

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

26 February 2014

Question: AET 14-22

Topic: Closure of the AVO

Written: 28 February 2014

Senator DASTYARI asked:

- 14) Was the closure of the AVO subject to a cost-benefit analysis?
- 15) The Parliamentary Secretary indicated in his announcement that the AVO's revenue had declined due to technological changes. Can you outline what those changes are?
- 16) Would it have been possible to reduce costs so that the AVO could have continued to run at a profit?
- 17) Was consideration given to selling the AVO rather than simply closing it? If so, why was this approach not taken?
- 18) Does the reduction of staff at the AVO count towards the ATO's total 900 FTE staff reduction?
- 19) Did the ATO suggest to the Minister that the AVO be closed or did the closure occur at the direction of Parliamentary Secretary Ciobo or any other Minister?
- 20) What will happen to the employees of the AVO? Will they be redeployed within the ATO?
- 21) How many staff are expected to lose their jobs due to the closure of the AVO?
- 22) Does the AVO have contracts that run beyond June 2014?
 - a. If so, what will occur with these contracts?

Answer:

- 14) No.
- 15) The whole of the valuation industry is now relying on a variety of new technology and web based search tools. Clients prefer low cost products and the AVO was not able to modify its operating model in time to meet the demand. Investment was also required in IT infrastructure to enable the AVO to best use these technologies and to better integrate with their key clients.
- 16) The AVO reduced operating expenses and gained new revenue streams, but it was not sufficient in the short term to become viable.
- 17) This is a matter for government.
- 18) Yes.
- 19) These questions go to advice provided to government.
- 20) The AVO is working with staff and their representatives.
 - AVO is offering training workshops on job interviews and applications. Additional support is being offered through the Employee Assistance Program.
 - The ATO considers AVO employees on the redeployment register as first priority when filling positions.

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- The AVO has set up employment pages on the AVO intranet which identify positions available within the APS and also contact names for organisations external to the APS.
 - A number of private sector companies are encouraging valuers (>85% of AVO staff) to contact them regarding employment opportunities, contact details are on the AVO intranet.
 - Some staff have taken a voluntary redundancy and left the organisation. Over 10 staff have been redeployed throughout the Australian Public Service. Redeployment activities are on-going.
- 21) At the time of the announcement the AVO had less than 184 staff. By the end of March 2014, 27 had chosen to retire from the organisation and 10 had arranged redeployment within the Australian Public Service. Processes for redeployment of remaining staff are underway as outlined in question AET 20 above.
- 22) Yes.
- a) The AVO is working with clients on transitional arrangements.