

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

2014 - 2015

**Department/Agency: ATO**

**Question: SBT 4291-4292**

**Topic: ATO staff reduction**

**Reference: Hansard Page 102**

**Senator: Dastyari**

**Question:**

**Senator DASTYARI:** No organisation can lose one in five people without it having some kind of an impact on the organisation as a whole. I refuse to accept that one in five people were doing nothing. I suppose the question has to be asked: if you are losing one in five people where are you losing them from? Is this across-the-board in every division and every department?

**Senator Cormann:** The mining tax administration area, given that the mining tax is gone, there are more than 100 people there.

**Senator DASTYARI:** So, you have 4,600 to go. Keep going.

**Senator Cormann:** It is well over 100.

**Senator DASTYARI:** Let us give you 200. Where are the other 4,500 people coming from?

**Mr Leeper:** From a range of job families, a range of areas in the tax office. As previously advised to this committee, we are focusing hard on layers of management, back office functions, which we are in the process of bringing together while we do the reduction. There are some losses in the accounting and auditing areas.

**Senator DASTYARI:** Let us stop there. Do you have a breakdown of how many accounting and auditing in the forward estimates?

**Mr Leeper:** I do not have the forward estimate figure, but at the present time to the end of September this year we are showing redundancies of about 2,200. That is the baseline figure of where we are up to.

**Senator DASTYARI:** In which division?

**Mr Leeper:** Across the ATO. The standout areas there would be in our auditing area approximately 500 of that 2,200.

**Senator DASTYARI:** What did you say about the auditing? How many were there?

**Mr Leeper:** It is 500 or so out of the 2,200.

**Senator DASTYARI:** You seem to be reading from a table. Are you able to table that?

**Mr Leeper:** That is a decision for the minister.

**Senator Cormann:** I will have to consider that. I have to take advice.

**Senator WONG:** It is not a decision of the minister.

**Senator DASTYARI:** It is not a decision of the minister.

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**Senator Cormann:** We are taking it on notice. I need to assess whether the—

**Senator WONG:** Can I just follow up on—

**Senator Cormann:** If I had asked Senator Wong to table it—

**ACTING CHAIR:** Senator Wong first.

**Senator WONG:** Mr Leeper, I think in answer to a question from Senator Dastyari you confirmed the 4,700 figure, correct?

**Mr Leeper:** Yes, that is right.

**Senator WONG:** Which is a forward estimate cumulative figure?

**Mr Leeper:** Yes, that is right.

**Senator WONG:** Of FTE reductions?

**Mr Leeper:** Head count. I would stand to be corrected, but I think it is FTE.

**Senator WONG:** So would the head count be higher?

**Mr Leeper:** The head count would be higher.

**Senator WONG:** Do we have the equivalent head count figure for the 4,700?

**Mr Leeper:** It is head count.

**Senator WONG:** So, it is head count, not FTE?

**Mr Leeper:** Yes.

**Senator WONG:** Are you able to give me the FTE figure, the equivalent?

**Mr Leeper:** I do not have that with me.

**Senator WONG:** Perhaps take it on notice.

**Answer:**

**Total staff reductions 1 July 2013 to 31 October 2014 – headcount and FTE equivalent**

The ATO was required to reduce staffing headcount by 3000 by 31 October 2014. The reduction target comprised of:

- a required reduction of 900 staff in 2013–14 and 500 staff in 2014-2015; and
- a required reduction of 1600 staff in 2015–16 brought forward into 2014–15.

Between 1 July 2013 to 31 October 2014, the ATO achieved a net reduction of 3087 staff (headcount). The net FTE reduction for this period is 3005.98 FTE.

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**Future staff reductions**

Further budget reductions are forecast to occur over the forward estimates for 2016-2017 and 2017-2018. This includes a reduction in appropriation of \$141 million in 2016-17 and \$77 million in 2017-18.

The maintenance of revenue collection and service standards are primary considerations for the ATO and will inform any future workforce adjustments required.

**Redundancy exits by Job Family - 1 July 2013 to 31 October 2014 (processed in SAP)**

The following table outlines all redundancy exits by job family from 1 July 2013 to 31 October 2014. This includes business as usual redundancies but excludes other exits for this period:

| <b>Job Family</b>                        | <b>Redundancy Exits 1 July 2013 to 31 Oct 2014 (FTE)</b> | <b>Redundancy Exits 1 July 2013 to 31 Oct 2014 (Headcount)</b> |
|--|--|--|
| Accounting/Finance                       | <b>38.01</b>   | <b>40</b>  |
| Administration                           | <b>348.52</b>  | <b>360</b>   |
| Analytics/Intelligence                   | <b>150.96</b>  | <b>154</b>   |
| Auditing                                 | <b>563.60</b>  | <b>578</b>   |
| Communication/Marketing                  | <b>63.19</b>   | <b>65</b>  |
| Customer service                         | <b>124.00</b>  | <b>131</b>   |
| Debt collection                          | <b>91.43</b>   | <b>95</b>  |
| Enforcement/Investigation                | <b>50.26</b>   | <b>51</b>  |
| Human resources management               | <b>80.77</b>   | <b>83</b>  |
| Information & organisation professionals | <b>133.18</b>  | <b>137</b>   |
| Information Technology                   | <b>165.37</b>  | <b>167</b>   |
| Law                                      | <b>254.56</b>  | <b>261</b>   |
| Management                               | <b>165.69</b>  | <b>167</b>   |
| Operations/Processing                    | <b>322.50</b>  | <b>341</b>   |
| Valuation                                | <b>106.98</b>  | <b>107</b>   |
| <b>Grand Total</b>                       | <b>2659.02</b>   | <b>2737</b>  |