

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2012
Broadband, Communications and the Digital Economy Portfolio
Department of Broadband, Communications and the Digital Economy

Question No: 233

Program No. CFO

Hansard Ref: In Writing

Topic: Contractors

Senator Humphries asked:

- a. How many contractors are currently employed in the department/agency?
- b. How many contractors have been under contract for a period of more than 2 years?
- c. How many contractors have been under contract for a period of more than 5 years?
- d. How many contractors have been under contract for a period of more than 10 years?
- e. Does the department/agency make a habit of employing contractors to fill positions on a permanent basis?

Answer:

- a. As at 1 March 2012, the department had engaged 39 people as contractors through labour hire companies.
- b. As at 1 March 2012, seven of the current contractors were working as contractors in the department two years ago.
- c. As at 1 March 2012, none of the current contractors were working as contractors in the department five years ago.
- d. As at 1 March 2012, none of the current contractors were working as contractors in the department ten years ago.
- e. No

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Question No: 234

Program No. CFO Group

Hansard Ref: In Writing

Topic: Taxi Costs

Senator Fisher asked:

1. How much did the department spend on taxis in 2007-08, 2008-09, 2009-10 and 2010-11? Provide a breakdown of each business group in the department.
2. How much did each department spend on taxis this financial year to date? Provide breakdown of each business group in each department.

Answer:

1. For financial year 2010-11, refer to answer for question In Writing No: 467 Supplementary Budget Estimates Hearings October 2011. Data prior to then is not readily available and to attempt to provide this data would involve an unreasonable diversion of departmental resources.
2. For the period 1 July 2011 to 31 January 2012 the departmental spend on taxis was \$0.180m. The department does not record taxi data in a way that would readily allow individual business groups to be identified. To attempt to provide this level of detail would involve an unreasonable diversion of departmental resources.

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Question No: 235

Program No. CFO Group

Hansard Ref: In Writing

Topic: Consultancies

Senator Fisher asked:

- a. How many consultancies were undertaken in 2007-08, 2008-09 and 2009-10?
- b. How many consultancies have been undertaken this financial year to date? Identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the arrangement, and the method of procurement (ie. open tender, direct source etc). Also include the total value for all consultancies.
- c. How many consultancies are planned for this calendar year? Have these been published in your Annual Procurement Plan (APP) on the AusTender website and if not why not? In each case please identify the subject matter, duration, cost and method of procurement as above, and the name of the consultant if known.

Answer:

- a. Details of the consultancies undertaken by the department each financial year are included in the department's Annual Reports, which are published on the department's website (www.dbcde.gov.au).
- b. Details of the department's consultancies valued in excess of \$10 000 are available on the AusTender website (www.tenders.gov.au).

While AusTender contains details of contracts valued at \$10 000 or more, it is considered to be an unreasonable diversion of resources for the department to provide details of consultancies valued at less than \$10 000.

- c. See response for b). In accordance with the Commonwealth Procurement Guidelines, the department's Annual Procurement Plan is published on the AusTender website and consists of a short strategic procurement outlook supported by details of planned strategic and major procurements.

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Question No: 236

Program No. CFO Group

Hansard Ref: In Writing

Topic: Hospitality and Entertainment

Senator Fisher asked:

- a. What is the Department/Agency's hospitality spend for this financial year to date? Detail date, location, purpose and cost of all events.
- b. For each Minister and Parliamentary Secretary office, please detail total hospitality spend for this financial year to date. Detail date, location, purpose and cost of each event.
- c. What is the Department's entertainment spend for this financial year to date? Detail date, location, purpose and cost of all events.
- d. For each Minister and Parliamentary Secretary office, please detail total entertainment spend for this financial year to date. Detail date, location, purpose and cost of each event.
- e. What hospitality spend is the Department/Agency planning on spending? Detail date, location, purpose and cost of all events.
- f. For each Minister and Parliamentary Secretary office, what hospitality spend is currently being planned for? Detail date, location, purpose and cost of each event.
- g. What entertainment spend is the Department/Agency planning on spending? Detail date, location, purpose and cost of all events.
- h. For each Minister and Parliamentary Secretary office, what entertainment spend is currently being planned for? Detail date, location, purpose and cost of each event.

Answer:

- a. Details of the Department's hospitality expenditure from 1 July 2011 to 31 January 2012 is provided in the table below.

