



Australian Government
Australian Taxation Office

ATO corporate plan 2015-19





Australian Government

Australian Taxation Office

The Hon Josh Frydenberg MP
Assistant Treasurer
Parliament House
Canberra ACT 2600

Dear Minister

I, as the accountable authority of the Australian Taxation Office, present the *ATO corporate plan 2015–19*, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

This plan which covers the period 2015–19, sets out our purpose, our significant activities, operating environment, planned performance and evaluations, capability and risk oversight and management.

I will report on this plan through my *Commissioner of Taxation Annual report 2015–16*.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Jordan'.

Chris Jordan AO
Commissioner of Taxation

ATO Executive Committee: L–R Neil Olesen, Frances Cawthra,
Geoff Leeper, Chris Jordan, Sue Sinclair, Andrew Mills, and Jacqui Curtis



We want the ATO to be relevant and valuable to the Australian community for the long term – trusted and respected here and internationally and considered a leading organisation by all stakeholders.

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01

Purpose



Mission

We contribute to the economic and social wellbeing of Australians by fostering willing participation in our tax and superannuation systems



Vision

We are a leading tax and superannuation administration known for our contemporary service, expertise and integrity

Easy for people to participate

Contemporary and tailored service

Goals

Purposeful and respectful relationships

Professional and productive organisation

Strategies

- > Build a culture that embodies our values and transforms the client experience
- > Simplify interactions, maximise automation and reduce costs
- > Connect with the community and other agencies in meaningful ways
- > Influence policy and law design for more certain outcomes
- > Use data in a smarter way to improve decisions, services and compliance
- > Reshape the workforce to optimise capability and performance

About the ATO

Our role is to effectively manage and shape the tax and superannuation systems that support and fund services for Australians, including:

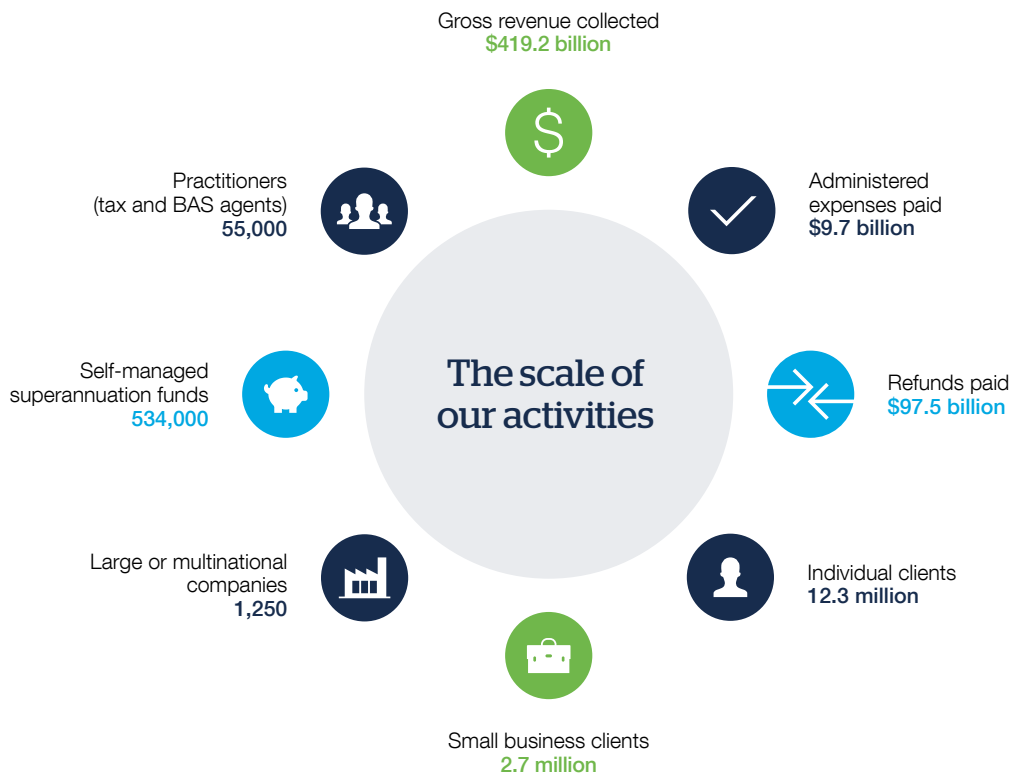
- > collecting revenue
- > administering the goods and services tax on behalf of the Australian states and territories
- > governing a range of programs that result in transfers and benefits back to the community
- > administering major aspects of Australia’s superannuation system
- > custodianship of the Australian Business Register.

We operate under the *Public Governance, Performance and Accountability Act 2013*, within the Treasury portfolio, and are accountable under the *Public Service Act 1999*.

With around 18,500 employees we operate in all Australian states and territories. The diversity of our workforce brings together a broad range of skills and experiences – from accounting, auditing and law to customer service, information technology, and marketing – helping us to deliver for the government and the community.

We are committed to the APS Values and Code of conduct. We are impartial, committed to service, accountable, respectful and ethical.

Details on our organisational structure can be found on ato.gov.au



Data source: *Commissioner of Taxation Annual report 2013–14*

Our operating environment

Government

The ATO is expected to deliver on commitments to government, work with other entities and implement new budget measures. The ATO will contribute to APS reforms to be more connected, nimble and smaller. This includes initiatives such as the contestability programme, shared services, red tape reduction and digital transformation.

Reinvention

In response to community and government needs, we have created and released our *Reinventing the ATO Blueprint*. This blueprint was built on extensive consultation and an understanding of the interactions people have with the tax and superannuation systems and other government services. It describes the kind of experience that Australians can expect to have when they deal with the ATO.

We are already working to the blueprint. Some changes will happen in the near future and other changes will take longer and be influenced by many factors, including legislative direction, finance, and our work with other agencies. We have published, and will update regularly, a series of *Every year counts* that provide an overview of the changes different market segments will experience over the coming year.

Service expectations

Information and communications technology is increasing public sector and national productivity by enabling delivery of better government services. The community expects a better whole-of-government experience with security of data and protection of privacy, and we are committed to meeting these expectations.

Working with partners

The tax and superannuation systems cannot work without the tax profession, financial advisors and other intermediaries. Not only do they play a significant functional role, they also play a major role in influencing attitudes towards the tax and superannuation systems. We need a productive and open relationship with these business partners and intermediaries where we can identify and deal with issues early, in a transparent and timely fashion.

Multinationals

Tax administrations around the globe must adapt to address increasingly complex and dynamic cross border issues. Greater leadership internationally is essential for Australia to combat corporate tax base erosion and profit-shifting. We will play a crucial role in leading international cooperation to ensure multinational corporations pay the right amount of tax in Australia.

Tight fiscal environment

The ATO is operating in a tight fiscal environment, where all government agencies are under pressure to do business differently and achieve more with less.

