

OVERVIEW	EXTERNAL	7 JANUARY 2010	UNCLASSIFIED
FORMAT	AUDIENCE	DATE	CLASSIFICATION



Australian Government

Australian Taxation Office

FILE REF: 05/8799

# Australian Taxation Office management arrangements

This document is approved by the Commissioner.

This document sets out the high level management arrangements of the Tax Office, providing a high level view of the ATO Executive, ATO Program Framework, sub-plan executives and business and service lines which support the Tax Office governance arrangements.

## TABLE OF CONTENTS

<b>Table of Contents</b> .....	<b>2</b>
<b>The Commissioners</b> .....	<b>3</b>
Commissioner of Taxation Michael D'Ascenzo.....	3
Second Commissioner Bruce Quigley.....	3
Second Commissioner Jennie Granger.....	3
Second Commissioner David Butler.....	3
<b>The ATO Executive Committee</b> .....	<b>4</b>
<b>Tax Office Senior Executive Reporting Structure</b> .....	<b>5</b>
<b>Tax Office Key Corporate Committees and Forums and Peak Consultative Forums</b> .....	<b>6</b>
<b>ATO Program Framework</b> .....	<b>7</b>
<b>Tax Office Sub-plans and Business and Service Lines</b> .....	<b>8</b>
<b>Tax Office Reporting of the ATO Plan 2009-10</b> .....	<b>10</b>

## THE COMMISSIONERS



### **Commissioner of Taxation Michael D'Ascenzo**

The Commissioner of Taxation is responsible for the administration of aspects of Australia's taxation and superannuation systems and is also the Registrar of the Australian Business Register. The Commissioner also works with appropriate departments on policy matters.



### **Second Commissioner Bruce Quigley**

Second Commissioner Bruce Quigley leads our compliance program which develops and implements strategies to ensure individuals and businesses comply with their tax and superannuation obligations.



### **Second Commissioner Jennie Granger**

Second Commissioner Jennie Granger has overall responsibility for the interpretation of tax and superannuation laws and oversees the implementation of relevant new policy. Jennie also has a leadership role for our people, financial, governance and integrity activities and the Australian Valuation Office.



### **Second Commissioner David Butler**

Second Commissioner David Butler leads the business operations, technology and knowledge management functions of the Tax Office.

# THE ATO EXECUTIVE COMMITTEE

To assist in managing the Tax Office the Commissioner has established a senior leadership group known as the ATO Executive Committee. The Committee is made up of the Commissioner, three Second Commissioners and other senior executives nominated by the Commissioner.

The ATO Executive Committee has been established to assist the Commissioner of Taxation to:

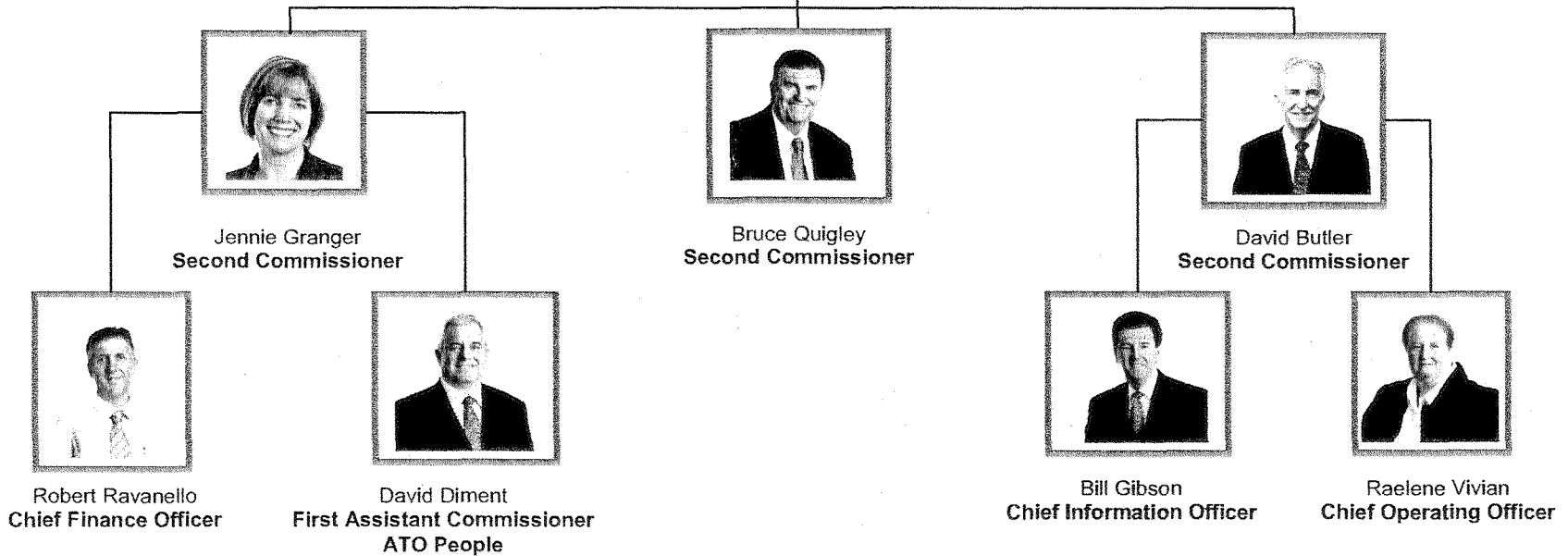
- a. set the longer term direction for the Tax Office, and
- b. execute his responsibilities:
  - to undertake the 'administration of aspects of Australia's tax and superannuation systems'
  - for the overall delivery of the Tax Office commitments to government
  - to manage the Tax Office as an agency.



