



Australian Government
Australian Taxation Office

Right Projects Right Way Right Results

Building Portfolio, Program and Project Capability
The Australian Taxation Office Journey

Presented by

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Australian Taxation Office

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Overview

- The Australian Taxation Office (ATO) at a glance
- Right Way - Our project management journey
- Right Projects - Portfolio management and value based project selection
- Right Results – realising outcomes from change
- Lessons learnt

The Australian Taxation Office (ATO) at a glance

- Our role
- Our interaction with the community

“Taxes are what we pay for civilized society”

[Oliver Wendell Holmes, Jr.](#) (8 March 1841 – 6 March 1935)

Our role

“We see our role as contributing to the development of a society which believes in and supports civic and legal responsibilities, which in turn underpins citizenship and the tenets of our democracy.

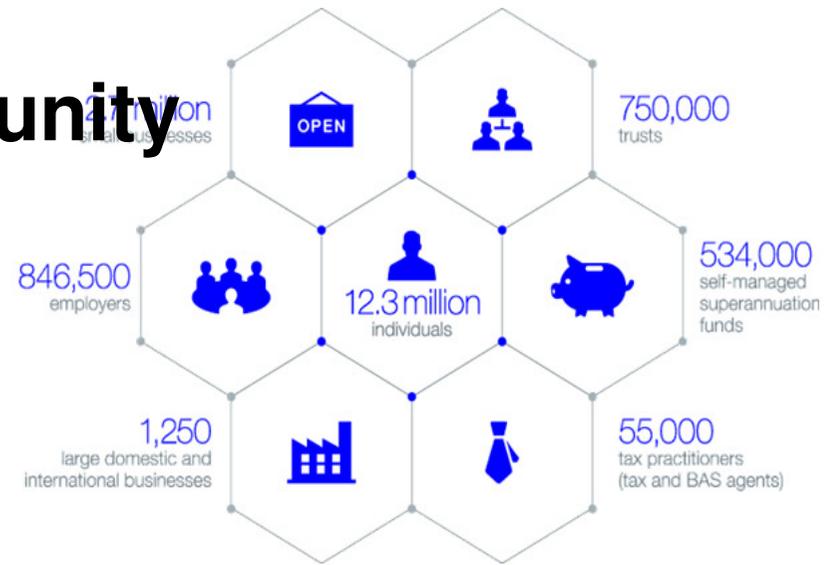
Within this wider context we see our mission as being to nurture an environment that fosters high levels of proper participation in Australia’s tax and superannuation systems.”

- We are the Australian Government’s principal revenue collection agency (tax and excise)(~\$419.2 bn).
- We collect GST for state and territory governments (\$51.4 bn)
- We are a large payer of government funds (~\$97.5 bn refunds and ~\$7.8 bn payments and transfers).
- We administer major aspects of Australia’s superannuation system.
- We are the custodian of the Australian Business Register.
- We work closely with other government agencies: treasury, customs, Medicare, child support agency, etc



Our interaction with the community

We interact with almost every sector of the community. Most adult Australians have contact with us at least once a year, but some have multiple interactions and play multiple roles for many individuals and businesses.



- Each year we process 16.5 million tax returns for individuals, businesses and non-profit organisations.
- We handle over 10 million telephone enquiries, over 25,000 email enquiries and over 400,000 visits to Tax Office shopfronts.
- We process over 40 million forms a year
- We have 87 million visits to www.ato.gov.au and 2.5 million people lodge their tax returns via myTax or e-tax.

**Projects are not the core business of the majority of our 20,000 staff
BUT THE NEED FOR CHANGE MEANS
we do a lot of project work**

Right Way - Our Project Management Journey

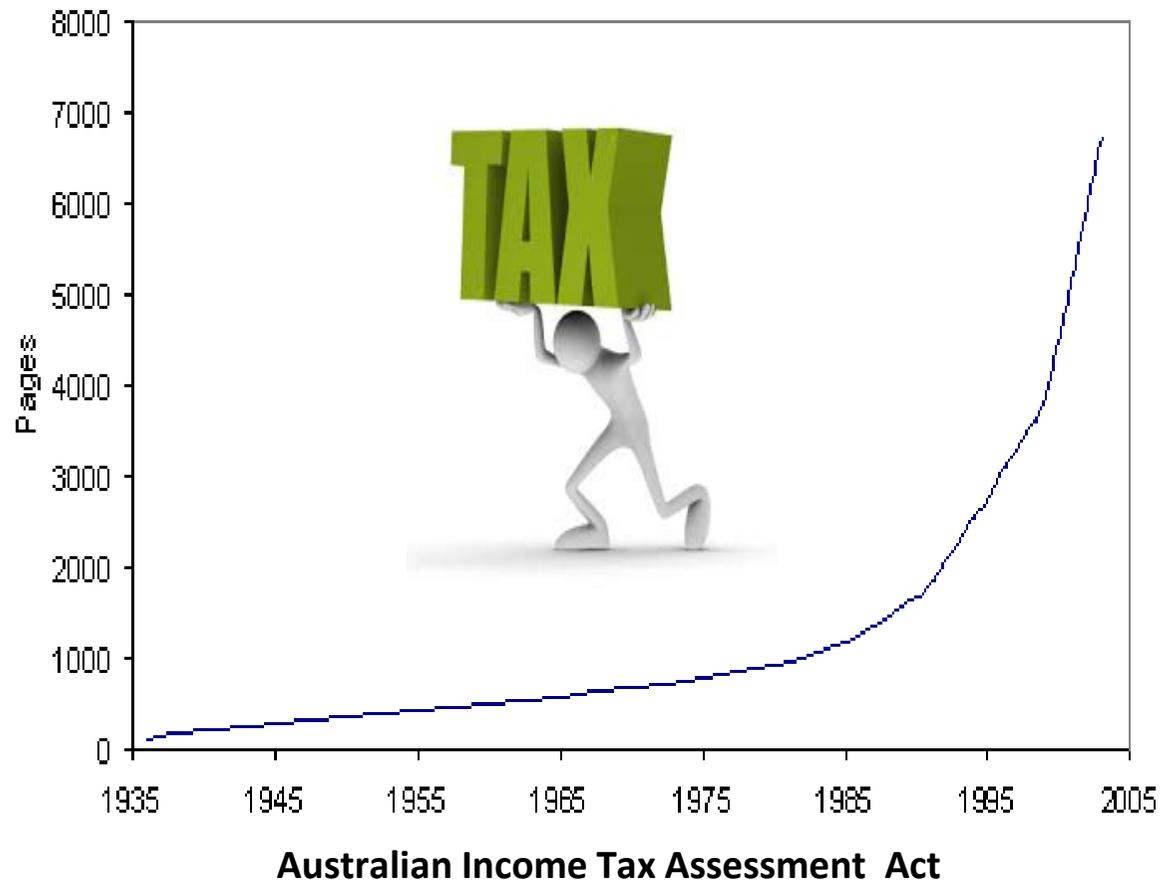
'there is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things'

