

QUESTION TAKEN ON NOTICE

ADDITIONAL ESTIMATES HEARING: 13 FEBRUARY 2012

IMMIGRATION AND CITIZENSHIP PORTFOLIO

(AE12/0034) Program: Internal Product

Senator Cash asked:

Please advise the committee of the total revenue collected from ETAs. What is the name of the company that issues ETAs and how long has it had this contract? When does the contract expire? Will it be extended? Is there some sort of competitive tender process in the awarding of this contract? What is the total revenue generated from this contract annually in the past three years? What is the expected revenue generated from this contract over the next three years? Please provide a copy of the contract. How much of the \$20 service fee is retained by the company? Is it a set fee or a percentage of the fee?

Answer

SITA Global Services provides access to the ETA system. The original signatory to the contract was CPS Systems Pty Limited. CPS Systems Pty Limited was acquired by SITA Global Services in January 2010 and the contract was novated to SITA Global Services soon after.

The current contract commenced on 4 February 2007. The contract will expire on 3 February 2015. The contract does not contain any further options for extension. A copy of the contract has been provided for your information

The Commonwealth Procurement Guidelines (CPGs) dictate that the department must test the market for suitable vendors. The department is currently planning a return to market exercise to select a provider for the ETA system following the expiry of the contract in 2015. It is expected that the market testing activity will be conducted in stages between 2013 and 2014.

The revenue generated from ETAs over the past three years is as follows:

Contract Year number	Dates	Revenue generated (GST exclusive)
1	4 February 2009 – 3 February 2010	\$7,259,480.00
2	4 February 2010 – 3 February 2011	\$7,090,980.00
3	4 February 2011 – 3 February 2012	\$7,020,240.00

Total revenue depends on the number of ETA applicants who utilise the ETA system. Information trends suggest that usage will remain at similar levels over the remaining term of the contract, although a maximum increase of 5.5% per annum has been estimated for planning purposes.

None of the \$20 internet application fee is retained by SITA. All ETA application fees are remitted to DIAC on a monthly basis.

Please also note that the contract is currently being updated to take account of recently agreed price adjustments to take account of Consumer Price Index increases. These changes will be formalised by way of a contract change and will be incorporated into Schedule 6A of the contract.