the start all the way through. We will certainly be making that clear in our new guidance.

Ms GRIERSON—Could I ask that question of other departments. What have they done to make sure in annual reports since then that they are giving the reasons more specifically for why they have included confidentiality? Let us start with DVA.

Mr Killesteyn—In our case, what was found in the audit was that there was a set of reasons given for declaring confidentiality in a number of the contracts, particularly those contracts that we engage in with hospitals, but the audit found that the analysis was not necessarily consistent with the four criteria that were laid down by the department of finance. Since the audit the department has gone back and has looked at its hospital contracts, has done an analysis against the four criteria and has put that before the Repatriation Commission, and that has been a formal process to the Repatriation Commission, which has now signed off, if you like, on the process.

Ms GRIERSON—So did that justify continuing with the original position or did it change the original position?

Mr Killesteyn—In the case of contracts with hospitals, it validated the original decision to include the confidentiality.

Ms GRIERSON—And Defence?

Ms Marks—Defence was not one of the agencies that was the subject of this report.

Ms GRIERSON—I am sorry; you are here for the other report.

CHAIR—I have some more opening questions from each of the members for Finance, and then we can move through some of the specific departments. Senator Watson has some questions, then Senator Hogg, and I know Mr Laming has some as well.

Senator WATSON—Although the department of finance does not have a monitoring role, Dr Laing has just advised the committee that, despite numerous reports, very little improvement has taken place. Why then has it taken the department of finance so long to clarify its guidelines? I understand you are even taking advice from this committee today, so you are well behind the eight ball. Is that a neglect of duty on your part?

Mr Grant—I do not think that is a neglect of duty. What it reflects is that the guidelines were drafted in February 2003, and that it does take some time to understand whether the information provided is in fact assisting in the process. We have identified that we can improve the information that we are providing and we are working on it diligently.

Senator HOGG—Mr Grant, there were two words that you used—one that I thought Senator Watson had leapt on, and that was the word ‘monitoring’; the other one was ‘enforcing’. But before I come to that, who actually accepts the responsibilities for this within the various agencies and departments? Is there someone who actually accepts the responsibility for doing the task, or is it a matter of, ‘This is another pamphlet that has come out of Finance. Uh oh, let’s find the WPB. Let’s give it what it deserves,’ or something like that?

Mr Grant—It is certainly not the latter—

Senator HOGG—I hope not.

Mr Grant—because this is in fact part of the mandatory reporting requirements.

Senator HOGG—Who accepts the responsibility? Is there someone designated to accept the responsibility that we can actually ping and say, ‘You haven’t done your job’?

Mr Grant—It is very much up to each department and agency to determine their internal process. To give you a simple example, in some departments we deal with the legal area on procurement related issues. In others we deal with the chief financial officer. It is very much up to each agency to determine how they will operate.

Senator HOGG—How then do we, from this side of the table, in trying to look at this, know who is responsible when there is no consistency regarding who is responsible within the various departments and agencies? Firstly, if there could be some clarity there we would then at least know who to turn to in these matters.

Mr Grant—In each department and agency there is usually a responsibility allocated for procurement and hence for the associated activity, so each agency should be able to tell you who is responsible.

Senator HOGG—You are approaching it from that sense. It is better for us, in seeking out who is responsible, if there can be some way in which the person designated is known to be responsible; otherwise we end up playing hide-and-seek in trying to find out who these people are. I think it is far more important for us to know. In terms of monitoring, I gain the impression from what you said that no-one is responsible for monitoring this. Is that a correct impression?

Mr Coleman—There was a suggestion, I think, that the ANAO was. Strictly speaking, that is not the case.

Senator HOGG—No, I never accepted that you were a monitoring organisation.

Mr Coleman—That is right. Successive Auditors-General have agreed to undertake an audit each year of compliance, but certainly we would not accept a monitoring responsibility over this. At the end of the day each agency’s head is responsible.

Senator HOGG—Surely, someone central has a role for monitoring what is going on, otherwise it is something that is just out there working around the various agencies and departments. Surely, someone must be keeping track of this if it is so important?

Mr Grant—We work in a devolved financial framework.

Senator HOGG—I accept and understand that.

Mr Grant—It really is the responsibility of each agency’s or department’s chief executive to ensure compliance with the financial framework.

Ms GRIERSON—So Finance never randomly pull in a report and say, ‘This year we’re going to track something or other’?

Mr Grant—No, we do not do that.

CHAIR—You say that is not your role?

Mr Grant—That is not our role.

CHAIR—And you do not have authority to do that?

Mr Grant—That is right, and we are not funded to do it, either.

CHAIR—Finance traditionally is not shy about seeking authority for all sorts of things, is it?

Ms GRIERSON—But you still send out information across all departments on key reporting responsibilities?

Mr Grant—We provide advice to agencies. We get quite a lot of questions from agencies and we deal with them. We have actually set up a procurement advisory branch so that agencies can come to us.

Ms GRIERSON—Was that a response to these reports or is it something that happened anyway before these reports?

Mr Grant—That came about really as part of the changes to the procurement guidelines arising from the free trade agreement.

Senator HOGG—How many are in that branch?

Mr Grant—There are approximately 16 in that branch

Ms GRIERSON—Do they monitor or just advise?

Mr Grant—No, they provide advice. Agencies are quite free with coming forward to us with questions. Under our guidance, agencies are required to provide the details of the contact officer when they provide the Senate order response, so it is provided.

Senator HOGG—Where is the list of these contact officers?

Mr Grant—We do not have such a list.

Ms GRIERSON—Each department. DVA, who is your person?

