

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 2012

30 May 2012

QUESTION: BET 302-307

Topic: ATO redundancies (ATO)

Hansard Page: Written

Senator XENOPHON asked:

I refer to recent announcement of 1,039 redundancies at the ATO:

302. How many redundancies will be offered or forced at the EL1 level or above?
303. How many staff does the ATO employ at EL1 level or above?
304. As a separate figure how many SES and above (broken down by number and employment level) are employed at the ATO?
305. What is the combined salary of all employees at EL1 or above?
306. What percentage does this take of the entire wages budget for the ATO?
307. How does this compare to the number (and combined annual salaries) of employees at EL1 or above prior to 30 June 2006?

Answer:

The ATO has not announced 1,039 redundancies. The figure of 1,039 was quoted in media reports following the Government's Budget announcements in May 2012. The 2012-13 Federal Budget papers show that the Australian Taxation Office (ATO) average staffing level in 2012-13 will be 20,952 FTE – this is a reduction of 1,039 FTE from the 2011-12 average staffing level. Although affordable staffing numbers have reduced, the ATO never planned to manage this reduction via a large scale redundancy program. The budget will be managed using a number of strategies, examples include:

- maintaining a strong message of thrift and tight budget management throughout the ATO and continuing to encourage productivity improvement
- continuing to harvest savings from past investments in new IT systems as they mature
- reviewing and reducing supplier expenditure
- reducing staff numbers through natural attrition by testing the priority to fill roles left vacant by departing staff
- containing the number of non-ongoing and casual staff and the duration of their contracts utilising them to focus on seasonal workload peaks, and
- reviewing APS classifications required for work types to ensure the right level for the right work.

302. The ATO is currently implementing initiatives focused on productivity improvements and improving our effectiveness. These include reviewing the ATO's business processes, structures and job profiles to identify where such improvements and efficiencies can be made.

The implementation of these initiatives will be informed by consultation with affected staff and our ability to redeploy officers, where appropriate, to roles better suited to their skills and abilities and/or where our corporate priorities require workforce shifts to increase resourcing to particular programs. Where redeployment is not possible, we will work with affected staff to identify the number of officers within the

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relevant classification of positions who are interested in a voluntary redundancy. This is part of business as usual.

The ATO is considering redundancies in its Large Business and International area but this is not related to the reduction of 1,039 FTE in the ATO's average staffing levels in the budget. The number of redundancies to be offered (overall or at any classification level) has not yet been determined and will be worked out in consultation with affected staff. In general, we do not intend to use compulsory redundancies as part of this process. However, it should be noted that each year there are a small number of compulsory (involuntary) redundancies in the ATO, for example where employees who have been declared excess are unable to be placed in a suitable alternative role within the required retention period.

All redundancies are offered in line with the policies set out in the ATO's Enterprise Agreement 2011.

303 and 304.

As at 31 May 2012, there were 6,988 full time equivalent (FTE) staff at the EL1 classification or above. As at 31 May 2012, there were 278 FTE staff at the Senior Executive Service level. The Commissioner, Second Commissioners and the chair of the Tax Practitioners Board are not included in this figure.

Pay Scale Classification	Year to date 2011-12 (as at 31 May 2012)		2005-06		Variance from 2005-06 to 2011-12
	FTE	% of total FTE	FTE	% of total FTE	% of total FTE
EL1	4,583	21%	3,665	17%	3%
EL2.1	1,519	7%	1,233	6%	1%
EL2.2	608	3%	378	2%	1%
SES Band 1	241	1%	215	1%	<1%
SES Band 2	37	< 1%	27	<1%	<1%
Total	6,988	32%	5,518	26%	6%
Total ATO staff	22,166	100%	21,311	100%	

305, 306 and 307.

The table below provides detail for 2005-06 and 2011-12 regarding:

- the combined salary of all employees at the EL1 level or above
- the percentage of the total wages budget for the ATO related to EL1 or above staff.

Pay Scale Classification	Year to date 2011-12 (as at 31 May 2012)		2005-06		Variance
	Salary (\$m)	% of total salary budget	Salary (\$m)	% of total salary budget	% of total salary budget
EL1	\$ 395.9	25 %	\$ 282.8	22%	3%
EL2.1	\$ 163.2	10 %	\$ 114.3	9%	2%
EL2.2	\$ 70.8	5 %	\$ 39.2	3%	1%
SES Band 1	\$ 37.2	2 %	\$ 28.9	2%	<1%

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SES Band 2	\$ 8.5	1 %	\$ 4.9	<1%	<1%
Total	\$ 675.6	43%	\$ 470.1	36%	7%
Total ATO staff	\$ 1,562.7	100%	\$1,291.6	100%	

** Excludes superannuation expenses and on-costs*

The following positions are statutory appointments and not included in the above figures:

- Commissioner
- Second Commissioners
- The Chair of the Tax Practitioners Board