

## EDUCATION, SCIENCE AND TRAINING

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

**Outcome:** CSIRO  
**Output Group:** - CSIRO

#### **DEST Question No. E973\_04**

Senator Carr provided in writing.

#### **Question:**

Clause 2.2.30 requires a cost benefit analysis demonstrating that “a contract for service is the most beneficial option.” Please provide copies of all such assessments for consultancies undertaken by Mr Dean?

Were such analyses carried out and documented for any of Mr Dean's consultancies?

#### **Answer:**

CSIRO has provided the following response.

#### *Engagement of Groman Consulting Group*

The CSIRO Procurement Policy (revised January 2003) notes:

**2.2.30** - A consultant is a person or company engaged to provide professional services as an independent contractor, usually for a defined period of time. A consultancy contract generally requires the application of expert skills to develop a form of advice. CSIRO may or may not accept the Consultant's advice. Consultants are not employees of the agency and are not paid wages or other employee entitlements. The Consultant is usually paid on completion of milestones or in a lump sum on completion of the consultancy.

**2.2.31** - Prior to arranging a contract for services it is necessary to make a cost benefit assessment which shows that a contract for service is the most beneficial option in terms of being cost-efficient and in contributing sensibly to CSIRO's overall goals.

Analyses were carried out prior to Mr Dean's engagement as part of the delegates' decision making process and pre-contract assessment. Entries in the Registers of Consultants confirm that these matters were addressed as part of Mr Dean's engagement. However, as reported in answer E971\_04, while these pre-contract assessments were completed, there was not always appropriate corresponding documentation.

In regard to 'cost-to-benefit', as previously indicated, Mr Dean's consultancy fees had previously been assessed as being at the lower end of the market for these services and the corresponding outputs delivered by Mr Dean were of high quality and provided value for money.

The engagement of Groman Consulting enabled the Organisation to access internationally recognised knowledge and skills not readily available within CSIRO. It was considered by the delegates to be more cost-effective to contract-in such competencies than to develop an in-house capacity.