

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
ADDITIONAL ESTIMATES 2015-16

Finance Portfolio
9 February 2016

Department/Agency: Department of Finance
Outcome/Program: 2/2.5
Topic: Whole-of-Government Procurement Arrangements

Senator: Wong
Question reference number: F154
Type of question: Written
Date set by the committee for the return of answer: Friday, 1 April 2016

Number of pages: 4

Question:

Can the Department provide information on each of the initiatives or schemes that are currently operating which make up the whole-of-government procurement arrangements?

For each of these initiatives or schemes, can the Department provide information on:

1. When they commenced;
2. When they are set to expire;
3. Which entities and other bodies are covered by each initiative or scheme;
4. What is the level of savings each has achieved to date, and what are the estimated level of savings, year-by-year going into the future until their expiry date;
5. What costs are incurred by the Department, or any other public sector entity, through the administration of each of these initiatives or schemes;
6. How each of these initiatives or schemes are designed to generate savings;
7. How many companies or service providers are involved for each initiative or scheme;
8. What kind of feedback the Department has received from public sector entities on the operation of each of these initiatives or schemes;
9. What kind of feedback Finance has received from private companies or services providers on the operation of each of these initiatives or schemes; and
10. Are there any plans to expand or renew any of the current initiatives or schemes?

Answer:

1. The Whole-of-Government (WoAG) procurement arrangements (ICT and non-ICT) have commenced at various times. Details are provided in Table 1.
2. The current expiry dates and extension options for the arrangements are provided in Table 1.

3. The majority of arrangements are a mandatory procurement avenue for Non-Corporate Commonwealth entities subject to the *Public Governance, Performance and Accountability Act 2013* and are also accessible to:
 - Corporate Commonwealth entities;
 - any other body governed by the Governor-General or State-Governor or by a Minister of State of the Commonwealth or a State or Territory including departments in State or Territory Governments; and
 - any incorporated company over which the Commonwealth or a State or Territory exercises control.
4. The nett savings of approx \$1,200m are estimated to be achieved during the period 2008-09 to 2018-19 through Whole-of-Australian-Government (WoAG) procurement arrangements. This is made up of \$816m in costs reductions or retained savings by entities; \$432m returned to Budget; and less \$52m funding (new policy proposals and administration fees).
5. The average staffing levels of 90 are required to administer the WoAG arrangements at an annual estimated cost of \$12m.
6. WoAG procurement arrangements have reduced the effort, time and cost of doing business for entities and industry. They have reduced duplication, improved transparency and entity compliance with policy. The aggregation of government purchasing power has obtained better pricing and value for money outcomes. The viability of each arrangement to deliver savings and efficiencies to government was initially tested either through a scoping study, or similar, and a tender process.
7. The number of Panellists (Service Providers) is detailed in Table 1.
8. & 9. The approach to establish each arrangement, their ongoing operations, and future strategies are based on extensive consultation with entities, peak industry bodies and suppliers to government.
10. Finance is conducting scoping studies on new WoAG ICT coordinated procurement arrangements to reduce the cost and increase the efficiency of procurement of ICT products and services, including software and licensing. The scoping studies will identify potential candidates for assessment under WoAG arrangements.

TABLE 1

Whole of Government procurement arrangement (ICT and non-ICT)	Category	Established date	Expiry date	Extension options	No. of Panellists
ICT					
Microsoft Volume Sourcing Arrangement II (available to PGPA Act entities excluding Government Business Enterprises)	Mandatory	Jun-13	Jun-16	Nil	1
ICT Hardware and Associated Services Panel	Mandatory	Sep 15	Jun-18	3 x 12 months	34
Data Centre Facilities Supplies Panel	Mandatory	Jun-14	Jun-19	2 + 2 +1 x 12 months	17
Mobile Panel	Mandatory	Sep 14	Aug-17	2 x 12 months	20
Internet Based Network Connection Services Panel	Mandatory	Jul-11	Jun-16	Will be extended to Dec-16	10
Telecommunications Management Panel	Mandatory	Mar-11	Sep-16	Nil	24
Invoice Reconciliation Panel	Opt in	Aug-10	Aug-16	Nil	3
Cloud Services Panel	Opt in	Jan-15	Mar-17	3 x 12 months	114
Desktop Hardware and Associated Services Panel	Mandatory	Oct-10	Dec-15	Panel expired	12
Data Centre Migration Services Panel	Mandatory	May-11	Jun-16	Panel to expire	8
Data Centre Facilities Panel	Mandatory	Mar-11	Mar-16	1 x 12 months	19

Non-ICT					
Government Advertising Arrangement (current Master Media Agency Services)	Mandatory	April -14	Jun-18	1 x 2 years or 2 x 1 year, plus one or more periods up to an additional 12 months	1
Stationery and Office Supplies Panel	Mandatory	Mar-12	Mar 17	2 x 1 year - exercised	3
Major Office Machines Panel – Equipment and Support	Mandatory	Apr-11	Apr 16	Exercised - 2 x 1 year	6
Major Office Machines Panel – Managed Print Services	Mandatory	Jun -11	Jun 16	Exercised - 2 x 1 year	4
Australian Government Fleet	Mandatory	Feb-13	Jul 19	3 years plus 1 year	1
Travel					
Travel Management Company	Mandatory	1 July 2010 1 July 2015	30 June 2015 30 June 2019	Expired 3 x 12 months	5 1
Airlines	Mandatory	1 July 2010	30 April 2016	3 x 12 months (out to market)	12
Accommodation	Mandatory	2 July 2012	30 June 2015	2 x 12 months + 6 x 1 month	1
Car Rental	Mandatory	2 July 2012	30 June 2015	2 x 12 months + 6 x 1 month	2
Travel Card	Mandatory	2 July 2012	30 June 2017	2 x 12 months + 6 x 1 month	1