



Australian Government
Australian Taxation Office

Reinventing the ATO

Australian Business Software Industry Association

Presented by

Jane King

Chief Information Officer
Australian Taxation Office

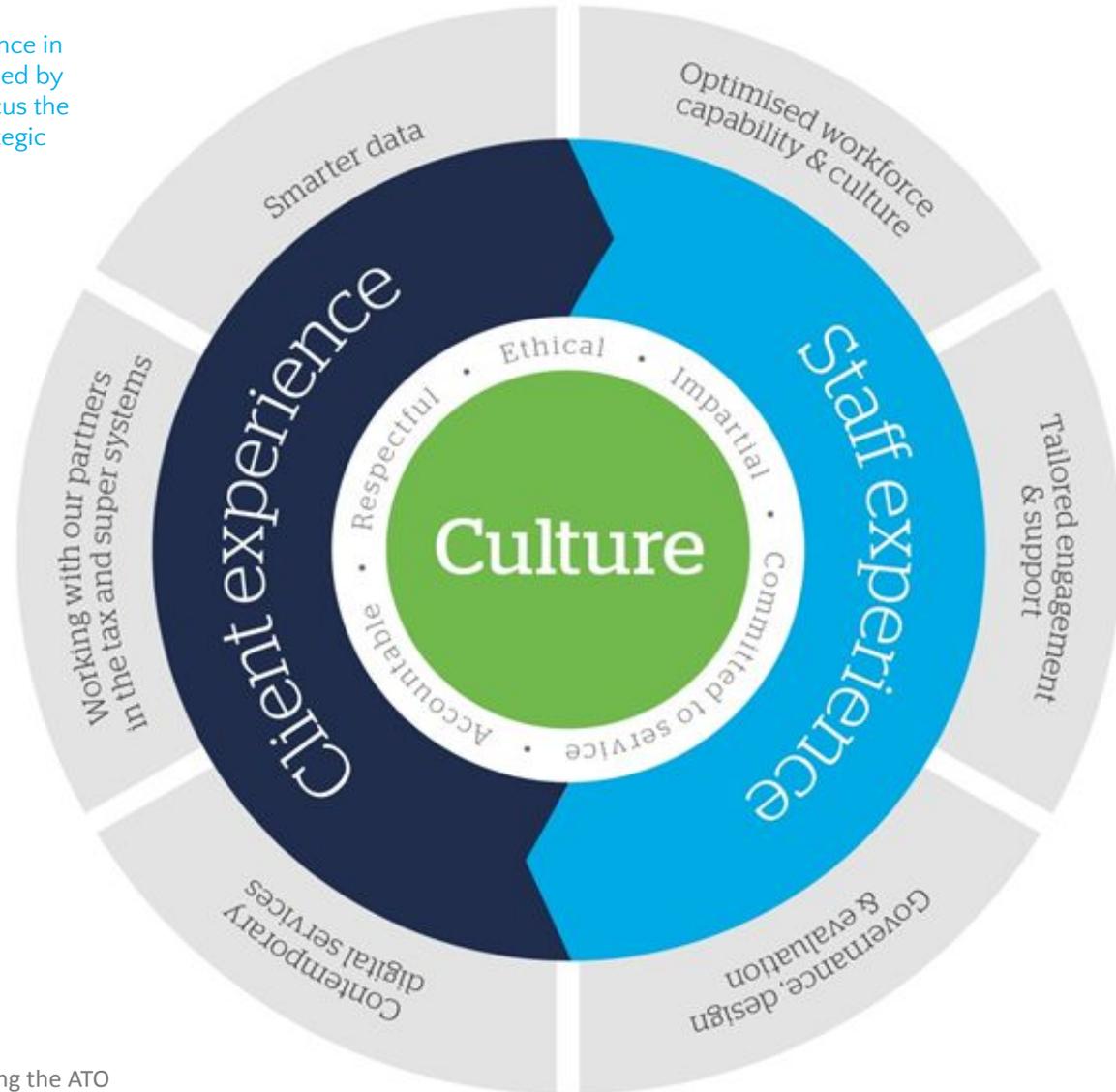
WHAT IS REINVENTING THE ATO?

