

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 60

Topic: Audits teams

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Senator Bushby asked:

Senator BUSHBY: Thank you. I am also looking at some of the ATO's operations. I have some queries. How many audit teams does the ATO have respectively for small business, medium business and large business?

Mr Quigley: How many teams?

Senator BUSHBY: Teams, yes.

Mr Quigley: Senator, I will have to take that on notice.

Mr D'Ascenzo: We will take that on notice. I think that is a very simplistic way of looking at what we do in terms of our compliance work. We do a lot of functions. They are not necessarily allocated specifically functionally across our resources. So you could have a team that may well do some audit work, but it may also be a key client manager for some large taxpayers or it might do a range of other work. Having said that, we will certainly provide you with as much as we can, Senator, to fill in your question.

Mr Quigley: I will add to that, Senator. A lot of the work is integrated. I do not think I will be able to provide you with figures about a team.

Senator BUSHBY: Hard figures, yes. I understand that. I guess you are probably not able to tell me—or perhaps you are—what the average size of an audit team would be. It does not sound like an audit team is a structure that you use.

Mr Quigley: That varies significantly from whether you are dealing with, say, teams looking at individuals right up to the largest corporates in the country. What I can provide that may be useful to you, Senator, is FTEs—that is, full-time equivalents—that work on active compliance.

Answer:

In May 2011, the ATO had 6,477 full time equivalent officers who were involved in undertaking, managing and supporting ATO active compliance activities.

This number covers activities in all markets including across individuals, micro-businesses, small-to-medium enterprises and large businesses. It includes all taxation and superannuation system active compliance activities including income tax, goods and services tax, excise, fringe benefits tax and Superannuation.

These activities include those referred to in our Compliance Program such as:

- audits
- risk reviews
- investigations
- voluntary disclosure activities
- annual compliance arrangements
- advance pricing arrangements
- lodgement enforcement activities
- education and awareness campaigns directed at ensuring specific taxpayer groups know their obligations
- ensuring that corrections are made to tax returns including where refunds result from these corrections, and
- relationship management to assist businesses.

Whilst the ATO's reporting system and structures do not enable the ATO to provide the number of teams by market, the ATO can provide the following summary of active compliance team numbers by compliance business line or focus area:

Compliance Business Line	Number of teams
Indirect Tax – all markets	102
Small to Medium Enterprises - income tax - including high wealth individuals and wealthy Australians	80
Micro-Enterprises and Individuals	74
Large Business and International – income tax	60
Tax Practitioner and Lodgement Strategy – all markets and taxes	44
Superannuation – all markets	38
Serious Non-Compliance	34
Cash Economy	34
Aggressive Tax Planning – all markets	10
Total team numbers	476

The size of these teams depends on the work being done, but generally, team sizes average around 10 to 15 officers. Some teams can deal with reviewing high volumes of cases throughout the year, while other teams may only deal with a single, complex large audit.