

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 2012

30 May 2012

QUESTION: BET 18

Topic: Australian Valuation Office – meeting costs (ATO)

Hansard Page: 123

Senator BUSHBY asked:

Senator BUSHBY: It does seem that, in an organisation of 230 people, taking 30 people four times a year to different locations around the country is a large expense. I think it would need to be justified. I want to get my head around the justification to see whether it actually adds up. In helping to do that, I am also interested in the cost of those events. Can you provide an assessment of what, in the last 12 months, each of the last four meetings has cost?

Mr King: The costs will vary depending on where the actual meeting is held.

Senator BUSHBY: I am asking for the actual cost for each of the four so I can get a range, regardless of whether you are in Darwin, Perth or wherever you might have been.

Mr D'Ascenzo: It might be also useful to have a comparison if it were in Canberra.

Senator BUSHBY: Absolutely. And a comparison if it were in Canberra. When those meetings are held, how long are the 30 people in situ for, generally?

Mr King: It ranges. With the more remote areas, we go for three days. For the eastern seaboard areas, where the majority of our senior leadership group is based, we have a two-day event.

Senator BUSHBY: So there is obviously accommodation as well. Can you build those costs into the costing? Where is the next one going to be held?

Mr King: The next one is in a week's time in Darwin.

Answer:

The Australian Valuation Office (AVO) has undertaken a series of Senior Leadership Group meetings around Australia to engage management and staff and to plan and monitor performance and capability change across the organisation. The AVO is undergoing significant organisational change to enhance its revenue generating capability and client service. These meetings provide a foundation for successfully managing this change through sharing knowledge and shaping effective staff and stakeholder communications and engagement strategies. For this reason it was important that meetings were held in state capital cities. Meetings were held off-site in order to accommodate the number of participants in a workshop environment. Since these meetings included workshop based collaborative solutions development, it was necessary to have face to face meetings.

The actual costs of these events since March 2011 - and the estimated cost if these events were held in Canberra include travel (including airfares), travel allowances paid, accommodation and external venue hire – are set out in the following table.

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Date	Location	Duration (in days)	Number of attendees (all days)	Travelling Attendees (all days)	Local attendees (all days)	Actual Total Cost (excl GST)	Estimated cost if meeting was held in Canberra (excl GST)
March 2011	Melbourne	2	20	16	4	\$40,155	\$22,637
June 2011	Sydney	2	20	17	3	\$32,064	\$26,372
October 2011	Adelaide	3	26	24	2	\$24,511	\$30,758
March 2012	Perth	3	26	24	2	\$82,814	\$26,640
TOTAL						\$179,544	\$106,407

Please note these people attended the meetings for the entire duration which includes some from the same city. Other local office staff attended specific sessions. The meetings are a platform for emerging leaders and EL1s to present business issues and opportunities to the Senior Leadership Group.

Varied meeting locations ensure that there is an enhanced understanding of local issues and challenges between all AVO staff – whether based in capital city offices or regions. Until the meeting held in Perth in March 2012, there had not been a senior leadership meeting held in Western Australia since 2009. This 2012 meeting enabled AVO senior leadership team to engage with staff based in Western Australia. It also provided AVO the opportunity to strengthen the relationship with the Perth branch of the Australian Property Institute in accordance with AVO's priorities to develop new valuation capabilities and increase its profile in the valuation industry.

The AVO is subject to the Australian Government Competitive Neutrality Requirements and Guidelines (2004). As part of this, the AVO ensures full cost recovery and delivers a commercial rate of return over a reasonable period of time. The AVO has consistently delivered an operating surplus since 2004. In 2011-12, the AVO has delivered an unaudited operating surplus before income taxes of \$2.18 million.