

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Budget Estimates 29 May 2007)

Question **BET 95**
Topic: **General staffing**
Hansard Page: **E54**

Senator **Sherry** asked:

Approximately 108 new staff. On the general staffing, I notice the ATO is to have a cutback in its total staffing by 116. So we have 108 we have identified as growth in this area—I am sure there are some details in the budget statements—but which other areas would receive a significant cutback? Something is going to have to give with the total cutback.

Mr D'Ascenzo—It works out. I can give you the specific details. Let me give you an overview first. As part of our agency agreement processes we have to fund pay rises. That comes out of productivity costs, so if we have a pay rise of say four per cent, I have to pay that extra four per cent out of productivity increases. We have the normal efficiency dividend of 1.2 per cent, so you have a 5.2 per cent reduction in terms of our resources that has to be driven through productivity increases. Our attrition rate is around four per cent, which means that you are still looking at a dip of 1.25 per cent, just on the balance. We have some new funding from government in specific areas and this is usually tied funding. So you net that all out and you find that you end up having a slightly reduced base. So what happens is that we have to find efficiencies in our base out of that net equation. We also have a higher percentage of tied funding to base funding.

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Mr D'Ascenzo—We can provide specific details, if you wish. I can give it to you now or if you would like it—

Senator SHERRY—I do not want to run through the stats at this time.

Mr D'Ascenzo—We will provide the stats to the committee.

Senator SHERRY—If you could, thank you.

Mr D'Ascenzo—Including the increase in the Tasmanian workforce.

Chair – you can highlight that if you like.

Answer:

The Tax Office full year average affordable full time equivalent (FTE) for the current 2006-07 year is 20,908.

A range of impacts, including the pay rises and funding the Government's efficiency dividend will reduce our average affordable FTE by 511 in the 2007-08 year. This reduction will be spread across all areas of the Tax Office.

New policy funding announced in the 2007-08 Budget increases our average affordable FTE by 395 in the 2007-08. The new policy funding will increase staff numbers in our operations and compliance areas in particular.

The net result is a decrease in average affordable FTE of 116 for next year.

The Tax Office full year average affordable FTE for 2007-08 is 20,792 FTE.