

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 135

Topic: ATO - Staffing Levels

Hansard Page: Written

Senator Bushby asked:

1. What is the total expenditure on staffing for the Department and for all portfolio agencies? What is the SES and non-SES breakdown?
2. What are the current staffing levels for SES and non-SES officers?
3. How many SES were employed in your Department and portfolio agencies as of today?
4. What is the breakdown by each level (each SES band, each Executive Level band and each APS band)?
5. What is the gender breakdown by each level (each SES band, each Executive Level band and each APS band)?
6. What is the breakdown by location for each level (each SES band, each Executive Level band and each APS band)?
7. What is the breakdown by each level of ongoing staff and non ongoing staff (each SES band, each Executive Level band and each APS band)?
8. What have been the changes in staffing levels since February Estimates 2011? Why have these changes occurred? What have been the budgetary implications? In the case of reductions in staff numbers, how have these reductions been absorbed by the Department? What functions these staff performed have been sacrificed and why?
9. Are there expected changes to current staffing levels over the next 12 months? If yes, provide details including a breakdown of each level staff (each SES band, each Executive Level band and each APS band) detailing the changes. Will this be different to what was reported in the 2010-11 Budget?
10. Is there a target for staff reductions to achieve savings? What is that target and what strategy is being implemented to achieve this? Will staff reductions be used to achieve the Government's election commitment to maintain the 1.25 per cent efficiency dividend?
11. Have any voluntary or involuntary redundancies been offered to staff? If so, how have staff been identified for such offers? Are there such plans for the future?
12. How many permanent staff recruited since February Estimates 2011? What level are these staff? Where is their location?
13. Since February Estimates 2011, how many employees have been employed on contract and what is the average length of their employment period?
14. Have staffing numbers been reduced as a result of the current efficiency dividend and/or other budget cuts since February Estimates 2011? If so, where and at what level?
15. Are there any plans for staff reduction? If so, please advise details i.e. reduction target, how this will be achieved, services/programs to be cut etc.

16. What changes are underway or planned for graduate recruitment, cadetships or similar programs? If reductions or increases are envisaged please explain including reasons, target numbers etc.

Answer:

This response is limited to the ATO and does not include information relating to the broader Treasury portfolio. This includes the Australian Valuation Office, Tax Practitioner's Board and the Australian Business Register.

The questions asked for 'February Estimates' were based on data available at 28 February 2011. Where it is referred to in this report "Since February estimates", the period is 1 March 2011 to 31 May 2011.

1. As at 31 May 2011, the ATO's expenditure on employees for the 2010-11 financial year was \$1.851 billion. Of this amount, \$59.247 million (3.2%) represents expenditure on senior executive service (SES) employees and 1.792 billion (96.8%) represents expenditure on non-SES employees.
2. The level of SES and non-SES employees in the ATO (including the Australian Valuation Office and Tax Practitioner's Board), as at 31 May 2011 was:

| APS classification | Substantive (permanent) classification | % |
|---------------------------|---|---------------|
| SES | 257 | 1.0% |
| NON-SES | 24,676 | 99.0% |
| Total | 24,933 | 100.0% |

The percentage of SES coverage is substantially lower than most departments and agencies in the Australian Public Service.

3. As at 31 May 2011, there were 257 permanent SES employees in the ATO.
4. Due to the nature of the ATO's business, a range of employment types are utilised to cater for ongoing needs. These are categorised as:

| | |
|---|--|
| Total ATO employees (substantive employees) | Headcount and includes all paid and unpaid employees. (FTE paid employees only at the nearest pay period.) Excludes: outsourced/ externally managed functions, employed by another organisation. |
| Irregular/intermittent employees | Casual employment with no set hours or end date of employment. |
| Non-ongoing | Employed on a contract for a period. |

The number of substantive ATO employees at each classification level, as at 31 May 2011 was:

| APS classification | Total | % |
|--------------------|---------------|---------------|
| CADET | 3 | 0.01% |
| GRADUATE | 393 | 1.6% |
| APS1 | 1,252 | 5.0% |
| APS2 | 2,047 | 8.2% |
| APS3 | 4,816 | 19.3% |
| APS4 | 3,233 | 13.0% |
| APS5 | 2,356 | 9.4% |
| APS6 | 4,502 | 18.1% |
| VALUER | 60 | 0.24% |
| EL1 | 4,225 | 16.9% |
| EL2 | 1,789 | 7.2% |
| SES1 | 221 | 0.9% |
| SES2 | 36 | 0.15% |
| Total | 24,933 | 100.0% |

