

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

16 February 2012

Question No: AET 815 - 819

Topic: Efficiency dividend (ATO)

Hansard Page: Written

Senator Humphries asked:

815. What is the effect of the efficiency dividend increase from 1.5 per cent to 4 per cent on the department/agency's budget bottom line during financial years 2012-13, 2013-14, 2014-15?
816. What percentage of the department/agency's budget is designated to staffing?
817. What is the size of the department/agency's staffing establishment? Include figures for FTE, PT, casual, contractors, and consultants.
818. What specific strategies will the department/agency adopt to ensure continued operation within budget?
819. Will or has consideration been made to reducing staffing compliment including contractors, and consultants?

Answer:

815. The impact of the additional one-off 2.5% increase to the efficiency dividend in 2012-13 on the ATO's bottom line is reflected in the table below:

	2012-13 \$m	2013-14 \$m	2014-15 \$m
ATO	-80	-77	-75

In addition, there is also an ongoing reduction of 20% for agencies' departmental capital budget (refer to the MYEFO publication page 301). The impact on the ATO's capital budget is reflected in the table below:

	2012-13 \$m	2013-14 \$m	2014-15 \$m
ATO	-28	-28	-28

816. The percentage of the ATO's (including the Australian Valuation Office, Tax Practitioners Board and Australian Business Register) operating budget designating to staffing is detailed in the table below:

ATO	2011-12 (Budget)	2012-13 (Estimate)	2013-14 (Estimate)	2014-15 (Estimate)
Staff Costs (\$ million)	2,120	2,100	2,095	2,019
Total Revenue (\$ million)	3,220	3,259	3,192	3,139

% Staff Costs	66%	64%	66%	64%
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817. Details of the ATO's staffing arrangements as at 19 January 2012¹ are provided in the table below:

	Full Time Equivalent (FTE)		
	Full-time	Part-time	Total
Ongoing	19,304	1,653	20,957
Non-ongoing & casual	243	105	348
Total ATO FTE	19,547	1,758	21,305

Contractors (Headcount)	673
Consultants (Headcount)	7

818. The ATO's focus areas include:

- accommodation holdings
- competitive procurement processes
- discretionary supplier expenditure, including travel and consultancies
- considering the requirement to fill the roles left vacant by departing staff (natural attrition)
- reviewing the required APS classifications required for work types to ensure the right level for the right work
- containing non-ongoing and casual staff and utilising them to respond to seasonal workload peaks and troughs
- garnering efficiencies from previous investments and using lean methodologies to improve productivity.

819. The ATO considers the impact of the efficiency dividend at a holistic level, developing strategic plans for current and future years based on the forecast availability of resources.

Based on these plans, workloads and other commitments are prioritised and staffing requirements assessed. Any decision to adjust levels of ATO staff, contractors and/or consultants will be made as a result of changes to business requirements. Please refer to AET 879 for latest analysis.

The ATO continues to monitor recruitment and overall staffing levels with a view to maintaining a sustainable workforce. The ATO uses the following strategies to mitigate the impact of tighter budgets:

- review and reduce supplier expenditure wherever possible
- testing the priority to fill the roles left vacant by departing staff (natural attrition)
- containing the number of non-ongoing and casual staff and utilising them to focus on seasonal workload peaks
- reviewing the required APS classifications required for work types to ensure the right level for the right work
- garnering efficiencies from previous investments and using lean methodologies to improve productivity.

¹ Last pay period prior to 31 January 2012.