

# Strategic statement 2010–15



## FROM THE COMMISSIONER

This strategic statement sets out our vision for the future. It is an aspirational statement describing our values and how we will work with government and the community in the years ahead.

The Australian Government and its agencies exist to improve the wellbeing of all Australians.

The ATO has important responsibilities, on behalf of the community, for the care of Australia's tax and superannuation systems and the Australian Business Register.

Revenue from Australia's tax system helps fund public goods and services that give effect to economic and social policies. Australia's superannuation system helps secure retirement income for Australians.

The Australian Business Register makes it easier for businesses and all levels of government to interact.

Australians already demonstrate a high level of willing participation in these systems. We believe this is a sign of good citizenship.

### VISION

Australia values its tax and superannuation systems as community assets, where willing participation is recognised as good citizenship.

### STRATEGIC THEMES

#### THE ATO WORKS WITH THE GOVERNMENT AND THE COMMUNITY TO:

##### Encourage

People support and understand the benefits of participation – they are engaged and willingly participate.

##### Support

People are helped and assisted to understand their rights and obligations and are able to comply easily at minimal cost.

##### Protect

Protecting people and the community by deterring, detecting and dealing with those who fail to comply.

##### Enhance

We are passionate about improving our capabilities to be more innovative, agile and responsive to challenges and opportunities.

##### Champion

We advise the Government on the systems in operation and the way the law is impacting participants in the systems where the intent of the law is not achieved.

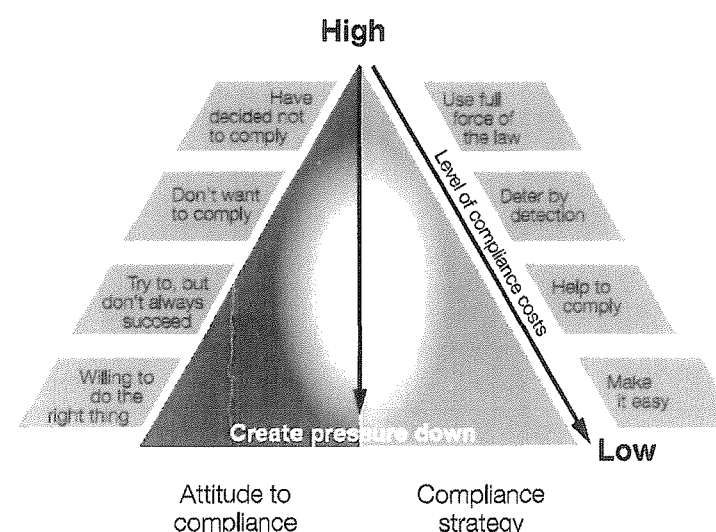
### VALUES

- Being fair and professional
- Applying the rule of law
- Supporting people who want to do the right thing and being fair but firm with those who don't
- Being consultative, collaborative and willing to co-design
- Being open and accountable
- Being responsive to challenges and opportunities

### APPROACH

#### ATO outcome

Confidence in the administration of aspects 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.



#### We use strategies that encourage willing participation

- We seek to create an environment that is conducive to high levels of voluntary compliance.
- We believe that prevention is better than cure.
- We use risk-based choices to prioritise our work.
- We discourage people from ignoring their obligations by taking firm action against those who decide not to comply.
- We collaborate with the community to design systems that make it easier to comply at minimal cost.

# Corporate plan 2010-11

• Budget: \$X.X b  
 • Average staffing level: XX,XXX  
 • Locations: XX sites across Australia



## FROM THE COMMISSIONER

This year, the ATO celebrates its centenary year. One hundred years of tax administration in Australia highlights the importance the tax system plays in improving the wellbeing of all Australians.

We also recognise the role of our superannuation system in securing retirement income for Australians. We have a significant role in supporting this system and ensuring it is effective and secure for superannuants.

Our corporate plan sets out our corporate priorities for this year. The delivery of these priorities assist in continual improvement of our tax and superannuation systems for the community.

This year is shaping up to be a watershed year, with the outcomes of major reviews and the bedding down of our major change program.

We will continue our focus on reducing our compliance costs for business through the Australian Business Register and other initiatives

Guided by our Strategic Statement, we will continue to encourage willing participation in the tax and superannuation systems and undertake compliance strategies to protect and ensure compliant taxpayers are not disadvantaged.

At the heart of our organisation are our people. We are guided by our corporate values in the way we do our work.

### We design and build administrative services to support government priorities and community participation

- Assist in the development and design of new laws by providing advice to Treasury, the Board of Taxation and the Government on system in operation, including where laws may not be operating as intended
- Implement the Government's legislative program on time, including the outcomes of major reviews such as:
  - Australia's Future Tax System Review
  - The Super System Review
  - Australia as a Financial Centre
- Improve certainty in the application of the laws through strategic litigation, public rulings and individual advice and guidance, including significant issues such as:
  - taxation of financial arrangements
  - application of the blackhole expenditure provisions in section 40-880
  - deductibility of expenditure under the Petroleum Resource Rent Tax Act
- Work on cross-government initiatives, including:
  - Ahead of the Game: Blueprint for the Reform of Australian Government Administration
  - The Human Services Delivery Reform
  - delivering on key commitments under agreements with other agencies, for example exchanging data-matching with Centrelink to detect welfare and tax fraud
  - providing administrative support to the Tax Practitioners Board
  - providing ATO services on site from selected Centrelink shop fronts