5. The gender breakdown by each classification level of employee, as at 31 May 2011 was:

| APS Classification | Female | % | Male | % | Total | % of total employees |
|--------------------|--------|-----|-------|-----|-------|----------------------|
| CADET | 2 | 67% | 1 | 33% | 3 | 0.01% |
| GRADUATE | 206 | 52% | 187 | 48% | 393 | 1.6% |
| APS1 | 880 | 70% | 372 | 30% | 1,252 | 5.0% |
| APS2 | 1,400 | 68% | 647 | 32% | 2,047 | 8.2% |
| APS3 | 3,106 | 64% | 1,710 | 36% | 4,816 | 19.3% |
| APS4 | 2,026 | 63% | 1,207 | 37% | 3,233 | 13.0% |
| APS5 | 1,305 | 55% | 1,051 | 45% | 2,356 | 9.4% |

| APS Classification | Female | % | Male | % | Total | % of total employees |
|---------------------------|---------------|------------|---------------|------------|---------------|-----------------------------|
| APS6 | 2,325 | 52% | 2,177 | 48% | 4,502 | 18.1% |
| VALUER | 13 | 22% | 47 | 78% | 60 | 0.24% |
| EL1 | 1,927 | 46% | 2,298 | 54% | 4,225 | 16.9% |
| EL2 | 701 | 39% | 1,088 | 61% | 1,789 | 7.2% |
| SES1 | 73 | 33% | 148 | 67% | 221 | 0.9% |
| SES2 | 10 | 28% | 26 | 72% | 36 | 0.15% |
| Total | 13,974 | 56% | 10,959 | 44% | 24,933 | 100.0% |

6. ATO employees, by location and classification level, as at 31 May 2011 were:

| Bldg State | Building | Cadet | Grad | APS1 | APS2 | APS3 | APS4 | APS5 | APS6 | VAL | EL1 | EL2 | SES1 | SES2 | Total |
|------------------|--------------|-------|------------|------------|------------|--------------|------------|------------|-------------|-----------|--------------|------------|-----------|-----------|--------------|
| ACT | CANBERRA | | 80 | 34 | 38 | 106 | 317 | 247 | 719 | 9 | 1,042 | 486 | 79 | 24 | 3,181 |
| ACT TOTAL | | | 80 | 34 | 38 | 106 | 317 | 247 | 719 | 9 | 1,042 | 486 | 79 | 24 | 3,181 |
| NSW | SYD CBD | | 30 | 54 | 38 | 132 | 159 | 141 | 260 | | 269 | 183 | 22 | 3 | 1,291 |
| | PARRAMATTA | | 42 | 87 | 148 | 548 | 269 | 198 | 290 | 11 | 196 | 76 | 6 | | 1,871 |
| | PENRITH | | 11 | 413 | 192 | 390 | 79 | 60 | 98 | | 54 | 13 | 3 | | 1,313 |
| | HURSTVILLE | | 5 | 3 | 26 | 100 | 95 | 78 | 134 | | 113 | 39 | 4 | 1 | 598 |
| | ALBURY | | 7 | 177 | 163 | 146 | 139 | 73 | 112 | | 70 | 21 | 3 | | 911 |
| | NEWCASTLE | | 11 | 2 | 42 | 178 | 98 | 100 | 161 | | 122 | 35 | 2 | | 751 |
| | WOLLONGONG | | | | 94 | 71 | 65 | 32 | 42 | | 24 | 8 | 1 | | 337 |
| | GRAFTON | | | | | | 6 | 3 | 1 | | | | | | 10 |
| | PT MACQUARIE | | | | | | 6 | 2 | 1 | | 1 | | | | 10 |
| | ORANGE | | | | | | 3 | 3 | 1 | | | | | | 7 |
| | LISMORE | | | | | 1 | | | | 1 | 4 | | | | 6 |
| NSW TOTAL | | | 106 | 736 | 703 | 1,566 | 919 | 690 | 1100 | 12 | 853 | 375 | 41 | 4 | 7,105 |
| VIC | MEL CBD | 1 | 34 | 52 | 194 | 558 | 286 | 191 | 361 | 11 | 324 | 181 | 23 | 3 | 2,219 |
| | MOONEE PONDS | | 11 | 45 | 43 | 330 | 174 | 108 | 252 | | 206 | 87 | 16 | 2 | 1,274 |

