

## **Estimates Committee Hearing**

### **Questions taken on Notice**

#### **1. Government Call Centre - Staff Redundancy arrangements (pg 2)**

**The Hon. TREVOR KHAN:** You have 28 or 30 or whatever number and you have it set up and operating in Parramatta. You then decide to move it to a regional centre having already established it in Parramatta. What do you do with the 28 or 30 or 32 or 37 people you already have at Parramatta?

What is a short-term basis?

Does that mean they are part-time staff, casual staff?

#### **Answer**

The Government Contact Centre was established with 28 staff (20 phone operators; 8 support staff) for its initial phase of operation. The temporary positions were created up until 30 June 2009 given it was unclear what volume of calls the Centre would be handling.

The positions were filled with both temporary officers and short-term secondment of permanent officers from the Office of Fair Trading Information Centre (FTIC).

## **2. Government Call Centre – Call handling protocols (pg 2)**

**The Hon. TREVOR KHAN:** What I want to suggest to you is that what happens at the present time is they call in, however many call in, and they are told to ring another number?

### **Answer**

The Government Contact Centre is designed to answer basic questions about NSW Government services and the Centre can also transfer callers to appropriate NSW agencies if more detailed information is required, or provide referral numbers.

### **3. Government Call Centre – Outsourcing (pg 4)**

**The Hon. DAVID CLARKE:** Did you investigate outsourcing this call centre or was it just automatically assumed from the beginning that it would be an in-house operation?

In the first phase did you consider getting quotations from private enterprise?

#### **Answer**

The Office of Fair Trading Call Centre already had infrastructure for operating a 103 seat call centre. The addition of the Government Contact Centre to this technology for the initial evaluation phase was considered the most cost effective option and posed no extra cost to the Office of Fair Trading.

**4. Government Call Centre – Number of calls (pg 5)**

**The Hon. TREVOR KHAN:** How many calls have been received at the call centre since it was established?

**Answer**

I am advised that between 20 August 2008 and 17 October 2008, 1632 calls have been answered.

In addition to handling calls to the Government Contact Centre, these staff are also answering up to 1,000 of the approximate 4,500 calls a day made to the Fair Trading Information Centre.

This assistance has allowed the Office of Fair Trading to deplete accrued recreation and flex leave and to allow its staff to attend training.

## **5. Government Call Centre – Call monitoring (pg 5)**

**The Hon. TREVOR KHAN:** What sort of tracking system do you have to determine, for instance, the numbers are building at the call centre?

You will have some key performance indicators, will you not, to determine whether you are wasting money at the centre? What are the key performance indicators that you have with regard to the operation of the centre?

So you can tell us that there is a set of performance indicators and that you will provide those to us?

### **Answer**

The Fair Trading Information Centre is an Internet Protocol Telephony centre, utilising Multi-media Contact Centre technology for skill based routing and reporting, voice recording capabilities and Workforce Management capabilities

Key Performance Indicators (KPIs) for the Government Contact Centre have been identified and are monitored daily and monthly. KPIs are also being independently evaluated by KPMG as data is gathered. Examples of these KPI targets include:

- average handling time target – 3 minutes 30 seconds
- average waiting time target – less than 1 minute
- abandoned rate percentage target – less than 3%, excluding all calls that have waited less than 10 seconds before abandoning.

**6. Government Call Centre – recurrent offsets (pg 6)**

**The Hon. TREVOR KHAN:** Let me let you in on a secret. When the costing of the election proposal was done, if you go to the line “Less recurrent offsets”, you will see, for instance, in year 2009-10 that there is an apparent offset of \$21 million-odd. If you look at the proposal, \$19.5 million is said to be offset in terms of your website – and we might have time to come to that – but at least by my maths you have to come to the conclusion that there is some identified recurrent offset relating to the operation of this call centre. I am asking you – the hypothesis being that you are going to save money here – what that recurrent offset is and what it is this year? The document that is being released publicly, contrary to what you previously said, clearly identifies that there is an offset. I am asking you as the Minister what it is?

**Answer**

The two quoted offset figures relate to website savings and do not represent call centre recurrent offsets.

**7. Free Wireless Broadband proposal (pg 7)**

**Dr JOHN KAYE:** Minister, may I ask you about the proposal for a free city Wi-Fi service that collapsed in about May 2008. At the point at which the proposal to build a free Wi-Fi service in the city collapsed, how much had been spent on the entire project at that time?

What was the anticipated cost of the project?

Can you explain why the project was abandoned?

**Answer**

Expenditure on the project was staff costs of approximately \$150,000 plus overheads.

Research showed that similar projects overseas have a very low success rate and required significant Government subsidies. The Government was not convinced the project was an appropriate use of taxpayers' funds.

The Government discontinued the project on 1 May 2008.

