

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**TREASURY**

**Australian Taxation Office**

Supplementary Budget Estimates 3 November 2005

**Outcome**

**Topic: ICT PRODUCTS AND SERVICES-TOTAL SPENDING**

**SBT-99 Conroy 1**

Senator Conroy asked:

- (a) Please provide details of total departmental/organisational spending on Information and Communications Technology products and services during the last 12 months.
- (b) Please break down this spending by ICT function (eg communications, security, private network, websites).
- (c) Was this spending in line with budget forecasts for this 12 month period?
- (d) If not, please provide details of:
  - (i) The extent that ICT spending exceeded budget forecasts for this 12 month period;
  - (ii) Details of specific ICT contracts which resulted in department/organisation spending in excess of budget forecasts for this 12 month period;
  - (iii) The reasons ICT spending exceeded budget forecasts for this 12 month period.

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Answer:

Expenditure on IT products and services in the Tax Office occurs under two organisational groups – the ATO IT Sub Plan and the ATO Change Program.

For the **ATO IT Sub Plan** –

- a) The total IT Sub Plan operating spend on Information and Communications Technology for the year 2004-05 was \$418m. The capital spend for the same period was \$30m.
- b) The operating spend is broken down into the following ICT functions:
- Contractual EDS - (mainframe, midrange, desktop etc) - \$145m
  - Contractual other – (call centres, electronic service helpdesk etc) - \$18m
  - Outsourcing Management - \$7m
  - Systems Delivery (production system support, cyclical changes, enterprise testing, applications development)- \$98m
  - Infrastructure Provisioning - \$33m
  - Voice Communications - \$24m
  - Infrastructure Projects - \$16m
  - Software Licences - \$34m
  - Human Resources and Professional Development - \$7m
  - Management Services - \$3m
  - Strategy and Architecture \$4m
  - IT Security - \$5m
  - Change Program Coordination - \$2m
  - Transformation Program - \$3m
  - Business Solutions - \$3m
  - Depreciation - \$16m

The capital spend is broken down into the following categories.

- Internally developed software / assets under construction - \$19.4m
  - Purchased software - \$2.4m
  - Computer equipment - \$1.7m
  - Voice communications equipment - \$6.1m
- c) This spend was under budget across the board by \$7.8m (1.7%) and therefore within budget forecasts for the 12 month period.

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**For the ATO Change Program -**

- a) The total Change Program operating spend for the year 2004-05 was \$43.4 (excl. depreciation) and \$43.7m (incl. depreciation). The capital spend for the same period was \$77.6m.
- b) The operating spend is broken down into:
- Hardware \$ 5.2m
  - Business & Systems Development \$38.2m
  - Depreciation \$ 0.3m

The capital spend falls under the the following category:

- Internally developed software / assets under construction - \$77.6m
- c) This spend was under budget in total by \$1.9m (2%) excluding depreciation and therefore within budget forecasts for the 12 month period.