

Question on Notice
No. 567
Asked on 20 April 2006

MR LINGARD asked the Minister for Health (MR ROBERTSON)-

QUESTION:

With reference to the several changes in contractual arrangements with Telstra and Optus which have occurred in his portfolio between 2000 and 2006 for the provision of services including mobile phones and CDMA's, 1300 numbers, 1800 numbers, servicing, maintenance and replacement costs, call out costs and internal department costs —

- (1) What was the duration and the cost of each contract with each provider for the period of their respective contracts during the abovementioned period?
- (2) In respect of the contracts in (1) what was the breakdown of costs (reported separately) for each of the components, i.e. CDMA's, mobile phones, 1300 numbers, 1800 numbers, servicing, maintenance and replacement costs, call out costs and internal department costs?

ANSWER:

Details of contractual arrangements with Telstra and Optus 2000-2006 follow:

| Telstra | Duration of contract | Total cost \$M | Component | Cost of component \$M |
|-----------------|-----------------------------|-----------------------|-------------------------------------|------------------------------|
| 2000/01-2003/04 | 4 years | 3.980 | | |
| | | | - CDMA's | 0.746 |
| | | | - mobile phones | 3.234 |
| | | | - 1300 numbers | - |
| | | | - 1800 numbers | - |
| | | | - servicing costs | - |
| | | | - maintenance and replacement costs | - |
| | | | - call out costs | - |
| | | | - internal department costs | - |
| Optus | Duration of contract | Total cost \$M | Component | Cost of component \$M |
| 2000/01-2003/04 | 4 years | 2.382 | | |
| | | | - CDMA's | 0.086 |
| | | | - mobile phones | 2.296 |
| | | | - 1300 numbers | - |
| | | | - 1800 numbers | - |
| | | | - servicing costs | - |
| | | | - maintenance and replacement costs | - |
| | | | - call out costs | - |
| | | | - internal department costs | - |

MOBILE SERVICES CONTRACTS

| Telstra | Duration of contract | Total cost \$M | Component | Cost of component \$M |
|-----------------|-----------------------------|-----------------------|-------------------------------------|------------------------------|
| 2004/05-2005/06 | 1 year and 8 months | 2.029 | | |
| | | | - CDMA's | 0.596 |
| | | | - mobile phones | 1.433 |
| | | | - 1300 numbers | - |
| | | | - 1800 numbers | - |
| | | | - servicing costs | - |
| | | | - maintenance and replacement costs | - |
| | | | - call out costs | - |
| | | | - internal department costs | - |
| Optus | Duration of contract | Total cost \$M | Component | Cost of component \$M |
| 2004/05-2005/06 | 1 year and 8 months | 0.935 | | |
| | | | - CDMA's | 0.016 |
| | | | - mobile phones | 0.919 |
| | | | - 1300 numbers | - |
| | | | - 1800 numbers | - |
| | | | - servicing costs | - |
| | | | - maintenance and replacement costs | - |
| | | | - call out costs | - |
| | | | - internal department costs | - |

VOICE SERVICES CONTRACTS

| Telstra | Duration of contract | Total cost \$M | Component | Cost of component \$M |
|-----------------|-----------------------------|-----------------------|--|------------------------------|
| 2000/01-2001/02 | 1 year | 6.652 | | |
| | | | - CDMA's | - |
| | | | - mobile phones | - |
| | | | - 1300 numbers (includes line cost) | 0.175 |
| | | | - 1800 numbers (includes line cost) | 0.101 |
| | | | - Local Calls | 3.558 |
| | | | - National Long Distance Calls | 0.960 |
| | | | - Other Services | 1.581 |
| | | | - servicing costs | - |
| | | | - maintenance and replacement costs ⁽¹⁾ | 0.227 |
| | | | - call out costs | - |
| | | | - internal department costs ⁽²⁾ | 0.050 |

| | | | | |
|-----------------|-----------------------------|-----------------------|--|------------------------------|
| 2002/03-2005/06 | 4 years and 5 months | 23.212 | | |
| | | | - CDMA's | - |
| | | | - mobile phones | - |
| | | | - 1300 numbers (includes line cost) | 0.940 |
| | | | - 1800 numbers (includes line cost) | 0.912 |
| | | | - Local Calls | 12.310 |
| | | | - National Long Distance Calls | 1.334 |
| | | | - Other Services | 5.369 |
| | | | - servicing costs | - |
| | | | - maintenance and replacement costs ⁽¹⁾ | 0.999 |
| | | | - call out costs | - |
| | | | - internal department costs ⁽²⁾ | 1.348 |
| Optus | Duration of contract | Total cost \$M | Component | Cost of component \$M |
| 2000/01-2005/06 | 5 years and 5 months | 24.639 | | |
| | | | - CDMA's | - |
| | | | - mobile phones | - |
| | | | - 1300 numbers (includes line cost) | 0.050 |
| | | | - 1800 numbers (includes line cost) | 0.010 |
| | | | - Local Calls | 0.232 |
| | | | - National Long Distance Calls | 21.993 |
| | | | - Other Services | 1.486 |
| | | | - servicing costs | - |
| | | | - maintenance and replacement costs ⁽¹⁾ | 0.183 |
| | | | - call out costs | - |
| | | | - internal department costs ⁽²⁾ | 0.685 |

Notes:

- (1) Service and call out costs are included within the contracted maintenance price.
- (2) Internal departmental cost is not recorded against each service provider separately, but as an overall cost across all managed services. For the purpose of this report, the costs shown above have been apportioned in the ratio of 30:70/Optus:Telstra based on the respective value of contract with each provider.