

SENATE STANDING COMMITTEE ON ECONOMICS QUESTION
(Supplementary Budget Estimates 20 October – 21 October)

Question: SBT 160

Topic: Travel

Senator Bushby asked:

The 2009-10 Mid Year Economic and Fiscal Outlook detailed a whole-of-government coordinated procurement arrangements for travel and related services. How has this applied to your department and portfolio agencies? Please explain the changes that have occurred to your department and portfolio agencies in relation to its travel and related services.

Is purchasing of travel and related services less expensive under the new arrangements?

Is purchasing of travel and related services more efficient under the new arrangements?

Have savings been achieved in your portfolio because of the new arrangements?

How much did your department and portfolio agencies spend on travel in 2008-09, 2009-10 and to date this financial year.

How have staff within your department and portfolio agencies found the new arrangements? For example is it more efficient to arrange travel?

Answer:

The whole of government procurement arrangements for travel and related services are being applied in two ways:

- (i) The implementation of the Lowest Practical Fare (LPF) Policy as per the requirements detailed in Finance Circular 2009/10 'Use of the Lowest Practical Fare for Official Domestic Air Travel'; and
- (ii) The engagement of a Travel Management Company (TMC) selected from the DoFD panel.

In respect of (i), while the savings have not been quantified to date, since implementing the new arrangements in July 2010, there has been a greater use of Virgin and Jetstar. However, the lower spend in travel to date in the current financial year cannot be solely attributable to the LPF Policy as ASIC has reduced its travel budget across all business areas to meet budget requirements.

In respect of (ii), ASIC has recently approached the market to procure the services of a TMC to deliver an online booking instrument and the services ASIC requires. Contract negotiations are currently underway with the selected provider and therefore, savings and efficiencies are yet to be determined.

Feedback will be sought from staff once both initiatives have been fully implemented.

A summary of the travel spend is as follows:

FY 2008/09	\$6,622,987
FY 2009/10	\$7,325,647
FY 2010/11	\$2,028,392 (July – October 2010)