

Senate Standing Committee on Foreign Affairs, Defence and Trade

Parliamentary inquiry – Impact of Defence Training activities and facilities on rural and regional communities - 20 November 2017 - Bendigo

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: SSCFADT - Inquiry into the impact of Defence training activities and facilities on rural and regional communities - 20 Nov 17 - Bendigo - Q9 - Puckapunyal - Gallacher

Question reference number: 9

Senator: Alex Gallacher

Type of question: Spoken, Hansard pp. 34-35 (refer evidence on pp. 3-4 and pp. 9-10)

Date set by the committee for the return of answer: 15 December 2017

Question:

CHAIR: We had some really specific evidence this morning about someone who provided to Puckapunyal for quite a number of years and then they were off because they weren't on the preferred panel. Their evidence was, 'All right. How do I get on the panel?' The answer was, 'We don't know and no-one can tell us.' Did you hear that evidence this morning?

Ms Wood: I did hear that evidence this morning, and I'd like to look a little more closely at that particular situation.

CHAIR: We'd really appreciate it if you could give us some clarity on that.

Ms Wood: I understand that printer cartridges are part of the whole-of-government arrangements and, as you might be aware, Defence is mandated to use those arrangements; we don't have any options. In respect of printer cartridges, I understand that it's a Defence policy rather than a government policy that we use our stationery providers for those and whole-of-government office machines providers. It is Defence policy.

CHAIR: Even if it makes no economic sense.

Ms Wood: It is Defence policy to do that. In saying that, the Defence policy is that you use those arrangements unless there is a good reason not to, and I suspect that value for money would be a good reason if it's cheaper to get it from the local community.

Answer:

Defence has reviewed the evidence provided to the committee regarding Cartridge World in Seymour who has previously provided cartridges and ink for printers to Defence at the Puckapunyal Military Area (PMA). The evidence stated that Cartridge World was able to offer products at a more competitive price than the current corporate provider (Corporate Express) to Defence.

Defence's review included discussions with the Economic Development Unit, Mitchell Shire Council, the President of Seymour Business and Tourism Chamber of Commerce, and key staff at PMA involved in Information and Communications Technology (ICT) services and purchasing of toner supplies.

The review identified that Defence purchased toner supplies and ink from Cartridge World until 2011.

Purchasing from Cartridge World ceased in 2011 upon the Department of Finance's establishment of a mandatory Whole-of-government standing offer arrangement for major office machines (MOMs). This mandated the use of the standing offer for purchasing of network printers and multi-function devices (MFDs).

Under these MOMs standing offer arrangements, MFDs and network printers are purchased under a maintenance agreement where toner supplies are provided by the Supplier with a copy cost (impressions based arrangement) charged to Defence by the Supplier. The MOMs standing offer also enables entities to purchase their printers outright and directs toner supplies are to be purchased via the other mandatory Whole-of-government standing offer for stationery and office supplies.

The mandatory Whole-of-government arrangements for stationery and office supplies represent a holistic value-for-money solution, with the following benefits to Defence: establishment of industry national account managers; consistent pricing nationally; free desk-top delivery nationally; detailed reporting; and streamlined purchasing processes with automated payment of accounts via the Defence Purchasing Card linked to individual's accounts.

Defence, over the past two years, has also implemented a print device rationalisation project where the network printers are being removed and replaced with MFDs. Therefore, the requirement for Defence to purchase toner supplies directly has greatly reduced and, other than specialist type printers, will gradually be phased out.