

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates

26 February 2014

**Question: AET 3089-3093**

**Topic: Staffing Reductions (ATO)**

**Written: 7 March 2014**

**Senator BUSHBY asked:**

- 3089) Can the agency outline its current and forward plans for staff reductions, including redundancies?
- 3090) How many of these reductions and redundancies relate to efficiency dividends and how many relate to decisions made in the 2013 budget or earlier to cease or terminate programs?
- 3091) Can the agency advise its ratio in percentage terms of staffing costs to non-staffing costs?
- 3092) In relation to the implementation of efficiency dividends and other funding reductions, can the agency advise if it has been planning more of a reduction on the staffing side or the non-staffing side, relative to the agency's respective share of its overall cost base?
- 3093) Can the agency advise in which of the forward financial years it will face the greatest staffing reduction? Is the agency's current plans of staff reductions to get its staff level for July 2014 at the level it is funded for in 2014-15?

**Answer:**

- 3089) The ATO is undertaking a workforce adjustment programme in 2013-14. As part of that programme, the ATO is undertaking a voluntary redundancy programme. This process will help the ATO reach its estimated workforce reduction target of 900 people by 30 June 2014 and position our workforce for the future. In the out-years, the ATO Executive will assess what level of workforce adjustment is needed and whether future redundancies will be offered, to ensure the ATO continues to manage within budget.
- 3090) Just over half the reductions in the ATO forward budget are related to decisions made in the 2013-14 budget or the 2013 Pre-Election Economic and Fiscal Outlook.
- 3091) As at 30 June 2013 the ATO (including the Australian Charities and Not-for-profits Commission, Australian Valuation Office, Australian Business Register and Tax Practitioners Board) ratio of operational costs is 66 per cent for staffing costs to 34 per cent for non-staffing costs (excludes depreciation).
- 3092) The majority of the savings in the 2014-15 year will be come from the staffing side as at least 70 per cent of the supplier expenses is non-discretionary due to long term supplier contracts, for example Property, Information Technology and Comcare Premiums and Banking contracts.
- 3093) The biggest staffing impact for the ATO over the forward estimates against the 2013-14 budget is the 2015-16 year. The ATO's workforce adjustment programme is aimed at positioning the ATO for the 2014-15 year.