

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2013-2014

Finance Portfolio

Department/Agency: Department of Finance

Outcome/Program: 3/3.1

Topic: Departmental contracts for MPs office requisites

Senator: Madigan

Question reference number: F134

Type of question: Written

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Number of pages: 3

Question:

Contracts entered into by the Department of Finance for the provision of office requisites and stationery for Members and Senators.

1. Is it correct that individual Agencies may choose to enter into deeds with any of the three suppliers in the Whole of Government Stationary and Office Supplies panel, based on their business needs?
2. Is it correct that procurement of general use copy paper must also be in line with the mandatory environmental standards in the ICT Sustainability Plan 2010-2015 (ES4) which requires it to have a minimum post-consumer recycled content of 50 % by July 2011 with progression to 100 % recycled content by July 2015?
3. Was the successful panellist in the most recent contract entered into by the Department of Finance for the provision of office requisites and stationery for Members and Senators OfficeMax?
4. In the previous contract for this service, which was also held by Office Max from 01/07/07 at a value of \$15,000,000 over 5 years, there were no confidentiality provisions.
 - a) Is this the same case with the current contract?
 - b) If not, where does it differentiate from the previous contract?
5. Is it correct that all purchases must comply with the ICT sustainability Act, as per the requirements of Financial Management and Accountability Act 1997?
6. Is the paper offered by Office Max currently which is eligible for purchase limited to the following?
 - OfficeMax® 50% Recycled Copy Paper,
 - REFLEX Pure White A4, 80gsm 50% Recycled paper,
 - OfficeMax 100% Recycled White A4 80gsm Copy Paper,
 - Canon 100% Recycled Copy Paper A4,
 - Australian 80% Recycled White A4 80gsm paper (Box 5 only)
7. Is the Department aware of any other Agencies' views that there is a potential risk in entering a deed with OfficeMax exclusively due to the limited range of products in some of its catalogue?

8. Is the department aware of any Australian made paper which fits the requirements of the ICT Sustainability plan on the market but is not offered to Members and Senators through this panellist?
9.
 - a) Is it correct that under the ICT sustainability plan 100% recycled content is a requirement by July 2015 but currently no Australian Made 100% recycled content is available through OfficeMax?
 - b) Is there a clause in the Complete Office Supplies arrangement or the deed for the provision of office requisites and stationery contract for an Australian made paper that meets the upcoming 100% requirement, being required to made available when 100% becomes mandatory?
 - c) Will this provision be included in the requirements for an extension of the provision of the office requisites and stationary contract and/or the COS arrangement?
10.
 - a) Is the department aware of any financial advantage to be gained by any panellists by it selling imported paper in comparison to Australian made, and particularly paper containing the panellist's private label to this market?
 - b) Does it stand to reason that they would want to promote their private label even if they do not gain a higher margin on its sales compared to alternatives - for example by using it as a 'price leader' to assist in negotiations with alternative imported and local suppliers?
11. In the contract, is there a disclosure of how OfficeMax deals with this issue in terms of its price and pricing structure?
12. Regarding OfficeMax® 50% Recycled Copy Paper, can you advise what is the source; what is the country of origin and what is the non-recycled content?

Answer:

1. Yes.
2. Yes, for *Financial Management and Accountability (FMA) Act 1997* agencies. Other government agencies are encouraged to implement the plan.
3. Yes.
4.
 - a) Yes.
 - b) Not applicable.
5. The ICT Sustainability Plan is applicable to FMA Act agencies, other government agencies are encouraged to implement the plan. Senators and Members are not required to comply with the ICT Sustainability Plan when making purchases under this contract.
6. No.
7. No.
8. Yes.
9.
 - a) Yes.
 - b) No.
 - c) No. In line with Australia's various free trade agreements, the Australian Government's procurement framework cannot give preference to companies because they are Australian based or otherwise employ Australian workers.

10.

a) No.

b) Not appropriate for Finance to comment.

11. No.

12. OfficeMax 50% recycled general use copy paper is sourced from Mondi in Austria and has Forest Stewardship Council (FSC) certification, which is a globally recognised environmental chain of custody certification. The non-recycled content is 50%.