

Senate Select Committee on COVID-19
ANSWERS TO INQUIRY QUESTIONS ON NOTICE
Department of Infrastructure, Transport, Regional Development and Communications

IQ: 21

Division: Communications Services and Consumer
Inquiry Name: Senate Select Committee on COVID-19
Inquiry Date: 6 August 2020
Topic: Boston Consulting Group Report – Australia Post (Cabinet)
Question Type: Hansard Page 51

Chair (Senator GALLAGHER) asked:

CHAIR: The next question I have is: did the Boston Consulting Group report go to cabinet as part of deliberations on the request of the CEO of Australia Post in the 31 March letter around needing relief for COVID-19?

Answer:

See answer to IQ22.

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IQ: 22

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Topic: Boston Consulting Group Report – Australia Post (Cabinet)
Question Type: Hansard Page 51

Chair (Senator GALLAGHER) asked:

CHAIR: ...I have a couple relating to the issue of the Boston Consulting Group's report—the Boston Consulting Group's review of Australia Post. My questions aren't about the matters that have been subject to the public interest immunity claim, but can you answer whether the full Boston Consulting Group report went to cabinet or was it parts of the report?

Mr Windeyer: I'd have to check, and probably check with my colleagues in the Department of Finance, just to give you a correct answer on that. I think that—

CHAIR: Does Finance have carriage of this?

Mr Windeyer: It's a joint exercise.

CHAIR: Because it was prepared for the shareholders?

Mr Windeyer: That's correct. They were the ones that, in a sense, led the contract piece of work with BCG. I wouldn't want to speculate for you. I'll come back to you on that.

CHAIR: So will we get a joint answer from both departments to this, or will we get—

Mr Windeyer: You'll get an answer that would be the same answer you would get from Finance if you asked them. I just want to make sure it's accurate for you.

CHAIR: My questions are: Why was cabinet deliberating on the BCG report? Why was it core material if it was prepared before COVID-19 when the discussions of cabinet were around the relief that was being sought for COVID-19? Did the full report go to cabinet, or was it parts of the report? Will you take those on notice?

Mr Windeyer: Yes.

Answer:

Boston Consulting Group (BCG) was commissioned in October 2019 to undertake a review focussed on enabling Australia Post to operate in the longer term as a sustainable and fit for purpose service provider. The Review was designed for consideration by Government in the context of assessing Australia Post's strategies to deal with changes in business and consumer needs, demand for services and the impact of long term changes to the way that Australians use e-commerce, and operating challenges.

COVID-19 has had a significant impact on Australia Post's operations. The sustainability of the business during this time has been a key focus for Australia Post and for Government, and the work that BCG undertook on sustainability, albeit in a different context, is relevant to those considerations.

In relation to the Government's consideration of the report, I refer you to the letter from Senator the Hon Mathias Cormann, Minister for Finance and Leader of the Government in the Senate, to Senator the Hon David Fawcett, Chair of the Senate Environment and Communications Legislation Committee, on 20 July 2020. Minister Cormann, has advised that Committee that the BCG review was used to inform the deliberations of Cabinet.

The Cabinet explicitly considered the Executive Summary of the BCG report and also considered overviews of key information included in the report. The full report, as is usual practice, was also available to the Cabinet and considered by a number of ministers in full to inform their contributions to discussions at Cabinet.

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IQ: 25

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Question Type: Hansard Page 52

Chair (Senator GALLAGHER) asked:

CHAIR: Fair enough. I think there has also been a claim of public interest immunity on that letter from the 31st. Can you advise the committee on whether there were several scenarios about the financial impact of COVID-19 on Australia Post outlined in that letter? I'm not asking what the scenarios were; I'm just asking whether there were scenarios.

Mr Windeyer: That letter covered a range of things. I can't remember off the top of my head whether they were described as scenarios. The letter certainly canvassed possible impacts of COVID on Australia Post, noting that it was trying to make forecasts of the possible implications on Australia Post. I'm happy to come back to you on notice—

CHAIR: It sounds like scenarios to me!

Mr Windeyer: I just can't remember whether it was put down as, 'Here's a scenario 1 or scenario 2.' I'm happy to confirm that for you.

CHAIR: I want to make it clear: it's not asking for the content or the scenarios, but whether there were scenarios.

Mr Windeyer: Understood.

Answer:

Yes, the letter included scenarios.