

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Budget Estimates Hearings May 2011
Broadband, Communications and the Digital Economy Portfolio
Department of Broadband, Communications and the Digital Economy

Question No: 253

Program No. CFO Group

Hansard Ref: In Writing

Topic: Grants

Senator Fisher asked:

Has the Department complied with interim requirements relating to the publication of discretionary grants?

Answer:

The Department notes that the interim requirements relating to the publication of discretionary grants ceased on 31 December 2008. As indicated in the answer to Question on Notice 143 (2), Supplementary Budget Estimates Hearings October 2010, the Department has complied with the interim requirements relating to the publication of discretionary grants.

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Question No: 254

Program No. CFO Group

Hansard Ref: Page 61 (26/05/2011)

Topic: DBCDE PBS 2011-12

Senator Fisher asked:

- a. Can the Minister please advise as to why the Table on page 28 of the DBCDE Portfolio Budget Statements 2011-12 Budget Related Paper 1.3 shows “Total program expenses” amounting to \$132.36m when the total, based on the aggregation of individual amounts, is in fact \$96.08m?
- b. What will be done to correct this error?
- c. Will a corrigendum be issued?
- d. How did this error occur?
- e. What will be done to prevent such errors occurring in the future?

Answer:

This question was answered by the Chief Financial Officer, Mr Simon Ash, of the Department of Broadband, Communications and the Digital Economy at the Budget Estimates Hearings on 26 May 2011 (p. 63 of Hansard refers).

The correct total program expenses for Program 1.2 is \$96.08m.

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Question No: 255

Program No. CFO Group

Hansard Ref: In Writing

Topic: Consultancies

Senator Fisher asked:

1. How many consultancies have been undertaken or are underway this FYTD? Please identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the arrangement, and the method of procurement (ie. open tender, direct source, etc). Please also include total value for all consultancies.
2. Does each department stand by its current tenders on the AusTender website? Have any changes or corrections been made for any tenders advertised on to Government Tenders website (www.tenders.gov.au) for tenders advertised this financial year? Explain. Are you up to date with reporting requirements?
3. How many consultancies are planned for this calendar year? Have these been published in your Annual Procurement Plan (APP) on the AusTender website and if not why not? In each case please identify the subject matter, duration, cost and method of procurement as above, and the name of the consultant if known.

Answer:

1. All agencies subject to the *Financial Management and Accountability Act 1997* are required to report procurement contracts awarded where the contract value is \$10,000 or more on AusTender, the government's tender and procurement reporting system. From 3 September 2007 departments and agencies have been required to include on AusTender details of those contracts which are consultancies, and the justification for each consultancy. The information sought in relation to the department's consultancies valued at \$10,000 or more, is available on the AusTender website (www.tenders.gov.au). Please note that departments have six weeks to report procurement contracts on AusTender.

Further details on consultancy expenditure is available in the department's annual report. Details of the department's expenditure on consultancies in prior financial years are available in the Annual Reports for those years.

While AusTender and the Annual Report contain details of contracts valued at \$10,000 or more, it is considered to be an unreasonable diversion of resources for the department to provide details of consultancies valued at less than \$10,000.

2. Yes. Yes, changes and corrections have been made to advertised tenders this financial year. These changes and modifications have been made in accordance with the Commonwealth Procurement Guidelines and have been published to AusTender ensuring all potential suppliers have been provided the same information at the same time. The department has always ensured that there is adequate time for all potential suppliers to

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address the changes before submissions are due. Yes, the department is up to date with reporting requirements.

3. The department has prepared its Annual Procurement Plan for 2011-12, which is available at **www.tenders.gov.au**. This plan was developed on the best information available at the time and is subject to change.

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Question No: 256

Program No. CFO Group

Hansard Ref: In Writing

Topic: Contractors

Senator Fisher asked:

1. Has the department within the portfolio ever employed Hawker Britton in any capacity or is it considering employing Hawker Britton? If yes, provide details.
2. Has the department within the portfolio ever employed Shannon's Way in any capacity or is it considering employing Shannon's Way? If yes, provide details.
3. Has the department within the portfolio ever employed John Utting & UMR Research Group in any capacity or is it considering employing John Utting & UMR Research Group? If yes, provide details.
4. Has the department within the portfolio ever employed McCann-Erickson in any capacity or is it considering employing McCann-Erickson? If yes, provide details.
5. Has the department within the portfolio ever employed Cutting Edge in any capacity or is it considering employing Cutting Edge? If yes, provide details.
6. Has the department within the portfolio ever employed Ikon Communications in any capacity or is it considering employing Ikon Communications? If yes, provide details.
7. Has the department within the portfolio ever employed CMAX Communications in any capacity or is it considering employing CMAX Communications? If yes, provide details.
8. Has the department within the portfolio ever employed Boston Consulting Group in any capacity or is it considering employing Boston Consulting Group? If yes, provide details.
9. Has the department within the portfolio ever employed McKinsey & Company in any capacity or is it considering employing McKinsey & Company? If yes, provide details.