Niccolo Machiavelli
The Prince, Chapter 6, 1513

Project drivers in the ATO

Changing

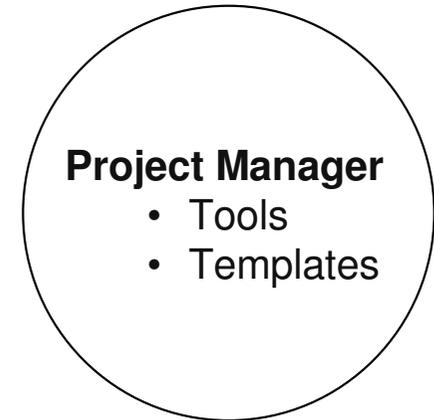
- Law
- Administration
- Taxpayer behaviour



Brief history of ATO project management

-  Early 1990s – Method One (IT focus)
-  1999 – PM Kit
 - Based on PM Body of Knowledge (PMBok) (world class)
 - Not culturally accepted
-  Early 2000s – PM Kit Lite
 - Cut down PM Kit
 - Ineffective; at once too simplistic and too complicated

-  2005 – Project Management Improvement team formed
 - Role - build organisational capability in project management



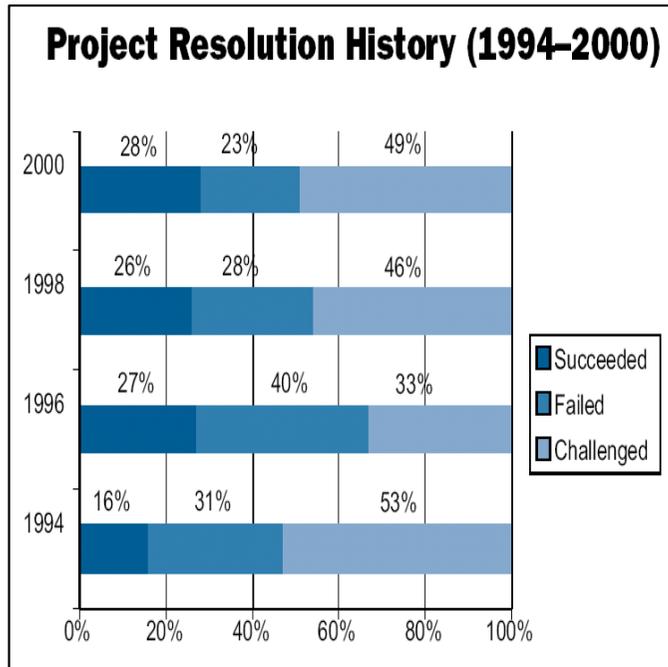
**Our original thinking:
Improving project managers =
improved project success**

Right Way – Changing our thinking

Project Manager

- Tools
- Templates

Its easy for projects to fail!



This chart depicts the resolution of the 30,000 applications projects in large, medium and small cross industry US companies tested by the Standish Group since 1994.

Source: Standish Group – Extreme Chaos Report 2001

	2002	2004	2006	2008	2010
Successful	34%	29%	35%	32%	37%
Challenged	51%	53%	46%	44%	42%
Failed	15%	18%	19%	24%	21%

Project resolution results from CHAOS research for years 2002 to 2010.

Source: Standish Group –Chaos Report 2011

CLASSIC CHAOS RESULTS FROM 2009 TO 2013

	2009	2010	2011	2012	2013
Successful	36%	38%	37%	41%	36%
Challenged	44%	40%	46%	40%	48%
Failed	20%	22%	17%	19%	16%

The resolution of all software projects from 2004 to 2013 within the CHAOS database.

Source: Standish Group –Chaos Manifesto 2014

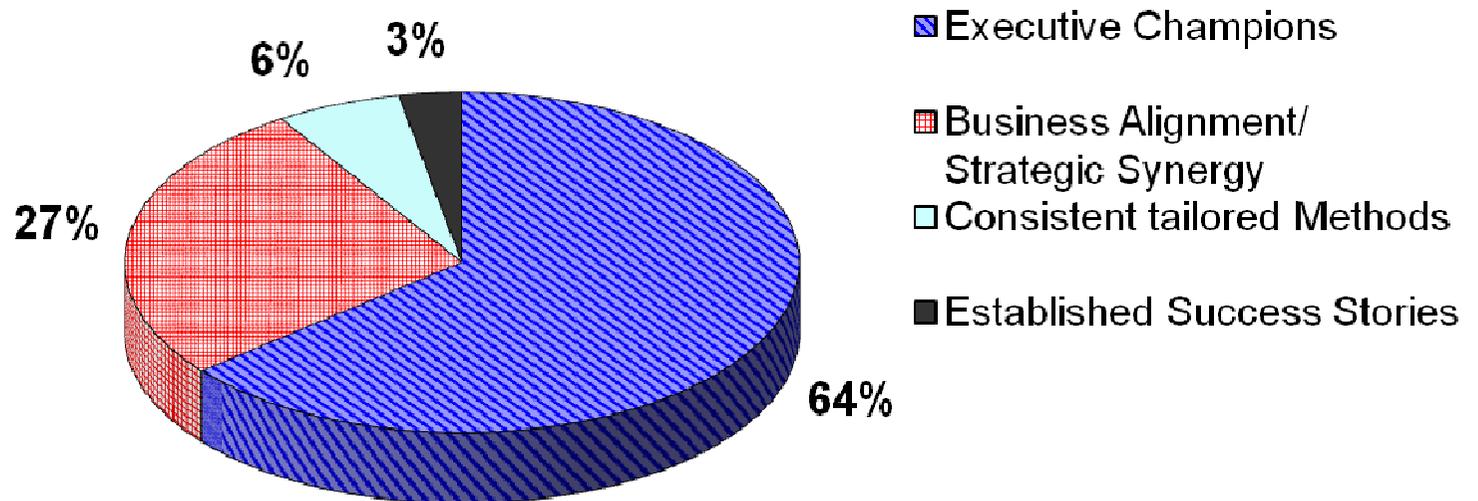
Project management is about more than just project managers

