



# NSW Telco Authority

## Response to Further Supplementary Questions

LEGISLATIVE ASSEMBLY

Public Accounts Committee

Hearing date: 25 March 2024

**Accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW (Critical Communications Enhancement Program).**

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*The following additional supplementary questions were received by the Public Accounts Committee via email on Tuesday 10 July 2024. They include references to the recommendations contained in the NSW Auditor-General's report to Parliament titled 'Management of the Critical Communications Enhancement Program'.*

1. Can you provide a full list of key suppliers and the dates they were contracted for the entire duration of the Critical Communications Enhancement Program (CCEP)?

Answer:

Referring to the list of key providers in response to Question 4 earlier, here are the details.

Supplier category	Supplier Name	Contract date
Major delivery Partner	Amalgamation Pty Ltd	Part of CCEP Construction Program (Program Management) from 16/07/2019 to 30/12/2025 with option to extend for 12 months
Building and Construction vendors	Highforce	Part of CCEP Construction Program - Stage 3 from 18/07/2019 to 17/07/2025 Stage 4 from 21/04/2023 to 21/04/2028
Building and Construction vendors	Downer	Part of CCEP Construction Program - Stage 3 from 18/07/2019 to 17/07/2025 Stage 4 from 21/04/2023 to 21/04/2028
Building and Construction vendors	Service Stream	Part of CCEP Construction Program - Stage 3 from 18/07/2019 to 17/07/2025 and Stage 4 from 21/04/2023 to 21/04/2028
Building and Construction vendors	Ventia	Part of CCEP Construction Program - Stage 3 from 18/07/2019 to 17/07/2025
Building and Construction vendors	BSA	Part of CCEP Construction Program - Resilience (Microwave) from 22/12/2023 to 31/12/2025
Professional Services vendors	Stacey and Taylor Pty Ltd	01/09/2018 to 30/11/2024
Professional Services vendors	Kathy Jones and Associates Pty Ltd	30/11/2021 to 30/11/2024
Professional Services vendors	PM Partners Pty Ltd	27/11/2019 to 27/09/2025
Professional Services vendors	O'Connor Marsden & Associates	06/05/2019 to 30/06/2025
Professional Services vendors	Charles Kendal	02/05/2019 to 30/06/2025
Warehousing provider	Ceva Logistics	18/02/2019 to 15/05/2027
Site Acquisition and Environmental Design	Catalyst	Part of CCEP SAED Program from 01/02/2021 to 31/03/2025

Site Acquisition and Environmental Design	Ventia	Part of CCEP SAED Program from 18/06/2018 to 31/12/2024
Site Acquisition and Environmental Design	Downer	Part of CCEP SAED Program from 15/02/2022 to 12/11/2024
Site Acquisition and Environmental Design	MYD Consulting	Part of CCEP SAED Program from 27/01/2022 to 12/11/2024
Integration and network management	BAI Communications	Part of CCEP Program – (Integration Services) from 18/12/2022 to 17/12/2024 Part of CCEP Program – (Network Management – Network Services Agreement) from 24/04/2013 to 17/12/2022 Part of CCEP Program – (Network Management – Managed Network Agreement) from 17/12/2022 to 17/12/2027
Access track panel providers	Fluren Pty Ltd	Multiple ad hoc contracts depending on site requirements
Access track panel providers	Mifsud	Multiple ad hoc contracts depending on site requirements
Access track panel providers	Associates Pty Ltd	Multiple ad hoc contracts depending on site requirements

#### Equipment Providers

Equipment Type	Supplier	Contract date
Shelters	ICS Industries Pty Ltd CommTel Network Solutions Pty Ltd	Part of CCEP Program (Equipment) from 13/12/2018 to 17/01/2025 Part of CCEP Program (Equipment) from 26/06/2018 to 24/10/2024
Power Systems	ICS Industries Pty Ltd CommTel Network Solutions Pty Ltd Eaton Electrical Australia Pty Ltd	Part of CCEP Program (Equipment) from 13/12/2018 to 17/01/2025 Part of CCEP Program (Equipment) from 26/06/2018 to 24/10/2024 Part of CCEP Program (Equipment) from 16/07/2018 to 09/03/2025
Equipment Racks	MFB Products Pty Ltd Eaton Electrical Australia Pty Ltd	Part of CCEP Program (Equipment) from 12/10/2018 to 25/10/2024 Part of CCEP Program (Equipment) from 16/07/2018 to 09/03/2025

