

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

16 February 2012

Question No: AET 315 - 318

Topic: Travel costs (ATO)

Hansard Page: Written

Senator Bushby asked:

315. For the financial year to date, please detail all travel (itemised separately) undertaken by employees of each department and agency within each portfolio. Include details of what the travel was for, what cost was spent on travel (including travel type – i.e. business airfare), accommodation, security, food, beverages (alcohol listed separately), gifts, entertainment, and all other expenses.
316. Are employees taking the most direct route when travelling? If not, please explain why.
317. Are lounge memberships provided to any employees? If yes, what lounge memberships, to how many employees and their classification, the reason for the provision of lounge membership and the cost per employee.
318. When SES employees travel, do any support or administrative staff (such as their Executive Assistant) travel with them? If yes, provide details of why such a staff member is needed and the costs of the support staff travel.

Answer:

315. The ATO has spent \$22.3 million on travel related costs for the period 1 July 2011 to 31 January 2012. Within this amount, \$10.0 million was for air travel, \$8.7 million for travel allowance payments including \$2.2 million for SES and EL2 accommodation and \$3.6 million for other incidental travel costs (including taxi fares but excluding fleet costs).

The ATO's YTD 2011-12 airfare expenditure by type and class is set out in the table below:

Airfares (\$m)	Economy	Business	TOTAL
Domestic	5.8	4.0	9.8
International	0.0	0.2	0.2
TOTAL	5.8	4.2	10.0

As an organisation that is located around Australia (the ATO has 14 CBD, 10 metropolitan and 7 regional sites outside the Canberra region which account for 84% of ATO staff nationally), connecting with staff, the community, businesses and tax professionals drive the ATO's domestic travel.

Travel sign-off is required from the traveller's delegate, and delegates must only provide sign-off if the travel is essential to ATO business. The rate of travel allowance paid is set out

in relevant workplace agreements and is paid to meet the cost of accommodation, meals and other incidental expenses incurred while undertaking official travel.

Because of the significant volume of travel undertaken by the ATO, it is not possible to separately itemise all travel undertaken over 2011-12.

316. ATO staff operate under strict internal travel guidelines supported by whole-of-government travel procedures. This includes use of 'lowest practicable fare of the day' for domestic flights and 'best fare of the day' for overseas flights.

Managers approve on the basis that travel is necessary for business and is the most efficient and cost effective means.

80% of travel is booked via the ATO's online booking tool that provides flight options for travel. Flights chosen must meet business requirements, including (but not limited to) using the 'lowest practicable fare', 'best fare of the day' and most direct route where appropriate. For instance, not choosing the most direct route may be appropriate when direct flights are unavailable at the required dates or times for travel, in some instances an indirect route may also be cheaper and more practical than flying a direct route.

317. ATO policy allows for EL2 and general employees who are likely to undertake a certain number of return flights in the forthcoming 12 month period to an ATO-funded lounge membership. For general employees the requisite number of return trips is 12 and for EL2 employees it is eight return trips. SES staff receive lounge memberships where they are likely to travel more than eight times per year.

As at 31 January 2012, the ATO had spent \$127,851 year to date on new memberships and renewals for 330 staff. The ATO does not keep consolidated data on which lounge memberships staff have been provided with.

Indicative new member and renewal fees for lounge memberships are shown in the table below:

	New member fees (One Year)	Renewal fees (One Year)
Qantas Lounge	\$485	\$275
Virgin Lounge	\$448	\$249

Due to the manner in which the ATO records data associated with lounge memberships, it is highly resource intensive to provide a breakdown by classification. Due to the time constraints and the resource intensive nature of the request, we are unable to provide the requested data regarding classifications of staff for whom the ATO has paid for lounge memberships.

318. The ATO has in place a number of Corporate Management Practice Statements and Instructions outlining the ATO policy on the appropriate instances in which business related travel may occur. These outline the processes which staff must follow to book, approve, adjust and cancel work related travel. Each instance of travel is considered individually by a delegate, who approves the travel, having taken into account the business needs and available alternatives to prevent the need to travel.

There may be limited instances where staff in executive support staff roles may be required to accompany SES staff whilst travelling to support the ongoing management of business functions.

As the ATO records travel individually on the basis of complete trips (which may have multiple components and travel reasons), we are unable to provide data specifically related to travel for SES support related activities.