'We're looking to reinvent the ATO, to transform how we go about our core business, and make the ATO a contemporary and service-oriented organisation – to be a leading agency, relevant and responsive to the expectations of the community and government.'

ATO COMMISSIONERS

DELIVERING THE FUTURE EXPERIENCE

Reinventing the client and staff experience in the tax and super systems is underpinned by our cultural transformation. We will focus the delivery of this change through six strategic programs.



CONSULTATION AND CO-DESIGN

WHAT PEOPLE TOLD US THEY NEED IN THE FUTURE



CLIENT NEEDS

- > Fix the basics
- > Foster confidence and trust
- > Tailor my interactions
- > Help me navigate complexity



STAFF NEEDS

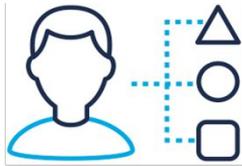
- > Fix the basics
- > Valued and supported
- > Effective tools and processes

GUIDING PRINCIPLES FOR THE PROGRAM

These principles will guide the design and delivery of the transformed client and staff experience outlined in this blueprint and have been informed by co-design activities.



Principle 1
Easy to get
things right



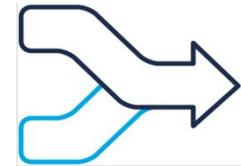
Principle 2
Tailored
experience



Principle 3
Excellent
service



Principle 4
Fair and
respectful
treatment



Principle 5
Service delivered
in the most
effective and
efficient way

WHAT WE'VE HEARD FROM THE COMMUNITY

We asked our clients how we can do things better, what sort of things they want to see in the future and how things are changing for them.

INDIVIDUALS

- > I expect online services to be secure and easy to use.
- > Digital by default - but not digital only.
- > I can't find things on the ATO's website.
- > I don't know what help is available.

SMALL BUSINESS

- > I like online services.
- > I like to self-service if it is easy to do.
- > I am time poor - show me what to do.
- > I want quick, easy and timely advice.
- > I use an agent as they know my business

SUPERANNUATION FUNDS

- > We want more detailed and technical information when we need it.
- > Employers want meeting their super obligations to be seamless and easy.
- > We want more proactive communication.

PRIVATELY OWNED & WEALTHY GROUPS

- > Time is money - the cost of compliance is a key driver.
- > I want to see better use of technology to get quicker outcomes.
- > I need more certainty and timely advice.
- > I am seeing a growing client demand to provide more cost-effective services

PUBLICLY LISTED BUSINESS

- > We need certainty and timely advice.
- > We are seeing that staff are more open to reaching common ground faster – we just need to see more of it.
- > The challenges the ATO is facing around increasing client expectations, technology and data are similar to most organisations

TAX AGENTS

- > My clients want online interactions.
- > I want to see better use of technology to get quicker outcomes and reduce my compliance costs.
- > I am seeing a growing client demand to provide more cost-effective services.
- > Clients pay for advice not admin tasks.

WHAT WE'VE HEARD FROM SOFTWARE DEVELOPERS

I want the ATO to:

- > Engage with me early - give me the opportunity to explore the problem
- > Provide compelling value propositions for software changes recognising our commercial environment
- > Deliver new initiatives via small, phased roll-outs so I can manage my priorities
- > Give me more data sharing opportunities in an increased digital environment
- > Better understand our industry by aligning with our product development cycles
- > Engage early on new services - so everyone's voice is heard



INTERMEDIARIES

SOFTWARE DEVELOPERS

These are the key features that will improve and transform the experience of the tax and super systems for software developers, outlining the way we will work together to provide contemporary and integrated services to ATO clients.

“ I work closely with the ATO and the community to make it easier for my users to meet their tax and super obligations. ”

Behaviours and values from a segment perspective:

We understand that through our partnership with the ATO we play a significant role in designing, building and implementing solutions that can be adopted by the community, meet user needs and comply with government requirements.