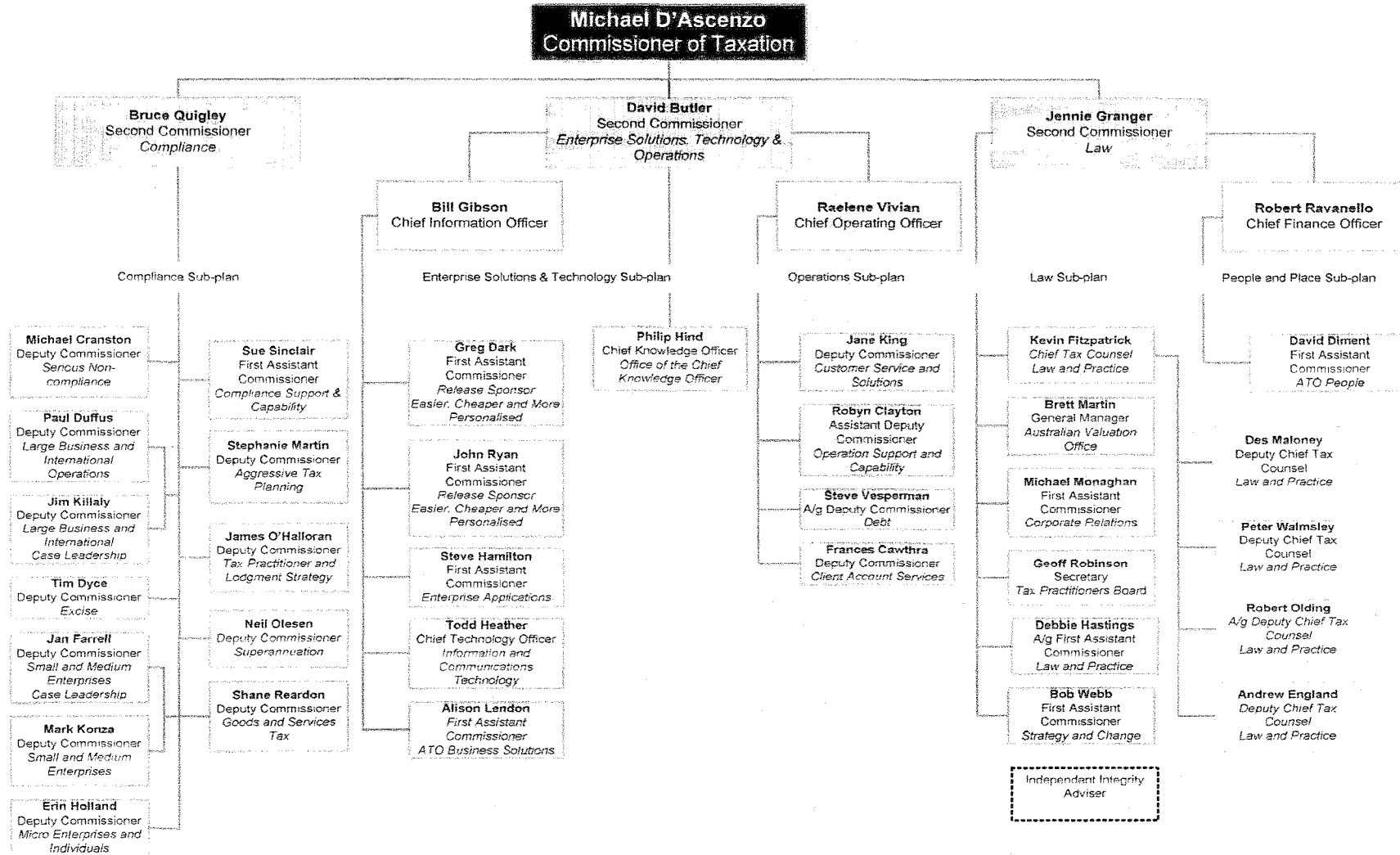
Michael D'Ascenzo  
Commissioner of Taxation

The ATO Executive Committee's corporate strategic areas of focus are outlined in the annual ATO Corporate Plan. The ATO Executive Committee oversees the implementation of key activities in relation to these areas of focus, ensures assurance is delivered through governance processes and leads measurement of effectiveness of the activities.

The Second Commissioners are included given their responsibilities under Taxation Administration Act 1953. Other members cover areas of focus for the organisation at particular points in time. Currently these are Finance, Human Resources, Information Technology and Operations.



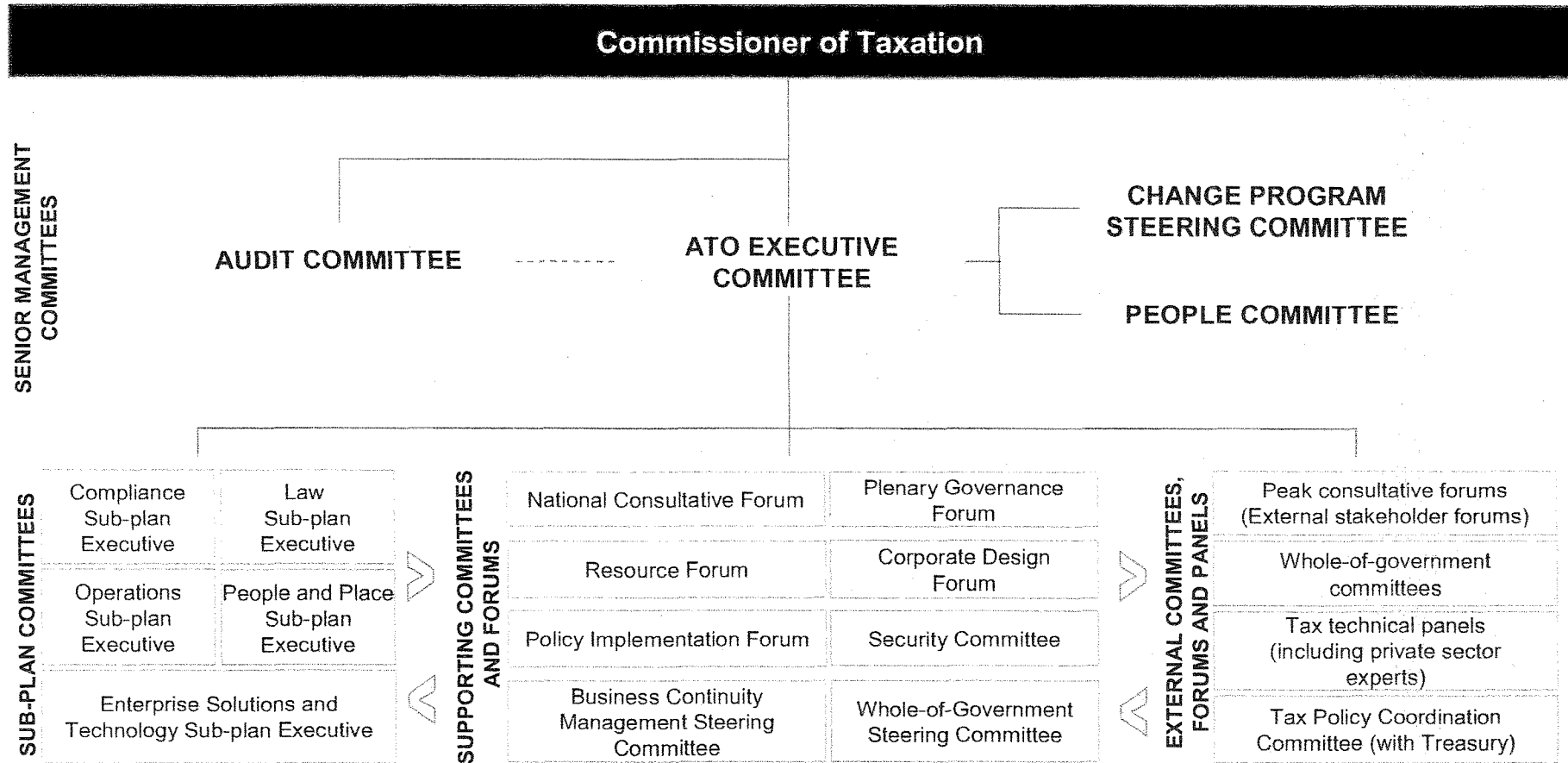
# TAX OFFICE SENIOR EXECUTIVE REPORTING STRUCTURE



Senior Executives represented as A/g are undertaking higher duties.

