

**INQUIRY INTO NSW GOVERNMENT'S USE AND
MANAGEMENT OF CONSULTING SERVICES**

Organisation: NSW Government

Date Received: 19 July 2023

Inquiry into NSW Government's use and management of consulting services

NSW Government Submission to the Public
Accountability and Works Committee

July 2023



Contents

Executive Summary 3

1. Introduction 3

2. NSW Government’s procurement operating framework applied to the use and management of consulting services 3

3. Operationalisation of the devolved procurement approach across NSW Government agencies 6

4. Practices to engage and manage consultancy services across NSW Government agencies 12

5. Financial statement reporting on NSW Government’s consultant expenditure by agencies to NSW Treasury 13

Appendix A: Agencies which contributed information 16

Appendix B: NSW Procurement Submission (in full) 17

Appendix C: Publicly available information sources 28

Executive Summary

To assist the Committee, this submission provides consolidated factual information about the existing devolved procurement model in NSW Government. The submission has been broken down into four themes. These are detailed as follows:

- The NSW Government's procurement operating framework.
- The operationalisation of the devolved procurement approach by NSW Government agencies.
- Practices to engage and manage consultancy services across NSW Government agencies.
- Financial statement reporting of NSW Government's consultant expenditure by agencies to NSW Treasury.

1. Introduction

The NSW Government welcomes the opportunity to make a submission to the Public Accountability and Works Committee (*Committee*) in relation to its inquiry into NSW Government's use and management of consulting services. The Whole-of-Government submission has been collated by the Cabinet Office.

Consultants are engaged and managed by NSW agencies using the NSW Procurement Policy Framework, which is overseen by the NSW Procurement Board, supported by NSW Procurement. NSW's current procurement approach is a devolved procurement model. This means the NSW Procurement Policy Framework is implemented and operationalised by portfolio agencies. The use of consultants is determined according to the agency's assessment of need.

To provide the Committee with consolidated factual information about the existing devolved procurement model in NSW Government as it applies to the use and management of consultants, this submission sets out:

- The approach to developing and implementing NSW's Procurement Policy Framework for NSW Government agencies, focusing on its application to consulting services.
- An overview of the existing processes in place to engage and manage consultants, and how they are being operationalised across different portfolios.

This submission has been compiled based on information provided by NSW Procurement and the portfolios represented on the NSW Procurement Board (refer to **Appendix A** for a list of departments that provided input into this submission, and **Appendix B** for the full NSW Procurement Submission. **Appendix C** provides a list of publicly available resources which may assist the Committee).

2. NSW Government's procurement operating framework applied to the use and management of consulting services

The use of consulting services by NSW Government agencies occurs under a procurement operating framework that encompasses procurement broadly. Within this framework, consulting services are within the 'Professional Services' category of procurement. This section overviews the sections of NSW's procurement operating framework most relevant to the Committee's inquiry into the use and management of consulting services. Appendix B provides a more comprehensive

overview, previously provided to the Committee by NSW Procurement as an Interim Submission and now updated as its final submission.

Legislative Framework and NSW Procurement Board

The legislative framework for NSW's procurement operating framework is Part 11 of the *Public Works and Procurement Act 1912 (PWP Act)*, which includes establishing the NSW Procurement Board (**Board**). The NSW Procurement Policy Framework (Framework) is a "policy" for the purposes of section 176(1)(a) of the PWP Act and has been approved by the Board. Government agencies must comply with the mandatory parts of the Framework for procurement of any kind including for goods, services or for construction-related purposes.

The Board is responsible for developing and implementing a government-wide strategic approach to procurement, as well as to:

- Oversee the procurement of goods and services by and for Government agencies.
- Develop and implement procurement policies.
- Issue directions or policies to Government agencies
- Monitor compliance by Government agencies with the requirements of the PWP Act, including Board directions or policies.
- Investigate and deal with complaints about the procurement activities of Government agencies.
- Develop appropriate procurement and business intelligence systems for use by Government agencies.
- Collect, analyse, and publish data and statistics in relation to the procurement of goods and services by Government agencies.

The Board is subject to the direction and control of the Minister (for Finance) in the exercise of its functions, including directing the Board to comply with a specified government-wide procurement policy. Under the PWP Act, the Secretary of NSW Treasury is the chairperson of the Board. The Board membership is made up of Secretaries from all 10 portfolio departments. Members are permitted delegates with approval by the Minister and currently there are delegates approved for all portfolio departments.

The overarching policy framework developed by the Board is the *NSW Procurement Policy Framework ('Policy Framework')*. The Board has also issued two Procurement Board Directions directly relevant to the procurement of consulting services.

First, the *Engagement of professional services suppliers (PBD 2021-03)* Direction is for arrangements that apply to the procurement, engagement and use of professional services. Most relevant to the Committee's inquiry, this Direction:

- Requires Government agencies to report on 'consultant' expenditure in accordance with the *Annual Reports (Departments) Regulation 2015* to enable consolidation of Government Sector Finance agencies' financial statements in the Annual Total State Sector Accounts. This is conducted by NSW Treasury under:
 - Treasurer's Direction for the Mandatory Annual Returns to Treasury.
 - NSW Treasury Policy and Guidelines; Agency Direction for Mandatory Annual Returns to Treasury.

- Defines a 'consultant' (a subset of professional services) as "a person or organisation engaged under contract on a temporary basis to provide recommendations or professional advice to assist decision-making by management. Generally, it is the advisory nature of the work that differentiates a consultant from other contractors. Services provided under the NSW Government Legal Services Panel are excluded from the definition of a consultant for annual reporting purposes".
- Includes a Standard Commercial Framework that applies to the Whole-of-Government Performance and Management Services (P&MS) Scheme, through which Government agencies can engage professional services firms including consulting services.

Second, the Conduct of suppliers (PBD 2017-07) Direction sets out the Board's expectation that agencies and service providers conduct their business relationships in accordance with law and accepted standards of behaviour at all times. Government agencies must ensure their procurement processes require suppliers to comply with relevant standards of behaviour and must report findings of dishonest, unfair, unconscionable, corrupt, or illegal conduct to the Board.

NSW Procurement

NSW Procurement supports the operation of the Board. NSW Procurement sits within the Commercial Group of NSW Treasury. Its responsibilities are:

- As directed by the Board, administers certain government-wide functions of the Board including advising, establishing, implementing and/or managing the Framework, Whole-of-Government procurement policies, procurement data systems and analytics, governance (e.g. developing directions and managing complaints), 'goods and services' procurement accreditation and other government-wide functions.
- Supports Government agencies with strategic advice, assistance and/or concurrence related to the functions above as well as set out in the Policy Framework (as required).
- Supports government-wide procurement initiatives as well as the NSW Treasury (agency) procurement, and the implementation of innovative, outcomes driven approaches to maximise value for money and make it easier to do business with government.

