



Australian Government
Australian Taxation Office

Strategic Working Group

Presented by:

Martin Mane

Director, Digital Partnership Office

Australian Taxation Office

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AGENDA

Welcome and introductions

Martin Mane
Director, Digital Partnership Office

Priority work for 2020

John Dardo
Chief Digital Officer & Deputy Commissioner, Digital Delivery

e-Invoicing

Mark Stockwell
Director, e-Invoicing

Strategic Initiative - *Shaping the tax and superannuation system*

Matthew Bambrick
Assistant Commissioner, Policy, Analysis and Legislation

Strategic Initiative - *Channel experience*

Steve Dardo
Assistant Commissioner, Strategy and Support

Transition to XML

Michael Rowell
Assistant Commissioner, Digital Wholesale Services

Strategic Initiative - *Support the superannuation system*

Larissa Evans
Assistant Commissioner, Fund Services and Engagement

Recap on key pieces of work initiated last year

Martin Mane
Director, Digital Partnership Office

Wrap up

Martin Mane
Director, Digital Partnership Office

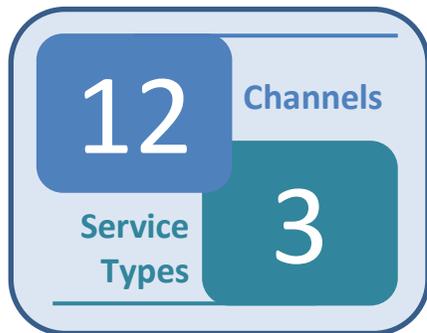
CHANNEL SUITABILITY FRAMEWORK

Why do we need a Channel Suitability framework?

- We have a lot of channels
- *Digital is preferred* is not enough to guide decisions
- Paper is not preferred, but we still use a lot of it
- The “next best” channel isn’t always clear.

The channel suitability framework:

- Provides guidance about the suitability of our channels for different interactions.
- Our interactions are divided into *information, support and transaction* services (WoFG and DTA service descriptions).
- Has been developed and tested with reps from across the office
- The Framework is intended to be used as a **guide** (rather than a set of prescriptive rules) to provide direction for our preferred (and non-preferred channels).



We've used the **Channel Suitability Framework** to identify what channels we need to optimise, and what channels we need to limit or close.

CHANNEL SUITABILITY FRAMEWORK

HOW TO USE IT

1. Determine the type of interaction – Information, support or transactional.
2. Can the interaction be delivered through a preferred channel?
 - i. If no, look for the next best or if required a suitable channel
 - ii. Non-suitable channels should only be used by exception.

- Preferred
- Next Best
- Suitable
- Not suitable

CHANNEL	CLIENT USER GROUPS	INFORMATION <i>One way flow of guidance or information</i>	SUPPORT <i>Two way flow of information, no change in account status</i>	TRANSACTIONAL <i>Changes account status with Government</i>
NATURAL SYSTEMS (Digital)	P: Non-Individuals and Intermediaries. S: Individuals & Sole Traders.			
WEB	All client segments			
PORTALS (ATO Online)	P: Individuals and sole traders. S: Non-Individuals and Intermediaries.			
MOBILE APP	Individuals, sole traders and small businesses			
WEB CHAT (operator assisted)	Individuals, sole traders, small businesses and intermediaries.			
SMS	P: Individuals Sole traders Business			
SOCIAL MEDIA	All client segments			
EMAIL	All client segments			
SECURE MAIL	All client segments			
PHONE (in & out)	All client segments			
FACE TO FACE	All client segments			
PAPER (in & out)	All client segments			

For further guidance please refer [Channel suitability framework - APPENDIX](#)

GUIDING QUESTIONS

The following guiding questions should be considered in determining whether a service is suitable for development in our retail (portal and online services) or wholesale (natural systems) channel.

CLIENT

- **Who is the end user?**
The end user type will impact which channel should be used. For example, a channel that is suitable for an individual may not be suitable for a large multinational company.
- **Is the service for an existing or new market segment?**
An understanding of market segment needs and the size of the client population may impact which channel should be used.

DEMAND

- **Is there DSP interest in taking up the service?**
Consultation with Digital Service Providers will assist in determining channel selection. When there is no interest for service development, other channels will need to be considered.
- **Is there market interest in the service?**
Market interest will drive uptake from commercial software entities. User centric design will help to determine client preferred channels.
- **Is there a market gap that needs to be filled?**
Is there an expectation that government provides a solution for an identified market gap not suitable for commercial development. For example, super clearing house.

SERVICE

- **Is the service real time or event driven?**
Services which are used for real time or event driven reporting may have different channel requirements to a service with set periodic lodgments. Integration opportunities with natural systems should be considered.
- **Is the service data rich?**
Is there an opportunity to integrate data rich services directly within natural systems or with other services? There may be different requirements for data rich services coming in and out of the ATO.
- **Is there a current range of complimentary services offered within the channel?**
A channel that enables a client to complete more 'tasks' within that same channel might make it seem more 'suitable' for the current job the client is trying to do.