# TAX OFFICE KEY CORPORATE COMMITTEES AND FORUMS AND PEAK CONSULTATIVE FORUMS

Corporate committees and forums support the ATO Executive Committee, sub-plan executives and business and service lines by providing an enterprise-wide strategic focus on issues and fulfilling assurance roles. The Tax Office also convenes external stakeholder consultative forums to facilitate consultation, collaboration and co-design in administration of aspects of Australia's taxation and superannuation systems.



# ATO PROGRAM FRAMEWORK

Deliverables in the ATO Program Framework align work to achieve the Tax Office outcome.

## OUTCOME

Confidence in the administration of Australia's taxation and superannuation systems through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law.



## ADMINISTERED PROGRAM

Tax bonus payments, Product stewardship waste (oil) scheme, Cleaner fuels scheme, Refundable film and television tax offset, Research and development tax offset, Private health insurance rebate, Superannuation co-contribution scheme, Superannuation guarantee scheme, Fuel tax credits scheme, Interest on overpayment and early payments for tax, Education tax refund, National urban water and desalination plan, National rental affordability scheme, First home saver accounts, Baby bonus, Bad debts and remission.



## DEPARTMENTAL PROGRAMS

1 <b>Shape, design and build administrative systems</b>	2 <b>Management of revenue collection and transfers</b>	3 <b>Compliance assurance and support for revenue collections</b>	4 <b>Compliance assurance and support for transfers and regulation of superannuation funds</b>	5 <b>Services to governments and agencies</b>
--	--	--	---	--

## DELIVERABLES

1.1 Policy advice and revenue forecasting 1.2 Design and build administrative systems 1.3 Input to law design 1.4 Legal services 1.5 Law assurance	2.1 Registrations 2.2 Processing and accounts 2.3 Client contact 2.4 Debt collection and lodgment reminders	3.1 Marketing communications 3.2 Interpretative assistance 3.4 Active compliance 3.5 Compliance risk identification	4.1 Marketing communications 4.2 Interpretative assistance 4.4 Active compliance 4.5 Compliance risk identification	5.1 Valuation services 5.2 Cross-agency support 5.3 Government relations and issues management 5.4 Australian Business Register
--	--	--	--	--



## ENABLING PROGRAMS

<b>E1 Governance and stewardship</b>	<b>E2 People</b>	<b>E3 Workplace</b>	<b>E4 Information technology services</b>
--	----------------------	-------------------------	---

## DELIVERABLES

E1.1 Corporate governance and stewardship E1.2 Financial management, procurement and assurance E1.3 Sub-plan and line governance and stewardship	E2.1 Employment framework E2.2 Workforce strategy E2.3 Workforce development E2.4 Performance and integrity E2.5 Safety and health E2.6 Internal communications E2.7 sub-plan and line people	E3.1 Physical workplace and administration E3.2 Information services	E4.1 Strategy, architecture and futures E4.2 Infrastructure provisioning and service delivery E4.3 Alignment and design E4.4 Application development E4.5 Applications management E4.6 IT system security, compliance and assurance
--	---	---	--

Note: Non-sequential numbering for deliverables under programs 3 and 4 is due to the movement of the legal services and law assurance deliverables to program 1 in 2009-10. Numbering has been retained to align with that used in business systems.

The Tax Office has established formal enterprise planning and reporting processes to provide a clear line of sight from the Tax Office outcome to departmental and enabling program deliverables. Reporting against planning documents enables the Tax Office to monitor progress on delivering the Tax Office outcome to community and government.

## TAX OFFICE SUB-PLANS AND BUSINESS AND SERVICE LINES

The sub-plan structure supports the delivery of the ATO program framework.

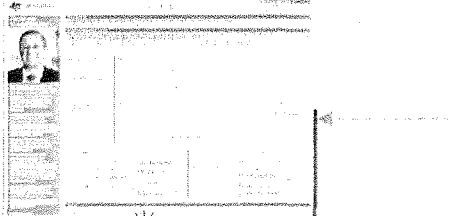
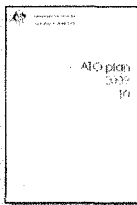
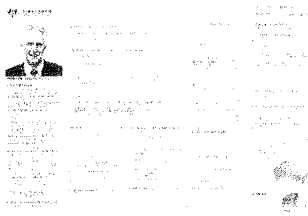
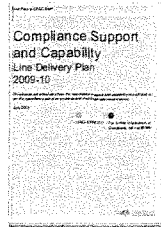
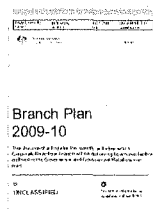
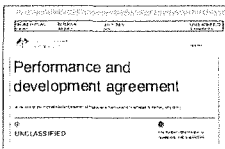
<b>ATO EXECUTIVE COMMITTEE</b>					
	<b>Compliance Executive</b>	<b>Enterprise Solutions and Technology Sub-plan Executive</b>	<b>Law Executive</b>	<b>People and Place Executive</b>	<b>Operations Executive</b>
	<b>Compliance Sub-plan</b>	<b>Enterprise Solutions and Technology Sub-plan</b>	<b>Law Sub-plan</b>	<b>People and Place Sub-plan</b>	<b>Operations Sub-plan</b>
<b>Sub-plan Role</b>	The Compliance Sub-plan monitors emerging risks, marshalling expertise from across the office and forging effective strategic partnerships with other key stakeholders, to best position the Tax Office to manage and respond to challenges and opportunities. The sub-plan creates an environment that promotes high levels of voluntary compliance with tax and superannuation laws and supports other government initiatives.	The Enterprise Solutions and Technology Sub-plan enables the Tax Office to achieve its outcomes for community and government through understanding how the Tax Office operates today and into the future by promoting agreed enterprise-wide standards and approaches to legislative, business process and systems design. The sub-plan creates optimises and leverages enterprise technology, systems and process, actively incorporating innovation and new ideas and educating tax office staff in the enterprise solution.	The Law Sub-plan establishes and maintains the Tax Office's view of existing tax laws and ensures integrity in our administration. The sub-plan oversees the design and implementation of administrative systems to support new laws. It also enhances, facilitates and promotes effective enterprise-wide governance, and provides a mechanism for the community to raise issues about current tax and superannuation laws.	The People and Place Sub-plan delivers financial management, procurement, people and workplace services and programs that enable the Tax Office to achieve its business outcomes and meet its legislative obligations.	The Operations Sub-plan provides a cost-effective, efficient service which promotes self-service and voluntary compliance. The Sub-plan makes it easier and cheaper for Tax Office clients to do business and helps them to remain engaged with the tax and superannuation systems.
<b>Business and Service Lines</b>	<ul style="list-style-type: none"> <li>• Aggressive Tax Planning</li> <li>• Compliance Support and Capability</li> <li>• Excise</li> <li>• Goods &amp; Services Tax</li> <li>• Large Business &amp; International</li> <li>• Micro Enterprises and Individuals</li> <li>• Serious Non-Compliance</li> <li>• Small and Medium Enterprises</li> <li>• Superannuation</li> <li>• Tax Practitioner and Lodgment Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• ATO Business Solutions</li> <li>• Change Program</li> <li>• Enterprise Applications</li> <li>• Office of the Chief Knowledge Officer</li> <li>• Service Provider Management</li> <li>• Strategy Planning and Assurance</li> </ul>	<ul style="list-style-type: none"> <li>• Australian Valuation Office</li> <li>• Corporate Relations</li> <li>• Law and Practice</li> </ul>	<ul style="list-style-type: none"> <li>• ATO Finance</li> <li>• ATO People</li> <li>• Office of the Commissioners</li> </ul>	<ul style="list-style-type: none"> <li>• Client Account Services</li> <li>• Customer Service and Solutions</li> <li>• Debt</li> <li>• Operations Support and Capability</li> </ul>
<b>BSL Role</b>	Business and Service Lines (BSL) plan and manage the delivery of sub-plan priorities, reflecting decisions and directions from executive bodies. They integrate market segment, revenue product and focus area perspectives in the delivery of sub-plan priorities and work with capability and process leaders to identify and address capability gaps and issues.				