Government agency Procurement

All Government agencies are governed by the Policy Framework, which sets out policies, accreditation schemes for Government agencies, and Directions that define the responsibilities of procurement teams across the sector.

The *PWP Act* requires a Government agency to exercise its functions in relation to the procurement of goods and service in accordance with:

- Any policies and directions of the Board that apply to the Government agency.
- The terms of its accreditation (if any) by the Board.
- The principles of probity and fairness.

A Government agency is, at the request of the Board, to provide information to the Board about its activities in relation to the procurement of goods and services. In addition, the Policy Framework provides more information and clarity on Government agency procurement responsibilities including:

- NSW Government procurement operating within a devolved governance structure.

- Heads of Government agencies being ultimately responsible for managing their agency's procurement in compliance with procurement law and government policy and entering into contracts on behalf of their agency.
- If the Board allocates responsibility for a Whole-of-Government goods or services category or agreement to a Government agency, the agency head also being responsible for entering into those agreements on behalf of NSW Government agencies.

The Policy Framework also stipulates two key features of how to operationalise the governance framework in Government agencies. First, the appointment of Chief Procurement Officers is critical to good procurement governance. Second, Government agencies should regularly test their compliance with the mandatory requirements of the Framework and other Procurement Board directions and policies.

3. Operationalisation of the devolved procurement approach across NSW Government agencies

The Framework prescribes procurement responsibilities and obligations of devolved NSW Government agencies. These responsibilities and obligations are then operationalised by Government agencies, according to their varied business needs and structures.

All portfolios have a central procurement function that develops and maintains an internal procurement framework that is compliant with the Whole-of-Government Framework and Board Directions, as well as other relevant legislation such as the *State Records Act 1998*. In combination, the sector-wide governance, frameworks and the policies and practices that are developed by Government agency procurement teams, are designed to contribute to a culture that promotes transparency and accountability from the buyer-level upward.

The Performance and Management Services Scheme provides guidance tools and templates to supplement agencies' own processes for engaging consultancies. Drawing on NSW Procurement resources, central procurement teams in agencies run training sessions, develop and maintain internal templates and guidance material, and provide administrative and advisory support. Government agencies have all adapted practices relevant to their context, with training and educational materials provided to staff to reflect specific business needs and procurement engagement types.

In addition to advisory and support functions, procurement teams within the devolved model perform an important governance function to ensure individual business units are compliant within the NSW Government Procurement Policy Framework.

Government agencies within portfolio areas may also seek accreditation from Board established accreditation schemes, which authorise agencies to autonomously conduct procurement for themselves or other Government agencies independent of the central procurement team. Unaccredited Government agencies can manage their own procurement within thresholds set by the Board. For procurements above thresholds, unaccredited Government agencies must seek and obtain agreement from an accredited Government agency.

Table 1 provides an overview of the various governance arrangements and procurement support activities across portfolios. It also lists the Government agencies within portfolios that are accredited. Accreditation under the goods and services and construction schemes have been included to provide the overall procurement context within which consulting services are procured in NSW Government.

Table 1 Governance arrangements for procurement of devolved Government agencies

Portfolio	Description of governance arrangements	Accredited agencies within this portfolio
Premier	<p>The central procurement function is responsible for maintaining the agencies' framework. This includes ensuring that the policy is up to date, guidelines and templates are available and a small team of procurement professionals are available to assist with queries.</p> <p>All agency staff must adhere to the Policy when procuring goods or services. Business units are responsible for managing the end-to-end procurement process, including contract disclosures on the Agency Contracts Register (at or above \$30,000 ex. GST) and on eTenders (at or above \$150,000 inc. GST).</p>	None
Education	<p>The procurement team works as a centralised advisory arm and provides systems and processes that deliver value for money within a strong and transparent governance framework. They are responsible for providing guidance and requirements for all procurement matters and for all procurement activities for engagements above \$150,000 (ex. GST). Specifically relating to consultancy services, the procurement team undertakes all engagements of consultants regardless of value. Executive approval is required in all cases – up to \$100,000, the relevant Deputy Secretary must approve, while only the Secretary can approve above this amount. The Chief Procurement Officer is responsible for the assessment, procurement and reporting of the department's professional services and consultancy arrangements.</p>	<p><u>Goods and Services accreditation:</u></p> <p>Department of Education (cluster): level 2</p> <p>NSW Education Standards Authority (agency): level 1</p> <p>TAFE NSW (agency): level 2</p> <p><u>Construction accreditation:</u></p> <p>Schools Infrastructure</p> <p>TAFE NSW</p>
Planning and Environment	<p>The Planning and Environment Portfolio operates a centre-led model of procurement. This is where individual business units retain ultimate responsibility for their procurement outcomes with the strategic advice and support of a central team operating on common procurement systems for transparency and visibility.</p>	<p><u>Goods and Services accreditation:</u></p> <p>Department of Planning and Environment (portfolio): level 1</p>

Portfolio	Description of governance arrangements	Accredited agencies within this portfolio
	<p>The Planning and Environment Portfolio has a mix of accredited and unaccredited agencies under the NSW Policy Framework. The different agencies operate independently from each other except to the extent that unaccredited agencies require concurrence/assurance from an accredited agency.</p>	<p>Sydney Olympic Park Authority (agency): level 1</p> <p><u>Construction accreditation:</u></p> <p>Corporate Services</p> <p>Water Infrastructure NSW</p> <p>Land and Housing Corporation</p> <p>Taronga Conservation Society Australia</p> <p>Sydney Olympic Park Authority</p>
Treasury	<p>Treasury has 'level 2 accreditation' for goods and services procurement (including consultancy services), as approved by the Board. This means Treasury can independently conduct procurement activities in accordance with NSW Government procurement laws and policies, approved budgets, and financial and procurement delegations, without concurrence from another accredited agency.</p> <p>Procurement services are then provided by NSW Procurement to all Treasury staff (Treasury buyers) via a shared corporate procurement services arrangement.</p>	<p><u>Goods and Services accreditation:</u></p> <p>NSW Procurement (and NSW Treasury, the Department): level 2</p> <p><u>Construction accreditation:</u></p> <p>Infrastructure NSW</p>
Health	<p>The NSW Ministry of Health supports the executive and statutory roles of the Health Portfolio and Ministers as the 'system manager'. Procurement authority is delegated by the Secretary, NSW Health to the chief executives of HealthShare NSW, eHealth NSW, Health Infrastructure and to the NSW Health Chief Procurement Officer to conduct procurements of goods and services.</p>	<p><u>Goods and Services accreditation:</u></p> <p>NSW Health (portfolio): level 2</p> <p><u>Construction accreditation:</u></p> <p>Health Infrastructure</p>