Date	Location	Purpose	Total (GST Exc)
4/07/2011	Canberra	ABG Stakeholder farewell dinner	\$2,134.55
1/08/2011	Canberra	Dinner for the Regional Telecommunications Review Committee	\$479.09
5/09/2011	Canberra	Official lunch held with representatives from the Mexico Department of Communications	\$358.64
1/11/2011	Canberra	Lunch with Nomination Panel Chair and representatives from Ford Kelly Executive Connect	\$210.45

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21/11/2011	Canberra	Dinner with CEO of Optus	\$40.15
30/01/2012	Canberra	Dinner for Digital Hubs and Enterprise Workshop participants	\$1,672.18

- b. The Minister's office has not had any hospitality spend for this financial year to 31 January 2012.
- c. The Department's financial management system does not allow for a distinction between spending on 'hospitality' and spending on 'entertainment'. Refer to response to question 236(a) above for the total hospitality spend from 1 July to 31 January 2012.
- d. The Department's financial management system does not allow for a distinction between spending on 'hospitality' and spending on 'entertainment'. Refer to response to question 236(b) above for the total hospitality spend from 1 July to 31 January 2012.
- e. The Department does not currently have any hospitality planned that has been agreed and announced by government.
- f. The Minister's office does not currently have any hospitality planned that has been agreed and announced by government.
- g. The Department does not currently have any entertainment planned that has been agreed and announced by government.
- h. The Minister's office does not currently have any entertainment planned that has been agreed and announced by government.

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Question No: 237

Program No. CFO Group

Hansard Ref: In Writing

Topic: Discretionary Grants

Senator Fisher asked:

Has the Department complied with interim requirements relating to the publication of discretionary grants?

Answer:

Refer to answer for Question on Notice 143 (2), Supplementary Budget Estimates Hearings October 2010.

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Question No: 238,243

Program No. CFO Group

Hansard Ref: In Writing

Topic: Efficiency Dividend

243 Senator Fisher asked:

- a. How will the efficiency dividend applied in the 2011-12 Mid-Year Economic and Fiscal Outlook be implemented in your agency/department?
- b. What percentage of your budget must be cut?
- c. Will any staff position be cut to meet the efficiency dividend? If yes, provide details of where the positions are located, the classification, whether the position is ongoing or not.
- d. Please list where and what spending has been reduced to meet the efficiency dividend.

238 Senator Humphries asked:

- a. What is the effect of the efficiency dividend increase from 1.5 percent to 4 percent on the department/agency's bottom line during financial years 2012/13, 13/14, 14/15?
- b. What percentage of the department/agency's budget is designated to staffing?
- c. What is the size of the department/agency's staffing establishment? Include figures for FTE, PT, casual, contractors and consultants.
- d. What specific strategies will the department/agency adopt to ensure continued operation within budget?
- e. Will or has consideration been made to reducing staffing compliment including contractors and consultants?

243 Answer:

- a. Refer to answer for Question on Notice 238, Additional Estimates Hearings February 2012.
- b. 2.5 percent.
- c. Yes, there will be a number of staffing reductions associated both with the change in the efficiency dividend and other policy measures ceasing or winding back. It is too early, however, to provide information on specific staff reductions.
- d. Refer to answer for Question on Notice 238, Additional Estimates Hearings February 2012.

238 Answer:

- a. Refer to page 18 of the Broadband, Communications and the Digital Economy Portfolio Additional Estimates Statements 2011-12.
- b. In 2011-12, employee benefits are projected to be \$81.1m, or 60% of total projected expenses.
- c. The Average Staffing Level for the department is projected to be 670 in 2011-12.
- d. The Department will undertake some structural change as a result of reduced appropriation funding in 2012-13, which is now estimated to be \$109.3 million, compared to \$127.5 million in 2011-12. Together with the increase in the efficiency dividend, this funding change comes about as a number of reviews are completed; the Australian Broadband Guarantee program is fully wound-up; one-off funding for some activities related to the development of the National Broadband Network ends; and the digital switchover program expands into metropolitan areas. To address these changes, the department is:

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- developing a new structure based around collapsing some SES jobs together, thereby reducing the size of the SES;
 - offering some targeted voluntary redundancies in certain Divisions, where activities will cease;
 - reviewing a number of expense areas, such as travel, consultants and contractors, to identify savings; and
 - reviewing the provision of corporate, legal and financial services of the department, to identify efficiencies in delivering these services to the department.
- e. Yes. As noted in (d) above, the department will be reducing staffing in certain Divisions, particularly where activities will cease, as well as around 20 positions (including some currently vacant positions) in the corporate, legal and financial service areas.

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Question No: 239

Program No. CFO Group

Hansard Ref: In Writing

Topic: Contractors

Senator Fisher asked:

For this financial year to date:

1. Has the department/agency ever employed Hawker Britton in any capacity or is it considering employing Hawker Britton? If yes, provide details.
2. Has the department/agency ever employed Shannon's Way in any capacity or is it considering employing Shannon's Way? If yes, provide details.
3. Has the department/agency ever employed John Utting & UMR Research Group in any capacity or is it considering employing John Utting & UMR Research Group? If yes, provide details.
4. Has the department/agency ever employed McCann-Erickson in any capacity or is it considering employing McCann-Erickson? If yes, provide details.
5. Has the department/agency ever employed Cutting Edge in any capacity or is it considering employing Cutting Edge? If yes, provide details.
6. Has the department/agency ever employed Ikon Communications in any capacity or is it considering employing Ikon Communications? If yes, provide details.
7. Has the department/agency ever employed CMAX Communications in any capacity or is it considering employing CMAX Communications? If yes, provide details.
8. Has the department/agency ever employed Boston Consulting Group in any capacity or is it considering employing Boston Consulting Group? If yes, provide details.
9. Has the department/agency ever employed McKinsey & Company in any capacity or is it considering employing McKinsey & Company? If yes, provide details.