Internal systems and procedures

Within the ATO, we have begun our own red tape reduction and simplification. This means decluttering the organisation and reducing the bureaucratic processes and layers that have built up over time.



Performance

Goals

Our goals provide a four year outlook and will help us reach our vision.



Easy for people to participate

We will design and operate the tax and superannuation systems for the majority of taxpayers who do the right thing, rather than for the few who do not.

Where people are transparent about their tax and superannuation affairs and try to do the right thing, we will offer an experience that should result in less effort for them.

We want the community to have confidence in our ability to address non-compliance and ensure the tax and superannuation systems are fair for everyone. For those who are not transparent or not willing to do the right thing, we will target and tailor compliance activities accordingly.

The costs businesses incur in dealing with government, including the ATO, impact on their ability to run and grow. We will contribute to the government's deregulation agenda by working with businesses to address irritants, unnecessary compliance costs and to deliver relevant and personalised support.



Contemporary and tailored service

People expect convenient and accessible service in their dealings with a contemporary service organisation.

We will offer convenient and accessible self-service solutions. We will facilitate online services for all our clients. When direct contact is necessary we will provide various helpful and convenient personalised services, such as call-backs, click to chat, personal appointments and case conferencing.

We will continue to expand the use of myGov, which serves as a single entry point for key government digital services. Registered clients are able to access ATO Online services to meet their tax and superannuation obligations.

We will support businesses by making it quicker and cheaper to transact with us. In the future, businesses will have a single business account which they will access via a streamlined registration and authentication service. We will work with software providers to integrate our services with their products, enabling seamless interactions and reporting.



Purposeful and respectful relationships

To succeed we must have a greater connection with, and understanding of, the community, government and stakeholders.

While a major player, we do not control all aspects of the tax and superannuation systems. Working well with stakeholders and understanding different perspectives is critical to fulfilling an effective stewardship role and ensuring that both the systems and our administration are fit for purpose for Australia now and into the future. We continue our productive relationship with the States and Territories to administer the GST.

We will build trusted partnerships with the tax and superannuation professional community to ensure they are satisfied with the service they receive and understand the context and drivers for change.

We are improving clients' satisfaction with the process, service and fairness provided for disputes, including independent reviews.

We are being transparent with clients about what we know and providing that information in a way that assists them to meet their obligations. Our consultation arrangements provide flexible and responsive mechanisms for consulting effectively.

We are committed to working cooperatively with Treasury, the OECD and international agencies to find solutions to the broad challenges faced by the international system such as base erosion and profit-shifting and the increasingly digitalised economy.



Professional and productive organisation

Delivering our change agenda and business improvements is about transforming our words into actions. It is about leading and managing well, and mobilising and motivating our people.

We will work with a variety of stakeholders as we embrace new business models for delivering our services. Our intent is to have services delivered efficiently and effectively. We are changing the way we work using a sensible approach to risk management to facilitate innovation and remove unnecessary red tape.

Our *Culture strategy* outlines our desired future culture and our deliberate strategy for systematically achieving change. Our future culture needs to be about an easier, contemporary, and more responsive way of doing business. It extends to the way we work with each other, our clients, and other stakeholders.

Our leaders will guide by example, embodying the culture to which we aspire. Our *Leadership strategy* outlines how we will make changes in our leadership approach, defining the new ATO culture and transforming the workforce.

Strategies

To achieve our goals we will implement six strategies to guide our work for the coming years.



Build a culture that embodies our values and transforms the client experience

We are creating a client focused and future oriented workforce by focusing on desired cultural traits and encouraging engagement to deliver improved services.

Having the right culture is critical to delivering enduring change and underpins the transformation of the client experience and creation of the right experience for our people.

We have shaped a common understanding of the mindset, attitudes and behaviours needed to create a vibrant and client focused culture that will transform the client experience – these are known as our cultural traits. They are a clear and unambiguous statement of our cultural intent and what we need to work towards.



Simplify interactions, maximising automation and reducing costs

We are improving the client experience by providing easy to access interactions which reduce the cost of compliance.

We are creating digital infrastructure and contemporary services that allow us to engage with clients, each other, and other stakeholders in an online and mobile environment. We are part of, and will strongly support, the government's digital services agenda, including through the new Digital Transformation Office in the Communications portfolio.

We are focused on facilitating more streamlined business-to-government and business-to-business online interactions. This will be achieved through increased use of a complete and single source of business information and broader adoption and use of consistent information exchange standards.



Connect with the community and other agencies in meaningful ways

We are gaining more of the community's trust and confidence by providing them with certainty, engaging early and being professional, respectful and fair.

Integrity of the tax and superannuation system will be maintained by combining intelligence activities, audits, criminal investigations and prosecutions. We work with partner agencies to deliver services, share data, intelligence and expertise, and participate in multi-agency task forces.

We are supportive of the majority of people who do the right thing. We are also committed to detecting and dealing with those people, who intentionally and dishonestly choose to avoid tax and superannuation obligations, aggressively minimise their tax or try to claim refunds or other payments to which they are not entitled.

We play a key role in reuniting people with their lost and ATO-held superannuation by providing services and communications that help them locate and manage their retirement savings. We will engage and assist trustees of self-managed superannuation funds and the professionals who support them, to understand their obligations and what they need to do to meet them.



Influence policy and law design for more certain outcomes

We use insights from our administration and connections with the community to influence policy and law design.

We keep the government informed of issues relating to the administration of the tax and superannuation systems through our relationship with Treasury and other government agencies. We also work with business, tax professionals, and the broader community to ensure policies are effective and pragmatic.

We are strengthening our tax design capability by bringing together policy, law and administrative design expertise. This helps us to influence, strengthen our focus, and reinforce our position as a credible voice to shape and implement government policy and system-wide improvements.

To achieve certainty for the community in relation to the operation of the tax and superannuation legislation we manage the Test Case Litigation program effectively.



Use data in a smarter way to improve decisions, services and compliance

Using increasingly powerful data models and tools, we are able to make better use of our data-holdings to support our decision making, advise government and deliver outcomes with agility.

We are creating and maintaining a real-time view of our clients' tax and superannuation positions, their current circumstances, and compliance behaviours so we can better personalise our services and differentiate our compliance treatments to suit the client's circumstances.

As part of this work we are also using our data services and analytics to enable us to understand complex business structures and provide assistance based on the circumstances of the client.



Reshape the workforce to optimise capability and performance

Our focus is on building and sustaining a workforce that is engaged with the community and energised by working together.

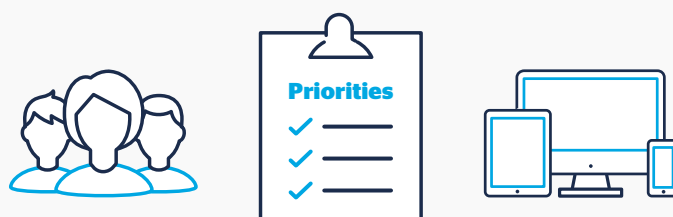
We will foster a flexible and responsive workforce that is adaptable and able to meet the challenges of the future. We will be guided by quality leadership and proactive management.