The CHAOS Ten

Executive Support	18
User Involvement	16
Experienced Project Manager	14
Clear Business Objectives	12
Minimized Scope	10
Standard Software Infrastructure	8
Firm Basic Requirements	6
Formal Methodology	6
Reliable Estimates	5
Other	5

Each factor has been weighted according to its influence on a project's success. The more points, the lower the project risk.

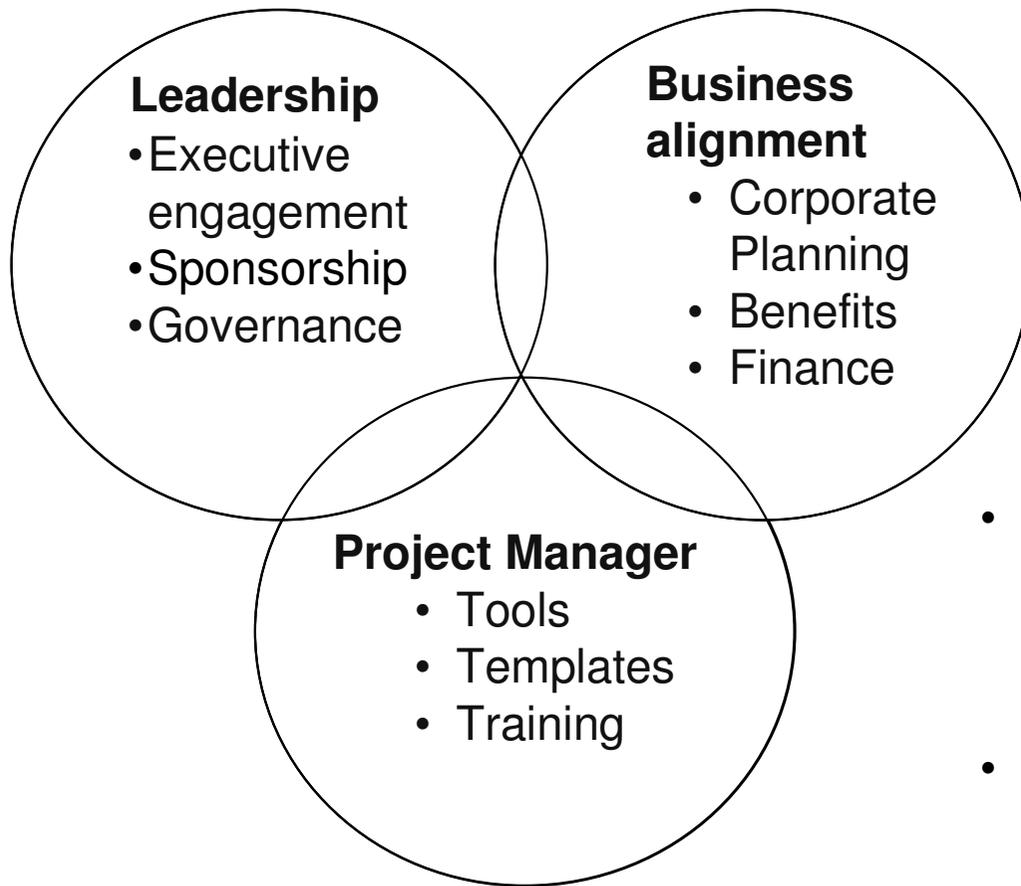
What is the most important factor in promoting organisational project management buy-in?



Source: Standish Group – Extreme Chaos Report 2001

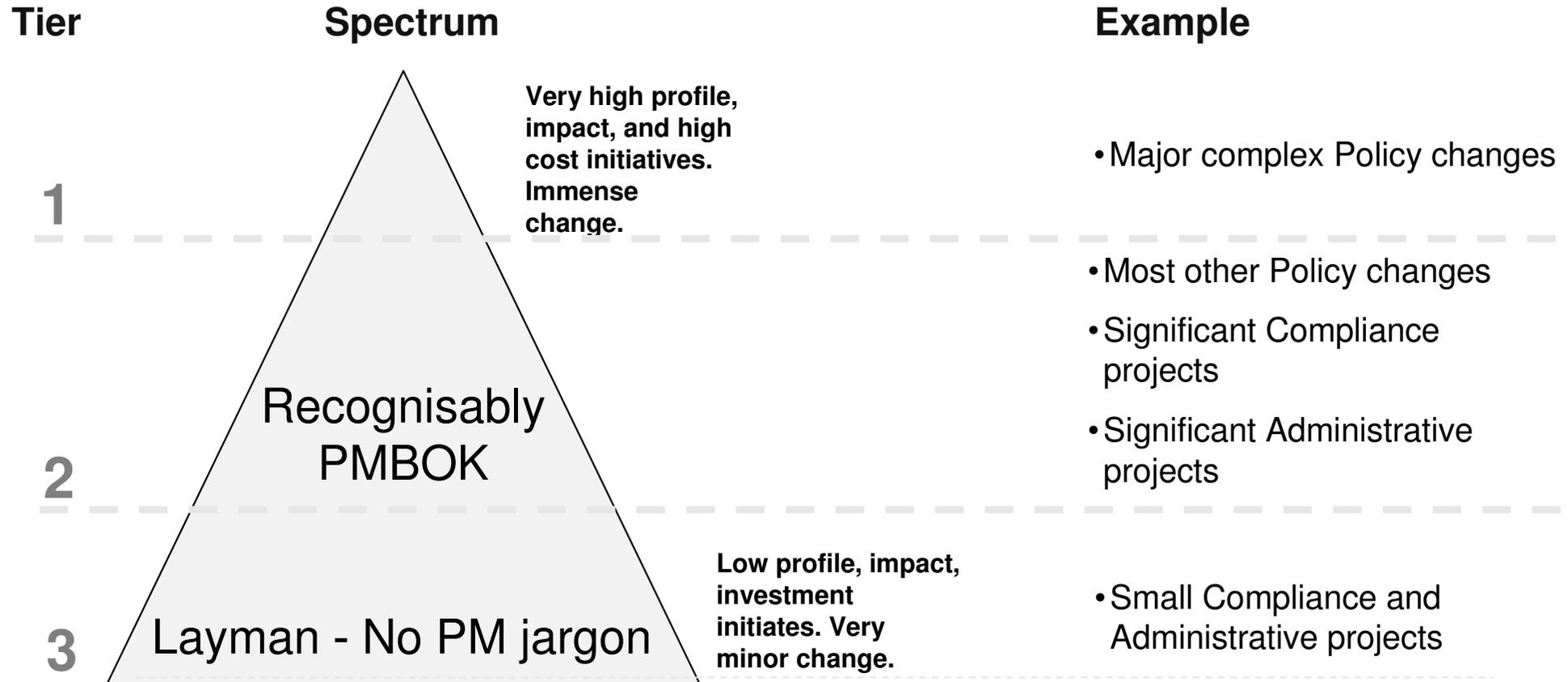
SOURCE: Project Management Institute
PM Network, May 2003, Results of March 2003 on-line survey

