

# State kept \$3bn in private contracts secret: watchdog

By PAUL AUSTIN, STATE POLITICAL EDITOR, THE AGE, 24 JUNE, 2010

Premier John Brumby [Victoria] has been accused of running a secret state after his government was caught breaching its transparency rules by failing to disclose details of contracts with the private sector worth about \$3 billion.

An Auditor-General's investigation discovered 43 contracts, ranging in value from about \$10 million to nearly \$500 million, whose contents had not been made public as required under the Bracks/Brumby government's disclosure policies.

Auditor-General Des Pearson also condemned government departments for "tender splitting" - issuing several contracts at the one time for the one job, so that each contract had a value below the threshold at which the documents are required to be made public.

He found that Water Minister Tim Holding had endorsed the excision of 45 items from the publicly released contract for Victoria's \$5.7 billion desalination plant, including "details of annual supply of water volume". In a scathing report tabled in Parliament yesterday, Mr Pearson warned of dangerous consequences if government deals with business were kept secret.

"Inadequate disclosure of contracts with the private sector can lead to a culture where some might gain advantage at the expense of others and the community, and practices that are not in the public interest can be entrenched," he said.

Opposition Leader Ted Baillieu said Mr Pearson had exposed a culture of government secrecy, deception and incompetence. "They promised to be open and transparent, but instead they have delivered the secret state," he said.

Mr Brumby conceded the government had to lift its game, and said all the Auditor-General's recommendations would be implemented. "To be blunt, there's no excuse for departments not doing that [disclosing contract contents]. Departments need to do that, and they will do that," he said.

But the Premier stressed that details of contracts accounting for 90 per cent of the value of all government deals with the private sector had been made public.

**LISA Comment:** This is just the tip of the iceberg – The Department of Human Services, Disability Service covertly buys, not manages its way