

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2006-2007 BUDGET ESTIMATES HEARING

**Outcome:** All  
**Output Group:** All

#### **DEST Question No. E422\_07 – Final**

Senator Wong asked on 31 May 2006, EWRE Hansard page 145.

#### **Question:**

I am reading from the RFT: In the last 12 months the department has spent approximately \$700,000 on actuary services. Mr Storen - We had two major pieces of work done by the Australian Govt Actuary. Sen Wong - Did the expenditure appear in your annual report? Mr Burmester - It certainly would have been reported to the parliament, either through an annual report or through the Murray Order that notes all big contracts. Sen Wong - Are you able to tell us, perhaps on notice, what services or in respect of what programs those services were used? What was the \$700,000 used for? Mr Burmester - We can take that on notice?

#### **Answer:**

DEST Question No. E422\_07 – Response

DEST stated in its Request for Tender to establish a Preferred Provider Panel for Actuary Services the following:

*“Over the last 12 months the Department has spent approximately \$700,000.00 on actuary services. This figure is indicative only and DEST is unable to predict or guarantee a consistent level of workflow or estimation of annual value of future actuary services required for the Department.”*

This estimate was provided in order to give potential tenderers an indication of the value of the work they were bidding for. It was based on the existing Memorandum of Understanding between DEST and the Australian Government Actuary for HEC's Doubtful Debts and Superannuation Calculations which at the time was valued at approximately \$1.5 million over a 3 year period. Actual expenditure was approximately \$223k for the year to May 2006. There was also other minor expenditure that year carried out by Trowbridge Deloitte for work on Long Service Leave Assumptions and the Australian Training Company totalling approximately \$70k.

The overestimate of the expenditure is due to the ad hoc nature of actuarial services prior to the establishment of the Panel Arrangement. The Panel will now make it possible to track expenditure at a whole of Departmental level for both management and reporting purposes.