

Senate Community Affairs Legislation Committee

SUPPLEMENTARY BUDGET ESTIMATES - 20 OCTOBER 2011 ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Consultancy Expenditure

Question reference number: HSW 52

Senator: Fifield

Type of question: Written

Date set by the committee for the return of answer: 9 December 2011

Number of pages: 2

Question:

- a) How much did the department spend overall on consultancy in the financial year:
 1. 2010-2011?
 2. 2011-2012 (estimated)?
- b) How much did the department spend on consultancy broken down by Program in the financial year:
 1. 2010-2011?
 2. 2011-2012 (estimated)?
- c) How much did CRS Australia spend overall on consultancy in the financial year:
 1. 2010-2011?
 2. 2011-2012 (estimated)?
- d) For what purposes were consultants engaged in 2010-2011?
- e) If consultants are currently engaged, for what purposes are they engaged?
- f) Who directed consultants' work in 2010-2011?
- g) Who currently directs consultants' work?
- h) Who authorised the engagement of consultants in 2010-2011?
- i) Who is currently authorised to engage consultants?
- j) Did the department seek out quotes from a number of different consultants/consultancies before making a final decision to engage particular consultants/consultancies?
 1. If so:
 - i. How many different consultants were approached?
 - ii. Were the cheapest options chosen? If not, why not?
 2. If not, why not?
- k) How and when were decisions made to engage consultants in 2010-2011?
- l) How and when are decisions made to engage consultants currently?
- m) Are there key performance indicators relating to work done by consultants? If not, why not?

Answer:

- a), b), c)
 1. See 2010-11 Annual Reports for the Department of Human Services, Centrelink and Medicare.
 2. The department is unable to anticipate how much will be spent during the 2011-12 financial year.
- d) See (a)(1).
- e) Consultants continue to be engaged to provide specialist services and advice where those skills are not available in-house or where independent research and assessment is required.
- f), g) Managers within the branch or business team that engage consultants are responsible for directing the work.
- h) Consultancy arrangements are approved by the appropriate financial delegate in accordance with the DHS Chief Executive's Instructions.
- i) A departmental officer with the appropriate delegation.
- j) The method of engaging consultants is decided on a case-by-case basis, consistent with the Commonwealth Procurement Guidelines. Regardless of the method, it is the delegate's responsibility to ensure that the selected consultancy represents the best value for money solution available.
- k) When a business need for consultancy services is identified and the need cannot be satisfied internally, a proposal is provided to the appropriate delegate for approval. Decisions are made to engage consultants on a case by case basis. The decisions are based on a value for money assessment, consistent with the Commonwealth Procurement Guidelines.
- l) See answer (k).
- m) Yes.