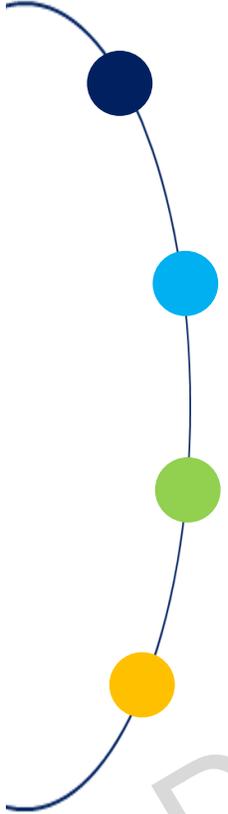
AVAILABILITY

- **Is there an urgency or time criticality dependency for release?**
Time to market considerations will need to be taken into account when determining channel. This is applicable to services which through legislation or other reasons are required to be provided in a specified timeframe.

GUIDING PRINCIPLES FOR CHANNEL APPROACH

The guiding principles below provide a simplistic overview of suitability for transactional and informational services in our retail (portal/online services) and wholesale (natural systems) channels.

The principles provide general guidance and the outcome may be influenced by other considerations.



A **wholesale only** approach will be considered for services which are:

- real time
- data rich
- core lodgment services for Income Tax (note: individuals will have the option to self serve)

A **wholesale first** approach will be considered for services which:

- indicate high DSP or market interest
- cater for new market segments
- have existing service suites available in channel
- provide a value add service

A **joint wholesale and retail** approach will be considered for services where:

- low DSP interest is determined
- software is not widely available

A **retail first or retail only** approach will be considered for services where:

- there is no DSP interest and other opportunities have been identified for the ATO to release e.g. innovation
- the service is for an individual not in business
- release is urgent or time critical e.g. legislative
- the service will meet a government initiated gap e.g. super clearing house

RECAP ON KEY PIECES OF WORK

SWG Initiative - SBR Metrics

Intent: Provide visibility of data relating to transaction volumes and errors across SBR platforms.

Outcome: The data is now published on the Software Developer's website monthly.

Next steps: Feedback from group

Strategic Initiative - Shifts in Work and Income

Intent: For industry to provide intel to identify shifts in work and income to support the ATO's research and analysis on data holdings.

Outcome: Industry members were only able to supply limited information on shifts.

Next steps: Confirm with Strategic Working Group whether any further information is available

Strategic Initiative – Cyber Security

Intent: Joint industry and ATO approach to share security information and build a broader awareness of risks.

Outcome: Initial meeting held in January discussed concepts around cyber threat intelligence approaches and how information may be shared, notifications and managed service providers. Out of session meeting convened in May with ATO and ABSIA leads to discuss future direction of group.

Next steps : ABSIA Security lead to consult with industry to identify what information would be valuable to DSPs. ATO Director of Security to consult with Cyber Security Operations Centre (CSOC) to determine the type and level of information the ATO is able to provide.

Next meeting scheduled for July.

RECAP ON KEY PIECES OF WORK

SWG/ABSIA Board Initiative - Securing the Broader ecosystem

Intent: Better understand the broader DSP ecosystem and facilitate the development of commonly accepted industry security standards

Outcomes: The group has agreed:

- the scope of the 'broader ecosystem' is third party applications, specifically business, tax and accounting software.
- success looks like 'a consistent, industry-wide standard that increases the protection of client data as well as improves the portability of add-on applications between different vendors.'
- on a set of high level security requirements including the following:

Encryption key management	Vulnerability management
Encryption at rest	Cookie management
Encryption in transit	Audit logging
Multifactor authentication	Data hosting
Indirect access to data	Security monitoring practice
App server configuration	

Next steps:

- DSPs to assess the specifics of each requirement and consider how they will affect their third party developers.
- DSPs to consider the specific thresholds for when the requirements would apply to add-on developers.
- The ATO will consult with relevant DSPs on the requirements to further develop each technical specification.

RECAP ON KEY PIECES OF WORK

Strategic Initiative - Payment Thinking

Intent: Examine ways the ATO and DSPs can work together to build payment thinking into software to facilitate on-time payments.

Outcomes: Feedback from the group was sought prior to an initial meeting on 12 June.

Feedback included:

Enforce underpayment interest charges, remove ability for frontline staff to remit interest charges	Services to allow using ATO account and transactional feeds to remind clients of pending or late payments
Consider a separate account to automatically split off a percentage of all payments	Send through ATO alerts and warnings to agents in software
Consider a feature to facilitate payment at same time as lodgement	Incentives for on-time payments

Focus group discussion centred around incorporating 'payment thinking' ideas into software to facilitate on-time payments and looking at future services which may assist the process. Some of the ideas which were raised include:

- Visibility of ATO risk ratings to 'nudge' clients
- Visibility of overall tax position
- Management of payments by introducing a provisioning account

Next Steps: DSPs to advise what services they would like to be available in the future.

ATO to determine what type of data analytics is available and able to be shared.

ATO to provide use cases for existing services.