We recognise we need a mix of professions to do our job well. We will use industry norms, practices and standards to guide our performance expectations and career development approaches.

The *ATO IT strategy* focuses on building the right technology capabilities, operating environment and culture to support our reinvention – becoming intelligent and agile in a changing digital world. We are currently reviewing this strategy to ensure it clearly articulates how we are going to evolve our IT delivery capability.

Priorities

These are our priorities over the planning period.



- > improving the **ato.gov.au** website by focusing on the content, structure and functionality
- > encouraging greater take up of Standard Business Reporting-enabled products by working with software developers, other agencies, the tax profession and business
- > providing an integrated online experience focusing on myGov, *myTax* and our digital online services
- > improving the efficiency of the superannuation system for all employers through the implementation of the Superstream data and payment standard
- > continuing our focus on multinational enterprises that aggressively tax plan through our international structures and profit-shifting strategy
- > implementing a new software developer engagement model
- > implementing an effective process for application of the Statutory Remedial Power* in consultation with the community
- > increasing our investment in the professional development of our staff
- > implementing our strategies for culture and leadership
- > providing the tools and work environment for our staff that are conducive to cultural change and a positive client experience

* announced, not yet enacted.

- > enhancing the client experience by placing the user at the centre of design when developing services and compliance approaches
- > developing tools for Tax Time 2016 to assist all eligible taxpayers to meet their obligations with *myTax* (retiring e-tax in 2016)
- > reducing cost and improving services in the broader government sector through the information capabilities of the Australian Business Register
- > leading and participating in multi-agency taskforces to deal with serious financial crime, abusive trust arrangements and phoenix activity
- > identifying and taking action against those hiding assets in offshore tax havens or participating in aggressive tax planning
- > protecting and supporting honest businesses by minimising the unfair tax advantage taken by competitors who deal in the cash and hidden economy
- > working with Treasury, other government agencies and forums to advocate change, analyse policy issues, develop improvements, and contribute to the Tax White Paper process for government
- > developing a real-time ATO-wide client profile to accurately reflect clients' tax and superannuation obligations and better respond to their service needs, based on their behaviour
- > improving quality, timeliness and accountability of private and public advice and guidance including using data to identify priority issues
- > preventing debt by using targeted risk differentiation and client engagement analytics
- > encouraging mobility and the use of secondment programs to broaden capability and experience of our workforce
- > building a positive attendance culture by addressing absenteeism

Risks

We manage risk in an open and transparent manner to reduce threats and seize opportunities for the benefit of the organisation.

We establish and maintain appropriate systems of risk oversight, management and internal controls in accordance with section 16 of the PGPA Act and the *Commonwealth Risk Management Policy*.

Our risk approach involves effectively managing uncertainty, not avoiding or eliminating risk. We review our risks regularly to ensure they appropriately reduce the impact of uncertainties in achieving our goals.

Regular monitoring and reporting is provided to both the Audit and Risk Committee and the ATO Executive Committee.

Strategic risks

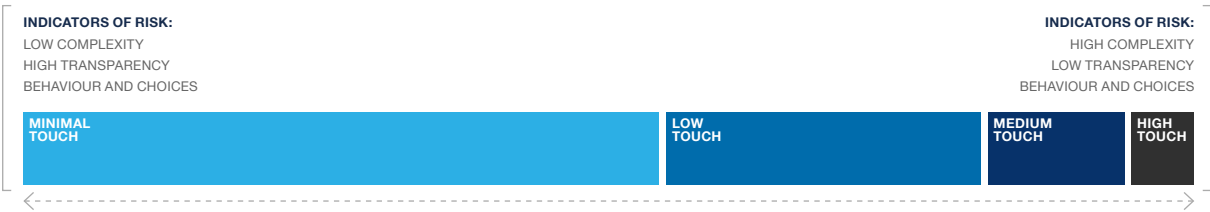
Our strategic risks, informed by our enterprise risks and risk categorisation, are key components of our ATO-wide risk management framework. Risks are captured in our risk register and actively managed on an ongoing basis.

- > Revenue collection – Collecting the right amount of money for the Government to support and fund services for the community
- > ICT systems – Designing, implementing, and maintaining critical ICT systems to support the improved tax and superannuation experience
- > Financial management – Making effective investment decisions for the longer term vision, while balancing delivery of current year commitments
- > Relationships – Having the trust and respect of key stakeholders
- > People capability – Having an agile, engaged and skilled workforce
- > Service expectations – Providing tailored services and communications that match contemporary needs and expectations

Tailored engagement based on risk

We take a risk-based approach and our interactions will be based on behaviours and choices.

We will tailor our engagement with people according to the risk we believe their behaviour and affairs present to the tax and superannuation systems. Our approach will be determined by the complexity of people’s situations, the transparency of their affairs and their behaviour and choices.



Minimal touch	Low touch	Medium touch	High touch
Minimal effort is needed to meet tax and super obligations and there will be minimal interaction with the ATO.	Whilst still low, a slightly increased level of effort or attention for clients who need to access tax and super information, services and tools to meet their particular needs.	An increasing interaction level for clients who seek our support and advice on tax and super matters when they encounter something new or complex, or who need increased assistance to get things right.	Increased attention from the ATO.

Measures

Our outcome framework

We use a range of different types of metrics to measure performance including service commitments, international comparisons, information from our core systems and survey results from the community.

