

Standing Committee on Tax and Revenue

ANSWERS TO QUESTIONS ON NOTICE

Australian Taxation Office

22 August 2018

Department/Agency: ATO

Topic: People Connect

Hansard Page: 12-13

Question:

1. **MS FLINT:** “ANAO report cost and benefits of reinventing ATO program” is what I am referring to, page 54, project 5 People Connect. [...] First of all, what was the People Connect project for? The expected cost was \$10.7 million but note D indicated the cost had blown out to \$19 million. Mr Van Manen was wondering what the project was for, why has the cost blown out and what has been achieved?
2. **MS CURTIS:** I can also identify what the \$25.3 million projected monetary savings were at the time.

Answer:

1. The People Connect system is a human resource case management system developed to support areas such as health management, performance management and workplace conflicts. The system enables Human Resources to understand, track and manage cases. The system needed to be replaced as the previous processes used excel spreadsheets which were inefficient and ineffective. Amongst other benefits, the project resulted in savings to the ATO’s workers compensation premium.

The ATO manages its IT enabled projects through two components:

- a business project which provides the holistic management of project components including benefits, costs etc
- an IT component project which manages the IT deliverables, including IT costs and schedule.

The business project documentation should be used to understand the full cost elements of a project.

The expected cost of \$10.7 million (as detailed in the ANAO report) was sourced from an IT component project management plan which was drafted in 2016. It reflected the operating costs for the 2016/17 financial year, with a qualifier that the forecast cost was subject to financial diligence review. This was an estimated cost for only one year.

The full budgeted cost for financial years 2012/13 to 2017/18 (6 years), including operating and capital, was \$19.74 million.

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2. The \$25.3 million projected monetary saving was identified as follows:

Benefits	\$
Savings to business due to efficiency gains from new solution	2.97m
Remove risk of irrecoverable failure of Unicentre Service Desk system	18.62m
Saving on current Unicentre Service Desk annual support costs for EST	2.91m
Savings provided by stable and reliable system to support business (due to lost productivity and re-work as a result of unplanned Unicentre Service Desk outages)	0.79m
Total	25.29m

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Department: ATO

Topic: Performance measures

Hansard page: 17

Question:

MS OWENS: Do you have firm benchmarks to measure that and how do you measure the success or failure of what is a very large tax payer funded project? (*Reinventing the ATO*)

MS CURTIS: We do have a set of performance measures and we also do some perceptions of the way in which we interact with our clients. We do surveys to understand that and we do it on a range of factors, for example 'fairness in disputes'. We have also extended that to look at the way people feel about the debt process, the audit process etc. We could provide you on notice how we are tracking.

Answer:

Results for the ATO's corporate performance measures are published each year in our Annual Reports.

The primary focus of Reinventing the ATO program was to improve the client and staff experience. As a result, the ATO also undertakes annualised surveys to understand client perceptions of our:

- fairness in disputes
- debt processes
- audits
- advice.

We are currently in the process of finalising analysis of our 2017-18 fairness-specific survey questions.

Client perceptions that the overall ATO process was fair in:	2016-17	2015-16	2014-15
Disputes	56%	55%	50%
Debt processes	72%	73%	73%
Audits	71%	66%	n/a*
Advice	73%	75%	n/a*

*Our fairness perception analysis was extended to audits and advice in 2015-16, thus no 2014-15 data for these circumstances is available.