

**Standing Committee on Finance and Public Administration**

**ANSWER TO QUESTION ON NOTICE**

**Finance and Deregulation Portfolio**

**Department of Finance and Deregulation**

**Supplementary Estimates Hearing – October 2010**

**Outcome General, Program General**

**Topic: Travel Costs**

**Question reference number: F65**

**Type of Question: Written**

**Date set by the committee for the return of answer: 3 December 2010**

**Number of Pages: 1**

**Senator Bernardi asked:**

- a) 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.
- b) Is purchasing of travel and related services less expensive under the new arrangements?
- c) Is purchasing of travel and related services more efficient under the new arrangements?
- d) Have savings been achieved in your portfolio because of the new arrangements?
- e) How much did your department and portfolio agencies spend on travel in 2008-09, 2009-10 and to date this financial year.
- f) How have staff within your department and portfolio agencies found the new arrangements? For example is it more efficient to arrange travel?

**Answer:**

For the purposes of answering to part (e) of this question, “to date” is taken to be the date of the Supplementary Estimates Hearing – 19 October 2010. However, as the Department of Finance and Deregulation is able to extract end-of-month data only, it has used the date of 30 September 2010.

- a) -f) Refer to Attachment A.

**FINANCE AND DEREGULATION PORTFOLIO –PROCUREMENT OF TRAVEL AND RELATED SERVICES**

Question	Portfolio Response			
	Department of Finance and Deregulation	Australian Electoral Commission (AEC)	ComSuper	Future Fund Management Agency (FFMA)
a)	<p>By government decision, agencies which procure \$1 million or more travel and related services per annum return savings to the Budget calculated on 80 per cent of expenditure from the 2007-08 financial year. In meeting this decision, Finance reduced its travel expenditure estimates for 2010-11 by \$228,000.</p> <p>The department signed an interim contract with its existing travel service provider for 2010-11 under the new whole-of-government terms and conditions.</p>	<p>The savings associated with the whole-of-government coordinated procurement arrangements for travel and related services were applied to the AEC. Savings were applied to the AEC’s appropriations as part of the 2010-11 Budget.</p>	<p>ComSuper started using the whole-of-government arrangements from 1 July 2010. Under these arrangements ComSuper has continued to use the same provider and no major changes to processes have been implemented yet.</p>	<p>The FFMA is scheduled to undertake a process to select a travel management company (TMC) under the new arrangements this year. In the meantime FFMA continue to use their existing TMC.</p>
b)	Yes.	Yes.	Yes.	Yes.
c)	Yes.	<p>The AEC is about to begin the procurement process to contract to a travel management company under the new arrangements. This new arrangement is expected to result in efficiencies in purchasing of travel and related travel services.</p>	<p>An online booking tool, which will be implemented in the coming year, is anticipated to deliver efficiencies when purchasing travel and related services.</p>	<p>The FFMA is scheduled to undertake a process to select a TMC under the new arrangements this year, which is expected to deliver efficiencies when purchasing travel and related services.</p>
d)	Yes.	Yes.	Yes.	Yes.
e)	<p>The department’s travel expenditure was \$961,000 in 2008-09; \$1.18m in 2009-10; and \$302,000 from 1 July to 30 September 2010.</p>	<p>The AEC's travel expenditure was \$1.32m in 2008-09; \$1.68m in 2009-10; and \$491,000 from 1 July to 19 October 2010.</p>	<p>ComSuper’s travel expenditure was \$77,200 in 2008-09; \$83,700 in 2009-10; and \$28,550 from 1 July to 19 October 2010.</p>	<p>The FFMA's travel expenditure was \$1.16m in 2008-09; \$1.21m in 2009-10; and \$376,500 from 1 July to 19 October 2010.</p>
f)	<p>The travel booking arrangements for the department will change when it enters into a longer-term travel services contract arrangement.</p>	<p>The AEC is about to begin the procurement process to contract to a travel management company under the new arrangements.</p>	<p>ComSuper has continued to use the same provider and no major changes to processes have been implemented yet.</p>	<p>Refer to part c.</p>