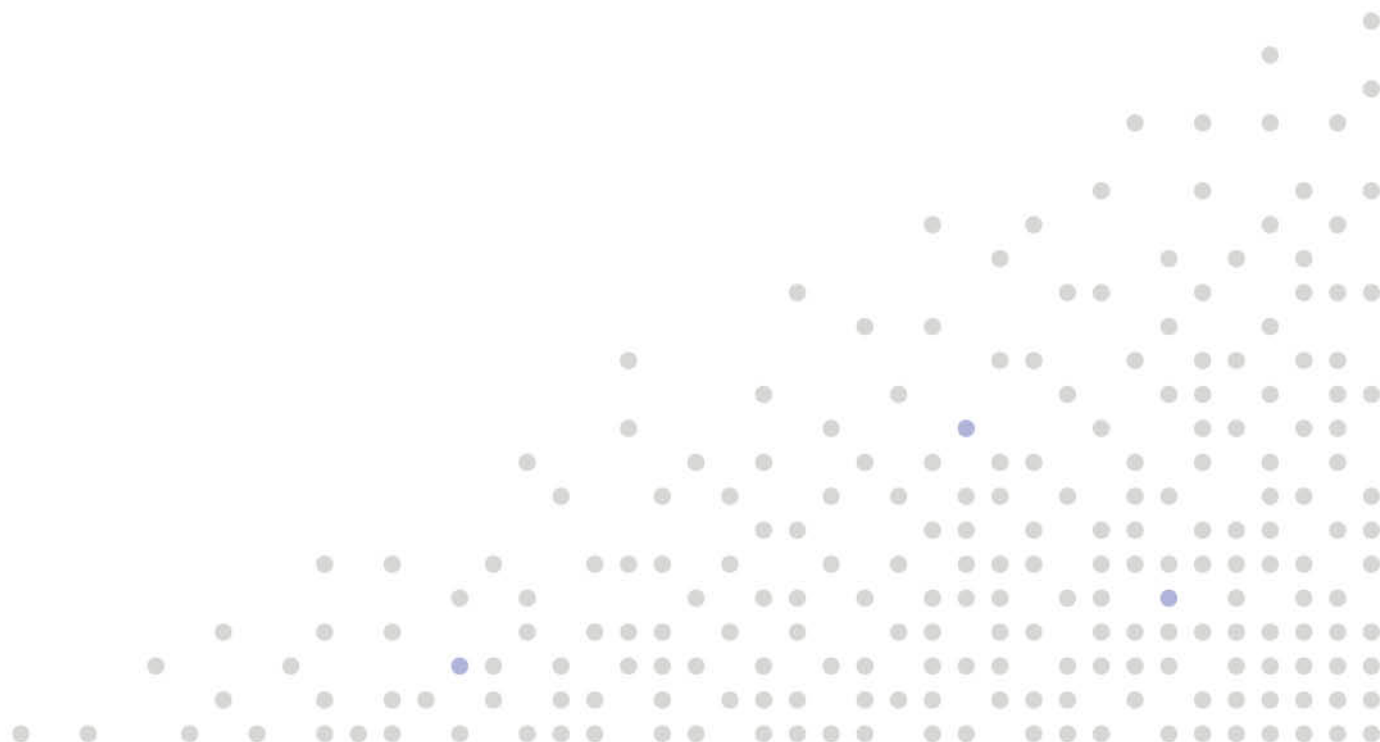




Australian Government
Department of Finance



Department of Finance

Submission to the
Joint Committee of Public Accounts and Audit

Part (b)

February 2018

Contents

Introduction	3
Finance Submission as an Individual Entity	4
Consultancy Services	4
Non-consultancy Services	5

Introduction

This submission responds to Part (b) of the Joint Committee of Public Accounts and Audit's (the Committee's) request for information from the Department of Finance (Finance) in relation to the Australian National Audit Office's (ANAO's) Report *Australian Government Procurement Contract Reporting* (the Report).

This part responds to specific questions about procurements undertaken by Finance and annual expenditure.

Finance Submission as an Individual Entity

The Committee requests that your agency's submission include the following data and information over the past five financial years (that is 2012–13, 2013–14, 2014–15, 2015–16 and 2016–17) for:

1. Consultancy services:

- A list of the top 3 categories of work (for example, management advisory services) for which consultancies have been most frequently engaged, for each of the past 5 FYs.
- Provide expenditure figures on consultancies for each of the past 5 FYs, including a breakdown of expenditure against the top 3 categories of work.

Response:

Table 1: Expenditure on consultancy services for top 3 categories of work

(\$'000)	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Total consultancy services	19,032	9,244	33,410	30,895	26,262
Top categories of work					
Management advisory services	10,637	3,013	12,738	12,460	12,965
Legal services	2,996	2,497	11,266	8,214	8,237
Accounting services	300	298	3,963	1,331	527

Table 1 reports expenditure for consultancy services on the basis of actual payments made within the financial year, including capital expenditure and goods and service tax. The categories of work are determined by reference to contract reporting on AusTender, which utilises a sub-set of the United Nations Standard Product Service Categories code-set.

Consultancies undertaken over the past five years predominantly reflect Government announced measures during these periods. For example, the expenditure on management and advisory services in 2014-15 included the Medibank Private Limited sale. Also between 2014 and 2016 there was an increased number of one-off scoping studies and market testing advisory services. A full list of budget measures can be found in the Department of Finance's Portfolio Budget Statements and Portfolio Additional Estimates Statements for the relevant years. Budget measures are listed in Section 1: Entity Overview and Resources.

2. Non-consultancy services:

Contractors directly procured by the entity for labour (for the provision of either long or short term additional labour capacity) and on-hire contractors.

- A list of the top 3 categories of work for which contractors have been most frequently engaged, for each of the past 5 FYs.
- Provide expenditure figures on contractors for each of the past 5 FYs, including a breakdown of expenditure against the top 3 categories of work.

Response:

The department does not separately categorise contracts for direct labour and on-hire labour contractors for reporting purposes, and as such this detail is not available through Finance's financial management information system. All contracts for labour (direct and on-hire) are reported at Table 2 below:

Table 2: Expenditure for labour contractors for top 3 categories of work

(\$'000)	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Total labour contractors	9,109	8,461	10,123	11,629	18,800*
Top categories of work					
Human resources services	847	5,555	5,315	2,039	2,443
Temporary personnel services	4,569	368	1,688	4,288	4,757
Accounting services	1,368	1,616	1,774	1,595	1,723

*includes impact of machinery of government changes

Table 2 reports expenditure for labour contractors on the basis of actual payments made within the financial year, including capital expenditure and goods and service tax. The categories of work are determined by reference to contract reporting on AusTender, which utilises a sub-set of the United Nations Standard Product Service Categories code-set.

Payments are made when the requirement to achieve value for money dictates that temporary, project-specific, specialist skills or additional support is best met by labour contractors. The increase in 2017 was largely due to:

- a) the Service Delivery Office transferring into Finance from the Departments of Education and Training and Employment; and
- b) a business change in COMCAR where new casual drivers were engaged as contractors rather than non-ongoing employees, resulted in reduced recruitment costs and a more efficient resource management model.