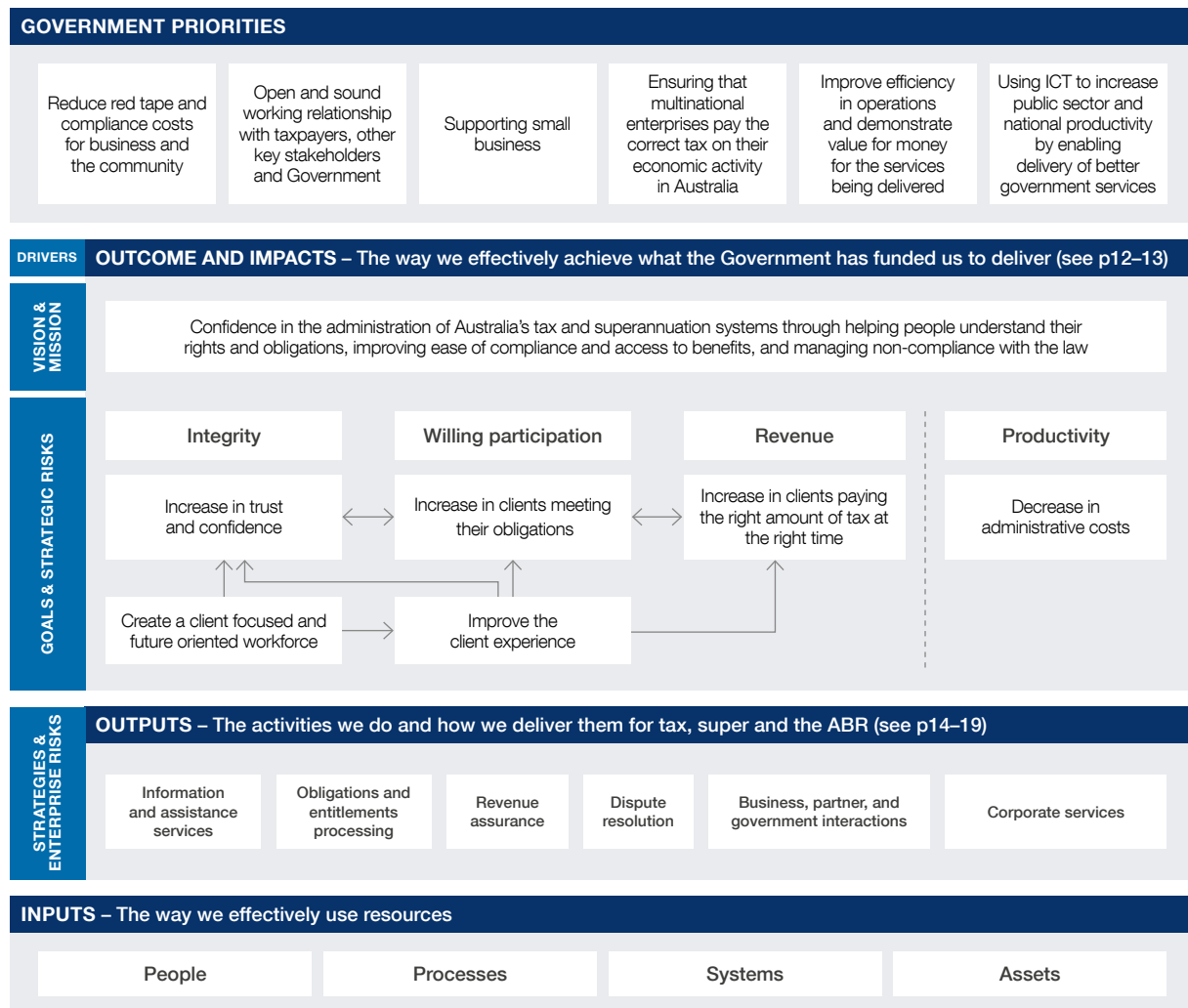
We continue to review our measures to ensure we have the right measures of performance to reflect the services we provide, our changing environment and our reinvention.

We will report on our performance using our performance measures, supplemented with qualitative performance information. In this plan we have provided baseline data based on prior year performance results. These performance results will be updated to include 2014–15 results upon the release of the *Commissioner of Taxation Annual report 2014–15* in October 2015.

We have updated our outcome framework to bring a greater focus to measuring the impacts of our activities and demonstrate how we will go about achieving our outcome: confidence in the administration of Australia's tax and superannuation systems.

The framework shows the relationship between:

- > inputs and outputs – demonstrating how efficient we are at using resources
- > outputs and impacts – demonstrating how our activities are contributing to the difference we want to make.



Our impacts

Measuring our impacts is important as everything we do is ultimately about improving outcomes for government and the community.

We have four interconnected impacts that we are setting out to achieve which are integrity, willing participation, revenue and productivity. These impacts are based on internationally recognised categories from the OECD and provide a high-level indication of the health of our administration. Under each of these broad impacts we have developed more specific impact indicators with supporting performance measures.

Integrity

The integrity impact relates to the perceptions of fairness of the administration of the tax and superannuation systems and the level of confidence the community has in our administration.

Performance measures	Results	
	2012-13	2013-14
Increase in trust and confidence – by providing clients with certainty, engaging early and being professional, respectful and fair.		
Satisfaction – Community satisfaction with ATO performance	n/a	n/a
Fairness – Perceptions of fairness in disputes	n/a	n/a
Professionalism – People surveyed agreed that ATO listens to and responds to feedback	n/a	53%
Create a client focused and future oriented workforce – by focusing on desired cultural traits and encouraging engagement to deliver improved services.		
Culture – Level of employee engagement	n/a	n/a

Willing participation

The willing participation impact relates to clients behaviour in complying willingly with tax and superannuation obligations.

Performance measures	Results	
	2012-13	2013-14
Improve the client experience – by providing interactions which are easy to access, minimising red tape and reducing compliance costs.		
Ease – People surveyed agree the ATO makes it easy to access services* and information**	n/a	72%* 73%**
Digital – Proportion of inbound transactions completed digitally	n/a	n/a
Compliance cost – Adjusted average cost of managing tax affairs	n/a	n/a
Increase in clients meeting their obligations – by ensuring correct and timely registrations, lodgments, reporting and payments.		
Registration – Proportion of companies* and individuals** registered in the system	n/a	n/a* 127.5%**
Lodgment – Proportion of activity statements* and income tax returns** lodged on time	78.4%* 81.4%** ▲	78.6%* 81.7%** ■
Payment – Proportion of liabilities paid on time by value	89.1%	88.6%
Superannuation – Adjusted employer superannuation contributions as a proportion of adjusted salary and wages	n/a	n/a
Correct reporting – Tax gap as a proportion of revenue	GST: 6.2% ▲	GST 6.0% ■

Revenue

The revenue impact relates to collecting the right tax at the right time. The focus of these indicators is less on the client's behaviour and more on getting the right tax result.

Performance measures	Results	
	2012-13	2013-14
Increase in clients paying the right amount of tax at the right time – by undertaking activities to ensure appropriate collection of revenue for Government to support and fund services for the community.		
Tax assured – New <i>under development</i>	n/a	n/a
Audit yield – Cash collected from direct compliance activities	\$7.9b	\$9.4b
Total revenue effects – New <i>under development</i>	n/a	n/a
Debt – Ratio of collectable debt to net tax collections	5.7%	6.1%
Expected revenue – Proportion of revenue collected compared with forecast	n/a	4.4% below original budget forecast

Productivity

The productivity impact relates to the efficiency of the administration of the tax and superannuation systems.

Performance measures	Results	
	2012-13	2013-14
Decrease administrative costs – by improving efficiency, productivity and performance.		
Budget – Operating within budget	0.3%	0.02%
Cost of collection – Cost to collect \$100	\$0.70 (gross) \$0.91 (net)	\$0.69 (gross) \$0.90 (net)
Expenditure – Tax administration expenditure as % of gross domestic product	n/a	n/a
– Non-tax expenditure as % of total expenditure	n/a	n/a
Cost per transaction*	n/a	n/a
*Under development and will not be reported on in 2015–16		

n/a – Relates to measures that are new, have not previously been reported in the annual report for the given years, or have not been reported using the same terminology listed in this plan.

