

# **PARLIAMENTARY INQUIRY QUESTION ON NOTICE**

## **Department of Health and Aged Care**

### **Standing Committee on Finance and Public Administration**

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

**PDR Number:** IQ23-000025

#### **Consultancy costs for the Department of Health and Aged Care**

##### **Written**

**Senator:** Barbara Pocock

##### **Question:**

1. Will [agency] spend less on consultancy services in the 2022-23 FY than in the 2021-22 FY?
2. What is [agency] predicted spend on consultancy services in the 2022-23 FY?
3. What did [agency] spend on consultancy services in the 2021-22 FY?
4. How much has [agency] spent on consultancy services to date in the 2022-23 FY?
5. How many reports did [agency] 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 [agency] 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 [agency] 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?

**Answer:**

1. The Department of Health and Aged Care's (the department) expenditure for consultancy contracts in 2022-23 is tracking to be similar to, or slightly below, expenditure in the 2021-22 Financial Year. This is based expenditure to date, combined with unspent funds committed against consultancy contracts ending this financial year.
2. The department's predicted spend on new and ongoing consultancy contracts for the financial year 2022-23 is approximately \$68 million.
3. As reported in the department's Annual Report, during 2021-22, 312 new reportable consultancy contracts were entered into, involving total expenditure of \$49.3 million. In addition, 70 ongoing reportable consultancy contracts were active during the period, involving total expenditure of \$19.3 million.
4. In the current financial year, the department has entered into 190 new reportable consultancy contracts with a current spend of \$18.6 million. In addition, 165 ongoing reportable consultancy contracts were active during the period, involving total expenditure of \$16.1 million.
5. Between 2019-2020 to 2021-2022, the department has entered into 855 reportable consultancy contracts. All of these contracts would require a final deliverable of either a form of report, outcome or recommendation.
  - a. The department's systems do not track or record this type of information
6. Contracts are managed by the individual program areas that procure the consultancies, including managing the quality of work performed. Program areas are supported in this by contract management guidance and procurement assurance activities that are managed centrally. Departmental systems don't record data on contract management issues to support reporting of the manner requested without an unreasonable diversion of resources to a manual collation.
7. As per response to Question 6 above.
8. Reasonable searches of the department's records indicate that one (1) consultancy contract has been the subject of dispute or legal action in the ten-year period ending 19 April 2023. We understand dispute or legal action in this context to mean mediation, conciliation, or litigation.