# TAX OFFICE ANNUAL CORPORATE PLANNING DOCUMENTS

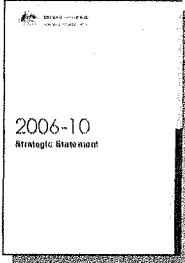
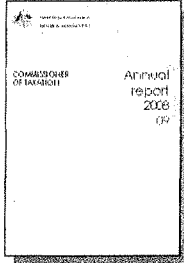
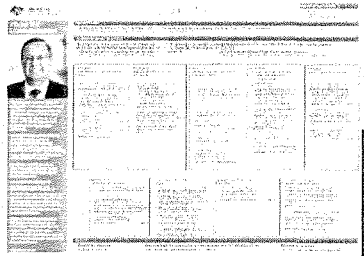
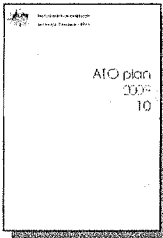
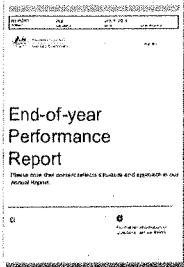
Planning documents provide direction to achieve the Tax Office outcome.

## ATO PROGRAM FRAMEWORK

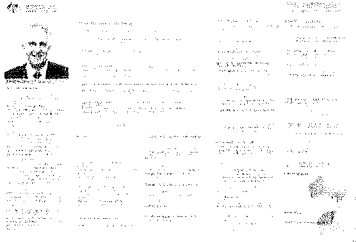
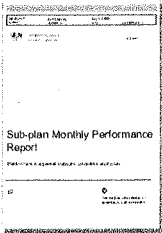

	Communications	Plans
<p><b>Corporate / Whole-of-ATO</b></p>	<p>In our <i>Corporate plan 2009-10</i> we communicate our key corporate priorities for the next 12 months and beyond.</p> 	<p>Our <i>ATO plan 2009-10</i> sets out, in the context of the Strategic statement 2006-10, our strategies for delivering on our corporate priorities and additional business activities.</p> 
<p><b>Sub-plan</b></p>	<p>In the sub-plan overviews, sub-plans outline their key areas of focus for the financial year, key priorities, and key messages from the sub-plan chair.</p> 	
<p><b>Line</b></p>	<p>In the line plans, business and service lines set out their tactics for delivering on strategies outlined in the ATO plan.</p> 	
<p><b>Branch and team plans</b></p>	<p>Branch/team plans – branches and teams set out activities to deliver the tactics outlined in the line delivery plan.</p> 	
<p><b>Performance and development agreements</b></p>	<p>PDAs – are individual agreements between staff and managers that outline tasks to deliver branch or team activities, and measures of performance against the appropriate team, branch or line plans.</p> 	

# TAX OFFICE REPORTING OF THE ATO PLAN 2009-10

Reporting against the planning documents monitors progress on delivering the Tax Office outcome to community and government.

Planning		Reporting	
<b>Corporate</b>	<b>Strategic statement</b> 	<b>Annual report</b> 	
<b>Corporate plan</b> 	<b>ATO plan</b> 	<b>PGF report</b> 	



<b>Sub-plan</b>	<b>Sub-plan overviews</b> 	<b>Sub-plan governance reports</b> 	<b>Heartbeat reports</b> 
-----------------	--	--	---



<b>Line</b>	<b>Line plans</b> 	<b>Line governance reports</b> 
-------------	--	--



Australian Government  
Australian Taxation Office

# The Australian Taxation Office Change Program

# Introduction

The Australian Taxation Office (ATO) is the federal revenue collection agency and is part of the Treasury portfolio.

We currently employ approximately 24,800 staff in 60 locations across Australia.

## KEY FACTS FOR YEAR ENDED 30 JUNE 2009

Total revenue collected	\$264.5 billion
Phone enquiries	12.5 million
Correspondence received	4 million
Electronic payments processed	16.9 million
Electronic lodgments	41 million
Forms processed	50 million
Taxpayer accounts	22.7 million
Transactions through web portals	13 million
e-tax lodgments	2.2 million

# The Change Program

## THE START OF THE CHANGE PROGRAM

In March 2002, the Change Program journey began when we started our 'Listening to the Community' initiative. This was a new way for us to obtain feedback, one that involved working with small businesses, tax agents, industry and the community in general.

'Listening to the Community' allowed us to comprehend the range of difficulties and issues that taxpayers had experienced when they interacted with the Australian tax system.

This consultation process enabled us to develop an array of short and long-term improvements to the way we administer the tax system.

Collectively, these improvements were a key input into what is now commonly known as our Change Program.

## THE CHANGE PROGRAM OBJECTIVES

Based on the findings of the 'Listening to the Community' initiative the objectives we developed for the Change Program were to:

- deliver improvements to the client experience
- reduce operational costs
- improve flexibility and sustainability for future change.

To achieve this we set out to:

- develop systems that are integrated, flexible and easier to change
- have a single system for case management
- have a single system for client relationship management
- provide staff with a single view of client information
- enable staff to undertake all work electronically (no paper).