Senator HOGG—Is there a central list? If there isn’t a central list, why isn’t there a central list and could there be a central list?

Mr Grant—There is no central list. The letter with the advice is tabled in the Senate. Each agency provides advice of the contact officer when they table their response.

Senator HOGG—The other thing you raised was enforcement. There is no-one responsible for enforcement. There is nothing there for non-compliance in this, because there is no-one enforcing it.

Mr Grant—Agencies are responsible for compliance with the financial management framework. This is part of that. So each chief executive of departments and agencies is responsible. There is no monitoring or active enforcement by the department of finance, because that is not part of the role that we have been given.

Senator HOGG—Should that role exist, given the importance of this?

CHAIR—You are saying you do not have an audit function, in a sense?

Mr Grant—Exactly. I do not have an audit function.

Senator HOGG—I accept that that is the role of the independent auditor. I accept also that the independent auditor is not there as a monitoring agency or as an enforcement agency. I am putting to you: should there be a lead agency designated with the role of both monitoring and enforcing these provisions?

Mr Grant—It is not a role that we sought, because the responsibility lies with departments and agencies.

CHAIR—I want to give Mr Laming a chance for some opening questions. Before I do that, going to Senator Hogg's point, I accept that it is not your role and responsibility, but if you were to fulfil your other objective, which you outlined at the beginning of the deputy chair's questioning and Senator Hogg's questioning, of ensuring that the guidelines are adequately communicated to all of the departments, you will need a central list, won't you, to do this going forward?

Mr Grant—We do have a central list of procurement contacts.

CHAIR—You have a contact in each?

Mr Grant—Exactly. It ranges at different levels from the head of the division, perhaps—

CHAIR—You have the list and then each agency nominates the person?

Mr Grant—For this particular purpose.

CHAIR—Dr Laing, you wanted to add something?

Dr Laing—It may be stating the obvious, but I thought it might be useful to remind the committee of some structural issues. This is an order of the Senate. Therefore, things like sanctions are the role of the Senate. If there is a wilful breach of this order by any person then

obviously it is a matter that could be dealt with by the Senate as a question of contempt for breaching an order of the Senate. At the same time, because the purpose of the order is to improve the accountability and transparency of information, it would seem to me that it is reasonable for the committee to contemplate that, within government, government would be keen to be seen to be complying with the order to the best of its ability and may well set up some kind of additional monitoring section in the responsible agency. As I began by saying, it is an order of the Senate. The Senate has requested the Auditor-General to participate in the compliance with the order by essentially spot-checking a number of departments and their contracts each year, and reporting back to the parliament on the results. If we are talking literally, sanctions are for the Senate, but I think monitoring is an area that it is fruitful for the committee to—

CHAIR—There are two issues. Mr Laming?

Mr LAMING—By way of an observation, having talked about confidentiality to the department of finance, there is really no correlation between table 3.1, which lists the proportion of entries deemed either to have confidential provisions or other confidentiality requirements, and the actual performance of individual departments. I notice that FaCS and DIMA have about the same proportion of confidential entries and ones that do not comply. Veterans' Affairs and DOTARS are completely up one end of the scale, with a lot more problem than actual confidential proportion. Then PM&C, which is exactly the opposite, lists a large number as being confidential but actually manages to have them listed. I do not see any correlation at all and I do not see confidentiality necessarily as an excuse. My question would be: is there some way that the non-confidential element of each of these procurements can actually appear on the list? Simply, why can't the non-confidential elements be listed and the confidential parts of each of these contracts just left as confidential?

Mr O'Loughlin—The contracts that are listed under the Senate order are all the contracts over \$100,000. Just because a contract might contain confidentiality provisions does not mean that it is not listed. It is still listed and there is an indication on the Senate order listing that it contains confidentiality provisions.

Mr LAMING—I just make the point that confidentiality is no reason for them not to be listed, is it?

Mr Grant—No.

CHAIR—Your point is that every contract is listed, whether it is confidential or not, but it is not made available, quite obviously?

Mr O'Loughlin—That is right. Certain information under the contract might not be available because of confidentiality provisions. When agencies go to the market with their requests for tender, quite a high proportion of them do point out that, despite confidentiality arrangements, information might still be required to be given to the parliament or to the courts.

Ms GRIERSON—DVA, who is your procurement contact person?

Mr Killesteyn—I agree with the point before that, under the Financial Management and Accountability Act, the ultimate responsibility is with the secretary. We have a contract advisory unit, a standing contract advisory unit, which provides advice to all parts of the organisation as they are entering into contractual arrangements. They comprise a group of lawyers qualified to provide this sort of advice. Then we have a coordinator of the information as it is being put together for presentation on the website and in the annual report. It is a layered approach, if I can put it that way. But the contract advisory unit would be the main contact point.

Ms GRIERSON—It is not the coordinator who is the procurement contact person?

Mr Killesteyn—No, the coordinator is primarily a person who puts together the information, but in terms of the advice as to the interpretation of the guidelines against each individual contract, that would come from our contract advisory unit.

Ms GRIERSON—Is there a person in charge of the contract advisory unit?

Mr Killesteyn—Yes, there is.

Ms GRIERSON—What is that person's title?

Mr Killesteyn—Senior director of the contract advisory unit. So this would be—

Ms GRIERSON—I wonder if that person is on your list as the contact person. It would be interesting to know, wouldn't it?

Mr Killesteyn—The coordinator could be the name on the contact list. I do not know; I have never seen the contact list myself. Bear in mind that the list presumably is a point of contact to distribute information, whereas the actual advice concerning the interpretation of the provisions we would leave to those who are qualified to deal with that.

