

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2015 - 2016

Department/Agency: Australian Taxation Office

Question: AET 225-238

Topic: Gosford Office

Reference: written - 25 February 2016

Senator: O'Neill, Deborah

Question:

225. What is the breakdown of the \$71 million total outlay to Doma Group by the ATO over 10 years mentioned by Mr Geoff Leeper during Senate Estimates on 10 February, including the base building, fit-out and detail of other outgoings?

226. Can the ATO confirm the number of desks sitting empty in ATO buildings around the country? Where are these empty desks by site and number?

227. Please provide details and any correspondence of the reported fine handed down by the Department of Finance on the ATO regarding the management of its property portfolio?

228. What ATO business units will be moved to Gosford?

229. How many staff who reside on the Central Coast are presently employed by the ATO? Please provide a breakdown by postcode.

230. With regard to the Tax Commissioner's statement during Estimates on 10 February: "We are looking to recruit the vast bulk of the people from that local area." Does the Commissioner mean that the "vast bulk" of the 700 staff at the Gosford ATO building will be Gosford/Central Coast residents who are already employed by the ATO at facilities in Newcastle, Parramatta, Penrith and Sydney CBD?

231. Are there any other government departments being considered for colocation in the ATO building proposed for Gosford?

232. What proportion of the 700 staff can the ATO guarantee will be new employees who currently reside in the federal seats of Robertson and Dobell?

233. Since the tabling of a document by Senator O'Neill at Estimates on 10 February, is the ATO now aware of a RFP sent to Mistlake Investments PL and Gosford City Council by DTZ on 17 February 2015?

234. This tenderers proposal was \$2,527,087 pa for the office, car spaces and storage at CBD location on Mann Street. Why was this not selected as "the best overall value for money, based on a whole-of-life basis" when compared with the Doma bid of \$71 million over 10 years?

235. How often does the ATO appoint an independent and external probity adviser, such as KPMG in the case of the Gosford ATO, to investigate a procurement process?

236. Who ordered the appointment of KPMG; and what date was the appointment made?

237. What correspondence was made between the ATO and Ministers and their staff directing the appointment of KPMG?

238. What was the specific reason for appointing KPMG to assure the tender process?

Answer:

225. There is no outlay of \$71 million to Doma. Only the rental costs will be paid to Doma under the leasing arrangement. The approximate \$71 million indicated by Mr. Leeper is made up by:

- \$42.9 million (including GST) in rental costs
- approximately \$17.7 million (excluding GST) in capital costs
- approximately \$11.1 million (excluding GST) in property operating expenses

226. As at 11 February 2016 the ATO had 4,286 vacant work points across the country, not including minor vacancies in sites where a major building project is underway.

By the time the Gosford building is completed the ATO forecasts that the vacant work points will have reduced further as we continue to employ space reduction strategies.

The vacancies are listed in the table below:

State/ Territory	Site Name	Total Vacant WPs
ACT	NATIONAL - AMUNGULA - 26 Narellan St	280
ACT	NATIONAL - GNABRA KEMBERY - 21 Genge St	335
NSW	ALBURY - 520 Smollett St	33
NSW	NEWCASTLE - 266 King St	Not available as building project is ongoing
NSW	PARRAMATTA - 2-12 Macquarie St	373
NSW	PENRITH - 121-125 Henry St	Not available as building project is ongoing
NSW	SYDNEY - 52 Goulburn St	148
NSW	WOLLONGONG - 45-53 Kembla St	29
NT	DARWIN - 24 Mitchell St*	45
QLD	BRISBANE - 55 Elizabeth St	214
QLD	BRISBANE - 140 Elizabeth St	67
QLD	CHERMSIDE - 10 Banfield St	419
QLD	TOWNSVILLE - 235 Stanley St	38
QLD	UPPER MT GRAVATT - 28 Macgregor St	310
SA	ADELAIDE - 26 Franklin St	554
TAS	BURNIE - 49-51 Cattley St	17
TAS	HOBART - 200 Collins St	151
VIC	BOX HILL - 913 Whitehorse Rd	420
VIC	DANDENONG - 19 George St	200

State/ Territory	Site Name	Total Vacant WPs
VIC	GEE LONG - 12-14 Little Ryrie St	17
VIC	MELBOURNE - 747 Collins St	348
VIC	MOONEE PONDS - 6 Gladstone St	288
WA	PERTH - 45 Francis St	Not available as building project is ongoing

*Site to close April 2016

227. In 2015-16, the ATO's budget allocation for operating expenses was reduced by \$0.9m as part of the deemed efficiency savings implemented by the Department of Finance for not meeting the Commonwealth occupied density target.
228. While the exact details have not been finalised, it is expected that the workforce will be broadly representative of other ATO offices, and offer a range of career opportunities for the local labour market and graduates of tertiary institutions in the Gosford region.
229. Employee data indicates that there are approximately 80–100 existing ATO employees who live closer to the Gosford office than they do to their current ATO office in Sydney, Penrith, Parramatta or Newcastle. A further breakdown would be an unreasonable diversion of resources.
230. No, the ATO will not be transferring large numbers of existing ATO staff from other ATO offices to Gosford. The ATO will run competitive merit-based selection processes to fill the vast majority of the up to 500 ATO positions to occupy the Gosford building. As externally advertised vacancies, in line with the Public Service Act, these vacancies will be open to all eligible members of the community to apply for.
231. Yes.
232. Refer to 230.
233. The ATO is consistent in its view that it should not comment on matters relating to the respondents to the Request for Proposal process. This extends to protecting the identity of unsuccessful respondents, confidential material and potentially commercially sensitive information contained in any proposal.
234. The ATO is consistent in its view that it should not comment on matters relating to the respondents to the Request for Proposal process. This extends to protecting the identity of unsuccessful respondents, confidential material and potentially commercially sensitive information contained in any proposal.
- All responses to the procurement process were assessed to identify the offer that represented the best overall value for money for the Commonwealth, based on Commonwealth Procurement Rules. The Doma Group proposal represents the best value for money proposal for the Commonwealth.
235. The ATO typically appoints independent and external probity advisors for complex and high-profile procurements. The need for appointments is assessed on a case by case basis and is dependent on the nature of our procurement activities.

236. The appointment of KPMG was a joint decision made by the Chief Finance Officer and the Assistant Commissioner, ATO Property. KPMG were appointed on 7 October 2014.
237. As this was an ATO decision, there was no correspondence between the ATO and Ministers or their staff in relation to the decision to appoint an external probity advisor.
238. The ATO viewed the process in relation to the Gosford building as a complex and high-profile procurement. Due to the heightened community interest and the multiple stakeholders involved, the ATO deemed it appropriate to seek external advice and assurance on this particular process.