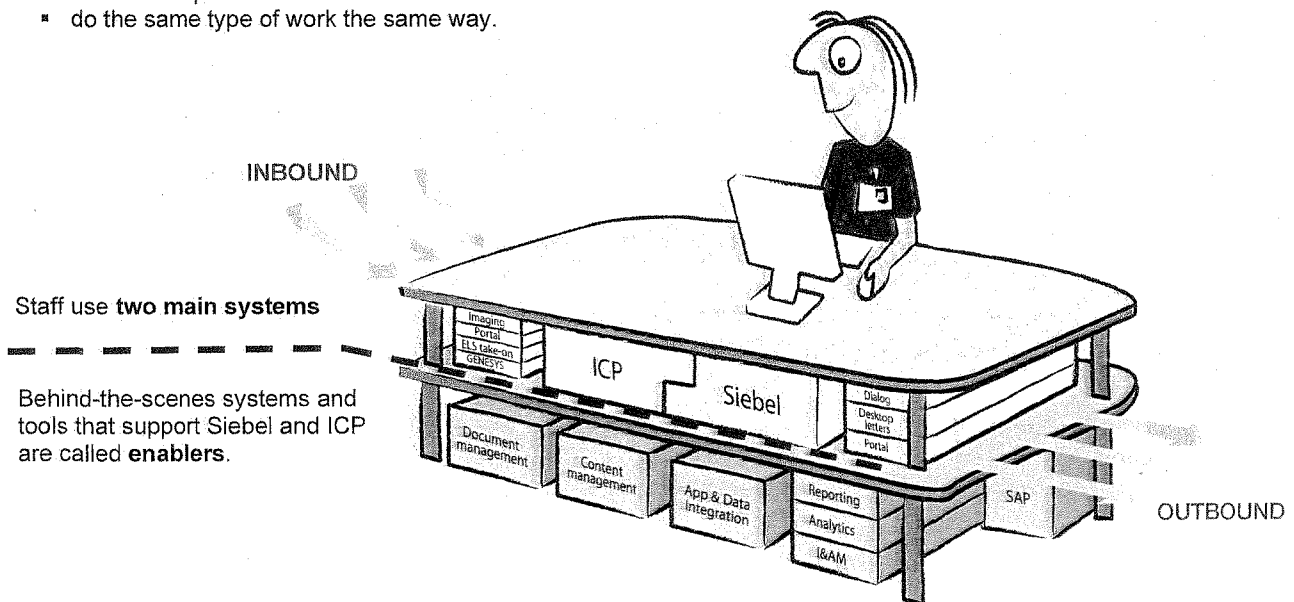
## CHANGE PROGRAM TIMELINE

- 2002** 'Listening to the community' program helps us develop ideas to make it easier and cheaper for people to comply with their tax obligations.  
A web portal is developed for tax agents to interact with us securely online.
- 2003** Further improvements to the web portal for tax agents introduced  
A web portal for small business is developed and launched for small business  
Improvements to our call centres and correspondence are introduced, increasing consistency for our clients.
- 2004–05** Accenture is contracted in December 2004 to deliver a single integrated system through three releases.  
**Release 1** sees the implementation of a single client relationship management system. This provides improved staff efficiencies and client experiences.
- information about each client is accessible from one system rather than multiple systems
  - electronic versions of client correspondence can be viewed in the same system as client information
  - more prompt and personalised service delivered to the client with more queries answered in a single call
  - Tax officers are able to view client's entire tax history
- 2006–07** **Release 2** enables over 13,000 staff in over 1,000 teams across 60 sites to fundamentally change the way they carry out their work.  
We replace approximately 180 case management systems with a single ATO-wide case management system.
- staff can better understand what else is happening to a client they are working with
  - staff can better plan, predict and track work more effectively
  - turnaround time for client queries is reduced
  - clients now deal with a Tax officer who has a more complete understanding of their dealings with us
  - online, phone and paper products and services improved
  - all inbound letters are actioned electronically
- 2008–10** **Release 3** is the largest information technology deployment the ATO has ever undertaken. It provides a single way of working across the ATO and involves rolling out:
- our new Integrated Core Processing system
  - updates to Siebel Case Management to action requests for advice

## A SINGLE WAY OF WORKING ACROSS THE TAX OFFICE

Most Tax Office staff:

- use the same systems
- have a complete view of client information in Siebel
- do the same type of work the same way.



A single integrated system provides many benefits.

New ATO-wide business processes and two systems – Siebel and Integrated Core Processing system – make it much easier for staff to do their job.

New business processes and better systems help us to:

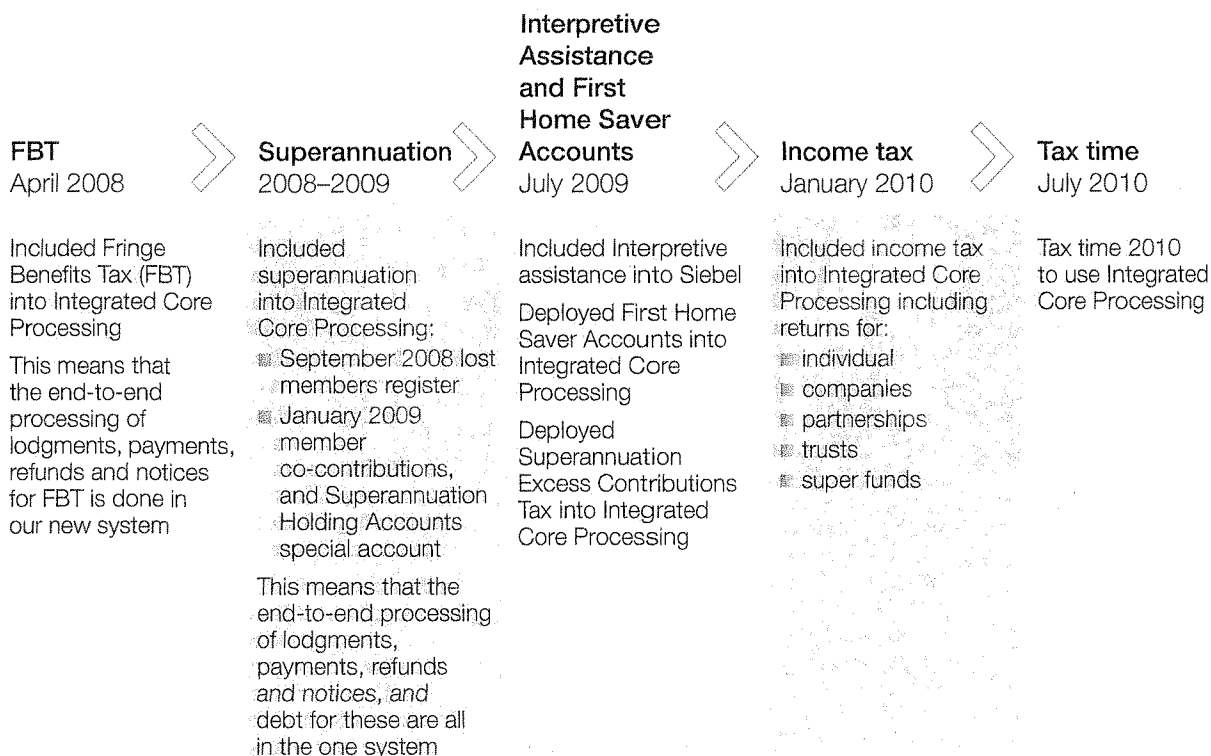
- provide a more efficient service to the community
- manage our workload better because of improved reporting and streamlined processes
- gain more transportable skills to use across the office.