A contemporary approach for building and improving project management capability



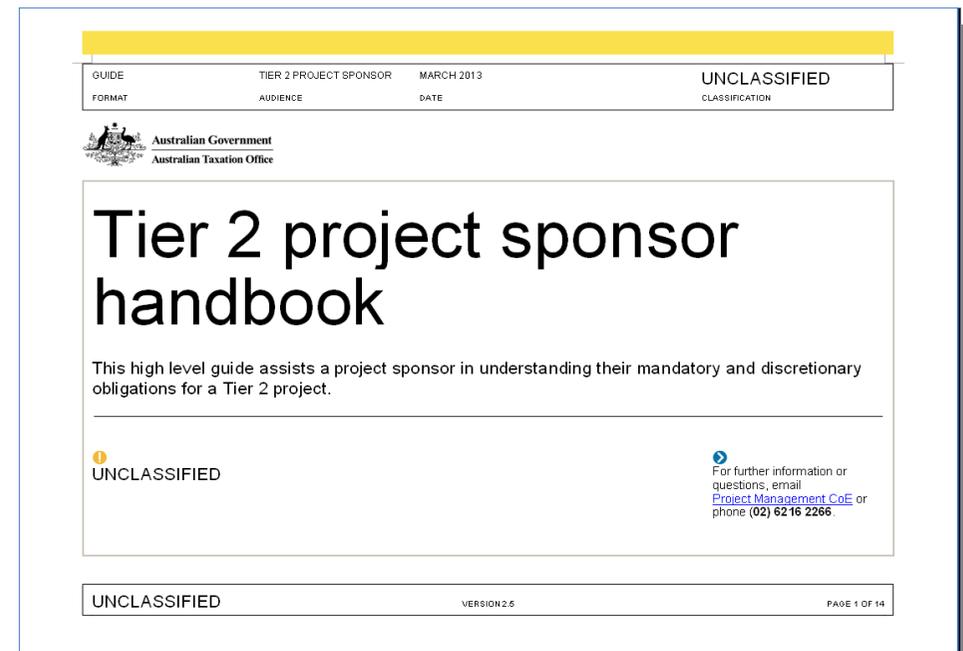
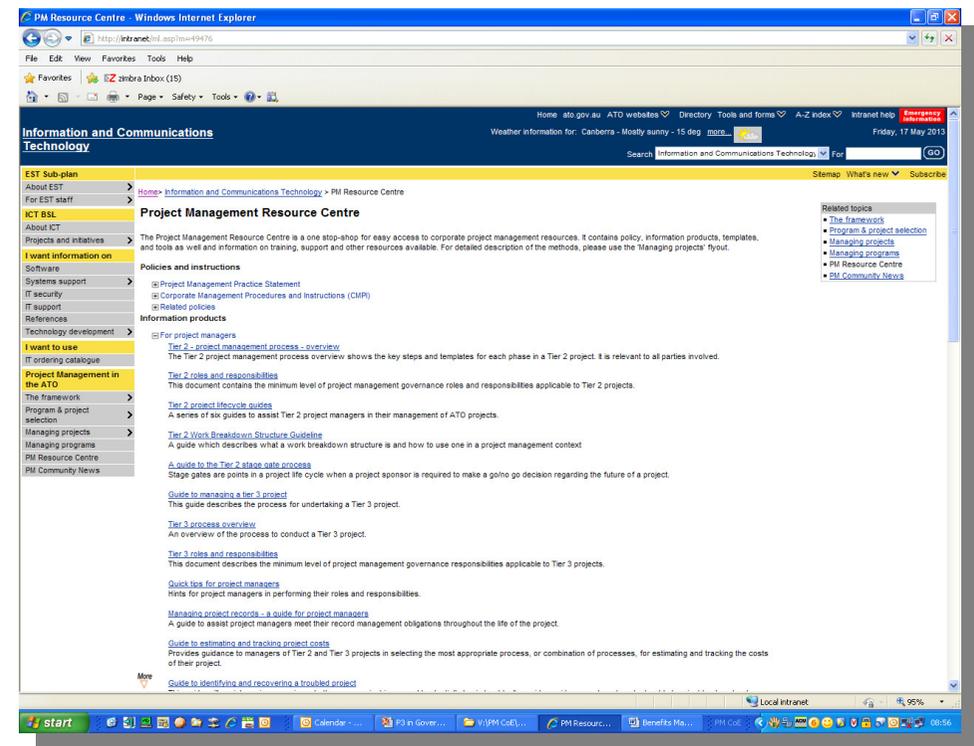
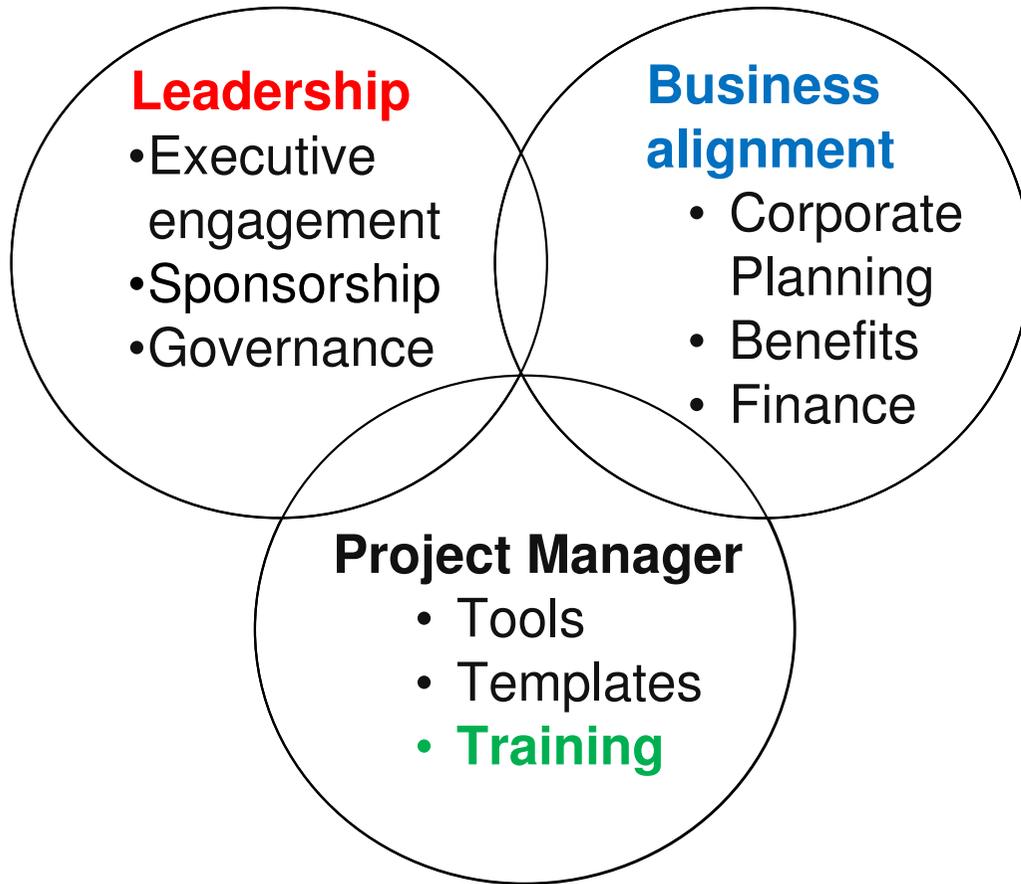
- **Improve policy** (practice statement)
 - link project selection to **corporate strategy/planning**
 - match project management and governance requirements to **strategic value of change**
 - promote greater engagement of **leadership** in project governance (project sponsorship)
 - require establishment of project registers (measure)
- **Improve practice** (process and procedures)
 - knowledge transfer from partners on major programs
 - better role guidance
- **Improve people**
 - training provided to match classifications