Portfolio	Description of governance arrangements	Accredited agencies within this portfolio
	<p>Shared services entities, HealthShare NSW and eHealth NSW, lead tactical and operational procurements. Goods and services procurements above \$250,000 must be referred to HealthShare NSW, while ICT procurements above the same amount must be referred to eHealth NSW. Procurements over \$30 million or proposed whole of NSW Health contracts are also to be approved by the NSW Health Chief Procurement Officer.</p> <p>Health Infrastructure leads the delivery of NSW Health capital projects, with engagement from HealthShare NSW or eHealth NSW, and approval from the Chief Procurement Officer. Procurements valued at \$30 million or more must also be approved by the NSW Health Chief Procurement Officer. Local Health Districts and specialty networks operationalise state-wide contracts and manage local procurement according to business needs.</p>	
Transport	<p>Transport's Procurement operating framework provides its divisions and agencies with policies, standards and guidelines as to how they should procure goods and services. Ultimate accountability for those procurements sits with the respective financial delegates of those procurements, including in relation to the use of consultants.</p> <p>Transport for NSW's financial delegations are designed to elevate the decision making for consulting services. As per the Transport for NSW financial delegations, any consulting engagement up to \$250,000 requires approval by a Deputy Secretary (or equivalent). Approval by the Secretary is required for all engagements above \$250,000. Sydney Metro has its own financial delegations which are currently being updated to further elevate decision making for consulting services.</p>	<p><u>Goods and Services accreditation:</u></p> <p>Department of Transport (cluster): level 2</p> <p><u>Construction accreditation:</u></p> <p>Sydney Metro</p> <p>Transport for NSW (Roads and Maritime Infrastructure)</p> <p>Transport for NSW (Infrastructure and Place)</p>

Portfolio	Description of governance arrangements	Accredited agencies within this portfolio
Customer Service	<p>The central DCS Corporate Procurement team within the Corporate Services Division is ultimately responsible for all procurement activities within the portfolio area. As a level 2 accredited body, it is able to procure goods and services with no maximum limit. Business divisions/agencies within DCS are responsible for procurement activity up to \$1 million (ex. GST) or those deemed low risk, while Corporate Procurement leads procurements above that threshold or those deemed high risk.</p> <p>DCS also operate the central government function Information and Communication Technology/Digital Sourcing (ICTDS) within Digital.NSW. ICTDS sets Whole-of-Government ICT procurement policies and frameworks, including establishment and governance of the ICT Services Scheme, and facilitation of innovation through innovation procurement pathways. ICTDS has implemented governance mechanisms, contractual and commercial controls applicable to the procurement of ICT Consulting Services.</p> <p>ICTDS also maintains the partnership ecosystem, of ICT/Digital strategic partnerships through Whole-of-Government arrangements, purchasing agreements and panels, and savings programs.</p>	<p><u>Goods and Services accreditation:</u></p> <p>Department of Customer Service (portfolio): level 2</p>
Communities and Justice	<p>The Communities and Justice Portfolio has a mix of accredited and unaccredited agencies under the Framework, with different agencies operating independently from each other.</p> <p>The Department of Communities and Justice (DCJ) procurement operating framework provides its divisions with policies, standards and guidelines on to how procure goods and services. Decision-making for procurement sits with the business unit, in line with delegations and various policies, directions and scheme rules.</p>	<p><u>Goods and Services accreditation:</u> Department of Communities and Justice (portfolio): level 2</p> <p>Fire and Rescue NSW (agency): level 1</p> <p>NSW Police Force (agency): level 2</p> <p>Office of Sport (agency): level 1</p> <p>Rural Fire Service (agency): level 1</p>

Portfolio	Description of governance arrangements	Accredited agencies within this portfolio
	<p>The DCJ central strategic procurement team, reports to the Chief Financial Officer, within the Corporate Services Division. Under DCJ's procurement delegations, procurement endorsement must be provided for projects valued at \$150,000 or above, at various stages of the procurement process up until contract execution.</p>	<p>State Emergency Services (agency): level 1</p> <p>Venues NSW (agency): level 1</p> <p><u>Construction accreditation:</u></p> <p>NSW Police Force Department of Communities and Justice</p>
Regional	<p>Department of Regional NSW (DRNSW) has a procurement team who report to the Chief Procurement Officer. The Secretary's role is as the Accountable Authority and Member of the Procurement Board. DRNSW is not an accredited agency for the procurement of consulting services and seeks concurrence for Goods and Services not on a Whole-of-Government scheme over \$680,000.</p> <p>Under the Framework a published policy is used to determine procurement thresholds for engagements. The financial thresholds are established using a risk-based approach to the plan, source and manage process. All procurements over \$30,000 must be registered with the Procurement Team to encourage transparency and facilitate reporting. All procurement activities up to \$150,000 in value use a self-serve process. Any procurement over \$150,000 requires an approved procurement strategy prior to commencing the sourcing phase.</p>	<p><u>Construction accreditation:</u></p> <p>Public Works Advisory</p>
Department of Enterprise, Investment and Trade	<p>Department of Enterprise, Investment and Trade, as the central department, works to foster compliance with the Framework. Procurement, and the management of consultants once procured, is the responsibility of the respective agency or department.</p>	None

4. Practices to engage and manage consultancy services across NSW Government agencies

Within the NSW Government's procurement operating framework noted above, Government agencies can engage consultants (as a subset or instance of professional services) in three ways:

1. Whole-of-Government pre-qualification schemes
2. Agency specific schemes
3. Engagements outside of these schemes.

There are several Whole-of-Government schemes in relation to the engagement of professional services firms including consultants managed by devolved agencies across NSW Government. The information set out in this submission focuses on the operation of the largest and most relevant to the Whole-of-Government use of consulting services: the Performance and Management Services Scheme (Scheme).

The Scheme is overseen by NSW Procurement, which administers the Scheme by assessing applications to join the scheme, managing a standard commercial framework, collecting data and developing reporting insights, managing supplier relationships (for the largest suppliers only), as well as supporting agencies which engage with prequalified suppliers.

The Scheme has a pool of over 3,500 diverse suppliers prequalified to supply professional services, including consultancy services, across two prequalification supplier lists (full and base level prequalifications, see Buy.nsw.gov.au under "What you should know") and 15 engagement types (see Buy.nsw.gov.au – Performance and Management Services (P&MS) Scheme Engagement Types).