Integrated systems will also be more responsive to policy and legislation changes, making it easier to incorporate these changes into our work.

## RELEASE 3

Release 3 was the largest and most complex release ever undertaken by the ATO. It was broken up into stages spread over a number of years to:

- minimise risk
- minimise impact on the community
- allow policy and legislative changes to be incorporated.



Having a single integrated system means all our work is being carried out electronically:

- Integrated Core Processing is the key part of our plans to have an integrated system for all our work.
- All tax and superannuation accounts, registrations, forms and payments, and follow-up work relating to debts and lodgments will be processed using the single integrated system.

- Siebel has provided the ATO with a single case management, workflow and client relationship management system.
- The Change Program has also delivered an enhanced reporting capability and a range of tools to support the business and tax agent communities.



## OUR NEW INCOME TAX SYSTEM

Our new income tax system is the largest IT deployment we have ever undertaken and is amongst the largest anywhere in Australia.

It replaces the National Taxpayer System (NTS), which has processed income tax returns for the past 30 years and processes all tax returns for:

- individuals
- companies
- superannuation funds
- trusts
- partnerships.

We took a careful and cautious approach to implementing our new income tax system:

- We stopped processing returns from early January 2010 so that we could transfer all taxpayer records from the old system to the new.
- The transfer began on 24 January 2010 and it took us two days to successfully convert and verify they had transferred correctly approximately:
  - 27 million taxpayer records
  - 32 million accounts
  - 282 million forms.

We began processing income tax returns in the new system on 1 February 2010:

- Between 1 February and 12 February we undertook a production pilot where we processed small numbers of returns to verify the system was working as expected.
- From 15 February we progressively increased the number of returns processed until 1 March 2010, by which time all returns on hand had been entered into the new system.
- We returned to normal processing turnarounds on 1 March 2010.

Between 1 February and 10 March 2010 we processed over 1.2 million returns in the new system.

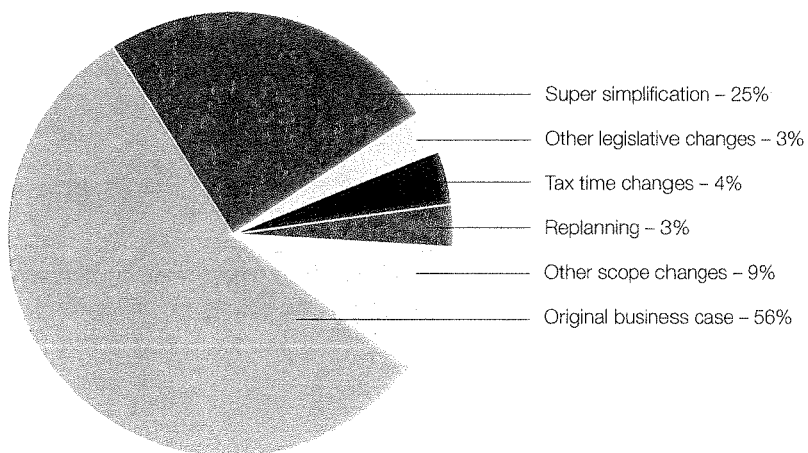
## COST OF THE CHANGE PROGRAM

Since it began, scope of the Change Program has changed several times largely due to legislative changes.

- In December 2004 the original budget was \$445 million.
- At 30 June 2009 the budget was \$749 million.
- At 31 December 2009 the budget was \$780 million.

\$245 million of the Change Program budget increases relates to legislative changes (principally superannuation simplification – \$196 million).

FIGURE: Breakdown of overall Change Program budget



	\$	%
Original business case	444,864,694	56
Super simplification	195,845,955	25
Other legislative changes	21,817,130	3
Tax time changes	27,537,381	4
Replanning	20,035,432	3
Other scope changes	70,560,663	9
<b>Total</b>	<b>780,661,255</b>	<b>100</b>

## CHANGE PROGRAM ACHIEVEMENTS

The objectives we developed for the Change Program were to:

- deliver improvements to the client experience.....
- reduce operational costs .....
- improve flexibility and sustainability for future change. ....

To achieve this we set out to:

- develop systems that are integrated, flexible and easier to change .....
- have a single system for case management.....
- have a single system for client relationship management .....
- provide staff with a single view of client information.....
- enable staff to undertake all work electronically (no paper).....

## BENEFITS OF THE CHANGE PROGRAM

Benefits include:

- Tax agents now have better online access to more integrated and personalised information
- Individuals can notify us about changes to their personal details *once*, for all their tax and superannuation affairs
- Businesses experience more timely processing of forms and more certainty of status
- People contacting the ATO can be confident that we will quickly understand their position and provide a more tailored service to meet their needs.

## NOW AND IN FUTURE

Currently, we are focusing on:

- bedding in our new income tax system to ensure it continues to work well
- making sure that our new income tax system and our people are ready for our peak lodgement period between July and October
- ensuring that we have a stable platform to implement any policy and legislative changes asked of us.



## CONTACTS AND SERVICES

Our call centres are open from 8.00am until 6.00pm Monday to Friday.

For general enquiries, phone **13 28 61**. For other enquiries, phone:

- ☎ Business tax **13 28 66**
- ☎ Personal tax **13 28 61**
- ☎ Superannuation **13 10 20**
- ☎ Tax Office publications ordering service **1300 720 092**

International callers **+61 2 6212 1111**  
(between 8.00am and 5.00pm AEST)

Our website [www.ato.gov.au](http://www.ato.gov.au) offers a range of products and services, including:

- ☎ *E-tax* – lodge your return online
- ☎ Business Portal – the gateway to our online services for businesses
- ☎ BAS Service Provider Portal – providing easy and convenient access
- ☎ Tax Agent Portal – conduct transactions with us in a secure environment
- ☎ *SuperSeeker* – find your lost superannuation

---

### © COMMONWEALTH OF AUSTRALIA 2010

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth. Requests and inquiries concerning reproduction and rights should be addressed to the Commonwealth Copyright Administration, Attorney-General's Department, 3-5 National Circuit, Barton ACT 2600 or posted at <http://www.ag.gov.au/cca>