▲ – Relates to the 2011–12 financial year

■ – Relates to the 2012–13 financial year

Planned evaluations

Monitoring and evaluation of existing programs has always been a part of managing our performance. This year we will introduce program evaluations to contribute to our performance story and help shape our future tax and superannuation system through good performance information.

We will use internal and external evaluations to judge the effectiveness, efficiency and merit of a program. This includes questioning the relevance of the work in achieving its intended outcome, the impact on the community, and its cost effectiveness compared with an alternative means of delivery.



Appendix

Our outputs

Measuring our outputs is important as we are funded by government to deliver a range of products and services for the community. These outputs contribute to impacts we want to make.

Each output has performance measures that may cover activity, timeliness, accuracy, quality, value and cost.

Information and assistance services

To achieve an increase in clients meeting their obligations we help clients self-assess by providing a range of information and assistance services.

We want to improve the client experience by providing interactions which are easy to access and reduce compliance costs.

Performance measures	Results	
	2012-13	2013-14
Activities		
Number of customer service interactions	22.6m	19.3m
Number of complaints received	n/a	23,900
Number of interpretative guidance products, objections and rulings provided	n/a	n/a
Timeliness		
Percentage of electronic taxpayer requests finalised in 20 business days	n/a	n/a
People surveyed agreed that the time taken was acceptable	n/a	71%
People surveyed agreed that the ATO lets them know of status or delays	n/a	57%
Percentage of general calls answered within 5 minutes	n/a	79%
Percentage of general calls answered within 5 minutes during our peak period of July to October	n/a	82%
Percentage of tax practitioner calls answered within 2 minutes	n/a	92%
Percentage of complaints received resolved in 15 business days	n/a	94%
Percentage of private rulings finalised in 28 calendar days of receiving all the necessary information	n/a	94%
Private rulings – if we find that your request raises particularly complex matters that will take more than 28 calendar days to resolve after receiving all the necessary information, we will aim to contact you within 14 calendar days to negotiate a due date	n/a	87%
Quality		
People surveyed agreed that the ATO was easy to do business with	n/a	n/a
People surveyed agreed that the ATO provides information that can be relied on* and understood**	n/a	76%* 79%**
People surveyed agreed that the ATO provides information sufficient to meet their needs	n/a	77%
People surveyed agreed that the ATO informs them of what they need to do	n/a	80%

Obligations and entitlements processing

To achieve an increase in clients meeting their obligations we process registrations, lodgments and payments.

We want to improve the client experience by providing interactions which are easy to access and reduce compliance costs.

Performance measures	Results	
	2012-13	2013-14
Activities		
Number of registrations processed	1.4 m	1.5 m
Number of returns, statements and forms processed	n/a	n/a
Number of taxpayers who meet their lodgment obligations	n/a	n/a
Proportion of tax returns lodged electronically	n/a	n/a
Number of payments processed	21.2m	22.0m
Proportion of payments made and received through electronic channels	92.6%	93.9%
Number of refunds issued	11.0m	12.3m
Number of lost and ATO-held superannuation accounts	6.3m	6.2m
Proportion of member contribution statements lodged on time	n/a	n/a
Timeliness		
Percentage of electronic Commissioner of Taxation registrations finalised in 20 business days	n/a	n/a
Percentage of individual and non-individual electronic tax returns finalised in 12 business days – applies to current year returns only	n/a	98%
Percentage of individual and non-individual paper tax returns finalised in 50 business days	n/a	93%
If we are unable to finalise your individual electronic tax return within 30 calendar days of receipt we will inform you	n/a	100%
Percentage of electronic activity statements finalised in 12 business days	n/a	100%
Percentage of electronic amendments finalised in 20 business days	n/a	97%
Percentage of paper activity statements finalised in 50 business days	n/a	100%
Percentage of paper amendments finalised in 50 business days	n/a	90%
Value		
Value of lost and ATO-held superannuation accounts	\$18.3b	\$16.8b

Revenue assurance

To build confidence and to increase clients paying the right amount of tax at the right time we undertake compliance activities based on transparency, risk and behaviour.

Performance measures	Results	
	2012-13	2013-14
Activities		
Number of compliance audits, reviews and other checks undertaken	6.2m	5.3m
Number of international information exchanges (inbound & outbound)	n/a	n/a
Number of excess contributions determinations issued	10,800	66,000
Number of Division 293 tax assessments issued	n/a	96,900
Timeliness		
Audits – if you are reviewed or audited, we will aim to notify you of the outcome within 7 calendar days of making our decision	99%	99%
Percentage of Superannuation Guarantee employee notifications commenced within 28 days of receipt	n/a	100%
Percentage of Superannuation Guarantee employee notifications finalised by review or audit within 4 months of commencement	n/a	71%
Percentage of Superannuation Guarantee employee notifications finalised by review or audit within 12 months of commencement	n/a	100%
Proportion of excess contributions determinations issued within 6 months of ATO receiving all relevant information	n/a	n/a
Quality		
Proportion of self-managed superannuation funds contraventions compared to the total number of self-managed superannuation funds	n/a	n/a
Value		
Value of tax collected (gross*, net**)	\$311.8b**	\$419.2b* \$321.7b**
Value of refunds paid	n/a	\$97.5b
Variation of actual administered expenses to budgeted administered expenses	n/a	n/a
Value of compliance liabilities raised* and collected** as a result of compliance audits, reviews and other checks	\$12.2b* \$7.9b**	\$15.2b* \$9.4b**
Value of penalties and interest collected	\$3.3b	\$3.0b
Value of debt (holdings*, collected**)	\$33.2b*	\$34.2b*
Value of debt not pursued because it is uneconomical to do so	\$4.6b	\$3.4b
Value of excess contributions determinations issued	\$30.1m	\$256.4m
Value of Division 293 tax assessments issued	n/a	\$294m

Dispute resolution

To build trust and confidence we work to manage disputes fairly and independently.

To improve the client experience we work collaboratively to reduce the time to resolve disputes, reduce the number of disputes, lower the costs both for taxpayers and us, and make interactions with us easier.

Performance measures	Results	
	2012-13	2013-14
Activities		
Number of disputed cases resolved	n/a	n/a
Number of test case litigations finalised	n/a	n/a
Proportion of disputes which result in litigation	n/a	n/a
Timeliness		
Average age of disputes	n/a	n/a
Percentage of objections finalised in 56 calendar days of receiving all necessary information	n/a	91%
Objections – if we find that the request raises particularly complex matters that will take more than 56 calendar days to resolve after receiving all the required information, we will aim to contact you within 14 calendar days to negotiate an extended reply	n/a	89%

Business, partner and government interactions

To improve our efficiency, the client experience and the integrity of the tax and superannuation systems we work with government and other agencies, domestically and internationally.

