

**Standing Committee on Finance and Public Administration**

**ANSWER TO QUESTION ON NOTICE**

**Budget Estimates Hearing – May 2009**

**Department of Finance and Deregulation**

**Finance and Deregulation Portfolio**

**Outcome 2, Program 2.3**

**Topic: External Audit of Procurement Policies**

**Question reference number: F69**

**Type of Question: Hansard, F&PA 105, 27 May 2009**

**Date set by the committee for the return of answer: 10 July 2009**

**Number of Pages: 1**

**Senator Coonan asked:**

So at the moment we have no commitment as promised to a Commonwealth internal audit and an immediate external audit of Commonwealth procurement policies?

**Answer:**

Since December 2007, the Government has reviewed the:

- Commonwealth procurement policy framework and issued revised Commonwealth Procurement Guidelines that improve transparency, better inform small businesses about government contracts, and clearly state a balanced approach to risk management in contracts;
- Commonwealth's 30 Day payment policy and introduced the right to charge interest on late payments; and
- scope for a more coordinated approach to procurement and initiated scoping studies across a range of goods and services.

These internal reviews have included consultation with external stakeholders, such as industry groups, and with the Industry and Small Business Division in the Department of Innovation, Industry, Science and Research.

In light of the changes that the Government has already introduced, it would be premature to conduct an external audit of Commonwealth Government procurement before the above initiatives have had an appropriate time of operation.

The Government will consider an external audit of procurement after reviewing the effectiveness of the initiatives outlined above.