P25 core equipment	Motorola Pty Ltd	Part of CCEP Program (Equipment) from 1/8/2016 to 15/8/2024 Part of CCEP Program (Support) from 24/12/2021 to 2/8/2027
Routers	Nokia Pty Ltd	Part of CCEP Program (Equipment) from 18/09/2018 to 4/09/2024
Passive Equipment	RF Industries Pty Ltd	Part of CCEP Program (Equipment) from 5/06/2017 to 9/11/2024
Microwave Equipment	Aviat Networks	Part of CCEP Program (Equipment) from 20/12/2013 to 25/08/2024
Tower Structures	LeBlanc Pty Ltd FEC - (Trustee for The Future Engineering & Communication Unit Trust) ROAM Pty Ltd	Part of CCEP Program (Equipment) from 12/12/2017 to 27/09/2024 Part of CCEP Program (Equipment) from 20/12/2013 to 20/09/2024 Part of CCEP Program (Equipment) from 8/12/2017 to 1/10/2024

**2. Can you explain how the key supplier costs relate to the initial and final business case costs including:**

- a) Which key suppliers were engaged and/or provided quotes at the beginning of the projects as part of the initial \$400 million business case?**

At time of \$400m funding the program had not gone to market therefore business case relied on costs pertaining to a small number of sites that had been completed by NSWTA and input from subject matter experts with industry experience.

None of the key suppliers mentioned above were engaged for the development of the \$400 million business case.

- b) For key suppliers engaged later, how did their estimates align with the initial project cost prepared by NSW Telco Authority?**

The program was funded in multiple phases, with program scope and budget confirmed over a period of 5 years. Early project cost indications were point in time estimates, submitted before the program had been to market and completed detailed design to deliver the outcome.

The 2016 ERC submission noted that risks to estimates included underestimating time required to complete site acquisition, the volume of equipment required, ease of access to sites, provision of power to sites and inclement weather. These risks, plus others, were realised, impacting the program schedule and budget. Program costs also increased in line with cabinet approved scope changes. As a result of this initial project cost estimates did not align with actual supplier costs as previously advised to the PAC

c) How much did the quotes or costs increase when NSW Telco Authority went to market for detailed and/or formal quotes, and then over the course of the project implementation?

At time of \$400m funding the program had not gone to market therefore business case relied on costs pertaining to a small number of sites that had been completed by NSWTA and input from subject matter experts with industry experience.

The program has received incremental funding via separate business cases over time. The current program approved funding of \$1,292 million delivers 669 sites and 24 transmission providing land coverage to 85% and will reach 99.7% of the population. The current estimate-at-complete (EAC) indicates the program shall be delivered on or under budget depending on risk experience between now and program end.

3. Noting, the Authority's [answers to questions on notice](#), how much did each of the below business cases cost to prepare? In addition, what portion of each business case's cost was internal costs and what portion was external (i.e. from engaging consultants)?

- 2016
- 2018 Stage 2
- 2019 Stage 3
- 2020 Supplementary Business Case
- 2021 Final Business Case

**Answer**

Across the five business cases a total of \$1.9 million in development costs were outsourced to two key providers –Deloitte and PricewaterhouseCoopers. The scope of this work included cost modelling, economic benefit modelling, business case writing and an independent review.

Stage	Cost	Internal Portion	External Portion
2016	\$0.75 million	59%	41%
2018 Stage 2	\$0.79 million	59%	41%
2019 Stage 3	\$0.97 million	49%	51%
2020 Supplementary Business Case	\$0.96 million	51%	49%
2021 Final Business Case	\$0.79 million	63%	37%
<b>Total</b>	<b>\$4.26 million</b>	<b>55%</b>	<b>45%</b>

ENDS