

EDUCATION, SCIENCE AND TRAINING

**SENATE LEGISLATION COMMITTEE – QUESTIONS ON NOTICE
2003-2004 ADDITIONAL ESTIMATES HEARING**

Outcome: 1
Output Group: ARC

DEST Question No. E709_04

Senator Carr asked on 20 February 2004, EWRE Hansard p. 37.

Question:

You report that you have moved to take over, or to contract out, various services that were previously provided to the ARC under a MOU with DEST. (Annual Report p. 8)

Can you please provide a detailed list of the services previously provided under the MOU with DEST, and also provide information about how each of those functions is now carried out – including the comparative costs.

Answer:

MOU with DEST

The ARC has provided the following response:

A list of services and associated information is provided below.

Service	2001-02	2002-03	2003-04	Service Provider
	Expense	Expense*	Estimated Expense	
	\$	\$	\$	
Information Technology & Systems Support	915,018	1,167,746	1,167,746	The ARC is currently market testing this service. The estimated cost is currently subject to tender negotiations between the ARC and an Australian technology services company but is not expected to exceed \$750,000 if outsourced. This cost does not include pass-through costs. The DEST fees do not include pass-through costs such as mobile phone, equipment maintenance costs and peripherals.
Personnel and Payroll & Recruitment Services (HR and workplace services were transferred from DEST in 2002-03)	158,953	60,000	60,000	This service is outsourced to the National Library of Australia as payroll provider and Spherion as the Bureau Service.
Workplace Relations (as above, these services were transferred from DEST in 2002-03)	7,225	15,000	15,000	Performed in-house by the ARC.
Workplace Care (as above, these services were transferred from DEST in 2002-03)	10,757	10,000	10,000	Performed in-house by the ARC, with the use of some contracted workplace assessment services.
Development & Implementation of People Management policies & initiatives for the ARC (as above, these services were transferred from DEST in 2002-03)	95,836	30,000	30,000	Performed in-house by the ARC.
Records Management	64,010	208,827	104,414	Currently performed by DEST.
Mail Services	32,460	33,569	16,784	Currently performed by DEST.

Property and Security	3,301	4,213	4,213	Currently performed by DEST.
Contracts Management Services	23,481	27,720	13,860 <i>20,000</i>	Now performed in-house by ARC.
Parliamentary and Communications Advice & Services	27,464	10,073	5,037	Currently performed by DEST.
Financial Operations (these services were fully transferred from DEST in 2002-03)	355,651	<i>250,000</i>	<i>250,000</i>	Performed in-house by the ARC.
Legal, Business Assurance & Investigations Services	70,550	65,000	65,000	Currently performed by DEST.
Internal Audit Advice and Services	4,199	36,165	22,000	Internal audit services were contracted to Walter and Turnbull in 2002-03 and a wider internal audit program implemented.
Other services – payment & financial reporting by grant recipients	35,522	17,669	8,884 <i>20,000</i>	DEST provides financial reporting services with the annual financial statements submitted by the grant recipient institutions. Payment services have been automated and performed in-house by the ARC.
TOTAL DEST Fee (excl of GST)	1,804,427	1,534,817	1,385,938	
TOTAL ARC Fee (excl of GST)	Nil	401,165	427,000	
TOTAL (excl of GST)	1,804,427	1,935,982	1,812,938	

* Some services were transferred from DEST in 2002-03. Non-DEST costs are in italics for 2002-03 and 2003-04. DEST introduced full cost recovery in 2002-03.