

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

26 February 2014

Question: AET 1890

Topic: Pay Rises (ATO)

Written: 7 March 2014

Senator BUSHBY asked:

1890)

- a) I refer to the CPSU proposal for a pay rise of 12% over three years or 4% a year – double the rate of inflation forecast in the mid-year budget update released in December. If your agency had to implement this pay rise, what risk is there that this may mean a loss of jobs?
- b) Given that pay rises are ordinarily required to be linked to productivity improvements, do you see scope for 12% productivity improvements in your agency over the next four years? If so, what are the main productivity-enhancing measures or savings that different stakeholders have put forward?
- c) Has the CPSU or other employee representative groups proposed productivity measures or other form of savings to offset wage rises?

Answer:

1890)

- a) The ATO is aware of the CPSU proposal for a pay rise of 12 per cent over three years. At this stage, it is not clear what job losses in the ATO could be associated if such a payrise was to occur. However, the ATO can confirm that each 1 per cent pay increase in the ATO would add \$22 million to our payroll costs per year. This amount is equivalent to approximately 218 Full Time Equivalents.
- b) As specified in the Agency Bargaining Framework, the ATO is seeking to identify genuine productivity enhancements that would be used to offset any pay rise that might be offered.
- c) No.