

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: 232

Program No. NBN Co

Hansard Ref: In Writing

Topic: Hire Costs

Senator Ludwig asked:

- a. How much did each department/agency spend on hire cars from 7 September 2013 to date? Provide a breakdown of each business group in each department/agency.
- b. What are the reasons for hire car costs?

Answer:

- a. Hire cars within NBN Co refers to rental cars from companies such as Avis or Hertz where the cost of taxi fares would (for each day of the proposed hire) exceed the cost of a hire car. For the period 1 September 2013¹ to 30 November 2013 expenditure was \$139,452 (excluding fuel costs).
- b. NBN Co employees use hire cars to travel predominately from airports to NBN Co construction sites or travel between their home office and NBN Co construction sites where air travel is not available. The use of hire cars is preferred when the equivalent cost by other means of transport (e.g. taxi) is prohibitive. Clause 6.2 and 6.5 of the NBN Co Travel and Expense Reimbursement Policy states the following:

6.2 Rental Cars

The cost of rental cars will be reimbursed where the cost of taxi fares would (for each day of the proposed hire) exceed the cost of a hire car. Cars must be booked by the TMC in order to access their preferential rates.

The class of vehicle to be booked is a medium sedan (or small sedan if no passengers are to be carried). Requirements for a vehicle other than those specified above must be approved by a member of Exco. The exception to this is for hire cars utilised in the absence of company provided tool of trade vehicles that must be fit for purpose (e.g., have appropriate storage capacity for HS&E and QA equipment). The lowest available cost option must be taken in these circumstances.

Collision Damage Insurance is included in NBN Co's rental agreements with Hertz and Avis and should be purchased for any other rental car companies required to be used. To avoid high re-fuelling charges, you are required to refuel prior to returning the vehicle to the drop-off depot. The costs of re-fuelling the rental car prior to drop-off will be reimbursed.

6.5 Chauffeur Driven Cars

The cost of chauffeur driven cars will not be reimbursed.

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