



# LEGISLATIVE ASSEMBLY

## FOR THE AUSTRALIAN CAPITAL TERRITORY

QON No. 102

### SELECT COMMITTEE ON ESTIMATES 2024-2025

Ms Nicole Lawder MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair),  
Miss Laura Nuttall MLA

### ANSWER TO QUESTION ON NOTICE

Asked By: Mr Peter Cain MLA

Addressed to: Special Minister of State

Redirection: N/A

Reference: Special Minister of State

Hearing Date: 29/07/2024

In relation to: Total costs of government procurement expenditure

QON lodgement Date: 29/07/2024

Answer Due date: 06/08/2024

- 1) Please advise the total expenditure for government procurement for the 2023-24 FY.
  - a. What proportion of procurement spent during 2023-24 FY was on consultants.
  - b. Please advise the total expenditure on consulting contracts over the past five financial years.
  - c. Does the ACT Government have a separate definition of a consultant to contractors and other goods and services contracts.

**Chris Steel MLA:** The answer to the Member's question is as follows:

Based on data collected from the main finance system for the Territory, in the financial year 2023-24, a total of \$1.67 billion in payments were made to suppliers against codes that represent procurement categories. This amount excludes expenditure not captured by the main financial system, such as credit card transactions.

Procurement ACT notes that the Procurement ACT website provides the total dollar value of notifiable contracts executed in the 2023 calendar year, not the actual expenditure. To clarify, we will update the website to be clear that the amount of expenditure on procurement in 2023-24 is \$1.67 billion.

The Territory's estimated procurement expenditure on consultancy services over the last five financial years is outlined in the below table:

| Financial Year Period | Amount (GST inclusive) |
|-----------------------|------------------------|
| 2019-20               | \$ 81,124,843          |
| 2020-21               | \$ 76,639,359          |
| 2021-22               | \$ 82,750,689          |
| 2022-23               | \$ 99,197,470          |
| 2023-24               | \$ 129,800,026         |
| <b>Total</b>          | <b>\$ 469,512,388</b>  |

The amount is based on an analysis of identified natural account codes for consultancy and related services being "Consultants, Consultants - Project Management, Other Professional Services/Fees" through the Territory's accounts payable invoicing system.

The amount of \$469,512,388 spent over the five financial years represents 7.03 per cent of the total procurement expenditure of \$6,683,263,508 (\$6.68 billion GST inclusive).

There is no exhaustive definition of 'consultant' applied by the ACT Government. A consultant is a specific type of contractor that typically provides a professional service. Whether a contractor is a consultant depends on the nature of the services being provided, for example, the services are likely to be a consultancy if they:

- involve specialist professional knowledge
- require a level of independence, for example, an independent audit or assessment
- relate to one-off or specific project based or irregular services, which may not lend themselves to an employment arrangement

Approved for circulation to the Select Committee on Estimates 2024-2025

Signature:



Date:

5/8/24

By the Special Minister of State, Chris Steel MLA