The Scheme rules set out requirements for suppliers participating in the scheme, and agencies that use the Scheme, which includes management of supplier performance; reporting of poor performance; confidentiality requirements; disclosure of information; legal and policy compliance; intellectual property; liability and indemnity; and, dispute resolution. NSW Procurement does not monitor or manage agency engagements within the Scheme.

All prequalified suppliers on the Scheme have agreed to rules and standard terms and conditions, including provisions relating to the Supplier Code of Conduct (which encompasses ethical standards and expected behaviours for suppliers). Clause 4.12 of the Scheme rules mandates suppliers comply with all applicable laws, regulations, privacy principles, Australian and/or ISO standards, as well as any NSW Government policies, guidelines, and code of conduct.

The Scheme outlines possible actions where a supplier has breached its obligations under the Scheme rules, including suspension or removal from the Scheme. In case of a performance issue, in the first instance Government agencies should attempt to resolve this through direct engagement with the professional services firm. If this is unsuccessful, the Government agency or the professional services firm may escalate to NSW Procurement when a critical aspect of performance is unsatisfactory. If required, where performance is deemed unsatisfactory, NSW Procurement will manage the performance of a supplier by applying sanctions, such as temporary suspension from the Scheme or revoking a supplier's admission to the Scheme.

NSW Procurement's responsibility in relation to the Scheme is predominantly "supply-side" management. Agencies are responsible for determining on the "demand-side" whether they have a business need to engage consultants and if the best way to do so is through the Scheme. Agencies plan the scope of the consultancy engagement, select a professional services firm, and then manage

the deliverables. Monitoring and ensuring compliance in respect of each engagement under the Scheme is the responsibility of the procuring Government agency and the agency head.

There are some important instances when procurement, including of consulting services, takes place outside the Scheme or accredited entities to fulfil other policy objectives such as NSW Government's commitment to increasing procurement from verified Aboriginal businesses and Australian Disability Enterprises (ADEs). There are various policies and special rules to make it easier to buy from these businesses. Agencies have also developed practices to encourage consideration of these suppliers, such as regular senior executive review of the quantum of engagements and spending on consulting services from these providers.

Within the devolved model, agencies have adopted different approaches to making decisions about whether and how to use consulting services, and how to manage and monitor that use – whether the engagement occurs under the Scheme, under agency schemes, or are engagements outside these schemes.

Some agencies have adopted additional oversight of decisions to engage consultants. For example, some agencies require a brief to the Secretary ahead of engagement of consultants, while others nominate the Chief Procurement Office as the responsible role for the assessment and procurement of consultancy services.

Agencies have also adopted assurance mechanisms over and above the mechanisms in the Scheme. For larger contracts, for example, a contract management plan can be used to formalise compliance with all the relevant standards. For contract extensions, for example, additional requirements for all parties to demonstrate their ability to continue to deliver value for money based on the original service offering can be required.

Agencies have developed various practices to identify and manage conflict of interests, confidentiality and probity. An example is the use of a probity adviser where the integrity of the process may be called into question and/or to avoid a perception of bias and favouritism. Commercially sensitive contracts suppliers may be asked to sign a non-disclosure deed to ensure confidentiality. In addition to standard conflict of interest declarations, conflict of interest declarations could become a standing agenda item of meetings evaluating procurement to ensure any new conflicts are identified and managed.

Practices within agencies to better capture information about the performance of consultants and/or the results of engagements include procurement systems that prompt public servant managing engagements to complete the prequalified service performance report template at the conclusion of engagement, incorporate supplier assessments for future reference and file deliverables.

Finally, agency practice has evolved to specify how consultants should facilitate knowledge transfer and capability development as part of an engagement, including requirements by some agencies to do so for successful tenderers.

5. Financial statement reporting on NSW Government's consultant expenditure by agencies to NSW Treasury

The Annual Reporting Framework

NSW Treasury (Financial Management and Services Group) has developed a new Government Sector Finance (GSF) Act *Annual Reporting framework* for annual reports prepared by GSF Agencies (as defined in the framework) after 1 July 2023.

This requires GSF Agencies to include in the reports they submit to Parliament, the specific details of any consultancy engagement valued \$50,000 or higher, and aggregated information for all consultancy engagements less than \$50,000.

Implementation of the framework will be staged. From 1 July 2024, the current list-based approach to identifying which GSF Agencies must prepare annual reports will be replaced with a risk and principles-based approach.

Annual Total State Sector Accounts (TSSA)

To support consolidation of GSF Agencies' financial statements in the Annual Total State Sector Accounts (TSSA), NSW Treasury has also released the:

- Treasurer's Direction for the Mandatory Annual Returns to Treasury.
- NSW Treasury Policy and Guidelines Agency Direction for Mandatory Annual Returns to Treasury.

Together, these provide additional context and directions to GSF Agencies on preparing notes to financial statements that include specific operating expense disclosures both for 'consultants' and 'other contractor' expenses. GSF Agencies' disclosures are reported to NSW Treasury (Financial Management and Services Group) and consolidated in the Annual TSSA.

Under these arrangements the Annual TSSA is the definitive source of the aggregated 'consultant' operating expenditure across NSW Government GSF Agencies. Previous amendments to the *Government Sector Finance Legislation (Repeal and Amendment) Act 2018* will further expand the comprehensiveness of reporting as consultant engagements by Local Health Districts (LHD) will be consolidated in Ministry of Health Annual Report.

On-going and forth-coming enhancements to Agency Reporting Measures

In March 2023, the NSW Auditor-General released a report on NSW Government agencies' use of consultants. The audit assessed how effectively NSW Government agencies procure and manage consultants and examined the role of the NSW Procurement Board and NSW Procurement in supporting and monitoring agency procurement and management of consultants. The Auditor General made seven recommendations to enhance further the quality and transparency of spend data, monitor strategic risks and compliance, and improve agencies' strategic use of consultants.

Recommendation 1 was for NSW Treasury (Financial Management and Services Group) to ensure all consulting expenditure by all relevant NSW government entities is captured in annual reports, as part of its annual reporting reform project, by June 2023. NSW Treasury's response to this recommendation will be complete with publication of the *FY2024 Annual Reporting Framework*, which will continue to refine which GSF agencies must prepare annual reports.

Agencies have initiated programs and improvement processes to respond to the Auditor General's recommendations that will involve enhanced transparency and accountability measures for procurement management and reporting. These measures include:

- Improving the quality, currency and accuracy of data requested from suppliers to enable better classification and reporting of diverse consultancy activities.
- Assigning all purchase order creation responsibility for the procurement of consultancy services to procurement teams and establishing a 360-degree consultant/contract manager performance to review all consultant service engagements.

