

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

**Supplementary Budget Estimates**

20 – 21 October 2010

**Question: SBT 56**

**Topic: Travel costs**

Senator Bushby asked:

1. The 2009-10 Mid Year Economic and Fiscal Outlook detailed a whole-of-government coordinated procurement arrangements for travel and related services. How has this applied to your department and portfolio agencies? Please explain the changes that have occurred to your department and portfolio agencies in relation to its travel and related services.
2. Is purchasing of travel and related services less expensive under the new arrangements?
3. Is purchasing of travel and related services more efficient under the new arrangements?
4. Have savings been achieved in your portfolio because of the new arrangements?
5. How much did your department and portfolio agencies spend on travel in 2008-09, 2009-10 and to date this financial year.
6. How have staff within your department and portfolio agencies found the new arrangements? For example is it more efficient to arrange travel?

**Answer:**

The Treasury response is on behalf of the Treasury and its SLA agencies: Australian Office of Financial Management (AOFM), Australian Reinsurance Pool Corporation (ARPC), Inspector General of Taxation (IGOT) and the Royal Australian Mint (RAMINT).

1. Under the new arrangements Treasury is required to use the Whole of Government contract in lieu of the previous cluster contract. We are required to go out to tender for Travel Management Companies (TMC) and required to return savings.
2. Across the board they are less expensive. Some individual flights are more expensive on average. To date, Treasury has seen some savings as a result of usage of the on-line Booking Tool.
3. The range of airfares available is now more transparent to officers booking travel and Travel Management Companies are required to assist agencies to select the Lowest Practical Fare (LPF). Additionally there is now no preference for airline usage. As Treasury was part of a cluster arrangement for the provision of air services prior to WoAG there were excellent airfare deals already in place. The new TMC and WoAG fees have created a requirement to include additional data in our systems which has made accounts payments more complex.
4. To date there have been some small savings.

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5. The amounts below reflect expenditure by the Treasury, AOFM, ARPC and IGOT. It does not include RAMINT.

Domestic:

2008/2009	\$1,783,275
2009/2010	\$1,538,956
2010-20 October 2010	\$364,177

International:

2008/2009	\$2,420,291
2009/2010	\$2,573,651
2010-20 October 2010	\$569,797

6. Treasury has a central travel services team which provides travel services to all staff. Treasury has found the new travel arrangements to be more complex to deliver.