

Committee Secretary

Senate Finance and Public Administration Committee

PO Box 6100, Parliament House

Canberra ACT 2600

19 October 2023

Dear Secretary

Boston Consulting Group (BCG) is pleased to provide responses to the two tranches of Questions on Notice received from Senator David Pocock on Thursday 28 September and Friday 29 September 2023. This document includes responses to both tranches.

Our [detailed public submission provided to the Committee on 21 July 2023](#) (Reference No. 48), our responses to Questions on Notice, and our appearance before the Committee, demonstrate our commitment to supporting this important inquiry.

For context to our responses, BCG has a set of robust, enforced policies around all our work and potential engagements as part of our ongoing commitment to managing any risks of organisational-level conflicts of interest and upholding ethical standards. These are outlined in the detailed public submission (from p.4) with regards to Organisational Conflicts of Interest (OCI) Policy, Confidentiality, Staffing Restrictions/Ethical Walls, Information Management, and Awareness and Training.

We are unable to provide some details requested relating to specific elements of work due to client confidentiality, unless the information is already in the public domain. However, we use the policies and protocols referred to above to make assessments that enable us to deliver work ethically, with integrity, and in line with APS values. In all the contracts referred to in Senator David Pocock's Questions on Notice, previous BCG experience in relevant industry sectors and any relevant conflicts of interest disclosures were made to the relevant Department prior to the awarding of any contract.

We are committed to supporting the Committee in its work in the interests of the Australian community and public trust.

Yours sincerely,

BCG Australia

**Tranche 1: Questions received on Thursday 28 September 2023**

**Senate Finance and Public Administration References Committee  
Written Questions on Notice from Senator David Pocock to Boston Consulting Group.**

1. What was BCG's role in the development of the National Gas Infrastructure Plan?
2. Was there other work that BCG was contracted to conduct in support of the National Covid-19 Coordination Commission, and if so, what was the scope of that work?
3. Could you please identify which contract notices relate to the work supporting the NCCC?
4. Could you identify how much BCG charged for each of these contracts and how many hours of work each contract represents?
5. Was BCG required to submit a competitive tender for each of these contracts?
6. Over the past five years, what percentage of BCG's contracts with the Australian Government were awarded through an open and competitive tender process?
7. How much does BCG pay for its Australian Energy Producers membership?
8. When did BCG become an associate member and was it a member at the time it was contracted to work on the National Gas Infrastructure Plan?
9. If BCG was a member of Australian Energy Producers at the time it was supporting work on the development of the National Gas Infrastructure Plan, was this membership declared as a conflict of interest?
10. What clients in the oil and gas industry was BCG supporting at the time the NGIP was developed?
11. At any time in the development of the NGIP, were there BCG staff that were working on this project that also maintained a client relationship with oil and gas clients?
12. Please provide the conflicts of interest that were declared to the Australian Government for the NCCC and NGIP contracts.  
To follow up on an answer you gave to a question from Senator Colbeck, witnesses said that transferring capability was a key part of engagement. Is there a formal system to ensure BCG is transferring capability and for measuring the effectiveness of that transfer of capability? If not, why not, given it is a key part of engagement?
13. BCG recently completed a contract with the Department of Industry, Science and Resources worth over \$850,000. Contract notice CN3903109-A1. The notice says it was for professional advice. What was the scope of this work? What conflicts of interest were declared before this week commenced?
14. You also recently completed work with the Department of Climate Change, Energy, the Environment and Water. The contract ended 31 August; contract notice CN3896055. The notice specifies it was for professional advice. What was the scope of this work? What conflicts of interest were declared before this week commenced?
15. You also had a contract with DCCEW last year, worth some \$370m for management advisory services for the National Renewable Energy Supply Action Plan. What was the scope of your work on this project? What conflicts of interest were declared before this week commenced?
16. BCG was provided with an extra \$880,000 on an initial \$1.8 million contract for research related to people with a partial capacity to work. How many additional hours of research were undertaken by BCG staff under this contract extension?

