

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Supplementary Budget Estimates Hearings November 2014

Communications Portfolio

NBN Co Limited

Question No: 148

Program No. NBN Co

Hansard Ref: In Writing

Topic: Hire Cars

Senator Ludwig asked:

Since Budget Estimates in June, 2014:

1. How much did each Department/Agency spend on hire cars during the specified period? Provide a breakdown of each business group in each Department/Agency.
2. What are the reasons for hire car costs?
3. How much did the department spend on hire cars during the specified period for their minister or minister's office?

Answer:

1. Hire cars within NBN Co refers to rental cars from companies such as Avis or Hertz where the cost of taxi fares would (for each day of the proposed hire) exceed the cost of a hire car. The values below are for the period of 1 July 2014<sup>1</sup> to 31 December 2014 and exclude fuel costs.

Cost Centre	Rental cars (A805210) Jul14 - Dec14 2014/15
Information Technology Services (C79070)	260
Culture & Transformation (C79100)	17,668
Chief Customer Officer (C79150)	15,929
Finance (C79200)	17,728
Legal & Security (C79350)	2,405
Corporate Affairs (C79400)	596
Government Relations (C79450)	2,271
Chief Operations Office (C79500)	165,530
<b>Total</b>	<b>222,386</b>

2. NBN Co employees use hire cars to travel predominately from airports to NBN Co construction sites or travel between their home, office and NBN Co construction sites where air travel is not available. The use of hire cars is preferred when the equivalent cost by other means of transport (e.g. taxi) is prohibitive. Clauses 6.2 and 6.5 of the NBN Co Travel and Expense Reimbursement Policy states the following:

**6.2 Rental Cars**

*The cost of rental cars will be reimbursed where the cost of taxi fares would (for each day of the proposed hire) exceed the cost of a hire car. Cars must be booked by the TMC (Travel Management Company) in order to access their preferential rates.*

<sup>1</sup> Hire car expenditure from 1 July 2014 has been disclosed in order to align with the NBN Co Limited month end reporting process

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*The class of vehicle to be booked is a medium sedan (or small sedan if no passengers are to be carried). Requirements for a vehicle other than those specified above must be approved by a member of Exco. The exception to this is for hire cars utilised in the absence of company provided tool of trade vehicles that must be fit for purpose (e.g., have appropriate storage capacity for HS&E and QA equipment). The lowest available cost option must be taken in these circumstances.*

*Collision Damage Insurance is included in NBN Co's rental agreements with Hertz and Avis and should be purchased for any other rental car companies required to be used. To avoid high re-fuelling charges, you are required to refuel prior to returning the vehicle to the drop-off depot. The costs of re-fuelling the rental car prior to drop-off will be reimbursed.*

**6.5 Chauffer Driven Cars**

*The cost of chauffeur driven cars will not be reimbursed.*

3. Not applicable.