- Proactive scanning of all purchase orders valued at \$30,000 or more and review of contracts against a contracts list to identify any procurements that may not have been put in the agency register, and GIPA register as required.
- Appraising compliance with policies by strategically monitoring select procurement activities such as use of contract variations, single source procurements and concentration of suppliers.

There were three recommendations for NSW Procurement to improve the quality of data collected from suppliers, provide additional guidance to agencies on applying the definition of consulting for their annual reporting and monitor strategic risks and agency compliance with NSW procurement policies more comprehensively. NSW Procurement accepted, and is responding to, these recommendations together with the Board given the Board's statutory objectives and functions. Addressing these recommendations will be dependent on departments and Government agencies taking actions to implementing suitable vendor management systems, providing all relevant data to NSW Treasury and implement the additional guidance in annual reporting on consultancy expenditure.

NSW Government agencies are due to respond to the Auditor General's recommendations by December 2023 to:

- Develop a more strategic approach to the use of consultants.
- Ensure all consulting engagements comply with NSW Procurement Policy.
- Improve record-keeping practices to ensure all relevant documents relating to consulting engagements are retained in accordance with the State Records Act 1998 and directions from State Records NSW.

Appendix A: Agencies which contributed information

Premier's Department (PD) and The Cabinet Office (TCO)

Department of Education

Department of Planning and Environment

Department of Treasury

NSW Procurement (within Department of Treasury)

Department of Health

Department of Transport

Department of Customer Services

Department of Communities and Justice

Department of Regional NSW

Department of Enterprise, Investment and Trade

Appendix B: NSW Procurement Submission (in full)

Inquiry into NSW Government's use and management of consulting services: NSW Procurement (NSW Treasury) Submission to the Public Accountability and Works Committee

Full Report

June 2023

1. Introduction

NSW Procurement (**NSWP**), within the Commercial Group of NSW Treasury, welcomes the opportunity to make a submission to the Public Accountability and Works Committee (**Committee**) in relation to its inquiry into NSW Government's use and management of consulting services.

This submission:

- Is an adjunct to NSW Treasury's participation in a hearing with the Committee on 15 June 2023.
- Unless specifically stated otherwise, relates to the roles and responsibilities of NSWP only within NSW Treasury.
- Provides context and information in relation to NSW Government's broader procurement operating framework. It also provides context and information in relation to Whole-of-Government (**WofG**) professional services schemes (including consulting services), the Auditor General's report on the use of consultants, and the financial statement reporting of consultancy expenditure by agencies to NSW Treasury (the Financial Management and Services Group).

2. NSW Government's procurement operating framework

2.1 The Public Works and Procurement Act 1912 (Part 11): Legislation, Minister (for Finance) and the NSW Procurement Board

Part 11 of the *Public Works and Procurement Act 1912 (PWP Act)*^[1] provides the legislative framework for the procurement of goods and services of any kind by NSW Government Agencies as defined in section 162 of the PWP Act (**Government Agencies**).

The PWP Act establishes the NSW Procurement Board (**Board**) and is subject to the direction and control of the Minister (for Finance) in the exercise of its functions, including directing the Board to comply with a specified government-wide procurement policy.

The Board has statutory objectives as set out in section 171 of the PWP Act, including responsibility for developing and implementing a government-wide strategic approach to procurement. The Board also has statutory functions as set out in section 172 including to:

- Oversee the procurement of goods and services by and for Government Agencies.
- Develop and implement procurement policies.
- Issue directions or policies to Government Agencies.
- Monitor compliance by Government Agencies with the requirements of the PWP Act, including Board directions or policies.
- Investigate and deal with complaints about the procurement activities of Government Agencies.
- Develop appropriate procurement and business intelligence systems for use by Government Agencies.
- Collect, analyse, and publish data and statistics in relation to the procurement of goods and services by Government Agencies.
- In exercising its statutory functions, the Board:

- Has the power to do all things necessary or convenient to be done for, or in connection with, the exercise of its functions.
- Is to exercise its function in accordance with any applicable government-wide procurement policies.

Under the PWP Act, the Secretary of NSW Treasury is the chairperson of the Board, currently delegated to the NSW Treasury Deputy Secretary, Commercial as deputy chairperson. The Board membership is made up of Secretaries from all 10 departments (including NSW Treasury), currently delegated to approved deputy members.

2.2 The NSW Government Procurement Policy Framework

The *NSW Procurement Policy Framework*^[2] (**Framework**) is a “policy” for the purposes of section 176(1)(a) of the PWP Act and has been approved by the Board. Government Agencies must comply with the mandatory parts of the Framework for the procurement of goods and services of any kind including construction.

The Framework incorporates all existing central government policies (which can be found in links within the Framework) and Board requirements for procurement, and identifies five procurement objectives:

- Value for money.
- Fair and open competition.
- Easy to do business.
- Innovation.
- Economic development, social outcomes, and sustainability.

The Framework also sets out a best practice approach to NSW Government Agency procurement and includes the links to relevant policies, regulations, and legislation applicable at each stage of:

- Planning (analysing the business need).
- Sourcing (approaching the market).
- Managing (implementing) the procured arrangement.

2.3 Board Established Accreditation Programs

Under section 174 of the PWP Act, the Board:

- May establish a scheme which accredits Government Agencies to conduct procurement for themselves or other Government Agencies.
- May also authorise a Government Agency to carry out specified procurement of goods and services without Board accreditation.

As a result, the Board has established two accreditation programs for “goods and services” procurement and “construction” procurement. Procurement accreditation gives Government Agencies the authority to manage their own procurements. Both programs:

- Establish minimum standards for managing procurement activities.
- Manage risk.
- Promote the delivery of outcomes towards strategic priorities.
- Drive continuous improvement and capability development across the sector.

“Goods and services” procurement accreditation is managed and administered by NSWSP, whilst “construction” procurement accreditation is managed and administered by NSW Public Works within the Department of Regional NSW.

Unaccredited Government Agencies can manage their own procurement within thresholds set by the Board as currently set out in [Procurement Board Direction 2021-04^{\[3\]}](#). For procurements above thresholds, unaccredited Government Agencies must seek and obtain agreement from an accredited Government Agency.

More details on accreditation are set out in [buy.nsw.gov.au – Accreditation^{\[4\]}](#), including a list of Government Agencies that are accredited.