### PUBLISHED BY

Australian Taxation Office  
Canberra  
March 2010  
JS 16043

## PROJECT WICKENBY: SNAPSHOT OF ACTIVITIES AND RESULTS (at end of February 2010)

Results	To date <sup>1</sup>	Comments and Reference Notes
<b>Information Requests</b>		
Mutual assistance requests	70	47 ACC (14 countries) & 23 AFP (6 countries)
s. 3G disclosures of information	969	978 requests received: 7 not approved, 2 on hand
Exchanges of Information <sup>2</sup>	278	35 new requests in 2009–10 year-to-date (February 2010)
<b>Criminal Investigations<sup>3</sup></b>		
No. of ACC investigations	9	207 notices to obtain evidence 284 summonses to appear issued 279 examinations completed 58 search warrants executed
No. of AFP investigations	12	10,000 AUSTRAC reports: funds flow of \$709m <sup>4</sup> 281 search warrants executed onshore; 21 search warrants by Vanuatu police; & 5 search warrants by NZ police 83 <i>Proceeds of Crime Act</i> notices
No. of ASIC investigations	4 <sup>b</sup>	256 notices to obtain evidence 58 compulsory examinations 10 search warrants executed 120 interviews conducted
No. of ATO investigations <sup>b</sup>	1	
<b>Total:</b>	<b>26</b>	
Total value of assets restrained	\$75.7m <sup>c</sup>	
<b>Prosecutions</b>		
No of people charged <sup>d</sup>	57	13 ACC & 44 AFP. Nil people charged in February 2010.
No of people committed for trial <sup>e</sup>	16	AFP matters: 10 & ACC matters: 6
No of people discharged/not guilty	1	1, involving ACC Act
No of people with charges withdrawn <sup>10</sup>	5	
No of people convicted <sup>11</sup>	6	
Custodial sentences <sup>12</sup>	5	
No of people prosecuted for summary tax offences <sup>13</sup>	54	As at end February 2010. Majority involve outstanding lodgments but two matters involve failure to comply with a section 264 hearing arising out of audit matters.
<b>Audits (Civil)</b>		
Number of audits and reviews underway	665	223 Audits & 442 Reviews 73 access visits with notice 76 access visits without notice 2,263 notices to give information 213 notices to attend & give evidence
No. of audits and reviews completed	1,167	1,151 assessment notices issued as a result of audits or reviews.
Total tax liabilities raised <sup>14</sup>	\$573.46m	Year-to-date actual liabilities of \$168.32m against plan of \$100.41m. Have exceeded Project target to end June 2010 (\$527.21m).
No. of disclosures	3,774	Project-to-date liabilities raised: Offshore Voluntary Disclosure Initiative, \$69m <sup>15</sup> . An additional \$20.75m is included in liabilities raised.
<b>Orders, Declarations &amp; Injunctions</b>		
No. of orders, declarations & injunctions	7	6 Departure Prohibition Orders <sup>16</sup> & 1 ASIC injunction <sup>17</sup>
<b>Moneys Collected/recouped</b>		
Total \$ tax collections	\$174.27m <sup>18</sup>	Includes \$155.03m from audits and \$19.24m collected from return lodgments demanded. Year-to-date actual collections of \$38.38m against a planned \$44.66m. Target project to end July 2010 is \$234m.
Compliance Dividend <sup>19 20</sup>	\$299.33m	To end November 2009. (Next update due Mar 2010). Project-to-date target for tax returns up to and including 2008 - \$123.0m.
Total other moneys recouped	\$5.92m <sup>21</sup>	
<b>Total:</b>	<b>\$479.52m<sup>22</sup></b>	

## PROJECT WICKENBY: SNAPSHOT OF ACTIVITIES AND RESULTS (at end of February 2010)

<sup>1</sup> **Project-to-date:** Most of the data relates to the period since formal establishment of project in February 2006. However, some related activity items such as access visits and notices may include some activities from a preceding period (up to June 2005) and these have already been published externally.

<sup>2</sup> **Exchanges of Information:** This involves the sharing of taxpayer and other sensitive information between revenue authorities under an international legal instrument including Tax Information Exchange Agreements. This represents the total number of written exchanges. The number of these exchanges that relate to Project Wickenby and represent the written exchanges in accordance with Treaty (as opposed to oral disclosures which are harder to track) that relate to Project Wickenby both in and out of Australia. Oral disclosures arising from country-to-country meetings at both the whole of project and case level) are still taking place. In some cases written exchanges are also leading to oral disclosures on the same matter.

<sup>3</sup> **Criminal Investigations:** A single AFP or ACC investigation may involve a number of promoters, domestic intermediaries, and many potential participants.

<sup>4</sup> **Use of AUSTRAC data:** AUSTRAC data is extensively used by agencies in Wickenby activities and adds value to investigations conducted by the AFP, eg:

- funds flow analysis provides a measure of risk and criminality for persons and companies of interest
- appropriately targeting activities and jurisdictions for warrants and mutual assistance requests. Absence of international funds transfer would have hampered such measures
- cross-referencing flows against evidence obtained under warrants and mutual assistance requests.

<sup>5</sup> **No. of ASIC investigations:** A single ASIC investigation may ultimately generate a range of actions – criminal, civil and administrative.

<sup>6</sup> **No. of ATO investigations:** These matters do not meet the requirements of the AFP's Case Prioritisation Model and therefore are not referred to the AFP, but an investigation is conducted by the ATO into suspected breaches of relevant federal legislation. The ATO works directly with the CDPP but may require AFP assistance or advice while conducting this investigation.

<sup>7</sup> **Value of Assets restrained:**

- \$47.3m of assets restrained under civil tax litigation;
- \$25.6m of assets restrained under Commonwealth POCA provisions;
- \$2.8m subject to court injunction (Mareva).

<sup>8</sup> **No. of people charged:** This is for indictable offences only.

<sup>9</sup> **No. of people committed for trial:** This does not include persons who were committed for trial and whose matters have concluded. It shows the number of people who are before the Courts and are at the post committal stage.

<sup>10</sup> **No of people with charges withdrawn:** This may include those where:

- a person has been charged and subsequently on review by CDPP it is found that there is insufficient evidence to support a conviction before the courts, so the matter is withdrawn; or
- charges are withdrawn against people on public interest grounds.

<sup>11</sup> **No. of people convicted:** This is for indictable offences only.

<sup>12</sup> **Custodial sentences:** The Court of Appeal has emphasised the following matters:

- the amount of the loss to the public purse.
- that the conduct was calculated criminal conduct.
- the offending was planned.
- the offences were caused by greed and not need.
- the need for general and personal deterrence.

<sup>13</sup> **No. of people prosecuted for tax offences:** Range of summary offences available under the Taxation Administration Act that include non lodgment of returns. The majority are prosecuted in-house by the ATO. Two summary matters are progressing before the courts in relation to charges under Section 8D of the TAA arising from failure to comply with s.264 hearing which was convened by the ATO in connection with its audit processes. One of these is being prosecuted by the CDPP.

<sup>14</sup> **Tax liabilities raised:** Includes tax, penalties and interest charges.

