

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June 2010

Question: BET 192

Topic: Consultancies (ATO)

Hansard Page: Written

Senator Barnett asked:

1. How many consultancies have been undertaken or are underway since November 2007? Please identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the contract, and the method of procurement (ie. open tender, direct source, etc).

Please also include total value for all consultancies, including figures for total *spending* on consultancies and also *value of contracts awarded*? Provide total figures since November 2007 and a breakdown on these figures for FY 2008/09 and 2009/10 FYTD.
2. Is the Department/agency up to date with its reporting requirements on the Government's tenders and contracts website? Are the figures available on that site correct?
3. How many consultancies are planned for this calendar year? Have these been published in your Annual Procurement Plan (APP) on the AusTender website and if not why not? In each case please identify the subject matter, duration, projected cost and method of procurement as above, and the name of the consultant if known.

Answer:

1. For the period from 1 November 2007 to 30 June 2010 the ATO has undertaken 298 consultancy arrangements. In addition to these new consultancies the ATO also had 108 consultancies that were underway at November 2007.

The following attachments provide details of the name of the consultant, the subject matter of the consultancy, the duration and cost of the arrangement and the method of procurement. Also included is the total contract value for each consultancy.

Attachment A – Consultancies commenced since November 2007

Attachment B – Consultancies commenced prior to November 2007

The following table details the total value for all consultancies, including figures for total *spending* on consultancies and also *value of contracts awarded* since November 2007 and a breakdown on these figures for 2008-09 and 2009-10 financial years. Information relates to consultancies valued at over \$10,000 as gathering information for consultancies valued less than \$10,000 is labour intensive and therefore considered to be an unreasonable usage of ATO resources.

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Financial Year	Number of new Consultancy Contracts valued at \$10,000 (GST Incl) or more **	Total value of Consultancy Contracts valued at \$10,000 (GST Incl) or more **	Total Expenditure (Including ongoing consultancy contracts that were active during the year)
2007 – 2008 (From 01/11/07 – 30/6/08)	71	\$12,135,055	\$16,513,530 (New) \$5,539,584 (Ongoing) Total: \$22,053,114*
2008 – 2009	124	\$22,895,119	\$17,434,220 (New) \$10,682,968 (Ongoing) Total: \$28,117,188
2009-2010	103	\$11,010,308	\$8,142,062 (New) \$3,662,171 (Ongoing) Total: \$11,804,223
Total	298	\$ 46,040,482	\$ 61,974,525

* This is the total expenditure for Financial Year 2007-2008.

** These figures reflect the AusTender and the ATO's 2008-09 Annual Report details of new consultancies valued at \$10,000 or more.

2. Yes. The ATO updates the AusTender website on a regular basis in accordance with the Commonwealth Procurement Guidelines and the figures on AusTender are correct. The ATO's 2010-11 Annual Procurement Plan (APP) was published on 1 July 2010 and all approaches to market are advertised on AusTender as they become known. When a preferred supplier has been determined, the contract arrangement is gazetted on AusTender.
3. So far, the ATO has 12 planned consultancies for the period 2010-11. These consultancies have not been published in our APP as the method of procurement for 9 of the 12 items are yet to be determined. The remainder are not required to be published as they are estimated to cost less than \$80,000.

Attachment C provides details of the 12 planned consultancies for 2010-11 and includes the subject matter, expected duration and projected cost. The name of the consultants will not be known until the procurement activities are completed.

Attachment C - List of planned consultancies for FY 2010-11

As the year progresses, the requirement for further consultancies will emerge and the ATO will publish updates as part of its quarterly APP update on AusTender.

The ATO is likely to use existing and new panel arrangements to undertake consultancy work as they provide a streamlined and cost effective method of purchasing goods and services. While a consultancy that is undertaken under a panel arrangement is not required to be published in the APP, the ATO publishes the establishment or renewal of any upcoming panel arrangements in the APP so that interested vendors can tender to be included in the panel arrangement. Consultancies above \$10,000 that are acquired from a panel are gazetted on AusTender.