**1. What was BCG's role in the development of the National Gas Infrastructure Plan?**

BCG did not develop the National Gas Infrastructure Plan (NGIP). BCG was engaged by the Department of Industry, Science, Energy and Resources (DISER) to build a customised integrated gas system modelling tool and modelling capability for the Australian Government. The tool was populated with independent, third-party data, and handed over for DISER to use in its development of the NGIP and other future purposes as required. BCG provided a modelling tool, interim modelling results, user guide and training and completed this work in June 2021. The contract included maintenance support for the tool until June 2022.

**2. Was there other work that BCG was contracted to conduct in support of the National Covid-19 Coordination Commission, and if so, what was the scope of that work?**

BCG's engagement with DISER, referred to in Question 1, was not commissioned by, or in support of, the National Covid-19 Coordination Commission (NCCC).

The NCCC was supported by the Department of Prime Minister and Cabinet (PMC). As part of a broad industry-wide commitment to supporting the Australian Government in its pandemic response, and based on the industry credentials shared with the government at the time, BCG was asked by PMC to support the NCCC's manufacturing taskforce. Due to standard client confidentiality obligations, BCG is not able to comment or disclose further details about the scope of work.

**3. Could you please identify which contract notices relate to the work supporting the NCCC?**

AusTender Contract Notice CN3684574 relates to our work supporting the NCCC.

**4. Could you identify how much BCG charged for each of these contracts and how many hours of work each contract represents?**

As reported on AusTender, the contract value of CN3684574 was A\$500,000. BCG provides services on fixed fee arrangements, not on an hourly basis.

**5. Was BCG required to submit a competitive tender for each of these contracts?**

As reported on AusTender, the procurement method for CN3684574 was Open Tender. Any questions relating to the procurement processes are best directed to the relevant Department.

**6. Over the past five years, what percentage of BCG's contracts with the Australian Government were awarded through an open and competitive tender process?**

Over the past five years to June 2023, 99% of all BCG contracted work with the Australian Government has been awarded via Open Tender or competitive Limited Tender, as published on AusTender.

**7. How much does BCG pay for its Australian Energy Producers membership?**

BCG holds a Category 2 Associate Membership with AEP (formerly APPEA), which requires only that BCG is a party that provides services in the ordinary course of business to full members of AEP. Associate members receive updates and information on matters that may affect their clients and include, e.g., law firms, accountancy firms, consultants and educational institutions. Associate Members are not required to support any AEP policy position.

BCG paid associate membership fees of \$4,750 (excl GST) to AEP for the year ended 30 June 2023.

**8. When did BCG become an associate member and was it a member at the time it was contracted to work on the National Gas Infrastructure Plan?**

BCG became an associate member of AEP in 2012. BCG was an associate member of AEP at the time of developing the customised integrated gas system modelling tool for DISER referenced in Question 1. For the reasons set out in Question 9, this did not present a conflict of interest.

**9. If BCG was a member of Australian Energy Producers at the time it was supporting work on the development of the National Gas Infrastructure Plan, was this membership declared as a conflict of interest?**

BCG does not believe that holding an associate membership of AEP presented a conflict of interest in general, nor in relation to the specific scope of work that we were engaged to do for DISER, which was the development of a customised integrated gas system modelling tool and capability.

**10. What clients in the oil and gas industry was BCG supporting at the time the NGIP was developed?**

Due to client confidentiality, we are not able to disclose the names of clients or scope of work we do for them, however our standard conflict of interest policies and procedures were followed, and we can confirm that any work in the oil and gas sector during this time was related to activities outside of the scope of the integrated gas system modelling tool.

**11. At any time in the development of the NGIP, were there BCG staff that were working on this project that also maintained a client relationship with oil and gas clients?**

As outlined in our submission to this inquiry, BCG has a range of mechanisms to manage the risks of conflicts of interest at the organisational and individual level.