Ms GRIERSON—I want to follow up Senator Hogg's point: who is implementing monitoring or even tracking? Obviously, audit reports are there for each department and agency to take on board as a continuous improvement process. For Finance, I would have thought, continuous improvement in terms of reporting is something that is central to your role. I can understand that there is financial autonomy with each department or agency, but certainly when you get an across-agency report that says, 'This is a pretty poor performance,' surely each agency then gives a report on what they are doing to improve it, and they give it to someone. Do they give it to the parliament, do they give it to Finance or do they not do that?

Mr Killesteyn—The audit is a valuable tool for us to, firstly, expose any deficiencies in process and, secondly, to respond to the ANAO in this case about what we are going to do about it. You will see in the audit report all of the issues and actions that we have, as an agency, committed to.

Ms GRIERSON—So Finance has no role in perhaps seeing if departments do respond to Audit on these financial reporting matters?

Mr Grant—We do believe the departments respond, and in fact so have we. Part of our work to improve the guidance arises from this report and looking at mechanisms that in fact can make it both more understandable and also easier for agencies to respond. We do not do this in isolation. We do work with agencies on it. As I said, we are in the process of redeveloping the guidance.

Mr Killesteyn—I can only assume this is a common practice across agencies, but certainly in DVA all reports from the ANAO are monitored by our audit committees. Audit committees generally have the ANAO as a representation. Certainly, in my agency the audit committee is chaired by a senior person—me. We monitor our commitments that are given to the ANAO as part of the audit process with regular updates as to all of the actions, and the audit committee generally takes that responsibility on behalf of the secretary.

CHAIR—Defence is one of the departments that has a large number of contracts across a range of areas within the department. Given the discussion you have heard and the background of the report, how are you going to manage things this year? What adjustments have you made?

Ms Marks—In relation to compliance with the confidentiality provisions?

CHAIR—Yes.

Ms Marks—Firstly, my understanding is that the last time we were audited on this point by ANAO we got a very good report. Secondly, in terms of how this is managed within Defence, Defence has a highly devolved environment. We are doing lots of procurements and contracting on a daily basis. It is a very complex environment. Within Defence, the Defence Materiel Organisation is the area responsible for procurement and contracting policy practices and templates. My division, the General Counsel Division, contains within it procurement services officers who develop and maintain the policy and who also provide advice and support to the areas that are actually doing the procurement. We also have legal services and we have financial investigation services people, who help us on cost investigations and so on. That is the structure of my division.

Because we have the policy responsibility for the whole of Defence, we also deal with these sorts of issues. The procurement policy area in my division will be responsible for making sure that our Defence procurement policy manual provides for up-to-date guidance on how to deal with this flow-through, not just into the policy but into our templates—contracting templates and tendering templates—that we use. We also coordinate the collation of the information that goes into the interim Defence contract register, which is obviously pulled off different systems within Defence. In terms of entering into the contracts or issuing the tenders, making sure those provisions are contained in there and entering the data on the contracts once they are negotiated, that rests with the project areas and the area that is actually entering into the contract. At that point I lose visibility; my division loses visibility. Because we have this devolved procurement and contracting function, the responsibility for making sure that the intent of the Senate order is complied with rests with the project areas or the areas actually entering into the contract. We have a coordination role and a policy and advice support role. In terms of the contact officer for Defence, that would be me.

CHAIR—So they will all come to you in one form or another?

Ms Marks—We try our best to make sure we capture all of the data, yes. Certainly, if there were interpretation issues, they would come to my division.

Ms GRIERSON—In the report that looked at consultancies, Defence had an appalling record in that it omitted to report so many of those. I think it had a two per cent compliance rate. Can you explain why that would happen?

Ms Marks—Firstly, which part of the report are you referring to in terms of the two per cent compliance rate?

Ms GRIERSON—On page 66 there is a table in the report.

CHAIR—I will hand my copy across.

Ms GRIERSON—So percentage with exact match—

CHAIR—Deputy Chair, you are at figure 5.3?

Ms GRIERSON—That is right.

Ms Marks—My interpretation of that is that the 2.2 per cent there is referring to where there is an exact match between the annual reporting of the consultancy contracts, the GaPS, the gazettal of the consultancy contracts—

Ms GRIERSON—That is the Senate order, yes.

Ms Marks—and the Senate order.

Ms GRIERSON—And a nought per cent match with the gazette publishing system.

Ms Marks—That is an exact match. That does not mean we have not reported on it. It just means it is not an exact match.

Ms GRIERSON—But you would like to get it right occasionally, wouldn't you?

Ms Marks—Yes, and I think you can see that 93.7 per cent shows a partial match in terms of reporting all of the contracts across the three areas where we are required to report. That is my understanding of that table.

Ms GRIERSON—Let us go to the 65 per cent with a partial match. We are talking about 446 consultancies reported, so it is a very large number.

CHAIR—How many?

Ms GRIERSON—The number of consultancies reported was 446, and only 65 per cent of them have a partial match.

CHAIR—No, I don't think that is right.

Ms Marks—The Senate order is for all contracts, not just consultancies.

Ms GRIERSON—Yes, go on.

Mr Culley—There are 46 with a—

Ms GRIERSON—Sorry, you have got more—46 consultancies.

CHAIR—You can transpose those; 46 for those over \$100,000. That is right, isn't it?

Ms GRIERSON—Yes, that is right.

CHAIR—Let us go to the authors of the report, who might actually know.

Mr Boyd—What that tells you is that the consultancies are only a subset of contracts to be reported in either the gazette publishing system or the Senate order. Consultancies themselves are the only ones required to have a separate detailed list in the annual report. What that tells you is that, of the 446 consultancies in the 2003-04 annual report, none of them was reported identically in the gazette publishing system. Nearly 94 per cent were a partial match, which could be the same name but different amounts; therefore, a user cannot be confident that it is the same contract.

