

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2014 - 2015

Department/Agency: ATO

Question: 40

Topic: Staff reduction in Public Groups and International

Reference: Spoken – 02 June 2015

Senator: Waters, Larissa

Question:

Mr Hirschhorn: International issues happen across the entire tax office. Across Public Groups and International—which is looking at large taxpayers and could comment better—we have about 1,300 people. Given the nature of Public Groups and International and the open economy that we have, I would say that pretty much all our people have an eye on international issues. We would have over 300 people who would specifically look at identifying trends and strategies around international tax issues.

Senator WATERS: On those offshore trading hubs, per se, would that be the 300 or is that a different figure?

Mr Hirschhorn: Again, the trading hubs generally will be in the larger segments, so in Public Groups and International. So there will be people across the entire 1,300 looking at those issues. We will have people in my colleague Mr Konza's group, the 300, who will identify trading hubs as an area that we need to focus on. That will then integrate into the teams which have responsibility for individual taxpayers.

Senator WATERS: Can you give me an estimate of full-time equivalents? I get that it is a little bit of everybody's job, but I am interested in what your actual workforce dedication is, if you are able to provide it.

Mr Hirschhorn: That is very hard, but I would say offshore trading hubs is a very significant allocation of resources.

Senator WATERS: How many staff have you lost from that section or from the folk doing that work under the changes in the previous budget as well as the most recent one?

Mr Hirschhorn: I would have to take the exact number on notice, but I think it is in the order of about 100. But that is a net number. Sorry, I will go back. Across Public Groups and International we might have lost 100, but in fact the number of people we have allocated to higher level international issues has increased over the last year, both in number and in expertise, and it is one of our strategic focuses.

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Answer:

40. As at 18 June 2015, there are 1,141.7 full time equivalent (FTE) (approximately 1189 staff members) working on issues associated with Public Groups and International. It is estimated that 17.15 FTE of this number are working directly on marketing hubs issues compared with 11 FTE in 2014.

The 17.15 FTE number provided relates only to FTE activities in respect of marketing hubs. As such, this number does not include FTE working on other compliance activities, including transfer pricing issues, relating to taxpayers whose marketing hubs are under review.

It is also important to note that work on marketing hubs has not been directly impacted by recent staff reductions. As a priority area for the ATO, any loss of a staff member who was working on a marketing hub issue has been replaced.