



ANU Consultancy Engagements and Expenditure

Purpose

As part of Renew ANU, the Expenditure Taskforce has been reviewing all aspects of non-salary expenditure across ANU. This has included expenditure on consultants. This update aims to provide staff with background and context regarding the use of consultancies at ANU, clarifies expenditure reporting for consultancies, and outlines recent engagements—particularly those associated with Renew ANU itself.

Background

Consultants can **provide valuable support** to the University, particularly when a specific skill set or capability is not available internally, where there are capacity limitations, and where expert, objective insights are needed. However, even when consultants add value, it remains important, and **financially responsible**, to monitor and review our use of consultancies to identify potential opportunities for cost savings and greater efficiency.

One of the challenges faced by the Expenditure Taskforce when University expenditure on consultants was being reviewed, was the breadth of activities that have traditionally been included in financial categorisation and reporting on consultancies. This broad categorisation made it difficult to analyse the financial data in detail, draw accurate conclusions and make informed recommendations. Finance and Business Services (F&BS) staff have been working to address this.

Clarifying Reported Consultancy Expenditure

Expenditure at ANU is highly devolved, with purchase transactions originating from every College and every Portfolio and approximately **6,000 Accounts Payable** transactions and **15,000 purchase card** transactions University wide each month.

When an invoice is processed through Accounts Payable workflow, or a purchase card transaction is acquitted in Concur, it is 'coded' to an expenditure category using the ANU [Chart of Accounts](#). This Account Code is used to describe what the expenditure relates to, and enables reporting and analysis against expenditure categories. The Account Code applicable to consultancies is 5828.

In the 2023 Annual Report, ANU reported \$53.9 million in **consultancy expenditure** at the University level (and \$62.7 million at the consolidated level which includes subsidiary entities such as ANU Enterprise).

Further analysis of our financial records shows that this **2023 consultancy expenditure** represented more than 2,300 individual suppliers and 5,875 transactions (comprised of 4,235 transactions from Colleges and 1,640 transactions from Portfolios).

ANU has historically categorised a wide range of activities as consultancies, and in addition to the activities that would commonly be considered a consultancy, the expenditure transactions outlined above also encompass such things as:

- Education agent commissions (e.g. paid for the recruitment of international students)
- Professional services to support research contracts
- Professional services (e.g. audit, tax advisory)

- Software development and support
- Contractors engaged through third parties

The broad categorisation of consultancy can result in misinterpretation and potentially undesirable expenditure, and, in recent years, the University has been working to improve clarity and control in many areas of financial management including in this area. Improving how we define and classify consultancy will help reduce complexity and enhance the accuracy of budget analysis and forecasting. It will also support the identification of potential cost saving opportunities and enable more meaningful like-for-like comparisons with similar organisations.

Addressing the challenges with consultancy classification

To address these issues and improve transparency, a body of work is underway to capture and report on consultancy expenditure in a greater level of detail. This includes establishing a clear definition of consultancy to be used within the University, amending the Chart of Accounts to enhance expenditure classification and reporting and updating how consultancy is reported in our Annual Report.

Definition of Consultancy

The absence of a clear definition of consultancy, increases the likelihood that expenditure will be recorded inconsistently across the organisation, impacting both the accuracy and reliability of any subsequent reports. To address this issue and compliment the improvement work on the Chart of Accounts, F&BS have recently developed and shared a clear definition of consultancy to be used across ANU.

The **approved definition of consultancy** is:

The provision of professional, independent advice, and other strategic services that involve the development of an intellectual output which represents the independent views of the Service Provider and assists with entity decision-making.

Importantly, this definition aligns with the [guidance](#) provided by the Department of Finance to Commonwealth entities to assist them to determine whether a procurement is considered a consultancy.

Improving the consistency of how consultancy services are classified within ANU and ensuring this aligns with the practices of comparable institutions, enables more robust analysis of consultancy expenditure and supports accurate benchmarking against others.

Chart of Accounts

Another body of work aimed at delivering the level of detail necessary to support accurate financial analysis has involved a review of the Chart of Accounts. Following this review, a new expenditure account was added to the Chart of Accounts in March this year, '**Commission to education agents**' (Account Code 5827). This now enables payments to education agents, made as part of the student recruitment process, to be recorded separately to consultancy payments.

As can be seen from Table 1 below, '**Commissions to agents**' has accounted for about 25% of the expenditure figure historically reported as '**Consultancy**'. By establishing the new account, account coding becomes more intuitive and resulting financial reports become more meaningful.