**8. Additional Free Wireless Broadband services (pg 7)**

**Dr JOHN KAYE:** Does the department run any other free Wi-Fi services in any other location?

**Answer**

No.



## **9. Procurement Preference Schemes (pg 8)**

**Dr JOHN KAYE:** Can you explain the way in which those different requirements around preference limit our ability to favour New South Wales providers of goods and services?

### **Answer**

NSW Treasury is responsible for Procurement Policy, while the Department of State and Regional Development is responsible for local industry policy as it relates to government procurement. The Department of Commerce applies the policies as directed by NSW Treasury and the Department of State and Regional Development.

**10. Purchase of Australian made goods (pg 8)**

**Dr JOHN KAYE:** Can you provide for us what is the total percentage of the value of items purchased by the Department of Commerce that are Australian manufactured or provided, as opposed to overseas manufacture or provided?

**Answer**

The Department of Commerce does not keep statistics on the percentage of the value of items or service purchased through State Contracts that are Australian manufactured or provided.

## **11. Government advertising policy (pg 10)**

**Dr JOHN KAYE:** I understand the Department of Commerce plays a key role in the advertising policy. Can you walk me through the peer review process and the submission of advertising proposals to the BBC that, for reasons I cannot understand, stands for the Standing Committee on Budget within the Cabinet?

### **Answer**

All public awareness advertising campaigns of \$50,000 or more are subject to Budget Cabinet Committee (BCC) approval.

Prior to consideration by BCC all campaigns must be submitted to the Government Advertising unit (Department of Commerce) for independent peer review.

Government Advertising organises for a peer review team to review each proposed advertising strategy against a structured framework and reports their findings to the Budget Committee of Cabinet as part of the advertising submission.

The members of a peer review team are individually constituted for each campaign, drawing on a pool of qualified reviewers in marketing roles across Government. Peer Reviewers do not review any campaigns from their own department.

Following a structured approach, the peer review team examine whether there is a demonstrated need for the campaign, the expected outcomes, the creative and media strategies, budget management, evaluation, risk management and the extent of stakeholder consultation.

The peer review team also look for opportunities for Government Departments to work together where campaigns are targeting similar audiences.

Following the release of the updated Advertising Guidelines in August 2008, the peer review team reports on any issues regarding compliance with the Guidelines.

Government Advertising estimates that in at least 70% of peer reviews, improvements are made to the original proposal, with improvements including better targeting, reduced production costs and better use of Government communication channels, as well as improved inter-agency consultation on shared issues.

Upon receipt of approval from a peer review, the campaign is submitted to the Minister for consideration before forwarding to BCC.

Agencies are not permitted to incur expenditure on advertising until after approval is received from BCC.

**12. Electricity Industry Re-structuring advertising campaign (pg 10)**

**Dr JOHN KAYE:** Part of the updated guidelines talks about commitment to being accountable to all activities and to responding to community needs and expectations. Can I ask how much money was being spent on advertising in respect of what the Government refers to as the electricity industry restructuring process?

**Answer**

I am advised that total cost of the campaign was \$1,289,361.

**13. Call centre redundancies (pg 12)**

**The Hon. DAVID CLARKE:** How many weeks of redundancy pay have been offered to those to be made redundant by the one-stop call centre?

I am talking about those who are being made redundant in other departments. There is an allowance here. Treasury estimates redundancy costs will start at \$80,000 and it has given specific amounts totalling about \$10 million up to 2009-10. Would you agree with me that it has already been agreed that there will be a 52-week redundancy payout for those made redundant as a result of this one-stop call centre.

**Answer:**

All staff employed to implement the Government Contact Centre are temporary Section 27 employees (employed and paid through the Office of Fair Trading). No permanent staff would be made redundant if the Centre closes, is downgraded or relocated.

## **Out of Session Questions**

### **Questions from Mr Khan**

#### **Telecommunications spend**

1. What was the cost of the Minister's mobile phone bill for the month of September 2008?

#### **Answer**

A mobile phone bill for the month of September has not yet been received.

2. What did the Government spend on telecommunications from 2007-08?

#### **Answer**

Total expenditure reported by vendors for the period July 2007 to June 2008 across State Telecommunication contracts (**2000** – DITM; **2360** – GTA; **2306** - PABX & Key Telephone Systems; **2024** - Telephone Handsets, Answering Machines, Diverters & Associated Services; **2023** - Video Conferencing Equipment; **2025** - Mobile Cell & Satellite Phones; **2025B** - Mobile Phone Usage, Monitoring, Reporting & Advisory Services; and, **2302** - Paging Equipment & Service) was \$317,992,771.

#### **Departmental amalgamation**

3. How many payroll systems does the NSW Government currently have across its agencies and departments?

#### **Answer**

An October 2007 survey of NSW Government agencies with more than 200 full time equivalent staff identified eight payroll systems.