CHAIR—Just so we are clear on that—and I should have asked you earlier—when you say 'a partial match', that can be anything from a 10 per cent match to a 95 per cent match? It is just not identical?

Mr Boyd—The names could differ, the amounts could differ.

Mr Mallett—Generally speaking, it is a match on the name of the entity that was engaged..

Mr Boyd—And the amount. With 6.3 per cent, it basically means the contract was in the annual report but not in GaPS. Then you work to the Senate order, which brings in a threshold of \$100,000. At the time we did this audit, the GaPS publishing threshold was \$10,000. So it was a different threshold. Forty-six of those consultancies—again, this is only consultancies—

CHAIR—So 100 per cent of them were disclosed, but not in the right way?

Mr Boyd—No, that is not correct.

CHAIR—That is not correct?

Mr Boyd—For example, the 6.3 per cent with no match means not disclosed, as in not in there.

CHAIR—In the Senate order?

Mr Boyd—This is in terms of the GaPS.

CHAIR—Yes.

Mr Boyd—Similarly, in the Senate order, of the 46, 32.6 per cent had no match, which means essentially you cannot find the same consultancy contract in both reporting regimes.

CHAIR—Right, in both.

Mr Boyd—Which means one or—

CHAIR—Of the 46—sorry, I was still dealing with the 446.

Mr Boyd—So 2.2 per cent are exactly the same—same contract name, same amount. For 65.2 per cent, there is a difference. Either it is a slightly different name on the consultancies—the way corporate names work, you cannot be sure it is the same firm—or the amount is different, which means, and we have found this with these things, that you can have more than one contract with the same firm, so it could be two different contracts or it could be the same contract with a different amount. The contract price should be the same but, for whatever reason, it is not. And 32.6 per cent of those were where it is in the annual report but not in the Senate order.

CHAIR—That is right.

Ms GRIERSON—Particularly with respect to the Senate order, could Defence give us its perspective on some of the difficulties that were associated with compliance under each of the reporting regimes?

Ms Marks—In relation to the Senate order, I can speak to that. On the annual reports and the gazettal publishing system, I cannot. On the Senate order, it is a coordination function where we actually go out to all the areas of procuring and ask them to come back with their data that they pull off the ROMAN system, the financial system, so we can put that into the list that actually gets published on our website.

Ms GRIERSON—So you go to everyone who is implementing a contract of some kind; is that right?

Ms Marks—Yes.

Ms GRIERSON—How many—

Ms Marks—I cannot tell you how many that is. It is a broadcast email that goes out and it is coordinated from—

Ms GRIERSON—In your head is there a system in Defence whereby you know you go to certain people for certain ones or is it by size, by function?

Ms Marks—You would basically go to, probably, the division heads and the directors-general of each section and ask them to collate and coordinate the information gathered from their division or their branch.

Ms GRIERSON—That would be good if that worked.

Ms Marks—You would not be sending out an email to 6,600 people; you would be sending out an email to the division heads and the branch heads for them to action.

CHAIR—What would that be—50 or 60?

Mr Culley—To clarify the way that Defence operates with this group finance officer structure: a number of groups coordinate finances across the department that all have almost like a CFO in charge of that area. A lot of this coordinating, say for the annual report, would go to those group finance officers, and for consultancies to be reported in the annual report we would be using the ROMAN financial management information system. We would be looking at not just purchase orders that are raised but also expenses that hit the ledger. We would be picking up both the actual spend plus the value of contracts entered into. That would allow us to reconcile expenses that are against those codes that are not related to consultants. All of that information then comes back into a central area, which is my area, and we then publish that.

Ms GRIERSON—What is your area?

Mr Culley—Financial operations within the CFO group. That would then be published in the annual report. Picking up the theme before about learning from the audit reports, Defence acknowledges that we did not report correctly for 2003-04. We would maintain for the 2004-05 annual report that we did report correctly. We included omissions or corrections from the prior year and we complied with all of the reporting guidelines. So, moving forward, we intend to do so into the future as well, and we have set up some more rigorous reconciliation processes within my branch to actually look at the financial management information system to make sure we are picking up the whole cross-section of consultants that are there. I cannot personally talk about the relationship between that process of reporting into the annual report and the GaPS and the Senate order.

CHAIR—That is a good point. Are you, of your own free will, able to ask Finance for their advice on the new systems that you have put in place, or any views that they have?

Mr Culley—We could ask them. There is no reason why we could not ask Finance. What we have done is to take this audit report, especially in relation to the reporting of expenditure on consultancies, and actually ingrain into our processes exactly the intent of this.

CHAIR—We are not just focusing on Defence. You are here and Defence gets a big hearing, but you need only look down the list to see that Environment and Heritage had a large number of reported consultancies—106. The percentage with no match there is 46.2 per cent, and there are some others as well. I am going back to Senator Hogg's point earlier about the new systems being put in place. It is handy if there could be cross-checking by Finance, if that is possible.

Mr LAMING—What is of concern is where really large contracts are slipping through. On those counts, Defence and DCITA are right at the top of the list. It would be okay if the proportion was roughly equal, but what you are saying is that the large contracts are the ones that are slipping substantially in Defence and not popping up at all.