Matching requirements to organisational value



Sponsorship is key

....but most struggle due to lack of organisational infrastructure

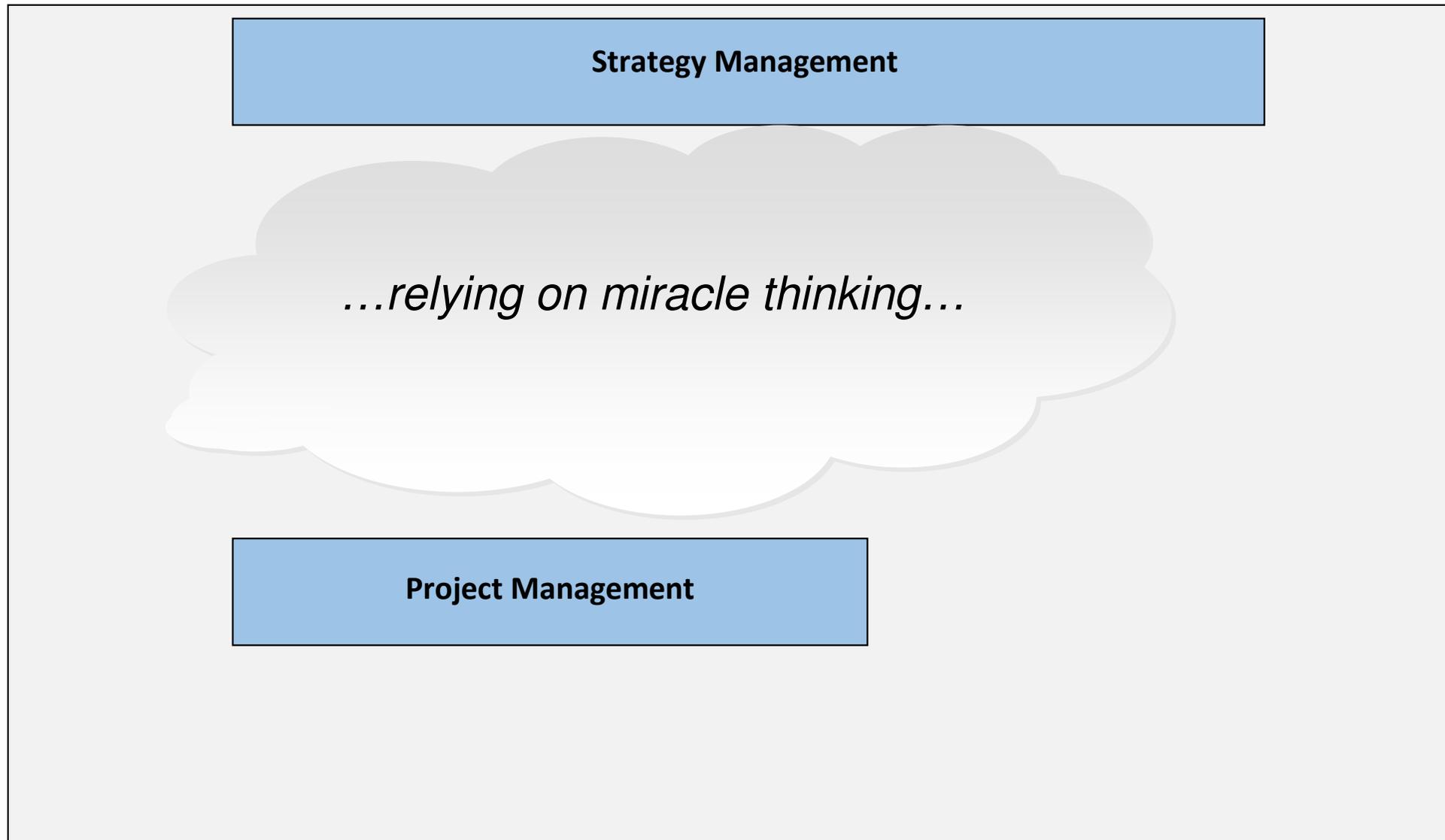


Right Projects (and Programs)

