

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
AUSTRALIAN CUSTOMS SERVICE

Question No. 106

Senator Ludwig asked the following question at the hearing on 13 February 2007:

CMS04 Contract:

- a) When was the surveillance information management system (SIM) separated from the original tender?
- b) Was the original contract revised down?
- c) How do the new contracts compare with the original plan and original budget?
 - i) Will it cost more or less and by how much?
- d) When was the service contract pushed back from 1 July 2007 start date to 1 July 2008 start date?
- e) Have there been any variations to the contract?
- f) How many people are in the SAPL contract management group?
- g) How many people are in the Sentinel contract group?
- h) There are two prime consultants and a number of personnel on contracts – how much are the consultancies for?
- i) How much was the extended contract with Surveillance Australia worth?

The answer to the honourable senator's question is as follows:

- a) The SIM was not separated from the tender itself but during contract negotiations the supplier was asked to retender for a SIM that more closely satisfied Customs requirements.
- b) No.
- c) i) Customs budget for the two Sentinel contracts to cover a helicopter service in the Torres Strait and fixed wing surveillance was \$74.2 million per annum (exclusive of GST and as at 1 October 2004). The Torres Strait helicopter service accounted for \$6.3 million and the main surveillance services contract accounted for \$67.9 million.

The Torres Strait helicopter service contract is in line with its original budget.

- d) The decision to delay the contract commencement date to 1 January 2008 (not 1 July 2008) for the main surveillance services contract was made during the contract negotiation period, and prior to contract signature in March 2006.
- e) There have been two variations to the main surveillance services contract. They relate to the terms and conditions for the SIM; and enhanced secure satellite communications.
- f) The Border Protection Command contract management group responsible for the current Coastwatch contract comprises five staff.

- g) Eight Customs staff are currently employed in the Sentinel contract management group to manage transition to the new contracts and delivery of the contracted capability. Other officers from the Border Protection Command support this activity as required.
- h) Customs engages services under contract for a range of purposes including legal, probity, technical, financial and strategic advice for the Sentinel project. With the Sentinel Project now in the contract management stage, there is a reduced need for contracted services.
It is expected that the cost of services for 2006-07 will be approximately \$700,000.
- i) The cost of the SAPL contract extension for the period 1 July 2007 to 31 December 2007 is estimated at \$34 million.