

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Budget Estimates 29 May 2007)

Question **BET 96**
Topic: **Additional ATO resourcing since introduction of GST**
Hansard Page: **E55**

Senator **Sherry** asked:

Also, do you have any figures to hand on the additional resourcing that is being provided to the ATO since the introduction of the GST?

Ms Granger—Only since it was originally introduced?

Senator SHERRY—Yes.

Ms Granger—We would not have that with us, I do not think.

Senator SHERRY—Okay, but you can take that on notice.

Mr D'Ascenzo—Just in round terms though, from memory we had reduced significantly through efficiency dividends over a period of over a decade and I think that got us to a point of about something like 16,000 FTEs or thereabouts. Then we had something like a 6,000 increase with the GST side of it overall. So that is the sort of ratio. But we will get more specific details in our answers to the committee.

Answer:

Initial funding allocated to the Tax Office for the administration of the GST is set out below:

1999/2000 - \$354.0m

2000/2001 - \$432.5m

2001/2002 - \$374.6m

As part of the 2000/01 budget process, the Tax Office was allocated additional budget of \$344m over two years to fund increases in costs associated with the administration of the GST.

In 2002/03 the Tax Office's funding base was reset as part of an Output Pricing Review (OPR). The GST component of the OPR base funding was \$510m and, subject to parameter and efficiency dividend adjustments, this amount has been carried forward in our funding base in subsequent years.

In addition to this base, the following supplementary funding has been agreed to with the States and Territories:

- \$195.3m over four years from 2002/03 for small business field services and compliance activities (this was ongoing funding which has carried forward in our base in subsequent years).
- \$40.6m over five years from 2004/05 for administration work undertaken by customs as part of a review of the overall funding for Customs.
- \$6.2m over four years from 2005/06 to increase compliance activities undertaken by Customs.
- \$46.4m over three years from 2006/07 to increase compliance activities undertaken by the Tax Office

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The table below shows a history of budget funding and staffing levels for the ATO as a whole and for the GST Administration. This clearly shows a significant increase when the GST was introduced in 2000/01 in comparison to the previous year.

	Budget (\$m)			FTE		
	GST Administration ⁽¹⁾	ATO ⁽³⁾	GST as Proportion of ATO Total	GST Administration (direct staff only) ⁽²⁾	ATO ⁽³⁾	GST as Proportion of ATO Total
1999/2000	not applicable	1,617.5	-	not applicable	14,896	-
2000/2001	615.0	2,037.6	30.2%	not available	19,142	-
2001/2002	516.0	1,974.0	26.1%	4,171	18,293	22.8%
2002/2003	558.6	2,195.0	25.4%	4,584	19,469	23.5%
2003/2004	570.9	2,285.0	25.0%	4,278	20,574	20.8%
2004/2005	588.3	2,408.0	24.4%	3,731	20,645	18.1%
2005/2006	602.0	2,479.0	24.3%	3,798	21,245	17.9%
2006/2007	619.1	2,633.0	23.5%	not available	21,015	-
2007/2008	636.0	2,758.0	23.1%	not available	20,106	-

Notes for table:

(1) GST administration budget as approved by Ministerial Council.

(2) GST administration FTE are staff doing direct GST work. The figures do not include support/staff staff. Data is from internal ATO Finance reports.

(3) Prior year ATO Budgets and FTE as reported in ATO Annual Reports. Current and future year ATO budgets and FTE are estimates as reported in Portfolio Budget Statements.