Partners in the tax and super systems:



Excellent working relationships

I have an excellent working partnership with the ATO to develop and implement solutions that make compliance with the tax and super systems easy for users of my products and a by-product of their core business activities.

This means:

- The ATO's Partnership Framework promotes software developers working with the ATO, the business community and the tax profession to develop optimal solutions for users of their products that meet the requirements of the ATO.
- Software developers have an active role in ensuring users of their products can satisfy their obligations with minimum effort, as easily as possible.
- Software developers and the ATO engage early when there is an opportunity to explore or a problem to solve.
- The ATO provides software developers with timely information and the certainty they need to be informed.
- ATO understands and fully considers impacts on SWDs' priorities, products, services and production/development cycles.
- Software developers can share their suggestions for improvements through collaborative and consultative arrangements including professional associations. Their insights are fully considered by the ATO.
- Software developers have access to the ATO's release plan of services and the dates for start of legislative and administrative changes, where

Adapting to change:



An evolving environment

I understand that my operating environment and the needs of the users of my products are constantly changing and I am ready to respond to these changes.

This means:

- Software developers and the ATO use data exchange across government to simplify interactions with the community.
- Software developers and the ATO see the value in a single data and messaging standard to simplify interactions.
- The ATO and software developers work together to protect data and client identity.
- The ATO keeps pace with changing business practices and the operating environment of software developers and users of their products
- Software developers have a shared understanding of, and access to information about the ATO's strategic direction.

Make it easier:



Integrated digital solutions

My software solutions seamlessly interact with the ATO and across government agencies to provide a streamlined experience for users of my products.

This means:

- All services and interactions are digital and utilise SBR-enabled technology and infrastructure to enable businesses and tax practitioners to connect with the ATO and across government.
- Software developers contribute to solutions that are integrated to make fulfilling tax and super obligations easy for users and a part of core business activities.
- The ATO and software developers work together to support their clients to transition to digital and SBR-enabled solutions.
- The ATO provides opportunities to access and make use of data to continuously improve the experience for users of software products and services.
- There is a secure, reliable and easy to use access point.

Shared journey:



Ongoing collaboration

When developing and implementing new or enhanced solutions, the ATO and I understand each other's operating environments and work together to make the most of them.

This means:

- The ATO and software developers collaborate to ensure that any change delivers benefits to users and encourages usage.
- There is appropriate collaboration while implementing solutions, to manage expectations and ensure that new or enhanced products and services deliver the right outcomes.
- Software developers and the ATO work together to ensure that changes are delivered in reasonable steps, making it easier for software developers to deliver improved user experiences while managing competing priorities.
- Software developers and the ATO raise issues openly and work together to address them in a timely way.
- There are clear measures of success that assist purposeful implementation of any changes or new software products and services.
- There is use of contemporary collaboration tools for efficiency, transparency and openness.
- Software developers meet the requirements of tax agents and their clients and work with the ATO and professional associations to develop solutions that benefit all.

Right people, right time:



Tailored engagement

My engagements with the ATO are tailored, purposeful, timely, productive and have the right people at the right time, so decisions can be made.

This means:

- The ATO's Partnership Framework is tailored to software developer needs and reflects the product development lifecycle.
- The ATO is aware that changes to the tax and super systems can impact software products and engages with software developers as soon as possible.
- ATO engagement with software developers is timely, purposeful, planned and ensures the right people are involved to drive effective collaboration and decision making.
- Engagements across different stakeholder groups are visible and stimulate better collaboration and understanding of ATO directions and the legislative framework.
- Software developers have opportunities to provide feedback to the ATO and receive feedback. There is a clear escalation path.
- The ATO works together with software developers to resolve issues in a timely manner and with minimal interruption to users' business.
- Information is accessible, accurate, relevant and delivered in a timely and appropriate manner.