Portfolio management and value based investment selection



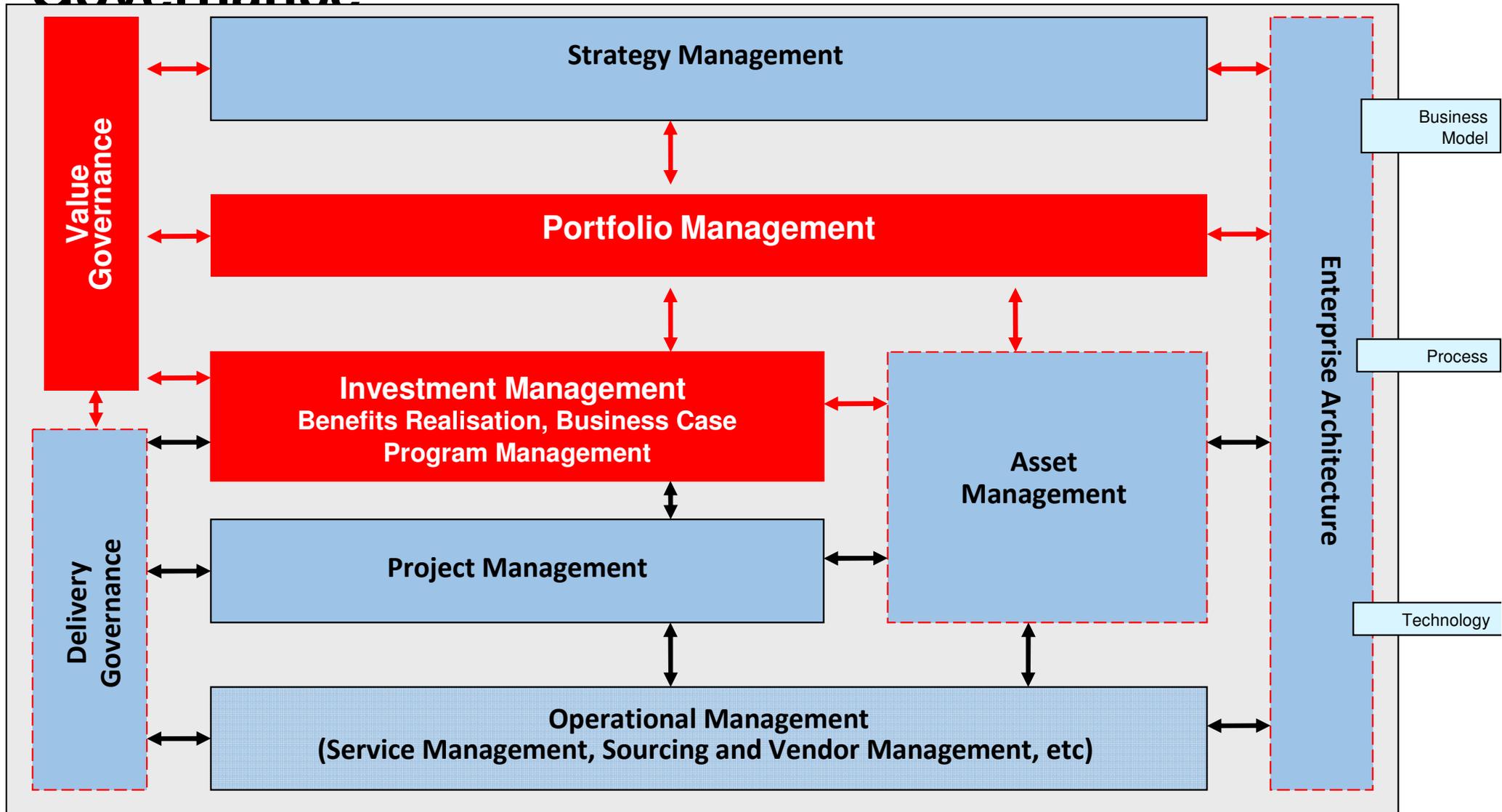
The challenge many organisations have is to connect delivery with strategy



Based upon John Thorp's *The Information Paradox* (McGraw Hill 2003)