Forgive me for what is probably a simplistic question. Defence has already highlighted the government structure that devolves responsibility, which is probably mostly the cause of why we are sitting here today. I speak having been a consultant seeking federal government contracts two years ago. What prevents you simply not releasing any money until the number is typed in that indicates that it is on the Senator order? I might be a little naive here, but until it is on the order and you print off from your intranet site the list of the Senate order that is evolving for the six-month period prior to reporting, until you have lodged it, you cannot release any money. Is that a simplistic solution?

Ms Marks—I believe that is the case, but this is not suggesting that purchase orders have not been entered in properly and numbers keyed for that purchase order. There can be many purchase orders sitting under one contract. The difficulty we have is that we do not have an identifier number for a contract that lives for the whole of its life. That is the problem that we have, which is something that my area is working on to try and resolve with Finance and the ROMAN system. In terms of large contracts, we actually do report all of our contracts, but we do not report, in every single list that we publish every six months, all of the ongoing contracts, because we have entered into so many contracts that to keep adding all of the ongoing contracts, plus the new ones in that period, would mean we would end up with massive spreadsheets that probably would not be searchable on the website. The ongoing contracts are always left on the list on the website. We leave our lists on the website for the whole reporting period, and that goes back to from 1996 to 2003; the reports that we had then are still on our website, and subsequently.

Ms GRIERSON—If you have the list, why can't you report?

Ms Marks—We do.

Ms GRIERSON—All the ongoing ones?

Ms Marks—Yes. I think we need to get some appreciation of the volume. In the last calendar year and in December 2005 we entered into 5,522 new contracts, which is 500 pages of a spreadsheet.

CHAIR—Just repeat that.

Ms Marks—We had 5,522 contracts valued at \$100,000 and over.

CHAIR—In a year?

Ms Marks—In a year. They are new ones. That is 500 pages of a spreadsheet.

CHAIR—That is quite a few.

Ms GRIERSON—It is also billions of the Australian public's money.

Ms Marks—Yes, I agree. Let me take you to a part of the ANAO's report, which talked about some difficulties they had with their auditing. That was in relation to the time series data, I think they called it. One of the things they said is that a lot of the agencies would take down from their website the list that they had previously published, and then they would put up a new list which reported on the new contracts entered into in that reporting period and the ongoing contracts. They did not note that Defence does not do that. We leave all of our lists published all of the time on our website. People can go into any list, going back in time, back from the last reporting period and beyond that.

CHAIR—The point you are making is that there are thousands and thousands of them and they are all publicly disclosed?

Ms Marks—The ongoing ones are not sitting in the new list that is published every six months, because it would end up being thousands and thousands of pages of a spreadsheet on our website that would not be capable of being searched on the website. We have erred on the side that people want to actually search this information, so we had to try to keep it manageable on the website. We have left all of the lists up, and anyone can go into any of those lists and search.

CHAIR—But at any given point in time they have been there?

Ms Marks—They have always been there, in the time since we started reporting.

Mr Boyd—That certainly may be the case, but the Senate order does not require agencies to leave their formal lists up, and the Department of Defence is saying that they leave theirs up and, therefore, all the contracts are available there over history. There is a rather fundamental problem with that, however, in that the Senate order, complied with in its full terms—and that approach does not comply with its full terms—gives you a status point as of today. By putting together the status points over the five to six years at the end of each six months you are able to know, for example, from the first Senate order what contracts should have been ongoing then and how long for. You do not know today whether that contract has ended or whether it is still ongoing because it has run late. That process will not give you, as of the most recent Senate order, an up-to-date picture of all contracts that are ongoing, either because they have ended early or because, although they were meant to have ended before now, they are still ongoing. I can appreciate the practical difficulties complying with that, but what we are saying is that in its current form the Senate order requires something that is not being delivered.

CHAIR—I do not think that is contested at all.

Mr Boyd—It is matter of how you deliver the information that should be required.

CHAIR—Yes. I think it was being acknowledged that the order had not been complied with, but nonetheless it was not that the information was not available.

Mr Boyd—It is not that there was no information.

CHAIR—Yes.

Ms GRIERSON—You changed your response to the first recommendation. Can you just tell me how that happened?

Ms Marks—That relates to the discussion that we have just had. We felt that the Audit Office did not recognise that the ongoing contracts that had been published were still available to the public on the website, but we changed the response to the recommendation because we agree with what the Audit Office just related to us then—that it was not technically fully compliant with the Senate order, and that is to do with some constraints around the system that we are using.

Ms GRIERSON—We know about those constraints. That is a matter for another audit, really.

Ms Marks—Is there another audit?

Ms GRIERSON—Sorry, another inquiry. Mr Culley, is that what you are doing—trying to report every year on not just the actual expenditure but the actual status of that expenditure over time?

Mr Culley—In terms of consultancies for the annual report, the requirement is to indicate the value of contracts let on consultancies above \$10,000 for that year, but we also have a requirement to outline the amount in summary form of expenditure on consultancies in that financial year. It is two-pronged.

Ms GRIERSON—You are working to do that now for every contract?

Mr Culley—For consultancies?

Ms GRIERSON—For every consultancy, sorry.

Mr Culley—Yes, we are. The detailed listing, which is annexed on the internet, provides a listing of the value of contracts let above \$10,000. That is not a complete list, because there are many consultancies below \$10,000. However, the summary at the front of the annual report bridges that delta. It gives you the total number of consultancies and the total value of contracts let for all consultancies. The way we do that is to use the financial management information system, which has a natural consultant GL code plus some internal orders, in SAP language, that just provide further granularity to enable us to pick up both from a purchase order perspective the value of contracts let and from the expense side of the house the expenditure side. Having got the data, we then do a QA of that in a central area.

Ms GRIERSON—Do you think in the 2005-06 annual report that Defence will comply with the Senate order in this regard, this year?

