

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Budget Estimates May 2017**

**Communications Portfolio**

**Australia Post**

**Question No: 276(g)**

**Australia Post**

**Hansard Ref: Written, 01/06/2017**

**Topic: Market Research**

**Senator Farrell, Don asked:**

For the 2016-17 financial year, what was the total amount spent by the Department on market research (either as a whole contract or as part of a contract)?

For each contract for market research in 2016/2017, can you please provide:

- The subject of the market research;
- The supplier;
- Whether the supplier has been engaged previously and if so, for which contracts;
- The total value of the contract;
- The term of the contract (time);
- The date that the decision was taken to seek market research on the topic;
- The date the contract was opened to tender or selection process;
- The date the supplier was engaged;
- Whether the contract was subject to a tender process, including whether there was a full, partial or closed tender process;
- Does the supplier exist on a pre-approved supplier list, if so, when were they added to that list;
- Whether the Minister, or the Minister's Office, requested that the research be conducted;
- Whether the Minister approved the decision to conduct market research;
- Whether the Minister approved the contract with the supplier;
- Whether the Minister or the Minister's office was consulted on questions asked;
- Whether the Minister or the Minister's office received a copy of the market research;
- If the decision to conduct research was initiated by the department or agency, was the Minister or their office consulted before the decision was taken to conduct research, if so – in what form did that consultation take (written, verbal other);
- If the decision to conduct research was initiated by the department or agency, did Minister or their office make any amendments or changes to the Department's proposal for market research to be conducted, if so, what changes and to what aspects were they made;
- At any stage in the life of the proposal to conduct market research were other departments or agencies consulted?
- At any stage in the life of the proposal to conduct market research were other Ministers, or the Prime Minister consulted?
- At any stage in the life of the proposal to conduct market research did the expected cost change, if so how?
- At any stage in the life of the proposal to conduct market research did the scope, questions or supplier of the research change?
- Have any topics or questions of market research been conducted and subsequently conducted again by the same or different supplier?

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#### Answer:

By the end of the 2016-17 financial year, Australia Post expects to have spent approximately \$1.9 million (excluding GST) on market research.

Market research is usually undertaken by research vendors belonging to a panel that is re-evaluated and refreshed approximately every two years. The composition of the panel is based on ensuring all expected market research needs can be supported by known and trusted vendors. Current panel members are:

- Quality Online Research;
- Catagraph;
- The Lab Strategy & Planning;
- WhereTo Research;
- Jackie Duke Insights;
- String Research Insights Consulting;
- Q&A;
- ISG; and
- Reality Check.

Where market research needs to be conducted, a panel member will typically be selected on the basis of a range of criteria including the members' expertise, capability, value for money, and other criteria established by Australia Post's procurement function. For larger projects or where multiple research methodologies are possible, a request for proposal process is undertaken with a small number of panel members, with proposals then evaluated using specific scoring criteria and the best proposal selected. On infrequent occasions, off-panel vendors are used to undertake market research where Australia Post assesses panel vendors as not optimally placed to undertake the research required. In such cases, an off-panel request for proposal process is undertaken.

A summary of market research engagements undertaken in the 2016-17 financial year is set out in the table below:

Vendor	Cost	Purpose
Quality Online Research	\$198,563	Quantitative research
Catagraph	\$390,231	Quantitative research
The Lab Strategy & Planning	\$150,630	Qualitative research
WhereTo Research	\$75,500	Qualitative research
Jackie Duke Insights	\$43,800	Qualitative research
String Research Insights Consultants	\$26,750	Quantitative research
Q&A	\$500,000	Computer assisted telephone interviews
ISG	\$180,000	Qualitative research
Reality Check	\$250,000	Qualitative research
Cognition*	\$70,000	Qualitative research

\*Off-panel vendor

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We note also that:

- neither the Minister, nor the Minister's Office, requested any of the research be conducted;
- the Minister did not approve the decision to conduct market research, nor was the Minister asked to approve any research;
- the Minister did not approve the engagement of any suppliers, nor was the Minister asked to approve any such engagements;
- neither the Minister nor the Minister's Office was consulted on any questions asked;
- neither the Minister nor the Minister's Office received a copy of any market research;
- neither the Minister nor the Minister's Office was consulted before the decision was taken to conduct any research and, accordingly, neither the Minister nor the Minister's Office made any amendments or changes to the proposal for market research to be conducted;
- no other Departments or Agencies were consulted at any stage in the life of the proposal, nor was any Minister or the Prime Minister;
- expected costs of market research proposals rarely change however, if they do, such changes are typically reflective of changes to scope of the work to be undertaken or the questions, and changes are discussed and agreed with the vendor. The vendor/supplier never changed during the life of a market research proposal during the period; and
- some topics or questions of market research have been conducted and subsequently re-conducted. Such instances are purposeful and are undertaken in the interests of tracking changes over time (for example, to understand changing customer experiences and preferences over time). Re-conducted research is typically and preferably undertaken by the same vendor/supplier as the initial research, so as to minimise changes resulting from different vendor approaches, methodologies or designs.