

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Supplementary Budget Estimates Hearings November 2015
Communications Portfolio
Australian Broadcasting Corporation

Question No: 171

Australian Broadcasting Corporation

Hansard Ref: Written, 30/11/15

Topic: Consultancies

Senator Urquhart, Anne asked:

1. How much money was spent on consultants in the last financial year?
2. How many consultants were engaged?
3. What services were provided and how much was spent on each type of service?
4. Could you provide more detailed information on the ten most expensive consultancy projects including the service provided, the value and outcomes of the consultancy?
5. How much was spent on consultancies directed towards the strategy and implementation of funding cuts?
6. Does the ABC have any internal policies to guide the use of consultants?
7. Are there any requirements to consider whether work could be completed by existing staff before hiring external consultants?
8. What post-consultancy analysis is undertaken on the value for money achieved from consultancies?

Answer:

1. The ABC spent \$4.72 million on consultancies in the 2014-15 financial year.
2. The ABC engaged 115 consultants.
3. Appendix 9 of the ABC's 2015 Annual Report includes a breakdown of consultancy spend by vendor.

These can be broadly categorised as follows:

Category	\$ Spend
Strategic advice, including services related to savings initiatives	2 044 862
Finance, tax and other advisory services, including services related to savings initiatives and renegotiation of transmission contracts	1 595 987
Technical advice, including services related to savings initiatives and renegotiation of transmission contracts	513 334

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International development projects	156 803
Career advice afforded to staff impacted by savings initiatives	140 140
Risk assessment and analysis	64 494
Property valuations	22 804
Various consultancies individually less than \$10k	185 419
TOTAL	\$4 723 843

4. The top ten consultancies are detailed below.

Category	Spend	Reason and Outcomes
PricewaterhouseCoopers	1 572 612	Various engagements and advice relating to savings initiatives, financial valuations, taxation advice and other financial and related services, including services related to the renegotiation of the ABC's television transmission contracts. A detailed report, in respect of each engagement, outlining PricewaterhouseCoopers' advice, was provided to and considered and implemented by the ABC, as appropriate.
L.E.K. Consulting	1 073 930	Various engagements in relation to ABC Television, Australia Network (Australia Plus) and ABC Retail. A detailed report, in respect of each engagement, outlining L.E.K.'s advice, was provided to and considered and implemented by the ABC, as appropriate.
IT Newcom	477 253	Information technology strategic review and advice relating to savings initiatives, including services related to the ABC's television transmission contracts. A detailed report, in respect of each engagement, outlining IT Newcom's advice, was provided to and considered and implemented by the ABC, as appropriate.
SAM ITC	142 500	Information technology network and system advice, review and development. Desktop and Server management software was developed by SAM ITC for use by the ABC.
Trevor-Roberts Associates	122 190	Career advice afforded to staff impacted by savings initiatives. Individual staff, whose roles became redundant, received career advice from Trevor-Roberts Associates.

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Telstra Corporation	91 175	Information technology network and system assessment. An assessment on the suitability of the network and system was delivered by Telstra and considered and implemented by the ABC, as appropriate.
Mercer Consulting	72 300	Advice related to ABC executive level remuneration framework. A report providing advice on executive level remuneration was provided by Mercer Consulting and considered by ABC in developing its remuneration framework.
Deloitte	66 855	Information technology and data classification review and other advice relating to savings initiatives and financial and related services. A detailed report, in respect of each engagement, outlining Deloitte's advice, was provided to and considered and implemented by the ABC, as appropriate.
Colliers International	56 160	Advice relating to the proposed construction works through the existing building and transition and relocation of staff into the proposed new office and studio accommodation in Melbourne. A report providing advice was provided by Colliers International and considered and implemented, as appropriate, by the ABC in developing its staff relocation plan relating to the move into the new building currently being constructed.
P Graham	50 000	Executive consulting and advice to senior executives that facilitated leadership and development.

5. Approximately \$2 million was spent on consultancies related to the strategy and implementation of funding cuts.
6. Yes, internal guidelines exist in relation to consultants (see also response to question 7 below).
7. Yes. Consultants are engaged when specialist expert advice or services is required for a limited duration or for a specific purpose. These include advice on specific policy, technical and professional matters, specialist research projects, strategic management reviews, probity audits, audience related surveys, investigations and specialist legal, financial and property related advice and services. The engagement of consultants is undertaken in accordance with the ABC's Procurement policies and procedures and agreements and contracts are subject to authorised delegations, in accordance with the ABC's Delegations policies and procedures.

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8. These vary by engagement with a general value for money assessment conducted after the completion of any ABC related spend, specific post-implementation reviews and specific analysis or benchmarking of KPIs or outcomes included in the agreement or contract.