

Joint Committee of Public Accounts and Audit
Inquiry into Australian Government Contract Reporting

ANSWERS TO QUESTIONS ON NOTICE

Australian Taxation Office

NOVEMBER 2018

Department/Agency: ATO

Question: 1

Topic: Australian Government Contracting

Question:

1. Could you provide a list of your agency's projects contracted to the 'big 4' consulting firms (Deloitte, EY, KPMG, and PwC) that have been completed or commenced in the last five years? In this list please include the following details:
 - A description of the type of work contracted;
 - The initial contract value; and
 - The final project expenditure (including relevant contract variations or extensions), or if the project is continuing the current project expenditure.

2. For the period 2012-13 to 2016-17, please provide annual expenditure data on the top five companies (by expenditure) engaged to provide labour hire workers to your agency. Please provide the data in the table attached below and also provide any clarification or extra information required for interpretation of the data. For this purpose, labour-hire workers (also known as on-hire contractors) are defined as individual workers hired by your agency from a third-party entity such as a labour hire agency or recruitment service. This does not include consultants or contractors directly engaged by your agency.

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Answer:

- The Australian Taxation Office had 199 contracts with the 'big 4' consulting firms (Deloitte, EY, KPMG, and PwC) that have been completed or commenced in the last five years (ie 2013-14 to 2017-18 financial years). These are summarised in the following tables.

Table 1: Initial and current contract values, contract variations and expenditure

Supplier	Number of contracts	Total initial value (\$m)	Number of contract variations ¹	Total value of contract variations (\$m)	Total current value (\$m)	Total expenditure (\$m)
Deloitte	55	11.555	14	3.749	15.304	12.613
Ernst & Young (EY)	21	4.590	13	4.178	8.768	7.455
KPMG	66	8.217	20	5.066	13.283	11.311
PricewaterhouseCoopers (PwC)	57	10.578	11	2.283	12.861	10.212
Grand Total	199	34.940	58	15.276	50.216	41.591

- The 58 contract variations were spread across 36 contracts.

Table 2: Top 5 service types by expenditure^{1,2}

Service type	Deloitte	EY	KPMG	PwC	TOTAL
Management advisory services	4.260	0.641	6.409	6.080	17.390
Temporary personnel services	5.938	5.509	0.248		11.695
Business intelligence consulting services	1.483	0.077	1.616	0.044	3.220
Information technology consultation services	0.098	0.795		1.505	2.398
Strategic planning consultation services	0.089		1.506	0.276	1.871
TOTAL	11.868	7.022	9.779	7.905	36.574

- Figures are in \$ million.
- Service type is based on the AusTender category.

- Labour hire expenditure values in the following table are GST exclusive. The trend in labour hire expenditure is consistent with previous information provided by the Australian Taxation Office to this inquiry.

Please complete the following table with the top five companies (by expenditure) engaged by your agency to provide labour hire.

Labour Hire Supplier	2012-13	2013-14	2014-15	2015-16	2016-17
Company 1					
Name	Compas Pty Ltd	Compas Pty Ltd	Compas Pty Ltd	Paxus Australia Pty Ltd	Paxus Australia Pty Ltd
Expenditure	\$5.93m	\$7.25m	\$6.17m	\$16.77m	\$24.66m
Company 2					
Name	Paxus Australia Pty Ltd	Ajilon Pty Ltd	Paxus Australia Pty Ltd	Talent International	Talent International
Expenditure	\$4.71m	\$3.28m	\$4.55m	\$11.54m	\$18.17m
Company 3					
Name	Hoban Recruitment Pty Ltd	Paxus Australia Pty Ltd	Encore It Services Pty Ltd	Clicks Recruit (Australia) Pty Ltd	Clicks Recruit (Australia) Pty Ltd
Expenditure	\$4.41m	\$3.24m	\$3.03m	\$7.48m	\$15.22m
Company 4					
Name	Ajilon Pty Ltd	Finite Group APAC Pty Ltd	Finite Group APAC Pty Ltd	Peoplebank Australia Pty Ltd	Future People Pty Limited
Expenditure	\$4.33m	\$2.59m	\$3.02m	\$6.52m	\$13.98m
Company 5					
Name	Finite Group APAC Pty Ltd	Encore It Services Pty Ltd	Ajilon Pty Ltd	Clarius Group Ltd T/A Ignite	Peoplebank Australia Pty Ltd
Expenditure	\$3.12m	\$2.36m	\$2.85m	\$6.25m	\$12.69m