MARY SAUNDERS

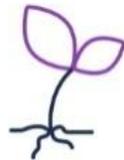
INTERMEDIARIES

SOFTWARE DEVELOPERS

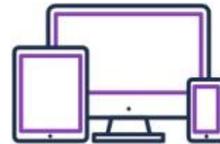
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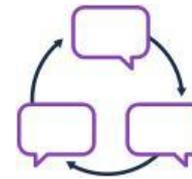
Excellent working relationships



An evolving environment



Integrated digital solutions



Ongoing collaboration



Tailored engagement



Reinventing the ATO Client experience

Key achievements so far

Reinventing the ATO for our clients is already underway and there's more to come




myTax
A new online individual tax return called myTax was introduced for Tax Time 2014.



Introduction of Independent Review
The independent review service was introduced on 1 July 2013 to resolve areas of disagreement and disputes prior to an assessment issuing.

In 2013-14 fourteen cases were completed. 46% were found in favour of the taxpayer, of which 1 has gone to objection.

The objective is to reduce the time we take to resolve disputes and lower both our costs and the costs for taxpayers.



Small business newsroom
The Small business newsroom eliminates the need for 16 newsletters and reduces general paper based correspondence. The service is more accessible and easily updated.

The SBN project identified an opportunity to reduce up to **7m of 21m** letters initiated by the ATO each year.




Updated the ato app with new features for small business & super

Available on the App Store

Get it on GOOGLE PLAY

Available for Windows Phone

myGov 3.3 million people have linked their MyGov account to the ATO

 2.8 million people accessed myGov to lodge online

Since 1 July

 Over 3.1 million people have accessed our ATO online services

Facilitating Digital Engagement

We are committed to improving the client experience through effective digital engagement.



Electronic declarations

Australians now have the choice to submit electronic declarations as an alternate to paper.



Over **350,000** Australians have enrolled their voiceprint to verify their identity since this service was launched in mid August.



End of paper activity statements for electronic lodgment

New ABR website

The site provides a single entry point for ABN and AUSkey registration services, with upfront information to help make informed decisions prior to registering.



More than **320,000** super accounts worth **\$1.25 billion** consolidated online (since 1 July 2014)

Highly Commended award



The ATO received a Highly Commended award in the new Government category for the ATO's Women and super campaign run in March 2014, which aimed to raise awareness and encourage Australian women to take control of their super.

