

Senate Finance and Public Administration References Committee

Inquiry into the management and assurance of integrity by consulting services (Consulting services)

Department of Finance

Response to Question on Notice

Written Questions on Notice (Senator B. Pocock)

1. Will the Department of Finance spend less on consultancy services in the 2022-23 FY than in the 2021-22 FY?
2. What is the Department of Finance predicted spend on consultancy services in the 2022-23 FY?
3. What did the Department of Finance spend on consultancy services in the 2021-22 FY?
4. How much has the Department of Finance spent on consultancy services to date in the 2022-23 FY?
5. How many reports did the Department of Finance 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 Finance 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 Finance 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
 - d. contract commencement date
 - e. contract finalisation date.

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(Consulting services)***

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 Finance?
 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 Finance 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 Finance?
 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 Finance 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 Finance?
 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 Finance established if these ongoing payments are tied to the financial performance these firms?

Response

1. The Department of Finance is predicting to spend significantly less on consultancy services for the 2022-23 financial year, when compared to the 2021-22 financial year.
2. As at 28 February 2023, the Department of Finance is forecast to spend up to 50 per cent less on consultancy services for the 2022-23 financial year when compared to expended funds in the 2021-22 financial year.
3. The Department of Finance spent \$25,845,600 (GST incl.) on reportable consultancy contracts in the 2021-22 financial year. Expenditure on reportable consultancy contracts for prior financial years is publicly available through transparency.gov.au and the Department of Finance's Annual Report for the relevant financial year (Section 3 - Management and Accountability - consultancies).
4. A response to this question is provided in the Department of Finance's response to Senate Estimates QoN F067 from the February 2023 Supplementary Budget Estimates.
5. A response to this question is provided in the Department of Finance's response to Senate Estimates QoN F099 from the February 2023 Supplementary Budget Estimates.
6. In accordance with the obligations of the *Archives Act 1983*, Finance holds all records relating to a contract for a period up to seven years after the expiration or early termination of the contract. In the last seven years, Finance is unaware of any instance where a consulting firm has not fulfilled its contract. To protect the interests of the Commonwealth and deliver value for money, Finance proactively manages the performance of all contracts in accordance with the *Commonwealth Contract Management Guide*.
7. No consultancy contracts have been terminated over the last seven years.
8. Finance proactively manages the performance of all contracts, which may include disputing delivery or fulfilment of the requirements under the contract. Finance is not aware of any consultancy contracts that have resulted in legal action over the last seven years.
9. The Department of Finance has not awarded any contracts to PwC since 16 November 2022.

10. The Department of Finance is not aware of any former partners of each of the Big 7 being employed with the Department. Under the *Privacy Act 1988*, Finance would not be able to disclose this information.
11. N/A.
12. N/A.
13. No former partners of each of the Big 7 are appointed to any of Finance's boards or sub-committees.
14. The Department of Finance is not aware of any former partners receiving ongoing payments from their former associations. Members of any Finance boards or sub-committees are required to declare any conflicts of interest, in accordance with Board or Committee Charter.
15. N/A.
16. No. The Department of Finance is not aware of any former partners of each of the Big 7 being involved in any policy consultation committee, panel or other formal processes managed by the Department.
17. N/A.
18. N/A.