

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
AUSTRALIAN FEDERAL POLICE

Question No. 30

Senator Rhiannon asked the following question at the hearing on 14 February 2012:

Senator RHIANNON: How long does the [NOSIC] contract run for?

Mr Negus: I am not sure of that. We have had an ongoing contract, and I am not sure whether it is every year or every five years, but it is up for renegotiation very shortly, I am told.

Senator RHIANNON: Can you take that on notice? Or is there somebody here who can supply the information?

Mr Negus: I am told it is three years and it is being renegotiated as we speak.

Senator RHIANNON: When you say 'renegotiated', does that mean it does not go out to tender again and is just negotiated with the company?

Mr Negus: Senator, I will have to take that on notice. There are quite complex arrangements about the provision of this type of information and what the field would be like if you went out to tender, and some other areas to consider, so I think it is best if I take it on notice and give you a full answer.

Senator RHIANNON: When this arrangement with NOSIC was first established in 2002, was it put out to tender then?

Mr Negus: That predates me, so I will take that on notice and provide it as part of the answer.

Senator RHIANNON: Is there just one contract with NOSIC?

Mr Negus: To the best of my knowledge, yes.

Senator RHIANNON: If that could be clarified please, take it on notice.

...

Senator RHIANNON: Is [NOSIC] an Australian-based company?

Mr Negus: Yes, it is.

Senator RHIANNON: It is not a subsidiary of an overseas company.

Mr Negus: I do not have that information in front of me. I am happy to take that on notice and provide you with whatever information we possibly can.

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Senator RHIANNON: Has the contract between AFP and NOSIC been publicly released or, if not, can it be publicly released?

Mr Negus: I will take it on notice. I think that would be commercial-in-confidence. I think we have given the costings figures to the Commonwealth in what we do, but, as to the terms of the contract, it is probably best if I take that on notice.

Senator RHIANNON: Thank you for that. If you determine it is commercial-in-confidence, could you explain why considering you have released some information here tonight, particularly the be-relevant one, with the amount of money that is paid to them each year? If it cannot be provided to the committee, would you also take on notice why?

Mr Negus: Yes, we will.

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

1. In 2002 the services of NOSIC were acquired through direct sourcing as market research indicated this was the only company who could provide the specialised open source service the AFP required. The contracts with NOSIC commenced with a six month trial. Since then there have been a number of contractual arrangements with NOSIC.
2. The AFP is currently renegotiating its contract with NOSIC through a direct source process in accordance with Commonwealth policy and the updated Commonwealth Procurement Guidelines (1 December 2008) issued by the Department of Finance and Deregulation. The AFP is renegotiating the contract through a direct source process because NOSIC is the only company who can provide the specialised open source service the AFP requires.
3. At any given time the AFP has had only one contract in place with NOSIC.

4. NOSIC is an Australian owned company based in Melbourne and is not a subsidiary of an overseas company.
5. A copy of the NOSIC contract is provided. The schedules to the contract are not provided due to operational reasons.