Mr Culley—In terms of the reporting requirements for consultancies, we believe we will, as we did last year for consultancies.

CHAIR—What is the pertinent date?

Dr Laing—The end of the calendar year and the end of the financial year, and the deadline in the Senate is two months after the end of those two.

CHAIR—When do you need all of the information? When is that?

Dr Laing—Before the end of February—

CHAIR—What are the actual dates?

Senator HOGG—31 February.

CHAIR—31 February! And then?

Dr Laing—Let the record show that I did not say that!

CHAIR—That explains why he is so often late!

Dr Laing—The Senate order says ‘not later than two calendar months after the last day’—

CHAIR—Senators don’t put out calendars and fridge magnets in their electorates; they don’t need to know these things!

Dr Laing—‘of the financial and calendar year’.

Mr LAMING—Has ANAO looked at the six months ending last calendar year that was lodged earlier this year for Defence, which says that there should be no problem with consultancies?

Mr Coleman—No, we have not.

Mr Boyd—I think people are speaking about different things. Mr Culley is actually talking about the annual report requirements and consultants, and I think Dr Laing is talking about the Senate order requirements, which again gets back to our recommendation No. 2—

CHAIR—When is the deadline that is coming up?

Mr Boyd—There are so many deadlines, because there are three systems. Different things are required in each. The fundamental point we are trying to drive at is that everyone has their area of responsibility and their area of interest, but overall is the parliament and are the stakeholders getting reliable and accurate data? No, because there is clearly such confusion yet again in terms of what gets reported where and how and by when.

CHAIR—Could the Senate do it better?

Mr Boyd—Our recommendation was not about the Senate doing better, but about there being three regimes, each of which has separate owners. It gets back to monitoring and enforcement. You have different owners of the system, if there are any, in some respects. Who enforces any of

them? If we have such a diffused and, in some respects, confused reporting regime, is it any wonder that we see the results that we have seen?

Ms GRIERSON—Are there any agencies that are getting it right and which are benchmarked?

Mr Boyd—In our audit there was no agency that got it completely right.

Ms GRIERSON—Is it too complicated? Could it be improved?

Mr Boyd—Part of it comes back to there being different requirements under the different regimes and so forth. A case study is the Department of the Treasury, which has a small number of consultancies and is full of financial and economic people. It took them a number of goes to get right a simple exercise such as: ‘How many consultancy contracts did we let in this financial year?’ Unlike Defence, they do not have a large number to get a grip on. There is something fundamental here.

Ms GRIERSON—Every department should be able to get that one right.

Mr Boyd—We had some agencies reporting that they had let contracts in 2003-04 that they had let in earlier years; they could not count the year. These are fundamental things.

Ms GRIERSON—Finance, is that your observation as well, that they cannot even say, ‘In this year we let a contract of this amount’?

Mr Grant—We think it is a very complex system. Some of it has to do with the timing. For example, the annual report timing, the 42 days after the letting of a contract for what is now called AusTender, the two months after the end of the year and the end of the financial year, all bring about different timings. We support the ANAO finding that it becomes very complex and very difficult for agencies to differentiate what information they should be providing for which system.

CHAIR—Just to go back, so that we are clear: is everything in an annual report?

Mr Boyd—No. You have an annual report in relation to these particular requirements. There are a number of summary statements, descriptors and so forth about how much is spent on consultants. Over time, stakeholders have expressed particular interest in how consultants are used across the Commonwealth.

CHAIR—What do you mean by ‘stakeholders’?

Mr Boyd—The parliament, through various committees and so forth.

CHAIR—Do you mean senators?

Mr Boyd—Particularly through Senate estimates and so forth. This goes to when they are being used, what for, how much they are being paid, how they are engaged and whether there is open and effective competition. As a condition of that there is required to be a list, either in the

annual report or it can be delivered on the website or available on request, of all consultancy contracts above \$10,000. That, in a nutshell, is the annual reporting requirements. Then you have the Senate order, which is all contracts, not just consultancies, above \$100,000 value. Again, a letter is transmitted to the Senate saying that a list is now available on the website. The third regime is the GaPS AusTender, which used to have a threshold of \$10,000, such that any contract above that goes into the GaPS AusTender so that people can actually see what the Commonwealth has been doing in the way of procurement activity. That, again, is all procurements, and not all procurements have a contract.

CHAIR—Just to play devil’s advocate, what happened before the Senate order? Presumably if a senator was interested, they just asked at estimates, or there was a freedom of information request.

Mr Boyd—They could get some information, if it was a consultancy, from the annual report, or if it was in the GaPS AusTender they would get some information from the GaPS AusTender.

CHAIR—So now the departments go through this convoluted process, which is not really of their making, to provide all this information?

Mr Boyd—This goes to our clear recommendation, recommendation No. 2, which states, ‘Look at these three things. Is there perhaps a more efficient, rationalised way of getting parliament and the other stakeholders the information they need?’ But, firstly, what is that information? So you are only delivering information that people need. When we ran through the annual report requirements, the department which prepares them, PM&C, could not tell us why some requirements are there.

CHAIR—An average member of the public wanting to know about a contract, for example, in Defence, might first go to the Senate order, I suppose—

Mr Boyd—Which won’t tell them.

CHAIR—if they happen to live in Canberra?

Mr Boyd—Which won’t tell them, not just because of their compliance issues, but because it is only above \$100,000.

CHAIR—I was just halfway through a sentence there. They might first go to a Senate order, they might ring their local senator, Senator Watson, and say, ‘Could you get me a copy of it? I’d like to have a look.’ They might just do what everyone else does and look on the website, or they might look at an annual report. What we are really saying out of this, and which goes to your key recommendation, is that a range of systems overlap—

Mr Boyd—But none of them is going to answer the question you have just asked.