### Our strategies make it as easy and as cheap as possible for people to meet their obligations

- REGISTER**
  - Manage the client register for x million taxpayers
- LODGE**
  - Manage the xx million expected lodgments
  - Provide practical assistance, through our self help and service channels, particularly at tax time, to support taxpayers to comply and remain engaged in the tax system
  - Improve Tax Agent Lodgment program to better manage workloads
  - Further expand e-tax by increasing the pre-filling of return forms
- ACCOUNT**
  - Manage xx million accounts and process yy million forms
  - Strengthen the integrity of our data by:
    - increasing the use of automated system checks
    - protecting taxpayers from the impacts of fraudulent activity through the enhancement of our fraud detection processes
    - supporting victims of fraudulent activity through initiative such as the Client Identity Support Centre
- PAY**
  - Make over xx million payments
  - Reduce the stock of aged collectable debt by taking firmer action with those not engaged
  - Continuously improve our ability to treat taxpayers according to their expectations and particular circumstances, including:
    - optimising our debt collection activity by better understanding debtor circumstances and applying the most appropriate treatment such as through early intervention
    - providing support to taxpayers facing difficulties such as financial hardship or natural disaster

### Our compliance strategies provide support for those willing to participate, who may need assistance, and deals firmly with those not willing to comply

- LARGE BUSINESS**
  - Expand relationship management services and support businesses through advance pricing arrangements, annual compliance arrangements and more timely rulings
  - Increase audits and risk reviews to include loss generation and loss usage, asymmetric swaps, profit shifting and cross border financing arrangements
- SMALL TO MEDIUM ENTERPRISES**
  - Increase support by providing tailored assistance and support tools
  - Identify and deal with those businesses operating outside industry or economic norms or whose tax paid doesn't match the wealth they've accrued
- MICRO ENTERPRISES**
  - Provide assistance visits, information tools and practical guidance, for example calculators
  - Deal with businesses that are not meeting their employer obligations and those who incorrectly report their income, including capital gains and losses, through increased data matching, audits and reviews
- INDIVIDUALS**
  - Provide information and decision-making tools
  - Engage the Australian youth in understanding the tax system by incorporating tax into the national school curriculum
  - Increase activities in the areas of incorrect claims and omissions in tax returns and income reporting by company executives and directors
  - Continue to extend coverage of high wealth individuals
- SUPERANNUATION**
  - Pilot a tailored support service for superannuation professionals
  - Investigate all employee super guarantee complaints and pro-actively target those industries and employers who show a pattern of non-compliance
  - Take firm action against trustees and promoters who commit serious regulatory breaches, including through illegal early release schemes
- GOODS AND SERVICES TAX AND EXCISE**
  - Protect the GST system from refund fraud
  - Deliver on commitments to government, including GST commitments to the states and territories
  - Focus on compliance around key risk areas including property, refund exploitation, financial supplies and small business obligations, including lodgment
  - Provide assistance on the tax consequences of climate, environmental change and fuel tax issues
  - Increase risk and audit activity on potential illicit activities in the alcohol, tobacco and fuel areas
- TAX PRACTITIONERS**
  - Provide self help support services and products
- ABUSE OF THE TAX SYSTEM**
  - Investigate intelligence on schemes and issue taxpayer alerts to provide early warnings of our concerns
  - Identify, deter and prosecute fraudulent attacks on the tax system, including refund fraud and abusive use of tax havens
- INTERNATIONAL**
  - Strengthen our international collaboration and co-operation with other revenue authorities, including implementing the joint work-plan for international risk sharing and expanding the exchange of data
  - Work closely with our overseas counterparts to analyse and investigate information, undertaking audits where appropriate, on specific arrangements or taxpayers who shift assets, functions and risks offshore

### Australian Business Register

The ABR provides the key to initiatives that streamline online dealings between businesses and all levels of government

- Support the implementation of the Standard Business Reporting initiative by delivering services, including authentication and core services across government
- Position Auskey as a whole-of-government authentication tool for business

### Australian Valuation Office

- Provide competitive, expert valuation services to government agencies
- Undertake a business operation review to deliver integrated processes and systems, to improve efficiency and client service

The priorities below enable the delivery of our business. We all have a responsibility to support these activities.

### Governance and stewardship

- Strengthen our stewardship of the ATO today and for the future by adopting the Strategic statement 2010-15 that is focussed on community ownership of the tax and superannuation systems
- Exercise strong corporate governance to by:
  - ensuring that our executive realise our plans, achieve greater productivity and initiate innovations aligned to our strategic direction
  - ensuring our risk management framework is robust and our key controls are applied effectively through the Audit Committee
  - implementing outcomes of reviews by the Inspector General of Taxation, the ANAO and Ombudsman
  - ensuring areas of high security risks are effectively managed
  - ensuring our financial strategy supports our business direction, achievement of our plan and management of our resources within budget
- Ensure alignment of the technology program of work to the ATO's business priorities

### People and place

- Acknowledge the ATO centenary and the importance of our past, present and future contribution to the wellbeing of Australians
- Develop an ATO resource plan that reflects our budgeting, workforce planning and property strategies and implement an enterprise learning management system to prioritise learning and development activities
- Continue to improve our people's capability, engagement and productivity by responding to our employee engagement survey focus areas
- Improve our accommodation through new facilities for Melbourne CBD, Adelaide, Penrith, Geelong and Albury ..... 2010-13

### Information technology and business design

- Deliver the ATO's aspects of whole-of-government initiatives, such as Standard Business Reporting
- Conclude the procurement phase of the Sourcing Program and undertake transition to new arrangements.....2010-12
- Stabilise the income tax release for 2010 and prepare for tax time 2011
- Continue to seek opportunities to adopt new technologies more broadly, including Web 2.0 technologies
- Keep the community informed of technology-enabled threats, in particular identity theft
- Optimise the productivity of our new enterprise system
- Enhance operational performance through initiatives such as:
  - strengthening best practices in core business processes
  - improving work practices and processes associated with private binding rulings
  - implementation of the innovation culture framework