

Senate Standing Committees on Finance and Public Administration

Inquiry into the management and assurance of integrity by consulting services QUESTION ON NOTICE

Outcome: Corporate

Department of Education Question No. IQ23-000007

Senator Barbara Pocock provided in writing.

Contracts and Consultancy Services

Question

1. Will the Department of Education spend less on consultancy services in the 2022-23 FY than in the 2021-22 FY?
2. What is the Department of Education predicted spend on consultancy services in the 2022-23 FY?
3. What did the Department of Education spend on consultancy services in the 2021-22 FY?
4. How much has the Department of Education spent on consultancy services to date in the 2022-23 FY?
5. How many reports did the Department of Education commission from consultants in the last three financial years: 2019-2020 – 2021-2022?
 - a. Of any reports commissioned in the last three financial years, how many have been publicly released (in whole or in part)?
6. Has the Department of Education determined in the last ten years that a consulting firm has not fulfilled their contract? If yes, list all occurrences, including the name of the consulting firm, name of project, date of contract and reason consulting firm did not fulfill the contract.
7. Has the Department of Education terminated any consultancy contract and why in the last ten years?
8. Have any contracts been the subject of dispute or legal action in the last ten years?
9. List all contracts awarded to PwC since 16 November 2022 to date. Include:
 - a. name of project
 - b. type of project (advice, evaluation, service delivery etc.)
 - c. cost contract
 - d. commencement date
 - e. contract finalisation date

The following questions relate to the below consulting/accounting firms that will be referred to as the “Big 7.” If answering in the affirmative to any of the below questions, specify which of the Big 7 firms you are referring to.

- Deloitte
 - EY
 - KPMG
 - PwC
 - McKinsey
 - Boston Consulting
 - Accenture
10. Are any former partners of each of the Big 7 employed at the Department of Education?
 11. Are any of these former partners receiving ongoing payments from their former association with these firms, including as part of any retirement plans?
 12. Has the Department of Education established if these ongoing payments are tied to the financial performance these firms?
 13. Are any former partners of each of the Big 7 appointed to any boards or sub-committees of the Department of Education?

14. Are any of these former partners receiving ongoing payments from their former association with these firms, including as part of any retirement plans?
15. Has the Department of Education established if these ongoing payments are tied to the financial performance these firms?
16. Are any former partners of the Big 7 involved in any policy consultation committees, panels or other formal processes at the Department of Education?
17. Are any of these former partners receiving ongoing payments from their former association with these firms, including as part of any retirement plans?
18. Has the Department of Education established if these ongoing payments are tied to the financial performance these firms?

Answer

The Department of Education has been subject to multiple Machinery of Government changes over the past 10 years. Most recently, responsibilities related to skills and employment functions were transferred to the newly created Department of Employment and Workplace Relations (DEWR) on 1 July 2022. The responses provided highlight areas where there may be issues with cross-year comparisons, or where information may not be available.

1. Yes, noting 2021-22 expenditure includes skills and employment functions.
2. \$9.640 million (GST inclusive).
3. \$27.133 million (GST inclusive) for the Department of Education, Skills and Employment.
4. \$5.763 million (GST inclusive) as at 17 February 2023.
5. For the Department of Education from 1 July 2019 to 31 January 2020 and the Department of Education, Skills and Employment from 1 February 2020 to 30 June 2022:
 - a. 245
 - b. 46

Responses for questions 6, 7 and 8 relate to the education functions during the period 1 February 2020 to 30 June 2022 (Department of Education, Skills and Employment) and the period 1 July 2022 – 31 March 2023 (Department of Education). Providing responses for the period prior to 1 February 2020 would be an unreasonable diversion of resources.

6-8. No.

9. AusTender Contract Number: CN3953641
 - a. Early Childhood National Vision Consultation.
 - b. Management advisory services - need for specialised or professional skills
 - c. \$210,000.
 - d. 27/02/2023.
 - e. 28/07/2023.

AusTender Contract Number: CN3944872

- a. FBT return preparation and quality assurance.
 - b. Management advisory services - need for specialised or professional skills
 - c. \$68,750.
 - d. 17/01/2023.
 - e. 30/12/2025.
10. As at 6 April 2023, there are no former partners employed at the Senior Executive Service (SES) level. To answer this question for all staff would represent an unreasonable diversion of resources.

11-12. N/A

13. The department has one Executive Board and four sub-committees.

From its records, the department has identified one sub-committee member as a former KPMG partner.

14-15. The department does not hold this information. The department has processes in place to manage this potential conflict of interest.

16. The department has defined policy consultation committees or sub-committees as those classed as 'Advisory body – policy and stakeholder consultation' and 'Statutory office holders, offices and committees' within the 'Secondary Australian Government Entity' category outlined in the Australian Government Organisations Register.

From its records, the department has identified one member of a Ministerial Reference Group as a former KPMG partner.

17-18. The department does not hold this information.