2.4 Procurement Board Directions: Engagement of Professional Services Suppliers including Consulting Services and Conduct of Suppliers

- Under section 175 of the PWP Act, the Board has the statutory power to issue Procurement Board Directions (**PBDs**) to Government Agencies on procuring goods and services, including construction. PBDs have the standing of law and Government Agencies must follow them wherever they are relevant.
- Two specific PBDs of relevance to this inquiry are as follows.
 1. [PBD 2021-03 Engagement of professional services suppliers^{\[5\]}](#) is for arrangements that apply for the procurement, engagement and use of professional services. This PBD:
 - Requires Government Agencies to report on ‘consultant’ expenditure in accordance with the Annual Report Regulation 2015 to enable consolidation of Government Sector Finance (**GSF**) agencies’ financial statements in the Annual Total State Sector Accounts (TSSA) – see Section 5 of this submission.
 - Defines a ‘consultant’ (a subset of professional services) as “*a person or organisation engaged under contract on a temporary basis to provide recommendations or professional advice to assist decision-making by management. Generally, it is the advisory nature of the work that differentiates a consultant from other contractors. Services provided under the NSW Government Legal Services Panel are excluded from the definition of a consultant for annual reporting purposes*”.

Note: this definition is also included in the [NSW Treasury Policy and Guidelines \(TPG23-13\) Agency Direction for Mandatory Annual Returns to Treasury^{\[6\]}](#), as explained in Section 5 of this submission.

- Includes a Standard Commercial Framework that applies to the WofG Performance and Management Services Scheme through which Government Agencies can engage professional services firms including consulting services, as explained in Section 3 of this submission.
- 2. [PBD 2017-07 Conduct of suppliers^{\[7\]}](#) sets out the Board’s expectation that agencies and service providers conduct their business relationships in accordance with law and accepted standards of behaviour at all times. Government Agencies must ensure their procurement processes require suppliers to comply with relevant standards of behaviour and must report findings of dishonest, unfair, unconscionable, corrupt, or illegal conduct to the Board.
- Further PBDs can also be found at [Procurement Board Directions^{\[8\]}](#).

2.5 Responsibilities and obligations of devolved NSW Government Agencies

Section 176 of the PWP Act sets out the obligations of a Government Agency in the exercise of its functions in relation to the procurement of goods and service in accordance with:

- Any policies and directions of the Board that apply to the Government Agency.
- The terms of its accreditation (if any) by the Board.
- The principles of probity and fairness.
- A Government Agency is, at the request of the Board, to provide information to the Board about its activities in relation to the procurement of goods and services.

In addition, the Framework provides more information and clarity on Government Agency procurement responsibilities including:

- NSW Government procurement operating within a devolved governance structure.
- Heads of Government Agencies being ultimately responsible for managing their agency's procurement in compliance with procurement law and government policy and entering into contracts on behalf of their agency.
- If the Board allocates responsibility for a WofG goods or services category or agreement to a Government Agency, the agency head also being responsible for entering into those agreements on behalf of WofG.
- The Framework also stipulates:
- The criticality to good procurement governance by appointing Chief Procurement Officers for Government Agencies, and
- Government Agencies regularly testing their compliance with the mandatory requirements of the Framework and other Procurement Board policies and directions. For accredited Government Agencies, this informs their annual self-assessment attestations to the Procurement Board confirming that best endeavours have been undertaken by the Government Agency to comply with their accreditation requirements.

2.6 Responsibilities of NSW Procurement

NSWP, within the Commercial Group of NSW Treasury, has the following responsibilities:

- As directed by the Board, administers certain government-wide functions of the Board including advising, establishing, implementing and / or managing the Framework, WofG procurement policies, procurement data systems and analytics, governance (e.g., developing directions and managing complaints), "goods and services" procurement accreditation and other government-wide functions.
- Supports Government Agencies with strategic advice, assistance and / or concurrence related to the functions above as well as set out in the Framework (as required).
- As allocated by the Board, is responsible for WofG commercial arrangements (including contracts, agreements, commercial frameworks, and prequalification schemes) for the following:
 - Professional Services (see Section 3 of this submission).
 - Contingent Workforce.
 - Employment Checks.
 - Financial Assessment Services.
 - Talent Acquisition.
 - Motor Vehicles (Fleet, Electric Vehicles and Fuel).
 - Energy (Electricity and Gas).
 - Travel.
 - Waste Management.

- Note: the responsibility above relates to “supply-side” management (eg market, suppliers, contracts) of the above WofG commercial arrangements. “Demand-side” management (eg consumption, monitoring, compliance) is the responsibility of the procuring Government Agency.
- Supports government-wide procurement initiatives as well as NSW Treasury (agency) procurement, and the implementation of innovative, outcomes driven approaches to maximise value for money and make it easier to do business with government.

3. Engagement of professional services firms including consultancy services by NSW Government agencies

3.1 Engagements via WofG Schemes, Agency Schemes and Outside of Schemes

Within the NSW Government’s procurement operating framework noted above, Government Agencies can engage professional services firms, including consulting services, in three ways – via WofG pre-qualification schemes, agency specific schemes or engagements outside of these schemes.

There are several WofG schemes^[9] in relation to the engagement of professional services firms including consultants managed by devolved agencies across NSW Government. NSWP manages the largest WofG scheme, SCM0005 the Performance and Management Services Scheme^[10] (the **P&MS Scheme**). The remainder of this section relates to the P&MS Scheme only.

Note: Details in relation to the engagements of professional services firms, including consulting services, via other Whole of Government schemes, agency specific schemes or engagements outside of these schemes can be directed to the relevant NSW Government Agency.

3.2 P&MS Scheme - Overview

The P&MS Scheme has a pool of over 3,500 diverse suppliers prequalified to supply professional services, including consultancy services, across two prequalification supplier lists (full and base level prequalifications – see Buy.nsw.gov.au under “What you should know”^[11] and 15 engagement types (see Buy.nsw.gov.au – P&MS Scheme Engagement Types)^[12].

Buy.nsw.gov.au – P&MS Scheme Supplier List^[13] also has further information on the full listing of professional services suppliers approved for the P&MS Scheme, and their prequalified engagement types.

The website also lists the P&MS Scheme rules as well as the standard commercial framework to ensure value for money and better commercial outcomes.

3.3 P&MS Scheme - Rules

The P&MS Scheme rules^[14] include, amongst other requirements:

- The process for suppliers to apply for prequalification.
- Evaluation criteria.

- Rates and charges.
- Supplier obligations under the scheme.
- Supplier reporting obligations.
- Agency obligations under the scheme.
- Agency performance monitoring obligations.
- Performance management and reporting.
- Temporary suspension.
- Removal from the scheme.
- Standard forms of agreement (including terms and conditions).
- Variations to standard forms of agreement.
- Dispute resolution.

