

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

Estimates Hearings 14-18 February 2005

Question: F35

Outcome: ComSuper

Topic: 2003/04 financial year consultancies

Written Question on Notice: 21 February 2005

Senator Carr asked:

Please provide a table listing details of all consultancies for the 2003/04 financial year, for the department and all associated agencies within the portfolio. Please include the following:

- The costs for all completed consultancies, both budgeted and actual;
- The costs for ongoing consultancies, both budgeted and for the current financial year;
- The total costs for all consultancies, both the amount expended in the current financial year, and the total budgeted value of all consultancies running in the current financial year;
- The nature and purpose of the consultancy;
- The method by which the contract was let;
- The name and details of the company and/or individual who is carrying out, or carried out, the contract.

Answer:

For the 2003-04 financial year, Australian Government policy required agencies that are subject to the Financial Management and Accountability Act 1997 (FMA Act) to report all Commonwealth contracts and agency agreements, including standing offers, with an estimated liability (including GST where applicable) of \$2,000 or more in the Gazette Publishing System (GaPS - now called AusTender and threshold increased to \$10,000), within six weeks of entering into the arrangement. The information recorded in AusTender includes a short description of each contract, the provider of the goods or services, the value of the contract and the selection process.

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ComSuper, to which the FMA Act applies complies with this policy. Details of all consultancies with a contract value of \$2,000 (\$10,000 from 1 January 2005) or more are therefore already publicly available, albeit not in a form that distinguishes consultancies from non-consultancy contracts. Further, ComSuper's annual report lists each consultancy contract let during the year with a value of \$10,000 or more, and provide details of the consultant's identity, the purpose of the consultancy and the contract price.

ComSuper is a small agency with limited resources. The preparation of answers to the questions placed on notice would involve a major diversion of resources and elicit information already on the public record. In the circumstances, ComSuper does not consider that the additional work can be justified. ComSuper is ready to provide further details about any particular contract to which it is a party.

An extract from ComSuper's 2003/04 annual report detailing consultancy and outsourced services is attached for further information.

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Commissioner for Superannuation Annual Report 2003-2004 (pages 83-85)

Appendix F: Consultancy and outsourced services

Outsourced services

Where there is a good business case to do so, ComSuper outsources a range of services to specialist providers. It has not to date outsourced any core superannuation administration which involves direct interaction with clients (except surveys of clients where there is good reason to have a third party involved).

Information technology

ComSuper continues to obtain secure Internet services from Betrustrad Inc.

ComSuper also used SuperSoft expertise to assist in the 'bedding in' and ongoing tuning of the CAPITAL product.

A panel of preferred suppliers has been established to provide service options on the full range of technical services.

Legal services

During the year, representation at hearings before external review bodies continued to be outsourced to the Australian Government Solicitor (AGS). The AGS represents the Commissioner for Superannuation and the DFRDB Authority in proceedings before Courts, particularly the Federal Court, and in certain cases before the AAT.

On behalf of the Boards and the Authority, ComSuper continued to refer significant claims for compensation that arose over the year in the course of day-to-day scheme administration to the AGS for advice on legal liability.

Medico-legal services

ComSuper has contracted Health Services Australia (HSA) for assessments for members exiting the ADF on invalidity grounds. Assessments are provided on site at ComSuper by a visiting medical officer.

Occupational physicians employed by HSA perform the majority of medical assessments to assist the Boards in determining whether a person is 'totally and permanently incapacitated' (TPI) under CSS/PSS legislation. These are charged at approximately \$309 per hour; an average assessment costs approximately \$600.

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An independent specialist assessment may be required in more complex cases. These range in cost from \$600 to \$1500 per report.

ComSuper manages a contract between Independent Claims Management and the CSS and PSS Boards to provide an assessment panel which helps them decide whether a member can be retired on invalidity grounds.

Actuarial services

As part of the superannuation surcharge administrative arrangements we have to develop factors for calculating superannuation employer support for the largely unfunded schemes we administer and calculate pension reductions to meet surcharge debts. To do this we require actuarial advice. The Australian Government Actuary provides the vested benefit calculations required for the MSBS financial statements. Mercer Human Resource Consulting Pty Ltd provide the vested benefit calculations required for the CSS and PSS financial statements.

Client satisfaction surveys

During 2003–04 Orima Research again undertook three large-scale client satisfaction surveys, one of which covered services to employers. The results of these surveys form an important part of ComSuper's continuous improvement program.

See also 'Client satisfaction surveys'.

Mailing and distribution

ComSuper continues to employ a mailing house, National Mailing and Marketing, for the day-to-day distribution of the Boards' and the Authority's information leaflets and publications. An online publications ordering system is also provided using the services of IContact, a Canberra-based firm.

Internal audit services

ComSuper has outsourced its internal auditing requirements to the accounting firm KPMG.

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Consultancy services

ORGANISATION	SERVICES PROVIDED	TOTAL 2003-04
2nd Road Thinking	Consultancy services, facilitating leadership	\$118 406
Acumen Alliance	Advice and consultancy services	\$59 466
Alphawest	Software development	\$30 414
Australian Government Solicitor	General legal advice, application legislation	\$187 037
Compliance and Risk Services Pty Ltd	Compliance audit on Financial Services Reform	\$34 154
Cooney Consultants	Cultural design analysis, and 360 degrees project	\$268 402
Cost Effective Measurement Inc.	Benchmarking analysis	\$26 702
Cyberious	IT consultants	\$120 720
Design Managers	Business planning	\$40 329
Excelerated Consulting	ITM1 software development	\$85 113
Fed IT Pty Ltd	Consultancy services	\$11 730
GAP IT consulting Pty Ltd	Business analysis and specifications	\$218 873
Hoffman Donohue	Facilitating corporate design and user research	\$141 894

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Icon Recruitment Pty Ltd	IT consultants	\$31 946
KPMG	Audit services	\$356 328
Novell Pty Ltd	I-Chain software customisation	\$23 540
Open Integration	Consultancy secure web access project	\$238 988
People Bank Pty Ltd	Business analysis	\$18 979
PGS Superannuation Consulting Services	Development, business analysis, financial planning	\$81 566
Rice Walker Actuaries	Administration services review and reporting	\$51 748
Sage Computing Services	IT consultants	\$180 851
Wizard Information	Consultancy services	\$327 307
Total		\$2 654 492