CHAIR—Unless the question is asked.

Mr Boyd—It again gets back to what is the information that parliament and the other stakeholders require. The information you are asking for is different information again. You are

not going to satisfy everyone all the time, but you can see some commonalities across the three regimes.

CHAIR—As a humble member of the House of Representatives, I am just wondering what the whole Senate estimates process is about. Given that this is of such importance, I wonder what you are doing for the next week.

Mr Grant—I thought that this might be a good time to inform you about some redevelopment going on with AusTender, formerly known as GaPS. We are redeveloping AusTender to provide a range of new functionality. That functionality would, in fact, allow for any contracts entered into over \$10,000 to be identified in terms of whether they are consultants, contractors and in effect provide the sort of advice that all of the stakeholders are seeking in relation to the value of contracts entered into. It will not deal with expenditure, because expenditure, by its nature, is a bit at a time.

CHAIR—Yes, but it will deal with—

Mr Grant—In terms of the value of contracts entered into and being able to provide information that is relevant to each of these areas, when it is redeveloped AusTender should be able to provide that information so that it becomes a single point of information.

Ms GRIERSON—If you use that, you register every one of your contracts or consultancies on it?

Mr Grant—Above \$10,000.

Ms GRIERSON—Above \$10,000?

Mr Grant—That is right.

CHAIR—Where would all of that be available?

Mr Grant—That will be available on the AusTender site, www.tenders.gov.au.

Senator HOGG—When by?

Mr Grant—We expect it to be available by 1 July 2007.

Ms GRIERSON—Then you use your own reporting system to track expenditure against that contract or consultancy every year?

Mr Grant—In effect, it may remove the need for many of the separate reports. If agencies use AusTender as they should do and provide advice on contracts entered into within the 42-day period, in fact AusTender will capture all that information. Agencies will be able to identify whether it is a consultancy, a contract or just a general purchase.

Ms GRIERSON—Taking up the point that the Audit Office made earlier, will it track when it is overdue, when it is continuing past its point of original intention or if it has ended ahead of time?

Mr Grant—In the descriptor there is often a time frame for the operation of the consultancy or the contract. It would not actually generate a report stating, ‘This is overdue,’ but what it will do is to provide the relevant information to allow interested parties to identify that.

Ms GRIERSON—So how is it an improvement?

Mr Grant—Because it will capture in a single site—

Ms GRIERSON—Rather than across several sites—everything over \$10,000?

Mr Grant—Exactly.

Mr LAMING—Is Defence able to directly access AusTender one day and have that information lodged directly from the department straight to AusTender? They do not send it through you for input, do they?

Mr Grant—No, there is direct input by the agency.

Mr LAMING—The question to Defence is: will that be devolved down to individual areas within Defence or will there be some DMO oversight to make sure that there is 100 per cent compliance, which I think the Australian people expect?

Ms Marks—That is two questions. In terms of the people inputting it, that would be devolved. In terms of oversight and compliance, that would be probably within DMO, if it remains the policy owner.

Mr LAMING—We need to make sure we are still not sitting here in two years time. I think we need a stronger undertaking from all agencies that there is someone accountable within the department for making sure AusTender is completely up to date. It is inadequate to devolve it down to individual parts of a department. That is a formula for being here in two years time. Where do we go with that? DVA, are you satisfied that there is not any accountability at the top level of the department to have AusTender fully completed for all major contracts over \$10,000?

Mr Killesteyn—I would not accept the position now that there is no accountability. As I said before, the secretary ultimately has accountability. We have a layered process. What we found through the audit is that those processes were not properly in place. We did not have the position of coordinator filled at the time, as it was supposed to be. That position is now filled. We will monitor it closely. We will put it in through the audit committee. There is certainly a policy issue that needs clarification. I think the direction of the discussion to try and get some convergence of the reporting requirements is a good one. Certainly, in our case, we found that people were erring on the side of caution. They were reporting a lot of things that probably really did not need to be reported, because they know there is scrutiny of this particular issue. That is one of the differences between what was on the AusTender site and the annual report, in our case. There is conservatism. There is a lot of stuff going in, and I think it perhaps does not actually help the

process if there is more stuff going in than you really want. Beyond that, in the absence of any convergence of the policy, we will continue to have people trained, to try and explain the differences and to monitor it very closely inside the department.

Ms GRIERSON—DVA, in your response to the Audit Office, you said you have made a number of changes and taken action to improve things in your agency. They included appointing someone to that position—

Mr Killesteyn—No. The position was there but through, shall I say, not watching it closely enough the position was not filled. That led to some of the problems in migrating information from our own internal systems up to the AusTender site.

Ms GRIERSON—What other changes or improvements have you made?

Mr Killesteyn—The major issue is filling the position. We continue with training of staff. This issue is now with the audit committee. We have revised our own guidelines for staff in relation to the confidentiality provisions. The previous set of guidelines really did not do justice to the criteria that had been established. They are now formally part of those guidelines and there is an assessment against the four guidelines for each contract.

Mr LAMING—The absurdity of this is that the key element for DVA was filling a single position, and yet Defence is telling us that it would not matter how many positions you filled it will not happen so long as it is devolved down to individual units. In terms of financial accountability—and I highlight Defence only because they are here—something has to be done to ensure that there is compliance. Coles Myer deals with 250,000 stock-keeping units, not 5,000 contracts a year. It can be done. There are IT ways of doing it. Where is the solution within Defence to have a number inserted to indicate that we have a unique identifier for every contract?

