

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Deregulation Portfolio

Department of Finance and Deregulation

Supplementary Estimates Hearing – October 2010

Outcome 2 Program 2.1

Topic: Advertising campaign

Question reference number: F14 (a-j)

Type of Question: Hansard FP&A 126-128, 19 October 2010

Date set by the committee for the return of answer: 3 December 2010

Number of Pages: 4

Senator Abetz asked:

a) **Senator ABETZ**—Minister, are you aware of its [tax reform campaign] likelihood of reactivation by way of government decision?

Senator Wong—No, I am not.

Senator ABETZ—All right, if you could take that on notice for me, that would be helpful.

b) **Senator ABETZ**—...You tell me that the Shannon's Way contract was a \$2.182 million contract for the provision of creative agency services that was awarded by a select procurement method. That is correct?

Mr Grant—I assume so, yes. I am not sure that my report says how it was selected, but it was-

Senator ABETZ—Could you please take that on notice just to confirm that, please.

Mr Grant—I will take that on notice.

c) **Senator ABETZ**—Then, if you are not sure of that, undoubtedly you will need to take on notice whether the mandatory procurement procedures in relation to select tendering processes were followed.

Mr Grant—I will take that on notice as well.

d) **Senator ABETZ**—When did Shannon's Way first get on to the Communications Multi-Use List?

Mr Grant—I would have to take that on notice.

e) **Senator ABETZ**—Rather than make the assertion, could I ask you to take on notice and check for me whether the ABN 44 827 767 097, given for Shannon's Way Pty Ltd on the CMUL and for the contracts the federal government has awarded the agency, is-it has been suggested to me-actually the ABN of the William Shannon Family Trust, which trades simply as Shannon's Way? If you could do that; I do not want to make that assertion.

Mr Tune—Is this in distinction to Shannon's Way Pty Ltd?

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- f) **Senator ABETZ**—Exactly. Then, if that is the case, I want to know what due diligence the department does to check these things out because it could be asserted that Shannon's Way misleadingly indicates the government is dealing with a corporation rather than a family trust.
- Senator ABETZ**—It is quite clear that I am asking about the CMUL, the listing and the integrity of the factual information on that listing, which is published; and that is all within the province of this department and I think we have answered that. Is that right, Mr Tune? That is the responsibility of your staff?
- Mr Tune**—Yes, we will check that for you. To the extent that it applies to the CMUL, that is fine.
- g) **Senator ABETZ**—Thank you for that. Is the department aware of whether or not the William Shannon Family Trust has any beneficiaries which are corporate beneficiaries? Have you undertaken any of that sort of detailed research?
- Mr Grant**—I will have to take that on notice.
- h) **Senator ABETZ**—All right, thank you. I assume, in fairness to the department, that if an entity comes to you, providing you with a company name and an ABN, you accept that at face value?
- Mr Grant**—I would expect that we would check the ABN and match it with the company, but again I will take that on notice.
- i) **Senator ABETZ**—If you could check as to whether you did that; because if you did it and it is the ABN for Shannon's Way Pty Ltd, then clearly the information I have been provided is incorrect. If the ABN matches the Shannon Family Trust, that will be revealed by that check. Is the department aware that there is actually another company called Shannon's Way Pty Ltd, which appears to have an ABN, of which Bill Shannon is the sole director and shareholder?
- Mr Grant**—Once again, I will take that on notice.
- j) **Senator ABETZ**—Thank you very much. Similarly then if you can take on notice whether or not the company Shannon's Way Pty Ltd is a corporate beneficiary of the William Shannon Family Trust, and if these things are found to be correct—and it is an 'if' and a supposition only will the department correct its website in relation to its CMUL listing of Shannon's Way?
- Mr Grant**—We will take that on notice.

Answers:

- a) The Tax Reform campaign, of which communications on the Resource Super Profits Tax, is completed.
- b) The Department of the Treasury has advised Finance that Shannon's Way was contracted following a Select Tender process.

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- c) Procurements which are exempt from the Mandatory Procurement Procedures are still required to be undertaken in accordance with the principle of value for money and with the requirements of Division 1 of the Commonwealth Procurement Guidelines (CPGs).

In this case, the supplier was selected through an approach to a number of suppliers on the Communications Multi Use List. This selection method is known as Select Tendering.

- d) Shannon's Way is one of 224 agencies currently on the Communications Multi-Use List, and was added on 31 March 2009. The full list is available on the AusTender website.
- e) A search of the Australian Business Register against the ABN 44 827 767 097, undertaken on 25 October 2010, indicated that the entity name is 'The Trustee for William Shannon Family Trust', with the trading name of 'The Shannon Company Pty Ltd'.
- f) Finance undertakes an assessment of the details provided by organisations seeking to be included on the Communications Multi-Use List (CMUL), which includes checking ABN and other details against publicly available sources such as the Australian Business Register. Where CMUL participants are invited to tender for work, the procuring agency may require further levels of disclosure and assessment as part of tendering and/or contractual processes. The extent and level of these requirements are set by the departments and agencies responsible for the procurement.
- g) No. Finance does not undertake checks into the business or corporate arrangements of any applicant, as those matters are not relevant to whether organisations are eligible for inclusion on the CMUL. As indicated in 14(f), departments or agencies may undertake further checks or seek more detailed information from suppliers, in so far as these are consistent with their procurement and, or contractual processes.
- h) Please refer to response 14(f).
- i) In March 2009, the check of the ABN details, undertaken as part of the assessment process in relation to the application for inclusion on the Communications Multi Use List, indicated that the ABN supplied related to The Trustee for William Shannon Family Trust trading under the name of Shannon's Way Pty Ltd. Finance is not aware of another company trading under the name of Shannon's Way Pty Ltd which has an ABN.

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- j) As indicated at 14(g), Finance verifies the information provided in relation to an ABN provides. It does not undertake checks into the corporate structures of CMUL applicants.