

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2014

Prime Minister and Cabinet Portfolio

Department/Agency: Australian Public Service Commission

Outcome/Program: 1.1

Topic: Woden Training Centre catering

Senator: Smith

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Question:

Senator SMITH: I briefly want to move to the Woden Training Centre. I am keen to understand. Again, on my calculations—and I am happy to be found incorrect—almost \$500,000, half a million dollars, was spent on catering from the Idelic Cafe in Kingston. I am not too sure if it is near Woden. It is not in Woden, because it would be the Idelic Cafe in Woden. I am wondering, again, why catering for a Public Service Commission training centre in Woden is being sourced from Kingston. Perhaps the sandwiches are exemplary; I do not know. Why is that happening? It seems, to me, such an exorbitant cost. Catering costs for 18 October 2011 to 30 December 2011: banquet and catering services, \$47,500.

Mr Sedgwick: We run a lot of courses in that training centre. We have thousands and thousands of people through that training centre.

Senator SMITH: I do not argue against there being many sandwiches for many courses, but the question must be asked: is this expense necessary? It does strike me as a very, very significant quantum of money.

Mr Sedgwick: When you run a lot of courses with a lot of people, you can run up lots of money. The point is that, nonetheless, they can constitute good value for money. We are quite happy to come back and answer your questions.

Senator SMITH: That would be very good, because \$500,000 over three years for a cafe proprietor sounds like a very, very successful business.

Mr Sedgwick: We are a large trainer. We are a large provider of training facilities.

Senator SMITH: If you could give me an idea of what that per-trainee cost looks like, that might be a very reasonable defence, but on the surface of it this looks like extreme waste.

Answer:

The Commission runs a large-scale training operation at the Woden Training Centre on a fee-for-service basis. The provision of on-site catering is an efficiency measure that increases development time by significantly shortening meal breaks or enabling groups to work through meals when required. On-site catering also enables facilitators to call breaks when they best fit the program structure and group learning needs. For an average cost this financial year to date of \$21 per participant per day a modest morning tea, lunch and afternoon tea is provided.

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Commission contract notices reported on AusTender relating to catering services provided by the Idelic Café for the Woden Training Centre from 1 July 2011 to 30 April 2014¹ have a total value of \$669 454¹; the actual catering expense relating to the Idelic Café² for this period was \$446 613^{2&3}. Contract notices reported on Austender reflect the Commission's maximum anticipated spend at the time each contract is let. Actual dollars spent depend on the level of activity undertaken, including variables such as the number of participants and the number of programmes.

During the above period, catering services for the Woden Training Centre worth \$101 079³ were also provided by another caterer. In total, catering was provided by two caterers for 21 487 participants who attended the equivalent of 25 431 days of training in the Woden Training Centre.

Providers of catering services for the Woden Training Centre have been sourced from the Commission's panel of catering providers. The catering panel was established in 2008 and includes providers based in Woden and other Canberra suburbs. Contracts are awarded on the basis on value for money taking into account a range of factors including, for the most recent procurement process: menu variety; service flexibility and reliability; quality; price (inclusive of transportation costs, if applicable); and referee feedback.

¹ Contract notice CN1974331 on AusTender shows a contract end date of 31 December 2013 instead of the correct contract end date of 30 April 2014. Contract notice CN402495 covers services over two financial years. The information shown above reflects the correct contract end date for CN1974311 and a pro-rata amount for CN402495 in the relevant financial year.

² The Idelic Café also provides catering services to the Commission that are not related to the Woden Training Centre. Based on the period April 2010 to April 2012, the value of these services is less than \$1,000 per year.

³ These amounts were calculated by adding ten per cent goods and services tax to accrual-based expense amounts for the relevant period.