

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

18 October 2012

Question: SBT 1270-1276

Topic: Travel Costs (ATO)

Written: Received from Committee – 26 October 2012

Senator BUSHBY asked:

1270. For the financial year to date (26 October 2012), please detail all travel for Departmental officers that accompanied the Minister and/or Parliamentary Secretary on their travel. Please include a total cost plus a breakdown that include airfares (and type of airfare), accommodation, meals and other travel expenses (such as incidentals).
1271. For the financial year to date (26 October 2012), please detail all travel for Departmental officers. Please include a total cost plus a breakdown that include airfares (and type of airfare), accommodation, meals and other travel expenses (such as incidentals).
1272. Are the Government's Lowest Practical Fare travel policy for Domestic Air Travel (Finance Circular No. 2009/10) and Best Fare of the Day for International Air Travel (Finance Circular No. 2009/11) guidelines being followed?
 - a. How is the department/agency following the advice?
 - b. How is this monitored?
 - c. If the guidelines are not being followed, please explain why.
1273. 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 total costs of the lounge memberships.
1274. When SES employees travel, do any support or administrative staff (such as an 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.
1275. For 2011-12, please detail all travel for Departmental officers that accompanied the Minister and/or Parliamentary Secretary on their travel. Please include a total cost plus a breakdown that include airfares (and type of airfare), accommodation, meals and other travel expenses (such as incidentals).
1276. For 2011-12, please detail all travel for Departmental officers. Please include a total cost plus a breakdown that include airfares (and type of airfare), accommodation, meals and other travel expenses (such as incidentals).

Answer:

1270. No ATO officers have been required to undertake travel associated with the Minister's office in 2012-13 to 31 October 2012.
1271. The ATO is a large organisation with offices around Australia and over 80% of its staff located outside of Canberra. The need for the ATO to connect with staff, the community, businesses and tax professionals spread across the country necessitates official travel by employees in the course of their ordinary duties.

The ATO's 2012-13 budget for travel has been reduced by approximately 20% compared to the 2011-12 travel budget. A 2% travel levy has also been imposed internally to support investment in technology, including video conferencing facilities, to reduce the need for travel.

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Approval for travel is required from an ATO delegate (other than the traveller), and delegates must only provide approval if the travel represents value for money and is considered the most appropriate way to meet business needs. Transport and accommodation costs for SES and EL2 officers are paid directly by the ATO and a meals and incidentals allowance is paid in advance to the traveller. For EL1 officers and below, a travel allowance, including meals, incidentals and accommodation, is paid in advance.

The ATO (including the Australian Valuation Office, Australian Business Register, Tax Practitioners Board and Australian Charities and Not-for-Profits Commission) has spent \$10.80 million on travel related costs in 2012-13 to 31 October 2012. A breakdown is provided in Table 1 below.

Table 1: ATO travel related costs

2012-13 (to 31 October 2012)	
Type	Cost (\$m)
Air travel	4.68
Travel allowance*	4.63
Other incidental travel^	1.49
Total	10.80

* Travel allowance includes \$ 1.21 million for SES and EL2 accommodation.

^ Other incidental travel includes taxi fares but excludes fleet costs.

The ATO's airfare expenditure by type and class in 2012-13 to 31 October 2012 is set out in Table 2 below.

Table 2: ATO airfare expenditure

2012-13 (to 31 October 2012)				
Airfares (type)	Economy (\$m)	Business (\$m)	First Class (\$m)	Total (\$m)
Domestic	2.5	1.9	0	4.4
International	0	0.2	0	0.2
Total	2.5	2.1	0	4.6

Because of the volume of travel undertaken by the ATO, it is not possible to separately itemise all travel undertaken during the current financial year.

1272. ATO policy requires staff to utilise the lowest practical fare and best fare of the day principles established by the Department of Finance and Deregulation. Education sessions have been held at most major sites and all staff, when booking, must put a valid reason code against any fare that does not meet the cheapest of the day requirements to explain the variance from the cheapest available flight. The reasons provided are visible to approving delegates and reported to business area finance managers.
1273. ATO policy allows for staff who are likely to undertake a certain number of return flights in the forthcoming 12 month period to receive an ATO-funded airline lounge membership. For general employees, the requisite number of return trips is twelve and for EL2 and SES employees, it is eight return trips. The ATO does not fund airline lounge membership for staff who do not meet the conditions in relation to travel frequency.

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Table 3: ATO lounge memberships

Lounge Memberships	2011-12	2012-13 (to 31 October 2012)
Cost	\$179,702	\$56,308
Number	476	156

To attempt to provide the level of detail requested would involve an unreasonable diversion of departmental resources.

1274. There may be limited instances where staff in executive support roles may be required to accompany SES staff on official travel 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), the ATO is unable to provide data specifically related to travel for activities related to supporting SES.

1275. In 2011-12, two officers from the ATO undertook travel associated with the Assistant Treasurer's office. Travel is by discount economy fares (with flexibility to change at short notice).

The cost of travel incurred by these officers is outlined in Table 4 below. Please note the costs shown exclude GST.

Table 4: ATO travel associated with Assistant Treasurer's office in 2011-12

Expense Type	Airfares	Travel Allowance	Taxi expenses	Accommodation	Total
Total	\$2,215	\$0	\$431	\$0	\$2,646

1276. The ATO (including the Australian Valuation Office, Australian Business Register, Tax Practitioners Board and Australian Charities and Not-for-Profits Commission) spent \$35.9 million on travel related costs in 2011-12. A breakdown is provided in Table 5 below.

Table 5: ATO travel related costs

Travel related costs 2011-12	
Type	Cost (\$m)
Air travel	16.0
Travel allowance*	14.6
Other incidental travel^	5.3
Total	35.9

* Travel allowance includes \$3.68 million for SES and EL2 accommodation.

^ Other incidental travel includes taxi fares but excludes fleet costs.

The ATO's airfare expenditure by type and class for 2011-12 is set out in Table 6 below.

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Table 6: ATO airfare expenditure

2011-12				
Airfares (type)	Economy (\$m)	Business (\$m)	First Class (\$m)	Total (\$m)
Domestic	8.6	6.8	0.00	15.4
International	0.1	0.4	0.2	0.7
Total	8.7	7.2	0.2	16.0*

** Note figures are rounded so totals may not agree*

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