Performance measures	Results	
	2012-13	2013-14
Activities		
Number of matters that have been consulted on	n/a	114
Number of memorandums of understanding	n/a	110
Proportion of employers and funds conforming with the Superstream data and payment standard	n/a	n/a
Timeliness		
Communication of our decision to consult on matters submitted	n/a	n/a
Quality		
Proportion of draft legislation which is assured before introduction to Parliament	n/a	n/a
Effectiveness of public advice issued	n/a	n/a
Cost		
Time-cost index for business and superannuation funds to prepare and complete key tax forms	n/a	n/a
Reduction in cost (to industry) of processing across the superannuation system	n/a	n/a

Australian Business Register programme

This is a whole-of-government initiative that provides the infrastructure and maintains authoritative information to support business and government interactions.

The aim in advocating the use of its whole-government-services, technologies and processes is to minimise the impact on business of complying with government regulation. Improvements in business productivity will be gained through the broader adoption and use of the complete and single source of business information and consistent information exchange standards.

Performance measures	Results	
	2012-13	2013-14
Activities		
Number of government agencies directly using the ABR as their own	n/a	n/a
Number of businesses and government agencies using AUSkey	n/a	n/a
Number of businesses accessing and using SBR-enabled software for data exchange	n/a	n/a
Number of government agencies implementing and using SBR	n/a	n/a
Number of software developers making SBR-enabled software readily available across a wider range of services	n/a	n/a
Increased use of the ABR as the national business dataset by government agencies and the community	n/a	n/a
Timeliness		
Australian residents ABR registrations finalised in 20 business days	n/a	99%
Quality		
Improvement in the quality of key data in the ABR	n/a	n/a
Cost		
Proportion of ABN applicants obtaining a decision online at the point of application	n/a	n/a
Reduction in the unintended administrative costs to business of complying with government regulation	n/a	n/a

Corporate services

To support the delivery of the other outputs and improve our performance we undertake a range of corporate services that are professional, contemporary and client focused.

We want to build and sustain a workforce that is engaged with the community and energised by working together.

Performance measures	Results	
	2012-13	2013-14
Activities		
Rate of unscheduled absence (days)	15.3	15.1
Number of scrutineers' recommendations received	n/a	81
Deliver new and refreshed IT services	n/a	n/a
Quality		
Employee perceptions of attendance climate	n/a	n/a
Employee perceptions of senior leadership	n/a	n/a
People surveyed agreed that the ATO (is respectful and courteous*; is knowledgeable in dealing with me**))	n/a	87%* 80%**
Quality performance measures (accuracy) have been met (90%)	n/a	n/a
Quality performance measures (customer service), including professionalism, have been met (90%)	n/a	n/a
Availability and reliability of IT services	n/a	n/a
Cost		
Transparency in planned and actual spend of IT portfolio budget	n/a	n/a

n/a – Relates to measures that are new, have not previously been reported in the annual report for the given years, or have not been reported using the same terminology listed in this plan.

Regulator performance framework requirements

As part of the government's deregulation agenda, the ATO is required to assess its performance against the Regulator performance framework. The framework comprises the following six outcomes-based key performance indicators that articulate the government's overarching expectations of regulator performance:

- > regulators do not unnecessarily impede the efficient operation of regulated entities
- > communication with regulated entities is clear, targeted and effective
- > actions undertaken by regulators are proportionate to the risk being managed
- > compliance and monitoring approaches are streamlined and coordinated
- > regulators are open and transparent in their dealings with regulated entities
- > regulators actively contribute to the continuous improvement of regulatory frameworks.

We will assess the ATO's achievement of the KPIs using measures of good regulatory performance, complemented by relevant activity-based evidence and performance measures.

Administered programmes performance measures

We contribute to the social and economic benefit of Australians by delivering the benefits and credits they are entitled to.

Table 1: Administered programme key performance indicators and deliverables

Key performance indicators	Deliverables
Programme 1.6: Australian Screen Production Incentive	
<ul style="list-style-type: none"> > Number of tax offsets issued compared to the number of tax offset entitlements > Value of tax offsets issued compared to the value of tax offset entitlements 	<ul style="list-style-type: none"> > Number of tax offsets processed > Value of tax offsets processed
Programme 1.7: Cleaner Fuels Grant Scheme	
<ul style="list-style-type: none"> > Proportion of payments processed within service standard timeframes 	<ul style="list-style-type: none"> > Number of claims processed > Number of participants registered > Value of payments processed
Programme 1.8: Conservation Tillage Refundable Tax Offset	
<ul style="list-style-type: none"> > The Conservation Tillage Refundable Tax Offset was abolished from 1 July 2014. There will be no key performance indicators for the Conservation Tillage Refundable Tax Offset. 	<ul style="list-style-type: none"> > The Conservation Tillage Refundable Tax Offset was abolished from 1 July 2014. There will be no deliverables for the Conservation Tillage Refundable Tax Offset.
Programme 1.9: Exploration Development Incentive	
<ul style="list-style-type: none"> > Modulation factor provided by the ATO in sufficient time to allow allocation of capped exploration credits to shareholders 	<ul style="list-style-type: none"> > Number of applications made by mining exploration companies > Value of exploration expenditure sought to be converted into credits before ATO applies statutory cap on total credits
Programme 1.10: Fuel Tax Credits Scheme	
<ul style="list-style-type: none"> > Proportion of payments processed within service standard timeframes 	<ul style="list-style-type: none"> > Number of registered participants > Value of claims
Programme 1.11: National Rental Affordability Scheme	
<ul style="list-style-type: none"> > Ratio of claims made through the ATO compared to the Department of Social Services 	<ul style="list-style-type: none"> > Number of tax offsets processed > Value of tax offsets processed
Programme 1.12: Product Stewardship for Oil Programme	
<ul style="list-style-type: none"> > Proportion of payments processed within service standard timeframes 	<ul style="list-style-type: none"> > Number of claims processed > Number of participants registered > Value of payments processed > Value of revenue collected

Programme 1.13: Research and Development Tax Incentive

- > Proportion of offsets processed within service standard timeframes
- > Number of claims processed for 40 per cent non-refundable research and development tax offset claimants
- > Number of claims processed for 45 per cent refundable research and development tax offset claimants
- > Value of claims processed for 40 per cent non-refundable research and development tax offset claimants
- > Value of claims processed for 45 per cent refundable research and development tax offset claimants

Programme 1.14: Seafarer Tax Offset

- > Relevant taxpayers are aware of how to claim the offset.
- > Number of tax offsets processed
- > Value of tax offsets processed

Programme 1.15: Baby Bonus

- > The Baby Bonus Programme ceased on 30 June 2009 but claimants may lodge claims until 30 June 2014. There will be no deliverables for the Baby Bonus Programme in 2014–15.

