

Government Response to Senate Finance and Public Administration References Committee Report – Contracting Out of Government Services – May 1998

Recommendation 1

The Committee recommends, as a bare minimum, that standard contract clauses, tailored as necessary to reflect the particular circumstances of each contract, be used as the means of providing audit access to the relevant third party information and records.

The Department of Finance and Administration will collaborate with the Australian National Audit Office to develop guidance material on standard contract clauses. Agencies will need to consider audit access on a case by case basis to ensure an optimal mix of accountability measures which protects the interests of relevant stakeholders and takes account of existing legislative arrangements.

The Government notes that the Committee's recommendation reflects the Australian National Audit Office's preference for the use of standard contract clauses.

Recommendation 2

As an interim measure, the committee recommends an extension of the Ombudsman's jurisdiction on a case-by-case basis for sensitive areas of service delivery. It will monitor carefully the usage of the Ombudsman's services and revisit the question at a later stage as to whether a legislative extension of the Ombudsman's jurisdiction to cover all contracted out government services is warranted.

The Government notes the Committee's recommendation concerning an extension of the Commonwealth Ombudsman's jurisdiction.

The question whether the Ombudsman should have jurisdiction in relation to contracted out services and functions will be further considered by the Government following the report by the Administrative Review Council at the conclusion of its inquiry into the contracting out of Government services.

Contracting agencies will be referred to the March 1998 Department of Finance and Administration guidance document, "Competitive Tendering and Contracting: Guidance for managers" which canvasses accountability arrangements in the context of competitive tendering and contracting.