

**Senate Standing Committee on Finance and Public Administration**

**ANSWER TO QUESTION ON NOTICE**

**Human Services Portfolio**

**Department of Human Services**

Budget Estimates 2007-08 - May 2007

**Question: HS22**

**Outcome 1, Output 1**

**Topic: Department of Human Services – Access Card**

**Hansard Page/Written Question on Notice: Hansard Page F&PA103-4**

**SENATOR WONG** asked on 24/05/2007:

**Senator WONG**—And there is no extant liability beyond the end of the \$24.3 million; there is just a standing offer.

**Ms Hartland**—That is right.

**Senator WONG**—Do they have a right to be first offered? How does that work?

**Ms Hartland**—I will need to get some advice on the contract.

**Senator WONG**—What is the nature of the right which is now assigned or given to Booz Allen Hamilton?

**Ms Hartland**—We will take that on notice. We do not have the deed here to be able to give you a precise answer.

**Senator WONG**—I am interested in what taxpayers are committed to.

**Mr Divall**—Taxpayers are committed to the \$24.3 million for this financial year.

**Senator WONG**—For the year 2006-07?

**Mr Divall**—That is correct.

**Senator WONG**—Has there been any commitment? If you chose not to make any additional offer post this financial year, is that within the rights of DHS?

**Mr Padovan**—I will have to take that on notice, but it is my understanding that the way the deed was structured was that there was no obligation beyond the extant purchase order that was in force...

**Senator WONG**—In the event that you, on notice, clarify your evidence and tell us that there is an obligation beyond the current purchase order, I am interested in knowing what the Commonwealth liability under any such arrangement and the time period over which that subsists. Is that clear?

**ANSWER:**

The Government has decided not to proceed with the Access Card Programme. Details of funding to be returned to the Budget will be provided as part of the forthcoming Budgetary processes. With respect to the specific question asked by the Senator, the answer is as follows:

The Deed of Standing Offer provides a means for raising individual Purchase Orders. When the Commonwealth sends a Purchase Order to the Service Provider a separate contract is created between the Commonwealth and the Service Provider. In other words, each Purchase Order is a

**Senate Standing Committee on Finance and Public Administration**

ANSWER TO QUESTION ON NOTICE

**Human Services Portfolio**

**Department of Human Services**

Budget Estimates 2007-08 - May 2007

separate contract between the parties, and an express condition of the Deed for the Access Card was that the Commonwealth was not obliged to place an order.