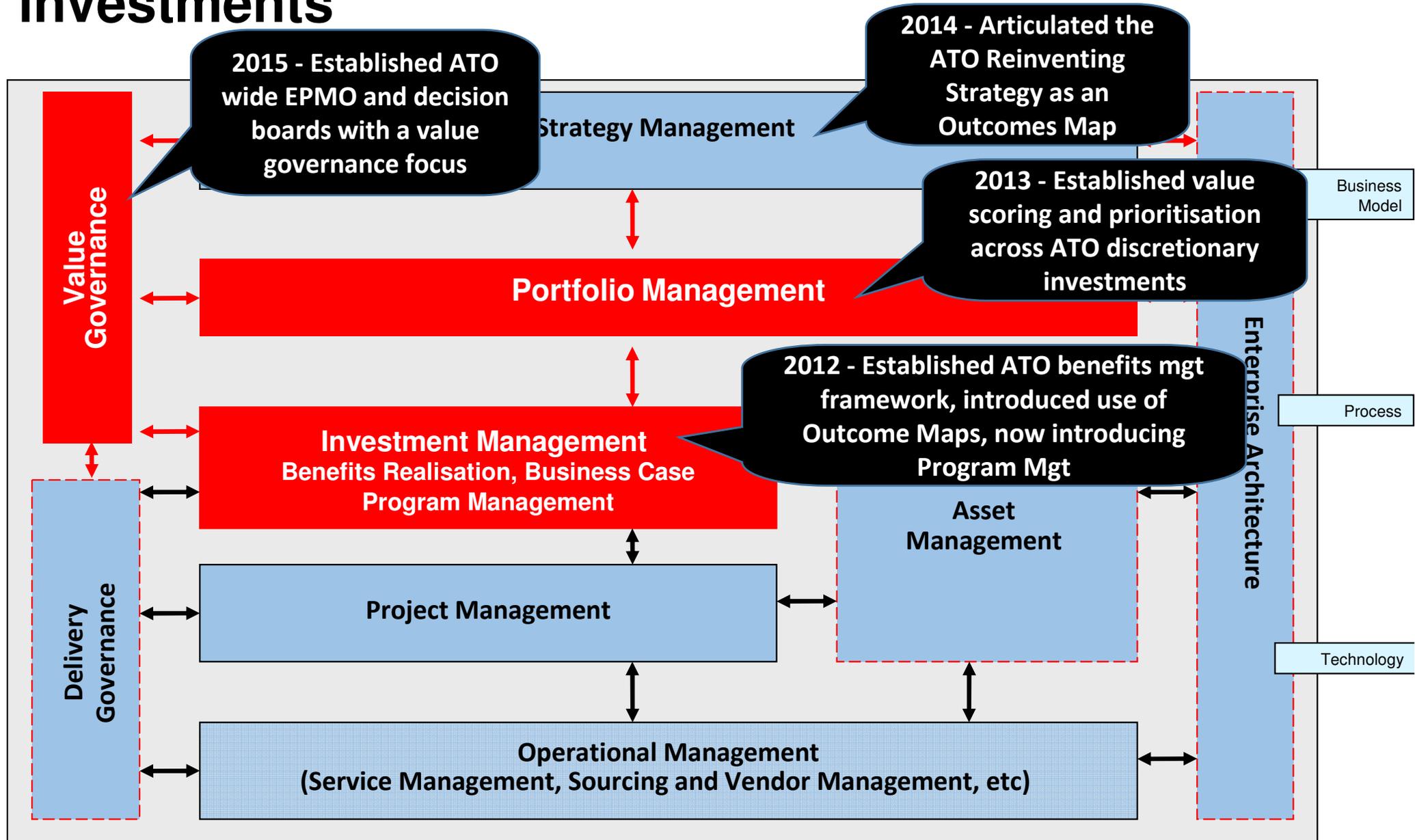


Within a Strategic Governance Framework, Value Management disciplines covers Portfolio Management, Benefits Management and Value Governance



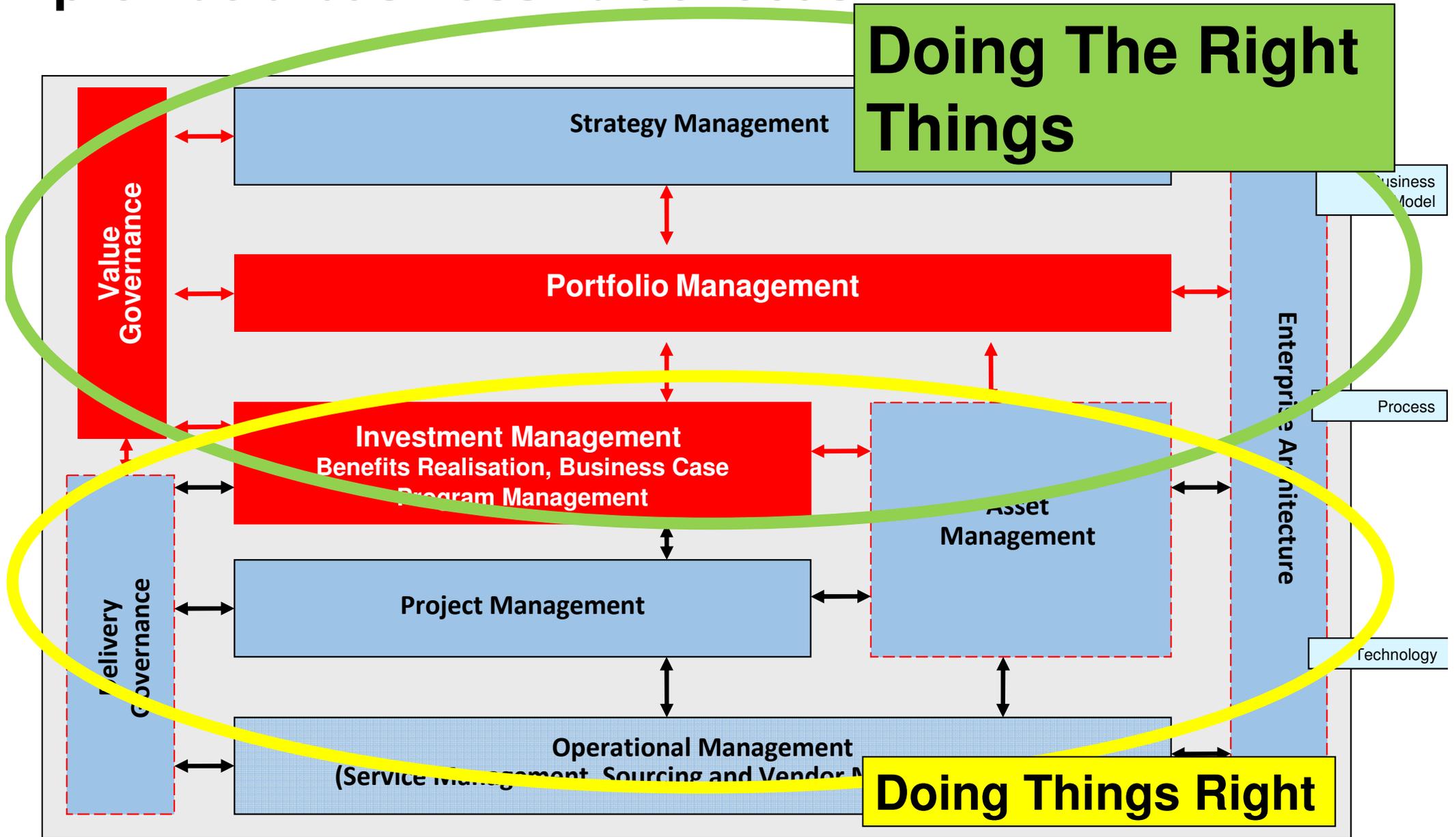
Based upon Val IT Framework 2.0 (ISACA 2008) and John Thorp's *The Information Paradox* (McGraw Hill 2003)

