

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June 2010

Question: **BET 399**

Topic: **ATO Staffing (ATO)**

Hansard Page: **Written**

Senator EGGLESTON asked:

1. The budget papers reveal a staff increase of 275 people in 2010-11. Can you explain what sorts of jobs these new staff will perform? Which areas are they mainly to be appointed to?
2. How many staff, approximately even, deal with verification, processing and checking of personal income tax credits and offsets?
3. How many staff, approximately even, deal with verification, processing and checking of personal income tax deductions?
4. How many staff will the ATO retrench as a result of the 'simpler' tax system proposed by the government? If none, then how is the tax system any 'simpler' under the proposed changes?

Answer:

1. It is expected that staff levels in the ATO will grow by a net amount of 275 in 2010-11. As part of the 2010-11 Budget, the ATO will receive additional funding of approximately \$118 million to deliver on a wide range of areas including additional GST compliance, dealing with the cash economy, and implementation of a range of measures under the 'stronger, fairer, simpler tax reform' program.

Of the additional funding for 2010-11 a significant component has been provided to increase compliance activity. Additional staff will be recruited to focus on these activities including face to face audit work, risk identification, and debt and lodgment activity.

2. The ATO captures and reports on information based on program component deliverables in the ATO Program Framework. The ATO does not capture information at the level requested in Questions 2 and 3 (verification, processing and checking of personal income tax credits and offsets and deductions). However, these activities are undertaken as part of the broader program component deliverables set out below. We are able to identify the full-time equivalent staff attributed to the individuals market within these program component deliverables.

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Program Component Deliverable	Actual Full-Time Equivalent staff
1.2.2 Processing and accounts (includes activities involved in managing accounts, payments and processing for all products. Account management covers all activities that result in refunds and outward payments being issued, adjustments or updates to accounts)	892
1.2.3 Customer Contact (focuses on ATO's client contact capability that responds to general enquiries received through advertised numbers)	958
1.3.4 Active Compliance (covers the implementation of compliance strategies that provide assurance of the accuracy of information presented by taxpayers and their intermediaries)	1,090
*Figures based on 2009-10 data from the ATO's strategic costing framework as market information is not yet available in our systems for 2010-11.	

3. See response to Question 2.
4. The ATO does not expect that the introduction of the 'stronger, fairer, simpler tax reform' program will necessarily mean a reduction in ATO staff levels. We have a significant investment in help and assistance programs, as well as improvements in our online offerings for individual taxpayers. In addition, we provide significant support for tax agents. On the other hand, new risk filters are detecting higher numbers of incorrect or fraudulent returns that need to be followed up.