Programme 1.16: Education Tax Refund

- > The Education Tax Refund finished on 30 June 2012. There will be no deliverables for the Education Tax Refund Programme in 2014–15.

Programme 1.17: First Home Saver Accounts

- > Proportion of government contributions paid to eligible account holders within 60 days
- > Number of government contributions paid
- > Value of government contributions paid
- > Value of account balances

Programme 1.18: Low Income Superannuation Contribution

- > Proportion of original contributions paid within 60 days
- > Number of beneficiaries of entitlements determined
- > Value of entitlements determined and paid

Programme 1.19: Private Health Insurance Rebate

- > Proportion of private health insurance rebates claimed through the tax system, and liability imposed on, lodging eligible individuals
- > Number of claims processed
- > Value of rebates processed

Programme 1.20: Superannuation Co-contribution Scheme

- > Proportion of original co-contributions paid within 60 days
- > Number of beneficiaries of entitlements determined
- > Value of entitlements determined and paid

Programme 1.21: Superannuation Guarantee Scheme

- > Proportion of employers for whom superannuation guarantee liabilities were raised by the ATO
- > Number of superannuation guarantee complaints leading to a superannuation liability being raised and those leading to no result
- > Number of employees who have had superannuation guarantee entitlements raised as a result of ATO compliance activities and voluntary disclosures
- > Number of employers whose records are checked and the number leading to a superannuation liability being raised
- > Value of superannuation guarantee charge:
 - raised (including penalties and interest)
 - penalty remissions
 - collected*
- > Value of superannuation guarantee entitlements distributed to individuals or superannuation funds
- > Value of superannuation guarantee debt on hand and the amount of superannuation guarantee debt irrecoverable at law or uneconomical to pursue

Programme 1.22: Targeted assistance through the taxation system

- > Proportion of unclaimed superannuation accounts where interest is paid to the account owner compared to total accounts transferred
- > Number of interest payments processed
- > Value of interest payments processed

Programme 1.23: Interest on Overpayments and Early Payments of Tax

- > Proportion of credit interest paid due to processing performance compared to all credit interest paid
- > Number of clients entitled to credit interest due to processing performance
- > Value of credit interest applied to client accounts due to processing performance

Programme 1.24: Bad and Doubtful Debts and Remissions

- > Provision for bad and doubtful debts as a proportion of total tax receivables
- > Value of provision for bad and doubtful debts
- > Penalty remissions as a proportion of penalty imposed
- > Value of remissions
- > Interest remissions as a proportion of interest imposed

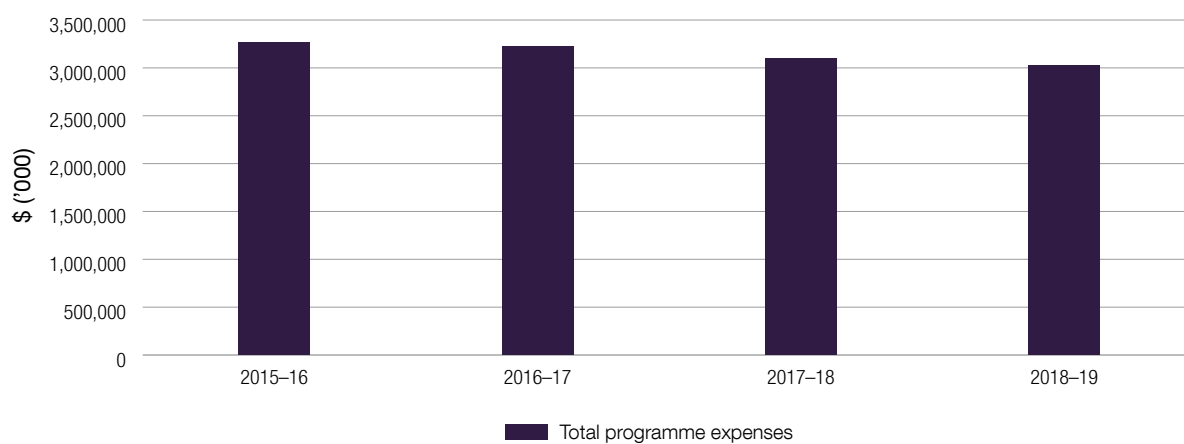
* Will be reported on in addition to Portfolio Budget Statements material.

Programme expenses

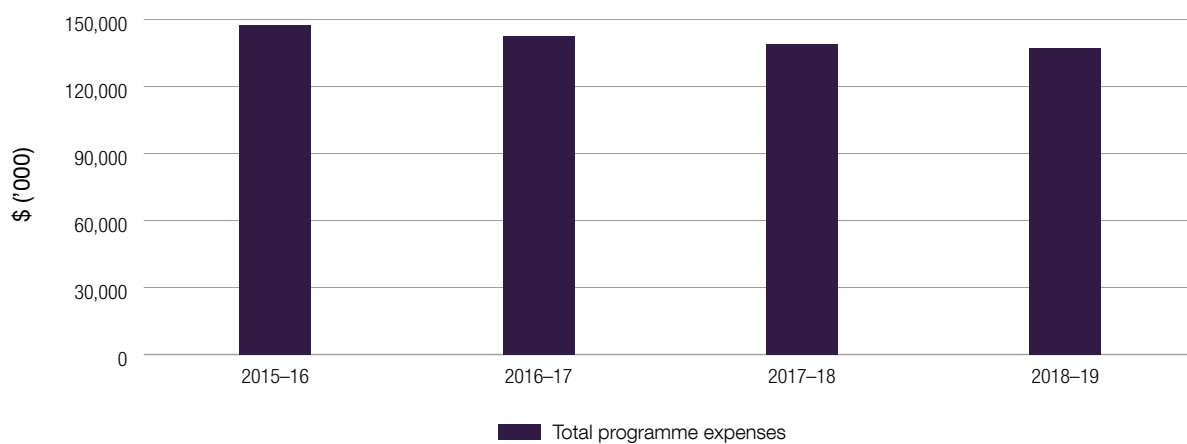
The Portfolio Budget Statements outline the proposed allocation of resources to government outcomes. We are an entity within the Treasury portfolio.

Below are the ATO and ABR expenses as outlined in the *Portfolio Budget Statements 2015–16*.

Programme 1.1 Australian Taxation Office total programme expenses



Programme 1.3 Australian Business Register total programme expenses



Budget measures impacting 2015-16

These are the funded measures announced each year by the Australian Government in its Budget that will impact our work in 2015-16.

