

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

26 February 2014

Question: AET 9-13

Topic: ATO Job Cuts

Written: 28 February 2014

Senator DASTYARI asked:

- 9) Is there a positive relationship between the number of ATO compliance staff and the amount of revenue raised by Government?
- 10) Has Treasury modelled the relationship between number of compliance staff hired by the ATO and the amount of revenue raised?
- 11) What is the relationship between number of compliance staff hired and revenue raised by the ATO? E.g. if 100 new compliance staff are hired, how much additional revenue will be raised?
- 12) Will the reduction of 900 FTE by the ATO have a negative impact on revenue?
- 13) Has the Treasury investigated whether a reduction in compliance staff affects particular industries or business sizes more than others?

Answer:

- 9) There is a broad positive relationship between the number of ATO compliance staff and the amount of revenue raised through compliance activities.
- 10) No.
- 11) Revenue returns from compliance activities are determined by the nature and size of the risk, the taxpayers involved, the market, the taxation issue under review and the prevailing economic conditions.
- 12) The ATO expects to meet revenue commitments to Government for 2013-2014. With the staff reductions, we have focused on reducing levels of management and support staff, rather than resources involved in front-line client facing compliance and revenue collection activities.
- 13) No.