| Bldg State | Building | Cadet | Grad | APS1 | APS2 | APS3 | APS4 | APS5 | APS6 | VAL | EL1 | EL2 | SES1 | SES2 | Total |
|------------------|---------------|----------|-----------|------------|------------|--------------|------------|------------|--------------|-----------|------------|------------|-----------|----------|--------------|
| | BOX HILL | | 26 | 7 | 36 | 185 | 190 | 120 | 286 | | 229 | 98 | 9 | | 1,186 |
| | DANDENONG | | 14 | 37 | 59 | 208 | 162 | 78 | 152 | | 119 | 31 | 2 | | 862 |
| | GEELONG | | 1 | 1 | 13 | 35 | 26 | 23 | 33 | 2 | 28 | 5 | | | 167 |
| | BENDIGO | | | | | | 7 | 4 | 1 | | | | | | 12 |
| | SALE | | | | | | 4 | 3 | 3 | | | | | | 10 |
| | BALLARAT | | | | | | 1 | | | | | | | | 1 |
| VIC TOTAL | | 1 | 86 | 142 | 345 | 1,316 | 850 | 527 | 1,088 | 13 | 906 | 402 | 50 | 5 | 5,731 |
| QLD | BRI CBD | | 35 | 114 | 5 | 133 | 175 | 174 | 387 | 12 | 468 | 212 | 19 | 1 | 1,735 |
| | U MNT GRAVATT | | 17 | 51 | 111 | 378 | 131 | 85 | 157 | | 110 | 22 | 4 | | 1,066 |
| | CHERMSIDE | 1 | 21 | 8 | 51 | 245 | 124 | 121 | 186 | | 165 | 54 | 2 | 2 | 980 |
| | TOWNSVILLE | 1 | 8 | 34 | 126 | 108 | 79 | 40 | 64 | | 31 | 6 | 1 | | 498 |
| | SOUTHPORT | | | | | 1 | 12 | 19 | 23 | | 16 | 3 | | | 74 |
| | CAIRNS | | | | | | 7 | 2 | 1 | | | | | | 10 |
| | MACKAY | | | | | | 4 | 2 | 1 | | | | | | 7 |
| | TOOWOOMBA | | | | | | 5 | 1 | 2 | | | | | | 8 |
| | BUNDABERG | | | | | | 2 | 3 | 1 | | | | | | 6 |

| Bldg State | Building | Cadet | Grad | APS1 | APS2 | APS3 | APS4 | APS5 | APS6 | VAL | EL1 | EL2 | SES1 | SES2 | Total |
|------------------|------------------|----------|------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------|--------------|--------------|------------|-----------|---------------|
| | ROCKHAMPTON | | | | | | 3 | 2 | | | | | | | 5 |
| | BIGG WATERS | | | | | 2 | | | 1 | | | | | | 3 |
| | ROBINA | | | | | 1 | | | | | | | | | 1 |
| QLD TOTAL | | 2 | 81 | 207 | 293 | 868 | 542 | 449 | 823 | 12 | 790 | 297 | 26 | 3 | 4,393 |
| SA TOTAL | ADE CBD | | 16 | 70 | 344 | 495 | 263 | 196 | 382 | 6 | 342 | 122 | 15 | | 2,251 |
| WA TOTAL | PERTH CBD | | 19 | 31 | 97 | 290 | 222 | 173 | 281 | 4 | 218 | 89 | 8 | | 1,432 |
| TAS | HOBART | | 5 | 32 | 211 | 116 | 96 | 65 | 97 | 1 | 65 | 16 | 2 | | 706 |
| | BURNIE | | | | 16 | 48 | 8 | | 4 | | 2 | | | | 78 |
| | LAUNCESTON | | | | | 1 | 7 | 6 | 2 | 1 | 4 | 1 | | | 22 |
| TAS TOTAL | | | 5 | 32 | 227 | 165 | 111 | 71 | 103 | 2 | 71 | 17 | 2 | | 806 |
| NT | DARWIN | | | | | 4 | 8 | 3 | 4 | 2 | 2 | | | | 23 |
| | ALICE SPRINGS | | | | | 6 | 1 | | 2 | | 1 | 1 | | | 11 |
| NT TOTAL | | | | | | 10 | 9 | 3 | 6 | 2 | 3 | 1 | | | 34 |
| Total | | 3 | 393 | 1,252 | 2,047 | 4,816 | 3,233 | 2,356 | 4,502 | 60 | 4,225 | 1,789 | 221 | 36 | 24,933 |

