

## Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Supplementary Budget Estimates Hearing – October 2009

Department of Finance and Deregulation

Finance and Deregulation Portfolio

### Outcome 3, Program 3.1

Topic: TelePresence – Business Case Savings

Question reference number: F21

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Senator BERNARDI asked:

I would be interested in the cost [of establishing a telepresence centre]. Also, there must be some research into the potential cost savings. Do you document that?

**Mr Tune replied:** Correct. As I said, there was a business case done and it suggested that this was going to be a net save for the government over a period of time. You have an upfront capital investment but in time you get a return on that.

**Senator BERNARDI:** I understand that. I would be interested in seeing the business case.

**Mr Tune:** I will take that on notice and see what we can do.

### Answer:

The Government will provide \$13.8 million over 4 years, including \$6.2 million in capital funding. The proposal includes \$4.6 million in funding to be provided by the States and Territories to cover the cost of their portion of the system. The proposal will provide high-quality, secure telepresence videoconferencing facilities connecting the Commonwealth and state and Territory governments. The system will be used for inter-jurisdictional meetings, including Council of Australian Governments (COAG) and Ministerial Council meetings.

The tangible benefits from the TelePresence System (TPS) project include the following:

- reduction in air travel, taxi/hire car, and accommodation costs associated with COAG and Ministerial Council related meetings, and any other inter-government meetings;
- increase in productivity through a reduction in out of office time; and
- reduction in green house gas emissions through reduced air and land travel.

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The intangible benefits from the TPS project include the following:

- improved communication;
- enhanced collaboration;
- increased inter government productivity;
- reduction in time to develop and implement policy;
- meetings can be scheduled at short notice;
- time required for meetings can be significantly reduced;
- the TPS System can be used for other meetings, for example by the Prime Minister, Members of Parliament, Senators, and by State and Territory Premiers and Chief Ministers; and
- the TPS core capability will provide a national inter government secure high quality network that can be extended with provision of similar facilities to other Commonwealth Departments, for example for Inter Departmental Committee (IDC) meetings.

Based on the COAG workload of the first quarter of 2008, it was originally estimated that approximately 300 COAG sub group and working group meetings are required annually, incurring an expense of \$3.5 million in travel costs alone.

For COAG use alone, at a 50 per cent substitution for travel to meetings, it is estimated the payback period for the capital cost would be about two years and the payback period for ongoing support costs would be about six months every year.

Telepresence is next generation videoconferencing technology which is designed to closely simulate face to face meetings. Although they are more expensive than standard videoconferencing facilities, as they most closely replicate face-to-face meetings, they are likely to result in greater reductions in travel and associated costs than other systems. Uptake is a critical factor in selecting telepresence technology over traditional standard videoconferencing to replace travel.