

Senate Community Affairs Legislation Committee

ADDITIONAL BUDGET ESTIMATES - 16 FEBRUARY 2012 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: AusTender and Cabcharges

Question reference number: HS 11

Senator: Fifield

Type of question: Hansard pages 103-104, and 106-107

Date set by the committee for the return of answer: 29 March 2012

Number of pages: 2

Question:

a) Senator FIFIELD: How does calling for tenders for taxi services work?

Ms Bennett: I would have to take that on notice, but my broad understanding is that it is part of a whole-of-government arrangement where some of the travel services would be through what used to be called the Cabcharge arrangement, so you are using a multistate or base provider that has a connection and you are going out to tender expecting that that will be the cost of the taxi service that would be provided through that mechanism.

Senator FIFIELD: I do not follow. I just picture people hopping in cabs, presenting a Cabcharge card and the cost of the trip is the cost of the trip. But this is obtaining those taxi services on some other basis, is it?

Mr Box: We might want to confirm this for you, but my understanding is that when we enter into these contractual arrangements we do make an estimate of what that contract is going to be valued for, which gives us the approval to say we can spend up to that. It does not mean we will actually expend that money based on usage.

b) Senator FIFIELD: Who is the contract actually with? I am just having difficulty conceptualising this.

Mr Box: I do not know that.

Ms Bennett: I will have to take that on notice.

c) Senator FIFIELD: Are you able to say how many taxi trips that represents over that contract period?

Ms Campbell: We will take that on notice.

d) Ms Bennett: That AusTender reference, as we said, was an up to limit that actually was for two financial years of the potential of Cabcharge vouchers that we would purchase.

Senator FIFIELD: Was that for 2010-11 and 2011-12?

Ms Bennett: Yes.

Senator FIFIELD: We are almost at the end of 2011-12, so for 2011-12 what have we got to so far?

Ms Bennett: I would take that on notice.

Senator FIFIELD: Can you tell us for 2010-11?

Ms Campbell: We will get someone to look at the financial statements to see whether we can get that detail, but I am not sure we are going to have the exact—
Senator FIFIELD: You would have it somewhere.

Ms Campbell: We would have it somewhere. It depends on how much effort it would take to get it, given that, in 2010-11, we had three different sets of financial statements because we had the Department of Human Services, Centrelink and Medicare. We will just see how we go in being able to get that quickly.

Senator FIFIELD: I am sure you will be able to.

Ms Campbell: I am not sure tonight.

Senator FIFIELD: Not tonight, but taking it on notice.

Ms Campbell: We will take it on notice.

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Ms Bennett: I think the question that you are asking is whether a tender went out for it.

Senator FIFIELD: Yes.

Ms Bennett: This is recording a purchase order that went out, so it shows also that this is the expenditure in that area and it meets the threshold of the requirements that a purchase was going out for that arrangement.

Senator FIFIELD: Okay. It was just that the word „tender“ made me think there was a tender. So the AusTender record is not just a record of tenders; it is a record of purchase orders issued by departments?

Ms Campbell: Of purchase.

Senator FIFIELD: But still you will take on notice—

Ms Campbell: The actual expenditure against the projected.

Senator FIFIELD: And the number of taxi journeys.

Ms Campbell: The number of rides.

Senator FIFIELD: Thank you for that.

Answer:

a) In addition to being the Government's website for agencies to advertise tenders that prospective suppliers may compete for, AusTender is also used to report other procurement arrangements that agencies have entered into. It is under this requirement that the department published the *Cabcharge Australia Ltd* purchase arrangement.

The department does not tender for taxi services. *Cabcharge Australia Ltd* is a payment facility and it is the only provider offering a comprehensive national service for payment to taxi operators.

Business areas across the department raise financial records and report estimated taxi fare costs for each financial year, and payments for taxis are made against these records via Cabcharge.

Payment is committed to only when a taxi is actually used. A voucher or card is provided to the taxi operator instead of cash. Cabcharge then facilitates payment by the department to the taxi operator. Where it is cost-effective and practical to do so, some taxi use is paid for using corporate credit card payments and (on rare occasions) through reimbursement of cash transactions.

b) There is no contract. As set out above, *Cabcharge Australia Ltd* is the sole provider of these services.

c) The department does not record number of individual taxi trips.

d) For the period 1 July 2011 to 31 January 2012, the department spent \$2,229,897.44 on taxis. Most of this expenditure is facilitated through the *Cabcharge Australia Ltd* arrangement. A small amount of this expenditure is direct to taxi companies via credit card or cash.