

Joint Committee of Public Accounts and Audit

Commonwealth procurement: Inquiry into Auditor-General Reports 6, 15, 30,
42 (2021-22) and 5 (2022-23)

Public Hearing -14 April 2023

ANSWER TO QUESTION ON NOTICE

National Disability Insurance Agency

Topic: Salesforce value for money

Question reference number: NDIA IQ23-000001

Question asked by: Senator Julian Hill

Type of Question: Spoken. **Hansard Pages:** 19-20

Date set by the Committee for the return of answer: 12 May 2023

Question:

CHAIR: We might need to hear from Finance on that, but we'll deal with that later. To go to the NDIA, one of the procurements identified by Dr Watt was a procurement of Salesforce for \$76,122,500. Are you able to describe how the NDIA ensured that this was a competitive process that ensured value for money?

Ms Falkingham: I might throw to the deputy CEO, Ms Mitchell.

CHAIR: Sure.

Ms Mitchell: As we have pointed out, all appropriate protocols would have been followed to do an evaluation on value for money for that project.

CHAIR: I can't take that at face value, given that Dr Watt's report pointed out multiple contracts where the issue was that there was no value for money assessment or adequate documentation taken.

Ms Mitchell: I will take that on notice, then. I would need to get further detail to give you a better answer around how we determined value for money for that particular project.

CHAIR: That's fine. In the same spirit that you're approaching it—and I compliment both the agencies, as Dr Watt did, in that you've commissioned the review and you're having a look at the issues, both particular and systemic, that are coming out of it—could you give us an open book answer as to whether this is one where, in your view, there was adequate documentation as to value for money? That would be very helpful.

Ms Mitchell: Certainly. We'll do that.

Answer:

In 29 November 2019, Department Human Services released an open market Request for Tender (RFT1000702105) on behalf of National Disability Insurance Agency (NDIA) for the provision of a Cloud Platform which provides capability in the areas of Portal Development, Campaign and Event Management, and Case Management.

Six submissions were received by Tender closing time on 3 January 2020, one of which was found to be a duplicate and was set aside. Contracts were subsequently established with SFDC Australia Pty Ltd (Salesforce) for a total of \$27 million (ex GST) and with Mulesoft for \$1.3 million (ex GST).

Guidance from the Department of Finance on value for money outlines that procurements should:

- a. encourage competition and be non-discriminatory
- b. use public resources in an efficient, effective, economical and ethical manner that is not inconsistent with the policies of the Commonwealth
- c. facilitate accountable and transparent decision making
- d. encourage appropriate engagement with risk, and
- e. be commensurate with the scale and scope of the business requirement.

NDIA records indicate the procurement:

- encouraged competition by approaching the open market
- documented a formal evaluation conducted by an Evaluation Committee comprising 6 representatives from NDIA
- were approved by an authorised finance delegate in accordance with the NDIA's Accountable Authority Instructions
- considerations were made on capability, capacity and costs over the life of the contract, including extension options; and
- had external support provided by Clayton Utz as legal advisor and Australian Government Solicitors as probity advisor.

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ANSWER TO QUESTION ON NOTICE

National Disability Insurance Agency

Topic: Salesforce and Synergy360

Question reference number: NDIA IQ23-000002

Question asked by: Senator Julian Hill

Type of Question: Spoken. Hansard Page: 20

Date set by the Committee for the return of answer: 12 May 2023

Question:

CHAIR: Are you aware of whether any representatives from Synergy 360 met with NDIA executives to discuss this or, in any way, influence this sizeable procurement?

Ms Mitchell: I would have to take that on notice as well. I wasn't in the agency at that time and I don't have the information before me.

CHAIR: Sure. I'll leave that one with you. Are you aware of whether there was a contract between Salesforce and Synergy 360 and whether Synergy 360 sought to lobby for Salesforce?

Ms Falkingham: Sorry, we will take that on notice. We are at a bit of a deficit, in that all three of us were not here when any of these procurements took place. We're very happy to take that on notice and come back to you.

Answer:

The National Disability Insurance Agency (NDIA) has not identified any evidence representatives from Synergy 360 sought to, or met, with NDIA executives to discuss or influence this procurement.

NDIA is not aware of any contract between Salesforce and Synergy 360 or whether Synergy 360 sought to lobby for Salesforce.

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ANSWER TO QUESTION ON NOTICE

National Disability Insurance Agency

Topic: NDIA Engagement with Services Australia and the Minister's Office

Question reference number: NDIA IQ23-000003

Question asked by: Senator Linda Reynolds

Type of Question: Spoken. Hansard Page:58

Date set by the Committee for the return of answer: 12 May 2023

Question:

Senator REYNOLDS: Can I ask you to take on notice the same set of questions: what engagement you and your agency had with Services Australia and with Ms Skinner and her team; and what engagement that you may have had with the minister's office in relation to this review, the terms of reference and anything relating to it really?

Ms Falkingham: I'm happy to do that.

Answer:

Please refer to Service Australia IQ23-000031.

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ANSWER TO QUESTION ON NOTICE

National Disability Insurance Agency

Topic: Ministerial Briefs, Submissions, QTBs, Clips

Question reference number: NDIA IQ23-000004

Question asked by: Senator Linda Reynolds

Type of Question: Spoken. Hansard Pages: 55-56

Date set by the Committee for the return of answer: 12 May 2023

Question:

Senator REYNOLDS: Chair, these are actually questions for the department in terms of their engagement with the minister's office. I take the point that the CEO has just made, but I'm certain that the CEO said that she wasn't aware that he had any of these documents. My question is, and I'm happy to put it on notice, on the 24th, 26th through to 2 December, as a start, can you provide—and also for the NDIA as well—what information was in your clips, in the summary of the clips and, also, in question time briefs because I find it hard to believe that your minister has been raising these issues, knowing how thorough you are, that they didn't prepare questions— QTB. So, if you could take that on notice: were there any QTBs in relation to this and what their numbers were and also any briefs during that period to the minister on this issue.

CHAIR: I think you've—

Ms Skinner: Senator, I can absolutely do that. I can assure you, of course, we did prepare question time briefs and those sort of things—as you'd expect an agency to do for a minister when there's an issues management. But I can't help with the concept of large numbers of emails being held.

Senator REYNOLDS: Or any email or any of that material that was the subject. I said that he clearly indicated publicly he's had a lot of that and he was waving round a lot. My question is: were you aware—I'll be more specific—that the minister had, from the 24th or before, actually had copies of the letters, the emails and the messages that were the subject of that story? I'm happy for you to take that on notice.

Answer:

The National Disability Insurance Agency did not prepare any written materials for the Minister for the National Disability Insurance Scheme, in relation to allegations in the paper.