Ms Marks—Can I reply to that?

Mr LAMING—I am not talking about a 500-page spreadsheet.

Ms Marks—First, I did not say that we would not be fully compliant because it is a devolved responsibility. There are lots of people entering into contracts on behalf of Defence. They are the only persons who can know at what point in time that contract is being entered into, and they would have the details on it. We would obviously be complying with it and we are complying with it now. Secondly, we are looking forward to having a convergence on this policy, because we have highly complex, high-volume contracts. The more we can align these reporting requirements, the better it will be for us. This whole system relies on data entry, manual entry, by officers. Human error is such that you are going to get inconsistencies.

I just want to reiterate the volumes that Defence is dealing with: 5,522 new contracts for the last calendar year, and 3,299 ongoing contracts for the last calendar year, which you can search by date. I want to reinforce those points. We are now upgrading the IDCR, the Interim Defence Contract Register. In addition to that, we are waiting for funding to come through on a feasibility study to put in place a Defence contract life cycle management system, which will track the contract all the way through its life. I think you said there were 250,000 stock-take items for

Coles Myer. That is not a contracts matter; that is a matter of inventory logistics. We have millions of inventory items.

Mr LAMING—Yes, I am aware of that.

Senator WATSON—Could you not have a mandatory clause in every contract that, for the purpose of audit, the contract is deemed to start on a certain date? It is then in the hands of each individual department when the commencement date is.

CHAIR—What do the Audit Office or Finance say about that? You might get 100 per cent compliance for the purpose of the audit, but it might not be accurate.

Mr Mallett—It is problematic. Agencies are required to report in GaPS AusTender the contract start date. Our investigations showed that there was often a lack of clarity in the agency as to what that date was, whether that was the date the contract was signed or the date the services first started being performed. Our investigations also suggested that, in a lot of cases, the supposed contract start date in fact was the date when the first invoice under the contract actually arrived. The range of possibilities in that one field alone meant that there was really no conclusion you could draw from it.

Ms GRIERSON—Having had so much involvement with the audit of Defence, I would have to say that human error is something that, yes, you might factor in. But when it comes to reporting accuracy, there has to be a zero tolerance of human error. I would take issue with any attitude that factors in as acceptable human error in reporting accounts. I do find that fairly difficult. I want to ask the Audit Office: is there an opportunity to define more clearly and precisely the role of audit committees in terms of responding to these issues and taking some responsibility for the responses and changes?

Mr Coleman—Probably not. We would argue that a big majority of audit committees have a pretty clearly defined responsibility on a range of functions. There would no doubt be some exceptions, but in the broad most audit committees accept and have responsibility for looking at audit reports, following up recommendations and so forth, and that includes internal and external audit reports.

Mr Boyd—Particularly for the Auditor-General's reports, the finance minister's orders require agencies to do so. There is nothing voluntary there; that is a requirement.

Ms GRIERSON—We have all these people doing all these jobs and these outcomes are not improving.

Mr Boyd—There is one thing we discussed earlier in terms of Prime Minister and Cabinet that I am not sure we have covered off.

CHAIR—I was about to do that. Prime Minister and Cabinet was due to be with us today but could not be because of the Senate estimates process. The auditors here have made the point that they are quite integral to the whole thing moving forward. I think Finance would agree with that. What we had flagged was the possibility of speaking to them at another public hearing, which we will do, because I am keen, as chair, for the sake of some broader comparisons, to not just

hear from Defence and DVA—and thank you for coming—but also to hear from a couple of others who have had quite large numbers and varying outcomes on your audit. We will discuss it further, but two that stand out to me are Health and Ageing, which had 75 reported consultancies with a percentage ‘no match’ rate of about nine, and Environment and Heritage, which had 106 but with a very high percentage ‘no match’ rate of 46 per cent. If we are going to hear from Prime Minister and Cabinet, which I think we should do for the sake of having a proper hearing, we should hear from those two as well at a later date.

Mr Mallett—With that figure 5.3, which I think you are looking at, you should bear in mind that when it talks about Environment and Heritage, that is the Environment and Heritage portfolio.

CHAIR—It is including five departments, by the look of it.

Mr Mallett—It includes five different agencies. For Environment, they are the Australian Greenhouse Office, the National Oceans Office, the Bureau of Meteorology and the Office of the Renewable Energy Regulator and, from memory—

CHAIR—That is very similar to Defence, in a sense.

Mr Mallett—No. Defence is, if you like, its own portfolio. There are no other agencies. When you say the Defence portfolio, you are only talking about the Department of Defence, unlike when you are talking about Environment and Heritage. From memory, the Australian Greenhouse Office had quite a substantial number of consultancies.

CHAIR—We will seek your guidance on the best way forward on that. You are quite right to have put them under one umbrella.

Mr Mallett—We can perhaps give you some further breakdown of those figures if it assists the committee.

CHAIR—It would be good to hear from them as well. The reason I mention Health is that they have a high number but obviously have a better result than some of the others. Obviously, they are not doing it perfectly but they are doing it better than some of the others.

Mr Boyd—They put a lot of effort into that. It might be relevant for you just to hear how much work they do to try and get that success rate.

CHAIR—Yes.

Ms GRIERSON—PM&C will be coming?

CHAIR—PM&C will appear first.

Ms GRIERSON—Will Finance come with PM&C? I know you are supposed to be working together on some—

Mr Grant—We will be happy to.

Ms GRIERSON—That is good.

CHAIR—Thank you to everyone who has attended today, including the witnesses.

Resolved (on motion by **Senator Hogg**):

That this committee authorises publication, including publication on the parliamentary database, of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 11.30 am