

Senate Standing Committee on Finance and Public Administration

ANSWERS TO QUESTIONS ON NOTICE

Prime Minister and Cabinet Portfolio

Department of the Prime Minister and Cabinet

Additional Estimates 23-27 February 2009

Question: PM6

Outcome 1, Output 5

Topic: Expenditure on consultancies during first year of the Rudd Government

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Date set by the committee for the return of answer: 9 April

Senator Ronaldson asked: -What then was the level of actual expenditure in the first year of the Rudd government?

Senator Faulkner-When you say 'first year' I do not know if those figures are available-I can check with Mr Mrdak-but in the financial year 2007-08 there was in fact a reduction in consultancies. That is not to be unexpected because of the government transition and the election and the like. I am doubtful, but I will just check with Mr Mrdak, that figures are available for, say, the first year of a government. I doubt that that is a reporting period. If Mr Mrdak can help you that would be good.

Mr Mrdak-I am advised that for the 2007-08 financial year, the 24 departments of state and large FMA agencies reported a 20 per cent or \$89 million reduction in overall expenditure on consultancies compared with the previous year. I am advised that there was a reduction from expenditure of \$447 million in 2006-07 to \$359 million in 2007-08. That is my advice. I am happy to take it on notice if there is any further information I can provide.

Senator RONALDSON-So you are saying that there was about an \$88 million reduction from the financial year before that. Is that right?

Mr Mrdak-Yes, that is the advice I have been given.

Senator Faulkner-Which is of course the point I was making concerning the reporting period. I appreciate the point that you made about the first year of the current government.

Senator RONALDSON-Will you take that on notice Mr Mrdak. I am a bit surprised, given that this was very widely reported, that someone has not actually done those figures in response to a fairly likely question from me, but if it has not been done that is fine.

Answer: Information on total government expenditure on consultancies for the period December 2007 to November 2008 is not readily available. As indicated by the Minister, Senator the Hon John Faulkner, in evidence to the Committee on 23 February 2009, expenditure on consultancies is reported on a financial year basis

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in each agency's annual report. To provide a response to the question, each agency would need to review the dates that it made payments under each consultancy contract to ascertain whether they were made within the particular reporting period. That information would then need to be collated by the Department of the Prime Minister and Cabinet. This would require a significant diversion of resources across all agencies. In addition, as much of the expenditure that each agency reported would have been payable under contracts entered into during the term of the previous Government, it would not be an accurate reflection of expenditure under contracts entered into during the current Government's term in office.