

Senator McALLISTER: So there is no automatic termination of the contract even if the legislation fails to pass?

Mr Sandham : That would be at the option of the Commonwealth.

Senator McALLISTER: Are there compensation provisions for you should they terminate the contract?

Mr Sandham : In a 'termination for convenience' process, yes.

Senator WATT: How much?

Mr Sandham : It is the standard. I think we are up for—

ACTING CHAIR: If you are about to speculate, it would be better if you took it on notice.

Mr Sandham : I will take it on notice.

Telstra answer:

If the legislation does not pass, Health may terminate the contract for convenience on 90 days' notice. Health is liable for payments due under the contract for Outcomes actually met (including substantiated pro-rata Milestone payments), but not payments due after termination. Health is also liable for substantiated unavoidable losses that are directly attributable to the termination. Health is not liable for loss of prospective profits.