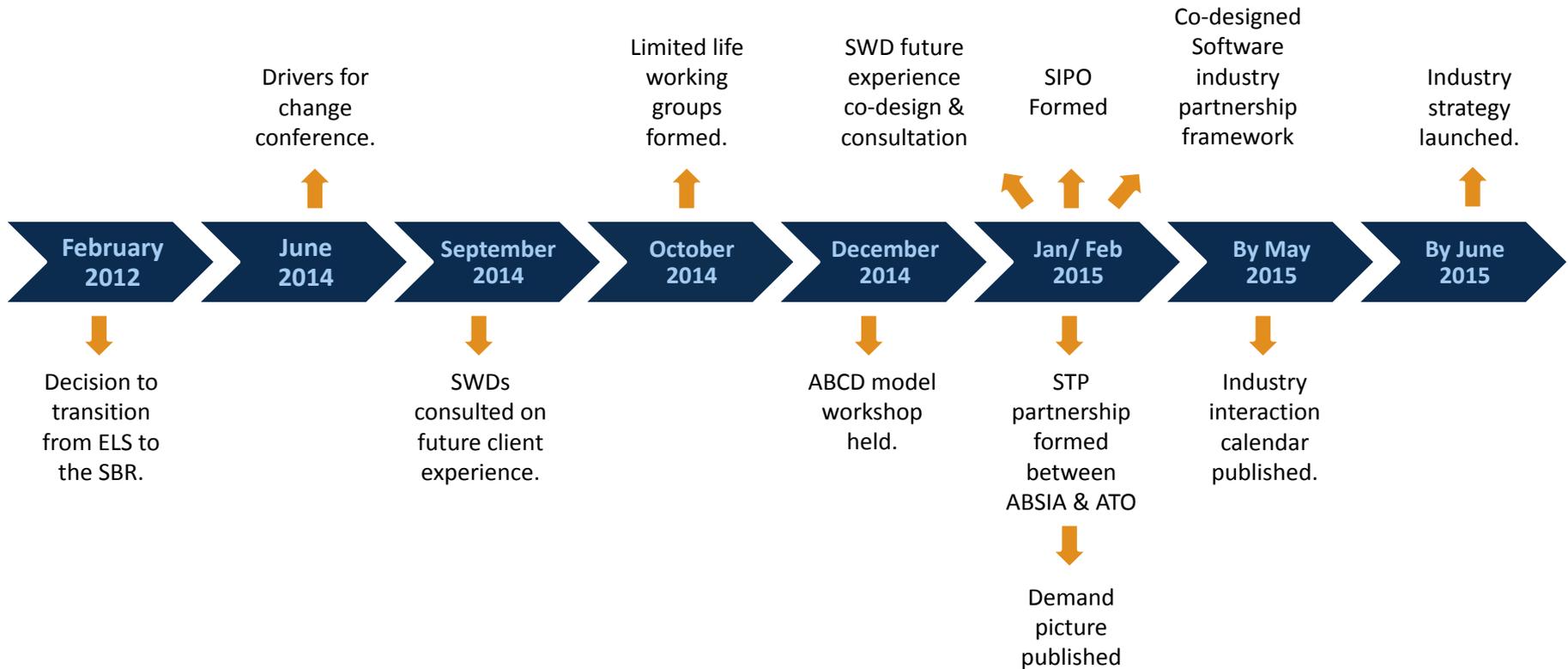
Coming soon

In 2015-16 we will continue to reinvent the ATO for all Australians.

This includes:

- > launching the Small Business web-chat
- > aligning our client registers
- > completing the transition from ELS to SBR
- > and further enhancing myTax.

WE'RE ALREADY WORKING TOWARDS A BETTER FUTURE...



WE'RE ALREADY WORKING TOWARDS A BETTER FUTURE...

FRAMEWORK [UNCLASSIFIED]

PARTNERSHIP
This is an industry partnership framework being developed following consultation with industry in the recent past as part of the ATO's journey of reinvention.

INTENT
To facilitate a thriving digital economy across all levels of government and industry and to make it easier for the community to participate in our tax and superannuation systems.

SCOPE
The partnership is between the ATO and the software industry involved in providing Tax and Super products and services in the industry. This includes commercial and "in-house" entities.

INTERACTIONS
• Interactions are multi-faceted to meet the specific objectives, outcomes, and needs.
• Interactions support the stakeholder engagement spectrum below to enable the software industry to engage effectively with all relevant stakeholders in the ATO.
• Software Industry Partnership Office (SIPO) will be the gateway for interactions between the ATO, Whole of Gov. (for any initiative the ATO is involved in) and Software Industry.

PRINCIPLES

- **Easy to deal with.** Interactions both ways, between ATO and Software Developers (SWDs) is easy and straightforward. There is a single point of contact for the industry
- **Shared journey.** Iterative approaches to Co-design, Co-Develop, Co-Deliver leading to shared understanding with clear success measures to evaluate purposeful implementation
- **Trust and honesty** to raise and address issues, to deliver what we promise and promise what we deliver (or communicate early about unavoidable changes to promises)
- **Consistency** in the process with the right people in the room so the engagement is tailored based on circumstances and requirements
- **Meaningful standards** to support data standards, consistency in communication, uniformity in naming conventions, definitions and terminology
- **Engage early, learn fast** with working on new solutions (in the context of agile development, the sooner we engage [including prototyping] and communicate, the sooner the right solution can be implemented)
- **Shared capability development** to build an understanding together of outcomes and action (that lead to outcomes) with controllable and measurable features, functions, processes and services

PARTNERSHIP INTERACTIONS
SIPO will be the conduit between the ATO, industry and whole of Gov. for any initiative the ATO are involved in.