To further improve the clarity and transparency of consultancy expenditure, other additions to the Chart of Accounts are currently being considered and consulted. These include possible new accounts to record:

- Expenditure specific to professional services that don't fall within the definition of consultancy
- Expenditure specific to contractors engaged through third parties
- Expenditure specific to professional services that support research activities.

Work on the Chart of Accounts will continue, with the aim of achieving a balanced structure that is detailed enough to support decision making and reporting requirements, but not so granular that it becomes cumbersome to use.

Annual Report

In order to improve clarity, consultancy reporting in the Annual report will now be distributed across the following categories:

- Contracted and professional services (this category is most reflective of actual consultancy spend, but also includes items such as insurance broking).
- Research (e.g. consumables, training materials)
- Commissions to agents

The **\$53.9 million** in consultancy reported in the 2023 Annual Report, breaks down into the new categories as follows:

Category	2023	2024
Contracted and professional services	\$17.3M	\$15.6M
Research (e.g. consumables, training materials)	\$22.3M	\$19.9M
Commissions to agents	\$14.3M	\$16.4M
Total	\$53.9M	\$51.9M

Table 1: Categorisation of consultancy expenditure in ANU annual reports

This improvement enables the financial data being presented externally to be more readily understood and as a result, more accurate conclusions can be drawn.

Consultancy expenditure detail

The 'Big 4'

When consultancy expenditure is discussed, particularly in the media, it is not uncommon for reference to be made to the **'Big 4' consulting firms**, comprising Deloitte Touche Tohmatsu (Deloitte), Ernst & Young (EY), KPMG and PricewaterhouseCoopers (PwC).

Expenditure by Commonwealth agencies on services provided by the Big 4 has received a lot of public scrutiny in recent years as a consequence of a marked increase in public money being spent on external consultants. This growth has raised questions about whether such expenditure represents good value for money and whether equivalent capabilities should be developed internally.

For these reasons, ANU closely monitors expenditure in this area and only a relatively small proportion of total consultancy expenditure is attributable to these large agencies.

- **2023 Big 4 spend:** \$1.4 million
- **2024 Big 4 spend:** \$1.5 million

The services being delivered by these firms to ANU typically relate to audit and risk advisory, enterprise system capability, and corporate reporting.

Renew ANU

Another area of interest for our community pertains to consultancy services that are being used to support Renew ANU. Through the provision of specialist expertise, independent analysis and additional capacity, consultancies, when used appropriately, are able to enhance the delivery of this important modernisation work and improve the end result beyond what could be achieved in isolation. It is important to note, however, that recommendations made by consultants are advisory only and that any change decisions are made by the University executive following appropriate consultation with the ANU community.

Nous Group has been the primary provider of consultancy services specific to Renew ANU and Nous Group deliverables under the Renew ANU engagements are wide and varied. This has included:

- Provision of benchmarking data and analysis to ensure that decisions are evidence based and aligned to sector standards.
- Guidance on best practice organisational design to support the Renew ANU objective to return the University to financial sustainability, including service models in use in the sector.
- Providing practical support through workshop facilitation, artifact preparation and document templates to accelerate the delivery of Renew ANU objectives.

Nous Group is widely recognised for expertise in higher education strategy, having partnered with multiple universities nationally and internationally through similar change initiatives. They have also had a longstanding relationship with ANU, dating back to at least 2016, and are very familiar with our core business and our strategic objectives.

To date, the University has had two contracts with Nous Group specific to Renew ANU.¹ Expenditure on the first contract totalled \$1.2 million (including extensions and excluding GST).

The second contract was executed in April 2025 with a maximum value over the full life of the contract (6-month initial term and 6-month option period) of \$2 million.

In addition to Nous Group, a number of other suppliers have delivered services classified as consultancy services (at that time) as part of the Renew ANU work. These services have included career development workshops for staff impacted by change implementation, media and communications advisory and organisational design support with a total cost of approximately \$180,000 (excluding GST).

Earlier this year, the University provided specific details regarding all Renew ANU consultancy related expenditure to the Senate Standing Committees on Education and Employment. For those that are interested, these details can be accessed from the parliamentary [website](#).

All University procurement is expected to adhere to the ANU procurement [policy](#) and [procedures](#) and achieve the best possible value for money. Consultancies play a valuable role in supporting the University through complex and strategic work, such as Renew ANU. ANU remains committed to transparency, compliance, and the responsible use of public funds, ensuring all consultancy engagements provide clear value and meet governance obligations.

¹ Early in 2024 and outside the scope of Renew ANU work, Nous Group was engaged to conduct a strategic benchmarking analysis of the higher education sector at a total cost of \$48,000 (ex. GST).