

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Supplementary Budget Estimates Hearings November 2013
Communications Portfolio
NBN Co Limited

Question No: 220

Program No. NBN Co

Hansard Ref: In Writing

Topic: Consultancies

Senator Ludwig asked:

1. How many consultancies have been undertaken from 7 September 2013 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 (i.e. open tender, direct source, etc). Also include total value for all consultancies.
2. 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:

1. The total number of new consultancies¹ entered into from 1 September 2013² to 30 November 2013 was 25. The below table shows the stratification of consultancies.

By Value of Contract	Engagements
Over \$1 Million	3
100,000 - \$1 Million	18
Less than \$100,000	4
Total Engagements	25

¹ This refers to external consulting and project consulting only. This excludes outsourced operations expenditure.

² Consulting expenditure from 1 September 2013 has been disclosed in order to align with the NBN Co Limited month end process

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Nature of Consultancy	Expected Value (\$)
Advice Relating to Strategic Review	8,141,250
Engineering and Technical Support	4,420,229
IT Support	815,877
Finance	432,680
Other	75,600
Total	13,885,636

Most, if not all contracts in place between NBN Co and its consultants contain confidentiality requirements. Disclosure of information such as individual sums paid and other confidential details may therefore result in a breach of these obligations. This may cause harm to NBN Co's commercial relationships and negatively impact upon the company's ability to function as a commercial entity.

2. NBN Co always seeks to minimise its annual consultancy spend. Internal company policies require approval by a member of the executive committee before a consultancy can be entered into. NBN Co's current forecasted (budgeted) spend on consultancies is \$84.1m for FY 2014. As a Government Business Enterprise, NBN Co is not required to produce or publish an Annual Procurement Plan on the AusTender website.