Strategy & Planning
Engagement Intent: Early exposure of problem/intent, understanding impacts
Engagement Outcomes: Consultation, planning, prioritisation, design

Build, QA & Testing
Engagement Intent: Develop design and community buy in for changes including prototyping
Engagement Outcomes: Co-Design, build, stakeholder engagement, user testing

Production & Delivery
Engagement Intent: Develop feedback into production and delivery to the community
Engagement Outcomes: Registration, marketing, certification

Release & Adoption
Engagement Intent: IT uptake and use of solution management and adoption by community
Engagement Outcomes: Feedback, assurance, future intelligence, continuous improvement

UNCLASSIFIED - Reinventing the ATO

Version 1.0

Australian Government
Australian Taxation Office

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WE'RE ALREADY WORKING TOWARDS A BETTER FUTURE...

FRAMEWORK		[UNCLASSIFIED]			
STAKEHOLDERS <ul style="list-style-type: none"> • Software Industry • Software Industry Partnership Office (SIPO) • ATO <ul style="list-style-type: none"> - Business Lines - Project Managers - Technical Areas (EST) - Strategic Leaders (Program/project sponsors, Senior Executives) - Production Control Office (E2E process) • Other Government Agencies 		PARTNERS SOFTWARE INDUSTRY <ul style="list-style-type: none"> • The industry is diverse, comprising of large multi-national to small micro-businesses • Their products and services are provided to individuals and all businesses • There are several segments in the industry associated with types of products and services and a growing segment of third party solution provision to the industry • Meeting tax and super obligations is only a small part of running a business while tax changes to their products and services represents a significant portion of the change burden • The Australian Business Software Industry Association is the industry representative body • ATO <ul style="list-style-type: none"> • The ATO administers the Tax and Superannuation System 			
STAKEHOLDER ENGAGEMENT SPECTRUM					
	INFORM	CONSULT	CO-DESIGN	COLLABORATE	EMPOWER
Characteristics	<ul style="list-style-type: none"> • One-way engagement 	<ul style="list-style-type: none"> • Limited two-way engagement • ATO ask questions and stakeholders respond • ATO makes proposal and stakeholders respond 	<ul style="list-style-type: none"> • Two-way or multi-way engagement • Learning on all sides • Contributing together towards shaping an outcome • All stakeholders act independently, ATO is decision maker 	<ul style="list-style-type: none"> • Two-way or multi-way engagement • Joint decision making and actions 	<ul style="list-style-type: none"> • Decisions delegated to stakeholders • Stakeholders play a role in governance
SWD participation goal	<ul style="list-style-type: none"> • To obtain balanced and objective information early, to assist in understanding the Government's policy intent, plans, options opportunities and/or solutions 	<ul style="list-style-type: none"> • To help shape the Government's proposals on policy, strategy, design, implementation and matters that impact on the software industry • To ensure that impacts on the industry, concerns and aspirations are understood • To bring the user perspective to the table 	<ul style="list-style-type: none"> • To contribute directly to shaping ATO and other agency solutions and outcomes early throughout the process • To ensure that concerns and aspirations are consistently understood and considered • To bring the user perspective to the table 	<ul style="list-style-type: none"> • To partner with ATO in design and implementation in each aspect of the decision including the development of alternatives, the identification of the preferred solution, implementation and work program scope • To bring the user perspective to the table 	<ul style="list-style-type: none"> • To place final decision making in the hand of SWDs
Promise to the SWD	<ul style="list-style-type: none"> • We will keep you informed 	<ul style="list-style-type: none"> • We will: <ul style="list-style-type: none"> • Seek your feedback on drafts and proposals • Listen to and acknowledge concerns and aspirations • Provide feedback on how SWDs input influenced the decision and constraints to incorporating feedback 	<ul style="list-style-type: none"> • We will: <ul style="list-style-type: none"> • Work with you to ensure that your concerns, aspirations and expertise are directly reflected in the alternatives developed • Provide feedback on how SWD input influenced the decision and constraints to incorporating feedback 	<ul style="list-style-type: none"> • We will: <ul style="list-style-type: none"> • Work together with you to formulate solutions and approaches • Incorporate your advice and recommendations in the decisions to the maximum extend possible 	<ul style="list-style-type: none"> • We will implement what you decided
Example	<ul style="list-style-type: none"> • Policy implementation 	<ul style="list-style-type: none"> • Testing a proposed ATO strategy of consolidating reporting by tax payers 	<ul style="list-style-type: none"> • ATO considering a new interaction with public that will require new technology interactions 	<ul style="list-style-type: none"> • Pilots or proof of concepts, on boarding to EVTE, delivery plans 	<ul style="list-style-type: none"> • Communication channels • Period for accessing vendor testing environment (EVTE), communications channels for particular messages