Portfolio Budget Statements 2015-16

- > Combating multinational tax avoidance – new transfer pricing documentation standards
- > Digital Transformation Agenda – Stage One and establishment of the Digital Transformation Office
- > Growing Jobs and Small Business – streamlining business registration
- > Higher Education Loan Programme – recovery of repayments from overseas debtors
- > Norfolk Island Reform
- > Personal income tax – changes to tax residency rules for temporary working holiday makers
- > Reducing Red Tape – reforms to the Australian Taxation Office
- > Serious Financial Crime taskforce – addressing financial and tax fraud
- > Strengthening Australia's foreign investment framework

Mid-Year Economic and Fiscal Outlook 2014-15

- > Higher Education Reforms – amendments
- > Industry Innovation and Competitive Agenda – Employee Share Schemes
- > Superannuation – Superannuation Guarantee Charge

Portfolio Budget Statements 2014-15

- > Remove Grandfathering of Student Start-Up Scholarship Recipients
- > Trade Support Loans – establishment

Mid-Year Economic and Fiscal Outlook 2013-14

- > Reducing superannuation compliance costs for small business
- > Simplified indexation of the private health insurance Government contribution

Pre-Election Economic and Fiscal Outlook 2013-14

- > Addressing the level of unpaid tax and superannuation in the community
- > Superannuation – reform of arrangements relating to transfer of lost member accounts to the ATO

Portfolio Budget Statements 2013-14

- > HECS-HELP Discount and Voluntary HELP Repayment Bonus – ending discounting
- > Personal income tax – net medical expenses tax offset phase out
- > Protecting the corporate tax base from erosion and loopholes
 - improving the integrity of the foreign resident capital gains tax regime
 - increasing ATO compliance checks on offshore marketing hubs and business restructures
- > Student Start-up Scholarships – conversion to Income Contingent Loans
- > Superannuation reforms
 - a fairer excess contributions tax system
 - higher concessional contributions cap
 - transfer of lost member accounts to the ATO
- > Tax administration – enhancing Standard Business Reporting, the Australian Business Register and Australian Business Number Administration
- > Tax compliance
 - Australian Taxation Office trusts taskforce
 - improving compliance through third part data matching and reporting

Mid-Year Economic and Fiscal Outlook 2012-13

- > Monthly PAYG instalments for large companies
- > Private Health Insurance Rebate
 - indexing the Government's contribution
 - removal of rebate on lifetime health cover loading
- > Superannuation
 - reform of arrangements relating to transfer of lost member accounts to the ATO
 - reform of SMSF levy arrangements
- > SuperStream – reduction in Superannuation Supervisory levy
- > Tax compliance – maintaining the integrity of the tax and superannuation system

Portfolio Budget Statements 2012-13

- > Australian Business Register – towards a better business future
- > Fringe benefits tax – further reform of living-away-from-home allowances and benefits
- > GST – compliance program – two year extension
- > Stronger Super – self-managed superannuation funds auditor registration
- > Superannuation – reduction of higher tax concession for contributions of very high income earners
- > Tax compliance – managing tax debt in challenging times: a balanced and differentiated approach

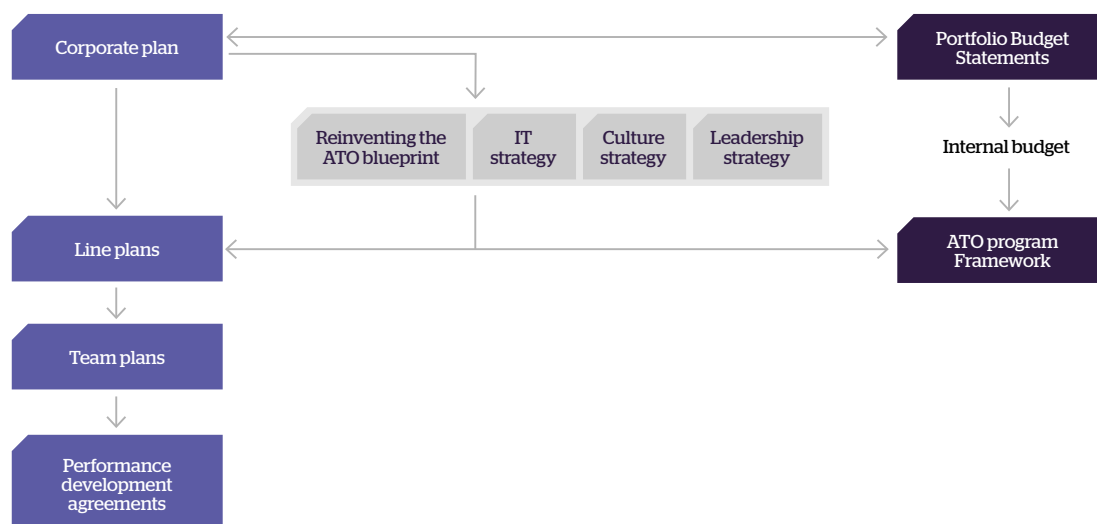
Mid-Year Economic and Fiscal Outlook 2011-12

- > Fringe benefits tax – reform of living-away-from-home allowances and benefits
- > Stronger Super – SuperStream
- > Tax compliance – increased data matching resources

Supporting materials

Complementing the plan is a number of supporting materials:

- > Our Portfolio Budget Statements includes a subset of our strategic information and outlines what we intend to achieve with the monies appropriated by government. The work of the Tax Practitioners Board and the Australian Charities and Not-for-profits commission is not covered in this plan.
- > The *Reinventing the ATO Blueprint* provides a clear line of sight to what we want to achieve through our reinvention. *Every year counts* provide an overview of the changes client segments will see over the coming year.
- > The Building confidence online publication provides transparency with the community in our approach to our compliance activities and provides timely information on risks, and our activities and results.
- > Our business line plans and individual performance development agreements support this plan and create a line of sight ensuring all staff can see how our efforts contribute to the outcomes of the ATO as a whole.



Annual report information

In addition to our measures of performance, we have additional information which we report on under the Requirements for annual reports (published by the Department of the Prime Minister and Cabinet and approved by the Joint Committee of Public Accounts and Audit).

Compliance with the PGPA Act

Matters to be included in a Commonwealth entity's corporate plan.

Item	Topic	Matters to be included	Page reference
1	Introduction	The following: (a) a statement that the plan is prepared for paragraph 35(1)(b) of the Act; (b) the reporting period for which the plan is prepared; (c) the reporting periods covered by the plan.	Inside cover
2	Purposes	The purposes of the entity.	1
3	Environment	The environment in which the entity will operate for each reporting period covered by the plan.	2–3
4	Performance	For each reporting period covered by the plan, a summary of: (a) how the entity will achieve the entity's purposes; and (b) how any subsidiary of the entity will contribute to achieving the entity's purposes; and (c) how the entity's performance will be measured and assessed in achieving the entity's purposes, including any measures, targets and assessments that will be used to measure and assess the entity's performance for the purposes of preparing the entity's annual performance statements for the reporting period.	4–22
5	Capability	The key strategies and plans that the entity will implement in each reporting period covered by the plan to achieve the entity's purposes.	4–9
6	Risk oversight and management	A summary of the risk oversight and management systems of the entity for each reporting period covered by the plan (including any measures that will be implemented to ensure compliance with the finance law).	10

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