As noted above, NSW Procurement’s responsibility in relation to the P&MS Scheme is predominantly “supply-side” management, incorporating management of the P&MS Scheme including its rules and assessment of applications to join the scheme, management of a standard commercial framework, management of data collection and reporting insights, supplier relationship management (for the largest suppliers only), and supporting Government agencies.

NSW Procurement also provides [guidance tools^{\[15\]}](#) and templates to supplement Government agencies’ own processes for engaging consultancy services from professional services firms.

Government agencies are primarily responsible for “demand-side” management, including planning the scope of the consultancy engagement, selecting a professional services firm and managing/ accepting the reports and deliverables. Monitoring and ensuring compliance in respect of each engagement under the P&MS Scheme is the responsibility of the procuring Government agency and the agency head.

In case of a performance issue, in the first instance Government agencies should attempt to resolve this through direct engagement with the professional services firm. If this is unsuccessful, the Government agency or the professional services firm may escalate to NSW Procurement when a critical aspect of performance is unsatisfactory.

3.4 P&MS Scheme – Suppliers: Code of Conduct and Agreement

All prequalified suppliers on the P&MS Scheme have agreed to rules and standard terms and conditions, including provisions relating to code of conduct, confidentiality, and conflicts of interest.

To ensure proper management and prevention of contract breaches and unethical behaviour, suppliers must adhere to the following requirements:

- Suppliers applying to join the P&MS Scheme must declare their agreement with the scheme's rules before submitting their application. The Scheme provides a standard form of agreement applicable to all engagements.
- Clause 4.12 of the Scheme rules mandates suppliers comply with all applicable laws, regulations, privacy principles, Australian and / or ISO standards, as well as any NSW Government policies, guidelines, and code of conduct.

- The NSW *Supplier Code of Conduct*^[16] encompasses ethical standards and expected behaviours for suppliers. Clause 4.12 ensures that this code applies to every engagement under the P&MS Scheme.
- Under the standard form of agreement, suppliers are obligated to confirm the absence of any existing or potential conflict of interest in performing their services under the engagement. If a conflict of interest arises or is anticipated, suppliers must immediately notify the agency in writing. The agency can then either approve the continuation of service under reasonable conditions for conflict management or terminate the engagement.

The P&MS Scheme outlines possible actions where a supplier has breached its obligations under the Scheme rules, including suspension or removal from the P&MS Scheme.

If required, where performance is deemed unsatisfactory, NSW will manage the performance of a supplier by applying sanctions, such as temporary suspension from the P&MS Scheme or revoking a supplier's admission to the Scheme.

4. Auditor General report - NSW Government agencies' use of consultants

In March 2023, the NSW Auditor-General released a report on *NSW Government agencies' use of consultants*^[17] (**the AG Report**). The audit assessed how effectively NSW Government Agencies procure and manage consultants and examined the role of the NSW Procurement Board and NSW in supporting and monitoring agency procurement and management of consultants.

The AG Report made seven recommendations to enhance further the quality and transparency of spend data, monitor strategic risks and compliance, and improve agencies' strategic use of consultants.

- One of these recommendations was for NSW Treasury (Financial Management and Services Group), by June 2023, to ensure as part of its annual reporting reform project, all consulting expenditure by all relevant NSW government entities is captured in annual reports. NSW Treasury's response to this recommendation is largely complete from 7 June 2023, through publication of the FY2023 Annual Reporting Framework and Treasury Policy and Guidelines (TPG23-13) Agency Direction for Mandatory Annual Returns to Treasury, as described in Section 5 below. NSW Treasury's response to this recommendation will be complete with publication of the FY2024 Annual Reporting Framework, which will continue to refine which GSF agencies must prepare annual reports.
- Three recommendations were for NSW, by December 2023, to:
 1. Improve the quality of data collected from suppliers, which NSW committed to doing in response to the 'Procurement and reporting of consultancy services' 2018 AG report.
 2. Provide additional guidance to agencies on applying the definition of consulting for their annual reporting on consulting expenditure.
 3. Monitor strategic risks and agency compliance with NSW policies more comprehensively, including the use of contract variations, use of single source procurements and concentration of suppliers.

NSWP accepted, and is responding to, these recommendations together with the Board given the Board's statutory objectives and functions. Given the procurement authorising environment and the devolved procurement ecosystem as stated earlier, NSW Treasury noted in *Responses from auditees p 38 of the AG Report* that addressing these recommendations is dependent on departments and Government Agencies:

- Implementing a suitable vendor management system, to record and manage all professional services engagements effectively, including consultancy suppliers.
- Providing all relevant data to NSW Treasury.
- Effectively implementing the additional guidance in annual reporting on consultancy expenditure.

NSWP will also continue to work with the Board to:

- Improve continuously the quality of supplier data as part of each Government Agency's accreditation obligations.
- Obtain further information from departments and Government Agencies on strategic risks and agency compliance as part of their accreditation obligations.
- NSW Government agencies have responsibility for responding to the remaining three AG Report recommendations by December 2023 to:
 1. Develop a more strategic approach to the use of consultants.
 2. Ensure all consulting engagements comply with NSW Procurement Policy.
 3. Improve record-keeping practices to ensure all relevant documents relating to consulting engagements are retained in accordance with the State Records Act 1998 and directions from State Records NSW.
- As a Government Agency, NSW Treasury has also accepted, and is responding to, these recommendations.

5. Financial statement reporting on NSW Government's consultant expenditure by agencies to NSW Treasury

5.1 The Annual Reporting Framework

NSW Treasury (Financial Management and Services Group) has developed a new GSF Act *Annual Reporting framework*^[18] for annual reports prepared by GSF Agencies (as defined in the framework) after 1 July 2023.

This requires GSF Agencies to include in the reports they submit to Parliament, the specific details of any consultancy engagement valued \$50,000 or higher, and aggregated information for all consultancy engagements less than \$50,000.

Implementation of the framework will be staged. From 1 July 2024, the current list-based approach to identifying which GSF Agencies must prepare annual reports will be replaced with a risk and principles-based approach.

5.2 Annual Total State Sector Accounts (TSSA)

To support consolidation of GSF Agencies' financial statements in the Annual *Total State Sector Accounts (TSSA)*^[19], NSW Treasury has also released the:

- TD21-02 Treasurer's Direction for the Mandatory Annual Returns to Treasury^[20].
- NSW Treasury Policy and Guidelines (TPG23-13) Agency Direction for Mandatory Annual Returns to Treasury^[21] (**TPG23-13**).

Together, these provide additional context and directions to GSF Agencies on preparing notes to financial statements that include specific operating expenses disclosures both for 'consultants' and 'other contractor' expenses. GSF Agencies' disclosures are reported to NSW Treasury (Financial Management and Services Group) and consolidated in the Annual TSSA.