7. The breakdown of ongoing and non-ongoing employees by level, as at 31 May 2011 was:

| APS classification | Non-ongoing | % | Ongoing | % | Total | % of total employees |
|--------------------|--------------|------------|---------------|------------|---------------|----------------------|
| CADET | 0 | 0% | 3 | 100% | 3 | 0.01% |
| GRADUATE | 0 | 0% | 393 | 100% | 393 | 1.6% |
| APS1 | 1,018 | 81% | 234 | 19% | 1,252 | 5.0% |
| APS2 | 1,199 | 59% | 848 | 41% | 2,047 | 8.2% |
| APS3 | 381 | 8% | 4,435 | 92% | 4,816 | 19.3% |
| APS4 | 55 | 2% | 3,178 | 98% | 3,233 | 13.0% |
| APS5 | 5 | 0% | 2,351 | 100% | 2,356 | 9.4% |
| APS6 | 11 | 0% | 4,491 | 100% | 4,502 | 18.1% |
| VALUER | 3 | 5% | 57 | 95% | 60 | 0.24% |
| EL1 | 12 | 0% | 4,213 | 100% | 4,225 | 16.9% |
| EL2 | 5 | 0% | 1,784 | 100% | 1,789 | 7.2% |
| SES1 | 6 | 3% | 215 | 97% | 221 | 0.9% |
| SES2 | 2 | 6% | 34 | 94% | 36 | 0.15% |
| Total | 2,697 | 11% | 22,236 | 89% | 24,933 | 100.0% |

8. Since February Estimates 2011, number of all ATO employees has increased by 0.5%. Ongoing employees increased by 1.5% (327), whilst non-ongoing employees reduced by 6.7%. The overall increase accords with additional funding received by the ATO as part of the 2010-11 Budget. However affordable full time equivalent (FTE) has slowed the overall growth rate.
9. As set out in the 2011-12 Portfolio Budget Statements, the ATO's overall employee levels for 2011-12 are projected to remain consistent with both the average number of employees in 2010-11 and the level reported in the 2010-11 Budget, subject to the outcome of the current enterprise agreement process. However every year during the Tax Time period, the hours of irregular/ intermittent employees increase during peak periods for tax processing.
10. As stated in the answer to Question 9 above, subject to the outcome of the current enterprise agreement process the ATO's 2011-12 employee levels are projected to remain consistent with the previous year. Therefore the ATO does not expect to reduce the overall number of employees as a result of the increase in the efficiency dividend by the Government to 1.5% as part of the 2011-12 Budget. To meet the efficiency dividend commitment in 2011-12, the ATO will continue to:
- shift its temporary and flexible workforce to meet new priorities

- b. promote the ATO's 'thrift' message
 - c. rely on natural attrition, and
 - d. tightly control recruitment for key positions.
11. Since February estimates¹, 26 employees have taken the option of a redundancy. These represented 7% of the total number of ongoing employees that left the ATO in the same period. The majority of redundancies during this period relate to employees whose services can no longer be effectively utilised by the ATO due to changes within the organisation and other options to address the situation have not been feasible (e.g. training support). The remaining redundancies were where the employees' duties no longer existed in their current location and alternate suitable duties could not be identified. Each year the ATO has redundancies for these two reasons.

¹ February Estimates were based on data available at 28 February 2011. Where it is referred to in this report "Since February estimates", the period is 1 March 2011 to 31 May 2011.