Answer:

1. The department has not engaged Hawker Britton during the 2011-12 financial year and has no plans for future engagement.
2. The department has not engaged Shannon's Way during the 2011-12 financial year and has no plans for future engagement.

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3. The department has not engaged John Utting & UMR Research Group during the 2011-12 financial year and has no plans for future engagement.
4. The department has not engaged McCann-Erickson during the 2011-12 financial year and has no plans for future engagement.
5. The department has not engaged Cutting Edge during the 2011-12 financial year and has no plans for future engagement.
6. The department has not engaged Ikon Communications during the 2011-12 financial year and has no plans for future engagement.
7. The department has not engaged CMAX Communications during the 2011-12 financial year and has no plans for future engagement.
8. The department has not engaged Boston Consulting Group during the 2011-12 financial year and has no plans for future engagement.
9. In the 2011-12 financial year, the department engaged McKinsey & Company to provide advice and assistance with regard to the design of elements of the Digital Productivity Package. The engagement was undertaken with an amendment to an established contract. It commenced on 27 October 2011 and was completed on 31 December 2011.

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Question No: 240

Program No. CFO Group

Hansard Ref: In Writing

Topic: Discretionary Grants

Senator Fisher asked:

- a. Could the Department provide a list of all discretionary grants, including ad hoc and one-off grants for this financial year to date? Please provide details of the recipients, the intended use of the grants and what locations have benefited from the grants.
- b. Has the department complied with interim requirements relating to the publication of discretionary grants?

Answer:

- a. Since 1 January 2009, all grants, discretionary and non-discretionary, made by the department have been published on the departmental website at **www.dbcde.gov.au**.
- b. Refer to answer for Question on Notice 143 (2), Supplementary Budget Estimates Hearings October 2010.

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Question No: 241

Program No. CFO Group

Hansard Ref: In Writing

Topic: Government Payments of Accounts

Senator Fisher asked:

For this financial year to date, has the department paid its accounts to contractors/consultants etc in accordance with Government policy in terms of time for payment (i.e. within 30 days)? If not, why not, and what has been the timeframe for payment of accounts? Please provide a breakdown, average statistics etc as appropriate to give insight into how this issue is being approached.)

- a. For accounts not paid within 30 days, is interest being paid on overdue amounts and if so how much has been paid by the portfolio/department agency for the current financial year and the previous financial year?
- b. Where interest is being paid, what rate of interest is being paid and how is the rate determined.

Answer:

For the period 1 July 2011 to 31 January 2012, 6251 payments were made of which 5552, or 89%, were made within 30 days of receipt of a correctly rendered invoice. The average number of days for all payments was 17 days.

- a. In line with Finance Circular No 2008/10, interest is payable to small business where “the amount of interest is more than \$10 and the contractor has issued a correctly rendered invoice for the interest”. No invoices have been received and no interest has been paid.
- b. Not applicable.

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Question No: 242

Program No. CFO Group

Hansard Ref: In Writing

Topic: Credit Cards

Senator Fisher asked:

- a. How many staff in the department have a corporate credit card? What is their classification?
- b. What action is taken if the corporate credit card is misused?
- c. How is corporate credit card use monitored?
- d. What happens if misuse of a corporate credit card is discovered?
- e. Have any instances of corporate credit card misuse have been discovered? List staff classification and what the misuse was, and the action taken.
- f. What action is taken to prevent corporate credit card misuse?

Answer:

- a. As at the 31 January 2012 there are 262 active cardholders in the department. An official is eligible for a corporate credit card where the official:
 - is an SES officer;
 - purchases property or services on behalf of the department;
 - travels on official business on behalf of the department; or
 - is an officer who books travel on behalf of travellers.
- b. Refer to answer for question In Writing No: 452(b) Supplementary Budget Estimates Hearings October 2011.
- c. Refer to answer for question In Writing No: 452(c) Supplementary Budget Estimates Hearings October 2011.
- d. Please see response for (b)
- e. In the 2011-12 financial year to the 31 January 2012, there were 5 instances of misuse of a credit card, representing less than 0.0005% of the department's total credit card transactions. There were 3 instances of fraudulent activity by persons external to the department. The departmental banker has investigated each incident, refunded monies to the department and reissued new cards.

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There was 1 instance where an officer used another officer's corporate credit card without the appropriate approvals. The officers involved have been counselled and reminded of their obligations.

There was 1 instance where an officer inadvertently used the corporate credit card for the payment of a personal purchase. The officer has been counselled and reminded of their obligations. The officer has also been invoiced and all monies were fully recovered.

- f. Refer to answer for question In Writing No: 452(f) Supplementary Budget Estimates Hearings October 2011.