- Note: Item ix 'Prepare notes to Financial Statements' of TPG23-13 (p 20) aligns its definition of 'consultant' with the definition of 'consultant' in Procurement Board Direction PBD2021-03 Engagement of professional services suppliers^[22], summarised in Section 2.4 of this submission.

The Annual TSSA^[23] is therefore the definitive source of the consolidated 'consultant' operating expenditure across NSW Government GSF Agencies.

^[1] <https://legislation.nsw.gov.au/view/whole/html/inforce/current/act-1912-045>

^[2] https://info.buy.nsw.gov.au/_data/assets/pdf_file/0020/1065503/Procurement-Policy-Framework-1.9-April-2022-Full-V1.pdf

^[3] <https://arp.nsw.gov.au/pbd-2021-04-approved-procurement-arrangements/>

^[4] <https://info.buy.nsw.gov.au/buyer-guidance/get-started/accreditation>

^[5] <https://arp.nsw.gov.au/pbd-2021-03-engagement-of-professional-services-suppliers/>

^[6] <https://www.treasury.nsw.gov.au/documents/tpg23-13-agency-direction-2022-23-mandatory-annual-returns-treasury>

^[7] <https://arp.nsw.gov.au/pbd-2017-07-draft-conduct-suppliers>

NB: Whilst the URL includes the term 'draft,' this board direction is confirmed to be in force .

^[8] <https://info.buy.nsw.gov.au/policy-library>

^[9] <https://info.buy.nsw.gov.au/schemes>

^[10] <https://info.buy.nsw.gov.au/schemes/performance-and-management-services-scheme>

^[11] <https://info.buy.nsw.gov.au/schemes/performance-and-management-services-scheme>

^[12] <https://info.buy.nsw.gov.au/resources/engagement-types-under-the-performance-and-management-services-scheme>

^[13] <https://buy.nsw.gov.au/supplier/search?schemes=5>. Note: due to a recent system transitional issue resulting from the decommissioning of a legacy system and the migration to the new platform by the Department of Customer Services (ICT Procurement), the number of displayed prequalified suppliers is temporarily less than the actual number of prequalified suppliers under the P&MS Scheme. This being rectified.

^[14] https://info.buy.nsw.gov.au/_data/assets/word_doc/0003/589062/P-and-MS_Scheme_Rules_Jan_2023.docx

^[15] https://info.buy.nsw.gov.au/_data/assets/word_doc/0011/589061/buy.nsw_Resources_PMS-Scheme-Guidelines-for-Agencies_Nov_2022_final.docx

^[16] <https://info.buy.nsw.gov.au/policy-library/policies/supplier-code-of-conduct>

^[17] <https://www.audit.nsw.gov.au/our-work/reports/nsw-government-agencies-use-of-consultants>

^[18] <https://www.treasury.nsw.gov.au/budget-financial-management/reform/government-sector-finance-act-2018>

^[19] <https://www.parliament.nsw.gov.au/tp/files/83690/2021-22%20Report%20on%20State%20Finances%201.1.pdf>

^[20] <https://www.treasury.nsw.gov.au/documents/td21-02-treasurers-direction-mandatory-annual-returns-treasury>

^[21] <https://www.treasury.nsw.gov.au/documents/tpg23-13-agency-direction-2022-23-mandatory-annual-returns-treasury>

^[22] <https://arp.nsw.gov.au/pbd-2021-03-engagement-of-professional-services-suppliers/>

^[23] <https://www.parliament.nsw.gov.au/tp/files/83690/2021-22%20Report%20on%20State%20Finances%201.1.pdf>

Appendix C: Publicly available information sources

1. Policy resources

Name	Webpage link
Procurement policy framework	https://info.buy.nsw.gov.au/policy-library/policies/procurement-policy-framework
Supplier code of conduct	https://info.buy.nsw.gov.au/policy-library/policies/supplier-code-of-conduct
Agency Accreditation	https://info.buy.nsw.gov.au/buyer-guidance/get-started/accreditation

2. Procurement Board directions

Name	Webpage link
PBD 2021-03	https://arp.nsw.gov.au/pbd-2021-03-engagement-of-professional-services-suppliers/
PBD 2021-04	https://arp.nsw.gov.au/pbd-2021-04-approved-procurement-arrangements/
PBD 2017-07	https://arp.nsw.gov.au/pbd-2017-07-draft-conduct-suppliers NB: While the URL includes the term 'draft', this board direction is confirmed to be in force.

3. NSW Audit Office report

Name	Webpage link
2023 report into the NSW Government agencies use of consultants	https://www.audit.nsw.gov.au/our-work/reports/nsw-government-agencies-use-of-consultants

4. Treasurer's directions

Name	Webpage link
2023 Treasurers Direction – Mandatory annual returns	https://www.treasury.nsw.gov.au/documents/tpg23-13-agency-direction-2022-23-mandatory-annual-returns-treasury
2021 Treasurers Direction – Mandatory annual returns	https://www.treasury.nsw.gov.au/documents/td21-02-treasurers-direction-mandatory-annual-returns-treasury

2021-2022 Report on state finances <https://www.parliament.nsw.gov.au/tp/files/83690/2021-22%20Report%20on%20State%20Finances%201.1.pdf>

5. Legislation

Name	Webpage link
Public Works and Procurement Act 1912 (No 45)	https://legislation.nsw.gov.au/view/html/inforce/current/act-1912-045
Government Sector Finance Act 2018	https://www.treasury.nsw.gov.au/budget-financial-management/reform/government-sector-finance-act-2018

6. NSW Procurement – performance and management services scheme

Name	Webpage link
NSW Government Schemes	https://info.buy.nsw.gov.au/schemes
Performance & Management Services Scheme (including 2 supplier lists)	https://info.buy.nsw.gov.au/schemes/performance-and-management-services-scheme
Performance & Management Services Scheme rules	https://info.buy.nsw.gov.au/_data/assets/word_doc/0003/589062/P-and-MS_Scheme_Rules_Jan_2023.docx
Performance & Management Services Scheme guidelines for agencies	https://info.buy.nsw.gov.au/_data/assets/word_doc/0011/589061/buy.nsw_Resources_PMS-Scheme-Guidelines-for-Agencies_Nov_2022_final.docx
Performance & Management Services Scheme supplier list	https://buy.nsw.gov.au/supplier/search?schemes=5
Performance & Management Services Scheme engagement types	https://info.buy.nsw.gov.au/resources/engagement-types-under-the-performance-and-management-services-scheme