4. What changes has the Department instigated to address the Auditor General's finding earlier this year (in his report into Managing Departmental Amalgamations) that the Department had not realised "other expected benefits, such as improved and lower cost customer service" from the amalgamations?
5. What evidence does the Department have that customer service costs have now been reduced?

6. What evidence does the Department have of the benefits NSW taxpayers are receiving from the Commerce amalgamation?

**Answer (to questions 4-6)**

The Department of Commerce continued to deliver valuable services to the NSW Government and community during the 2007/08 financial year.

The Office of Public Works and Services delivered approximately 3,000 public infrastructure projects across New South Wales worth almost \$1 billion. Key projects included:

- the co-ordination of facilities at Randwick to support World Youth Day, including extensive turf protection at Royal Randwick racecourse
- the completion of the Department of Justice office building and the trial courts building as part of the Parramatta Justice Precinct, completed five months ahead of schedule
- the Prospect Raw Water Pumping Station, the largest submersible water supply pumping station in Australia, delivered ahead of time and within budget.

The Facilities Management unit administered 20 cleaning contracts and two facilities management contracts, and assisted the Department of Education and Training to manage 19 asset maintenance contracts valued at \$124 million. These contracts create employment opportunities for some 1,594 sub contractors and employment opportunities for 3,944 people.

NSW Water Solutions was competitively selected to design Tillegra Dam, a new 450,000 megalitre project in the Hunter Valley and a Government commitment to drought proof the Hunter and Central Coast Regions.

The Government Architect's Office undertook a commission to help the Architects Registration Board become carbon neutral and to provide a template for small consultancy practices wanting to reduce their carbon footprint.

The financial year also saw NSW Procurement deliver \$330 million in savings to the Government by achieving greater economies of scale. In all, the spend through the State Contracts Control Board contracts was \$3.64 billion in 2007/08.

NSW eTendering, which provides a complete electronic tendering process for all government organisations, grew by 177 per cent on the last year. The use of smartbuy® also increased significantly with more than 67,000 purchase orders valued at \$359 million placed through the system. This was up from 44,000 orders valued at \$224 million in 2006/07.

In November 2007 three separate shared service businesses were integrated to form ServiceFirst, the largest shared services group in the NSW public sector. ServiceFirst looks after the corporate shared services, finance, human resources, IT and business support for over 80 clients in the NSW public sector. With over 550 staff, ServiceFirst

brings together an enormous wealth of experience and knowledge in shared services to support its clients.

The Office of Fair Trading implemented regulatory changes that brought significant improvements for the community and business in the areas of consumer credit, consumer claims, motor dealers, retirement villages, strata schemes and home building.

Fair Trading continued to respond to a vast number of requests from business and the community for service – there were almost seven million in 2007/08. These were handled through phone, counter and electronic channels. More than 34,000 disputes between consumers and traders were handled and over 39,000 compliance related activities were carried out.

The Office of Industrial Relations continued to improve its services to employers and employees in New South Wales. The Office's innovative workplace compliance campaigns are proving to be an effective and efficient way to assist large numbers of employers and employees to understand their employment rights and responsibilities.

The Office also provided critical assistance to eminent constitutional expert Professor George Williams, who reported to the Government on models for a cooperative national industrial relations system. Discussions with the Commonwealth about the emerging national system have been a major focus of the Office in 2008.

The Chief Information Officer Executive Council took a new approach in February 2008 to better implement the Government ICT Strategy People First, by establishing agreed areas of priority.

Operating as a management board supporting People First initiatives, the Council is a working partnership - thinking, deciding and operating as a single voice representing NSW Government agencies.

The Council has already delivered savings and modernised the way government works by taking a coordinated approach to ICT investment, planning and expenditure with a priority given to frontline services during 2007/08.

The Department of Commerce's Net Cost of Services for 2007/08 was \$88.3 million. This was \$26.2 million lower than the 2007/08 budget and \$47.8 million better than the 2006/07 actual result.

The improvement in Net Cost of Services 2007/08 Actual compared to 2007/08 budget is mainly attributed to a positive variance of \$17.2 million in profit on sale StateFleet motor vehicles partly offset by loss on sale of other non-current assets. Another major factor contributing to the favourable variance is the higher than budgeted revenue from retained taxes, fees and fines of \$11.4 million mainly due to



an increase of \$11.1 million in interest received from the Real Estate Agent's Trust Account.

The Auditor General noted in his report that "the amalgamation is achieving the intended budget saving objective, to achieve budget savings of \$21.9 million in the first year and \$41.9 million in the second and subsequent years.

The report also noted that the achievement of "improved and lower cost customer service" was "beyond the control of Commerce as it had no input into the selection of departments brought into the amalgamation".