Answer:

1. The department has not engaged, nor is considering the engagement of Hawker Britton as of 31 May 2011.
2. Yes, the department engaged Shannon's Way in 2009 to produce a graduate recruitment video at the total cost of \$7,231.82 (excluding GST). The department is not planning further engagement of Shannon's Way at this time.
3. The department has not engaged, nor is considering the engagement of John Utting & UMR Research Group as of 31 May 2011.
4. The department has not engaged, nor is considering the engagement of McCann-Erickson as of 31 May 2011.

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5. The department has not engaged, nor is considering the engagement of Cutting Edge as of 31 May 2011.
6. The department has not engaged, nor is considering the engagement of Ikon Communications as of 31 May 2011.
7. The department has not engaged, nor is considering the engagement of CMAX Communications as of 31 May 2011.
8. The department has not engaged, nor is considering the engagement of Boston Consulting Group as of 31 May 2011.
9. Yes, the department engaged McKinsey & Company in 2009 for NBN lead advisory services with a contract value of \$22,799,700 (excluding GST). In 2010, the services of McKinsey & Company have been utilised to provide advice in relation to the establishment of USO Co with a contract value of \$4,524,000 (excluding GST). In 2011, the services of McKinsey & Company are being utilised to provide digital economy program design and preparation services with a contract value of \$1,818,181.82 (excluding GST).

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Question No: 257

Program No. CFO Group

Hansard Ref: In Writing

Topic: Discretionary Grants

Senator Fisher asked:

1. Could the Department provide a list of all discretionary grants, including ad hoc and one-off grants FYTD? Please provide details of the recipients, the intended use of the grants and what locations have benefited from the grants.
2. Has the Department complied with interim requirements relating to the publication of discretionary grants?

Answer:

1. Yes. From 1 January 2009, all grants, discretionary and non-discretionary, made by the Department are published on the departmental website at **www.dbcde.gov.au**.
2. Refer to answer to Question on Notice 255.

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Question No: 258

Program No. CFO Group

Hansard Ref: In Writing

Topic: Government Payments of Accounts

Senator Fisher asked:

1. Has the department within the portfolio paid its accounts to contractors/consultants etc in accordance with Government policy in terms of time for payment (i.e. within 30 days)? If not, why not, and what has been the timeframe for payment of accounts? Please provide a breakdown, average statistics etc as appropriate to give insight into how this issue is being approached.)
2. For accounts not paid within 30 days, is interest being paid on overdue amounts and if so how much has been paid by the portfolio/department agency for the current financial year and the previous financial year?
3. Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

Senator Fisher – The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member’s question:

1. For the period 1 October 2010 to 31 May 2011, 651 payments were made to contractors/consultants, of which 600 or 92 per cent were made within 30 days of receipt of a correctly rendered invoice. The average number of days for all payments to contractors/consultants was 15.17 days.
2. In line with Finance Circular No 2008/10, interest is payable for contracts with a value up to \$1 million with a small business where ‘the amount of interest is more than \$10 and the contractor has issued a correctly rendered invoice for the interest’. No invoices have been received from any contractors/consultants and, therefore, no interest has been paid.
3. No invoices have been received from any contractors/consultants and therefore, no interest has been paid.

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Question No: 259

Program No. CFO Group

Hansard Ref: In Writing

Topic: Funding

Senator Birmingham asked:

1. Has the Department provided any funding to any of the following organisations in the current financial year or in any of the previous three financial years? If so, please detail when it was provided and for what purpose.
 - a. Australian Conservation Foundation
 - b. Australian Council of Trade Unions
 - c. Australian Youth Climate Coalition
 - d. Climate Action Network Australia
 - e. The Climate Institute
 - f. Environment Victoria
 - g. GetUp!
 - h. Greenpeace Australia Pacific
 - i. World Wildlife Fund Australia

Answer:

1. The Department has not provided funding to any of the listed organisations in the current or previous three financial years.