Our commitments to you:

- Keep you informed
- Share designs early
- Listen and acknowledge your feedback
- Provide feedback on how your input has influenced our decisions and designs
- Work with you to formulate solutions
- Incorporate your advice and recommendations as much as possible
- Empower you to make decisions by implementing what you decide

SWD Participation Goals:

- To obtain balanced and objective information early to help in understanding policy
- To help shape Government proposals
- To ensure that impacts on industry are understood
- To bring the user perspective to the table
- To contribute directly to shaping ATO and other agency solutions and outcomes early
- To partner with the ATO in design and implementation in each aspect of the decision
- To place final decision making in the hand of SWDs



I want to help develop solutions so that my products have value for both my clients and my business.

MARY SAUNDERS

Product Manager, Marley Software Co.

As the product manager at Marley, I need to stay on top of changes to the law which might impact our software packages and our client's ability to stay compliant with their taxes. So when the ATO asked for representatives to help design what changes to a child care software package might look like, I signed up without hesitation.

With the announcement of changes to the way companies need to report, I was invited by the ATO to share my knowledge about the reporting obligations for the industry. Previously, the only time you were able to provide input was at the quarterly industry forums, when most of the design was already done. I know that I can also voice my views through the Australian Business Software Industry Association (ABSIA) and other industry associations, if I choose to.

I signed up to be part of a group of software developers who would be impacted by the upcoming change and were interested in developing a solution that met the needs of the ATO and our users.

Amanda from the ATO came to my office to talk about the changes that were proposed and to seek my input. I felt like my commercial knowledge of the product, our users and the broader industry was listened to. I knew I could represent my users' view to help the ATO come up with solutions that are viable for me and contribute to the broader software community.

Amanda told me that additional feedback and suggestions could be made through the online collaboration tool on the ATO website, open to all of the software industry. When I logged on, I found it was a great site to test the ideas I had about the change with the broader software developer community. Through this tool I could also see the ATO would be regularly collaborating with me through testing design iterations, prototypes and specifications.

Because I had input into the design, when the ATO released early drafts of the specifications I was prepared and able to plan our development with certainty. I was able to integrate the change into our product development schedule.

After the new product was released the ATO asked me to be part of a post implementation review. I provided my feedback through the collaboration tool, and noticed I could also offer suggestions for improvements on a range of other products.

It was really handy that I received an alert through the collaboration tool that provided a summary and responses to the feedback. I could see that my feedback was on there and was happy to see that the ATO were considering it in their next release.

I felt that through partnering with the ATO, I was able to help design solutions that were practical to implement, met the requirements of the new legislation and were relevant and easy for my users.

What the ATO does

- We work with software developers to design and implement software that provides:
 - Better integration with their clients and the ATO.
 - Proactive and pre-emptive compliance.
- We keep software developers informed on legislative changes.

How the ATO behaves

- We have a service focus.
- We get things done promptly and with purpose.
- We build trusted relationships.
- We ask for, and listen to, insights, experiences and issues software developers and their clients have.
- We ask for feedback and provide responses using an online collaboration tool so the whole industry can access the information.
- We engage with software developers as early as possible and work together to design solutions.

WHERE TO NEXT...

“ We look forward to a renewed partnership with the ATO – joining with them as we strive to leverage exciting new and emerging technologies. ”

Geoff Schaller
Board Director
February 2015



- > Continue to mature the partnership framework
- > Progress to detailed design through co-design and co-development
- > Keep you informed and provide certainty with timely, accurate and relevant information
- > Publish the industry interaction calendar in May 2015
- > Launch the Industry Engagement and Communication strategy by June 2015

FIND OUT MORE...

Our reinvention
reflects what the community
wants from the ATO

Check out ato.gov.au/reinventing