Any relevant disclosures, as well as the related industry sectors in which we work, were made as part of our response for consideration by the Department prior to the awarding of the contract.

**12. Please provide the conflicts of interest that were declared to the Australian Government for the NCCC and NGIP contracts.**

BCG disclosed its industry and public sector expertise and experience as part of the procurement process for consideration by the relevant Department in relation to projects for both PMC (NCCC) and DISER (Modelling Tool).

**To follow up on an answer you gave to a question from Senator Colbeck, witnesses said that transferring capability was a key part of engagement. Is there a formal system to ensure BCG is transferring capability and for measuring the effectiveness of that transfer of capability? If not, why not, given it is a key part of engagement?**

Our core service offering includes knowledge transfer and client capacity and capability building. We have proprietary methodologies that involve structured learning, expert training sessions, digital tools, and coaching to transfer knowledge and skills to client team members. We systematically seek feedback via client interviews and client feedback surveys on our performance, one element of which includes the client's satisfaction with our effectiveness in knowledge and capability transfer.

**13. BCG recently completed a contract with the Department of Industry, Science and Resources worth over \$850,000. Contract notice CN3903109-A1. The notice says it was for professional advice. What was the scope of this work? What conflicts of interest were declared before this week commenced?**

Due to standard client confidentiality obligations, BCG is not able to comment or disclose further details about the scope of work. This question may be best directed to the relevant department.

As outlined in our submission to this inquiry, BCG has a range of mechanisms to manage the risks of potential conflicts of interest at the organisational and individual level. Any relevant disclosures, as well as the related industry sectors in which we work, were made for consideration by the Department prior to the awarding of the contract.

**14. You also recently completed work with the Department of Climate Change, Energy, the Environment and Water. The contract ended 31 August; contract notice CN3896055. The notice specifies it was for professional advice. What was the scope of this work? What conflicts of interest were declared before this week commenced?**

Due to standard client confidentiality obligations, BCG is not able to comment or disclose further details about the scope of work. This question may be best directed to the relevant department.

As outlined in our submission to this inquiry, BCG has a range of mechanisms to manage the risks of potential conflicts of interest at the organisational and individual level. Any relevant disclosures, as well as the related industry sectors in which we work, were made for consideration by the Department prior to the awarding of the contract.

**15. You also had a contract with DCCEW last year, worth some \$370m for management advisory services for the National Renewable Energy Supply Action Plan. What was the scope of your work on this project? What conflicts of interest were declared before this week commenced?**

BCG has not been awarded any contract by the Department of Climate Change Energy Environment and Water (DCCEEW) for the amount outlined in Question 15. We assume the question above relates to contract CN3972792.

Due to standard client confidentiality obligations, BCG is not able to comment or disclose further details about the scope of work. This question may be best directed to the relevant department.

As outlined in our submission to this inquiry, BCG has a range of mechanisms to manage the risks of potential conflicts of interest at the organisational and individual level. Any relevant disclosures, as well as the related industry sectors in which we work, were made for consideration by the Department prior to the awarding of the contract.

**16. BCG was provided with an extra \$880,000 on an initial \$1.8 million contract for research related to people with a partial capacity to work. How many additional hours of research were undertaken by BCG staff under this contract extension?**

The contract extension requested by the Department, was for an additional eight weeks of research based on a fixed fee.

**Tranche 2: Questions received on Friday 29 September  
Senate Finance and Public Administration References Committee  
Written Questions on Notice from Senator David Pocock to Boston Consulting Group.**

- 1. How many staff at BCG have a sponsored pass to access Parliament House?**
- 2. Who are the sponsoring MPs or senators for those passes?**

- 1. How many staff at BCG have a sponsored pass to access Parliament House?**

No BCG staff currently have a sponsored pass to access Parliament House.

- 2. Who are the sponsoring MPs or senators for those passes?**

Not applicable. Note one BCG staff member previously had a sponsored pass, which had been sponsored by the former MP The Hon Alan Tudge.