<sup>15</sup> **Wickenby ripple effect on results of Offshore Voluntary Disclosure Initiative (OVDI):** The ATO is encouraging people to come forward and make disclosures. Taxpayers who voluntarily come forward before 30 June 2010 will obtain a reduced shortfall penalty.

Increasingly, taxpayers are becoming conscious of their obligations and are turning away from arrangements they have previously entered into. There is a clear message that appears to be getting through: "It is much harder to hide." Project Wickenby has directly received 33 disclosures with a total value \$20.7m project-to-date.

PROJECT WICKENBY: SNAPSHOT OF ACTIVITIES AND RESULTS (at end of February 2010)

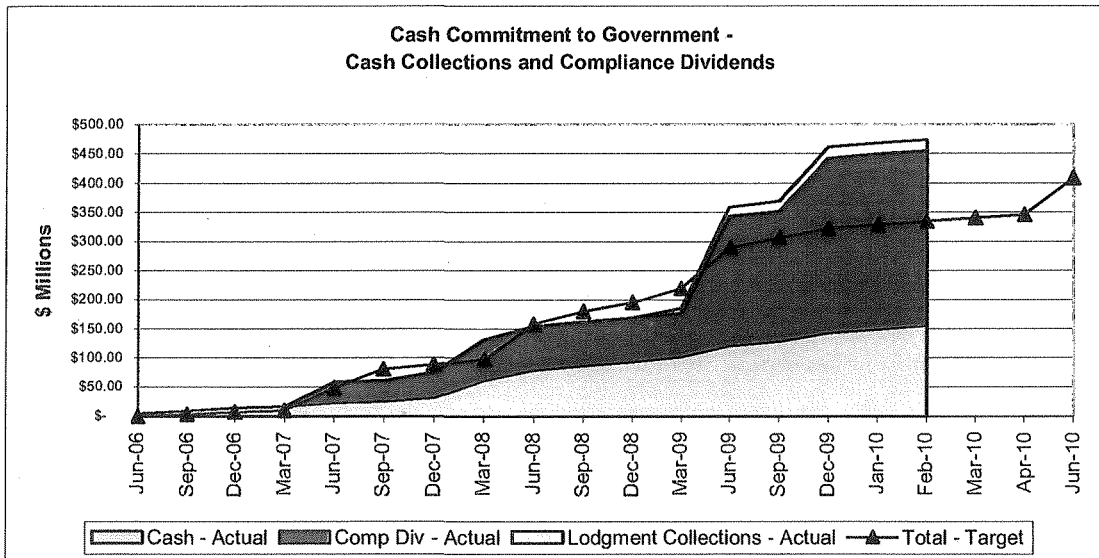
An analysis of project-to-date results from the Offshore Voluntary Disclosure Initiative indicates that there is a correlation between increases in voluntary disclosures following media reports regarding Wickenby activities. Work is underway to assess the percentage that can be directly attributed to Project Wickenby activities. Project-to-date results from July 2007 to 26 February 2010:

- over 3600 taxpayers who have taken this opportunity have had income to declare.
- \$366m in omitted income disclosed.
- \$69.3m liabilities raised.

<sup>16</sup> **Departure prohibition orders:** These orders prevent a person from leaving the country without making provision for significant tax liabilities with the Commissioner of Taxation.

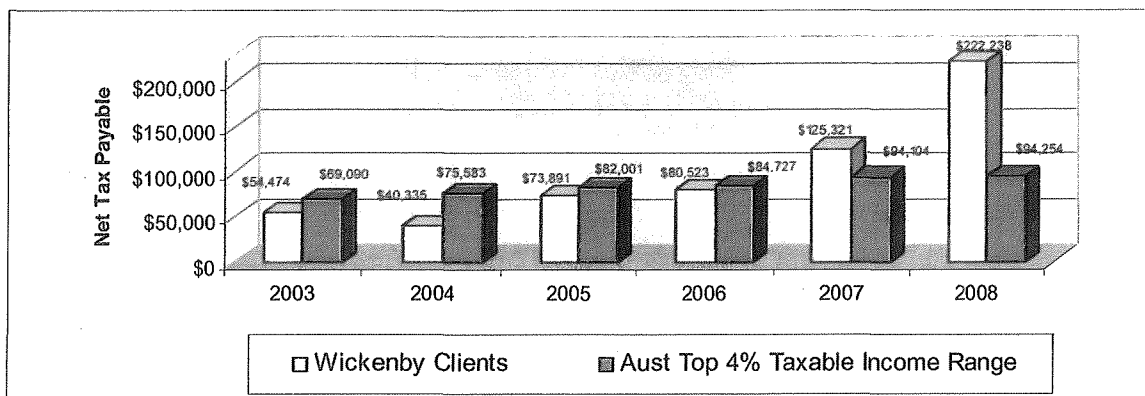
<sup>17</sup> **Orders, Declarations & Injunctions:** Measure of interventions aimed at preventing ongoing future conduct such as where ASIC obtains injunctive relief and/or orders for persons to cease certain illegal conduct (Not about individual matter but more about general deterrent/prevention objective).

<sup>18</sup> **Total Project Wickenby Cash Commitment to Government (Cash tax collections and compliance dividend):** One of the Wickenby commitments to Government is to provide (by end June 2010) \$408 million in additional tax revenue over the life of the project. This is comprised of \$234 million in cash collections and \$174 million in compliance dividend collections. The graph below shows performance against the target to the end of the current month.



<sup>19</sup> **Compliance Dividend:** Update as at November 2009 is \$299.33m (Previous amount in July 2009 was \$223.15m). This is an outstanding result, and the Project has now not only exceeded the project-to-date target (\$123 million), but has already exceeded the total project compliance dividend target of \$174m. The Compliance Dividend is updated three times a year in March, July and November. It represents the increased tax collections from improved compliance behaviour of participating taxpayers following intervention by Wickenby Taskforce. These taxpayers have voluntarily lodged tax returns that more accurately declare their taxable income, or have lodged returns where they may have previously not done so, as well as paying tax due.

PROJECT WICKENBY: SNAPSHOT OF ACTIVITIES AND RESULTS (at end of February 2010)



<sup>21</sup> **Other moneys recouped:**

- \$4.07m obtained when ASIC sold shares in a company. Proceeds held in trust until the owner comes forward.
- \$1.85m recovered by CDPP from final orders under Commonwealth *Proceeds of Crime Act* (POCA) provisions.

<sup>22</sup> **Total Moneys collected/Recouped** (Also refer to Note 14): The total shown here is aimed at providing an indication of how the Project is delivering against the original \$308.8m outlay by the Government to Wickenby agencies. The total amount includes actual collections, compliance dividend (increased revenue collections in future years returned by those the taskforce has "touched"), and other moneys recouped. There may be some fluctuation in the mix of categories and some fluctuation with the value of assets restrained component over time.