12. Since February Estimates 2011, the ATO has recruited 519 new ongoing employees. The details of classification and location are:

| Bldg State | Building | APS1 | APS2 | APS3 | APS4 | APS5 | APS6 | VALUER | EL1 | EL2 | Total |
|------------------|------------------|------------|-----------|------------|-----------|-----------|-----------|----------|-----------|-----------|------------|
| ACT | CANBERRA | 27 | | 1 | 8 | 7 | 19 | | 24 | 6 | 92 |
| ACT TOTAL | | 27 | | 1 | 8 | 7 | 19 | | 24 | 6 | 92 |
| NSW | SYD CBD | 3 | | | 2 | 4 | 1 | | | 1 | 11 |
| | PARRAMATTA | 17 | | 39 | 4 | 4 | 2 | 1 | 2 | | 69 |
| | PENRITH | | | 26 | | 1 | | | | | 27 |
| | HURSTVILLE | 1 | | | 3 | | 3 | | | | 7 |
| | ALBURY | | | 8 | 2 | | | | | | 10 |
| | NEWCASTLE | 1 | | | 4 | | 1 | | 2 | | 8 |
| | WOLLONGONG | | | | 1 | | 1 | | 1 | | 3 |
| NSW TOTAL | | 22 | 0 | 73 | 16 | 9 | 8 | 1 | 5 | 1 | 135 |
| VIC | MEL CBD | 23 | | 44 | 8 | 3 | 5 | | 3 | 3 | 89 |
| | MOONEE PONDS | | | 24 | 1 | | 1 | | | | 26 |
| | BOX HILL | 2 | | | 1 | | | | 1 | | 4 |
| | DANDENONG | 1 | | 3 | | | 2 | | | | 6 |
| | GEELONG | | | | | | | | 1 | | 1 |
| VIC TOTAL | | 26 | 0 | 71 | 10 | 3 | 8 | 0 | 5 | 3 | 126 |
| QLD | BRI CBD | 10 | | | 9 | 4 | 4 | | 3 | 1 | 31 |
| | UPP MT GRAVATT | 6 | | 31 | 4 | 1 | | | | | 42 |
| | CHERMESIDE | 2 | | 3 | 2 | 5 | 2 | | 1 | | 15 |
| | TOWNSVILLE | 3 | | 12 | 1 | 2 | | | | | 18 |
| | SOUTHPORT | | | | | 1 | | | | | 1 |
| QLD TOTAL | | 21 | 0 | 46 | 16 | 13 | 6 | 0 | 4 | 1 | 107 |
| SA TOTAL | ADE CBD | | 1 | | 2 | 2 | 2 | | 1 | | 8 |
| WA TOTAL | PERTH CBD | 2 | 11 | 17 | 1 | 1 | 3 | | | | 35 |
| TAS TOTAL | HOBART | 2 | 7 | | 2 | 1 | 3 | | 1 | | 16 |
| TOTAL | | 100 | 19 | 208 | 55 | 36 | 49 | 1 | 40 | 11 | 519 |

13. Since February Estimates 2011, 11 new employees have been employed on an individual contract. The average length of these contracts is 203 days.
14. Since February Estimates 2011, there has been no reductions in the number of employees as a result of the efficiency dividend and/or budget cuts. As noted in the answer to Question 8, the ATO has increased the number of employees overall by 0.5%.
15. The ATO does not have plans for reducing the number of employees. See response question 10 above for further context.
16. The ATO is committed to maintaining its investment in graduate recruitment in accordance with affordable FTE. This is intended to ensure the ATO's ageing workforce is replenished and minimises the risk of losing specialists (such as tax technical employees) due to retire over the next five years.

The ATO is also maintaining and seeking to increase its usage of APS level 1 and APS level 2 employees to build for the future through initiatives including review of job classifications, new work processes, APS levels 1 and 2 recruitment processes, cadetships, school and youth to work programs, and traineeships.

For example, the ATO recently recruited 115 APS level 1s as part of a managed bulk recruitment process. What this showed was a high level of interest and a substantial talent pool at this level, giving Australian youth the opportunity of a career within the ATO.

The ATO has also implemented an Executive Assistant Advancement Program. This is a formal program where employees are recruited as an APS level 2 and after a 12 month development program are appointed to a substantive APS level 3 Executive Assistant. 21 employees were recruited into this program in January 2011.