This Value Management model provided guidance to the ATO's journey to selecting the right investments



Based upon Val IT Framework 2.0 (ISACA 2008) and John Thorp's *The Information Paradox* (McGraw Hill 2003)

This moves our focus beyond just delivery to provide a business value focus



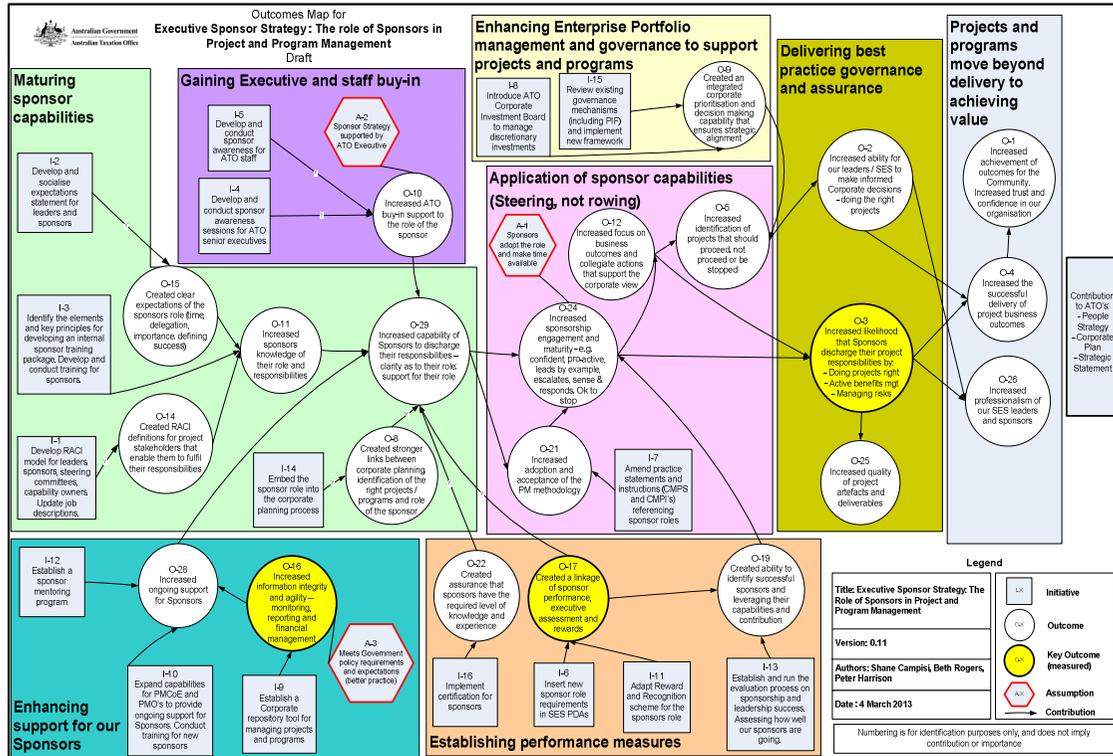
Based upon Val IT Framework 2.0 (ISACA 2008) and John Thorp's *The Information Paradox* (McGraw Hill 2003)

Right Results

Realising the business outcomes of change



Are we getting the right results – outcomes and benefits



TEMPLATE INTERNAL JULY 2012 UNCLASSIFIED
 FORMAT AUDIENCE DATE DATE CLASSIFICATION

Australian Government
 Australian Taxation Office
 FILE REF: [FILENO.]

Benefits Management Plan

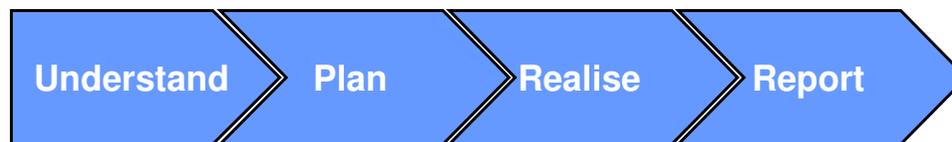
Project ID: insert project ID from sub-plan project register
Project name: insert project or program name
ICT component ID: If applicable insert ICT component ID
Project category: insert project category from sub-plan project register
Project sponsor: insert project category from sub-plan project register
Project manager: insert project category from sub-plan project register
Sponsoring BSL and sub-plan: insert sponsoring BSL and sub-plan
Date: insert date document approved

1 This plan will assist project sponsors and project managers to define the project's outcomes and benefits and the responsibilities for realisation, measurement and reporting.

2 For further information or questions:

- Contact your [sub-plan/BSL PMO or project management support area](#).
- Email [Value Management Support](#)

VERSION 1.0



“Whole picture of project can be seen”
 “Allows for a deeper conversation about the project”



Lessons Learnt

Knowing too much - choose a model

Close the gap - get expert help

Remember Machiavelli – this is about cultural change

Think portfolio and program – as well as project

Remember Drucker – focus on value

Knowing too much - choose a model

THE INFORMATION PARADOX

- DMR Consulting, John Thorp
- Benefits Realisation Approach
- Results Chains
- Program Mgt, Portfolio Mgt and Full Cycle Governance

Government Chief Information Office

- NSW GCIO Benefits Realisation Guidelines
- Developed by IBM in 2010

ENTERPRISE VALUE: GOVERNANCE OF IT INVESTMENTS

The Val IT Framework 2.0

- ISACA. Linked with CobIT
- Principles based
- Value Governance, Investment Mgt and Portfolio mgt

OGC

- MSP
- P3O
- MoV

Cranfield UNIVERSITY School of Management

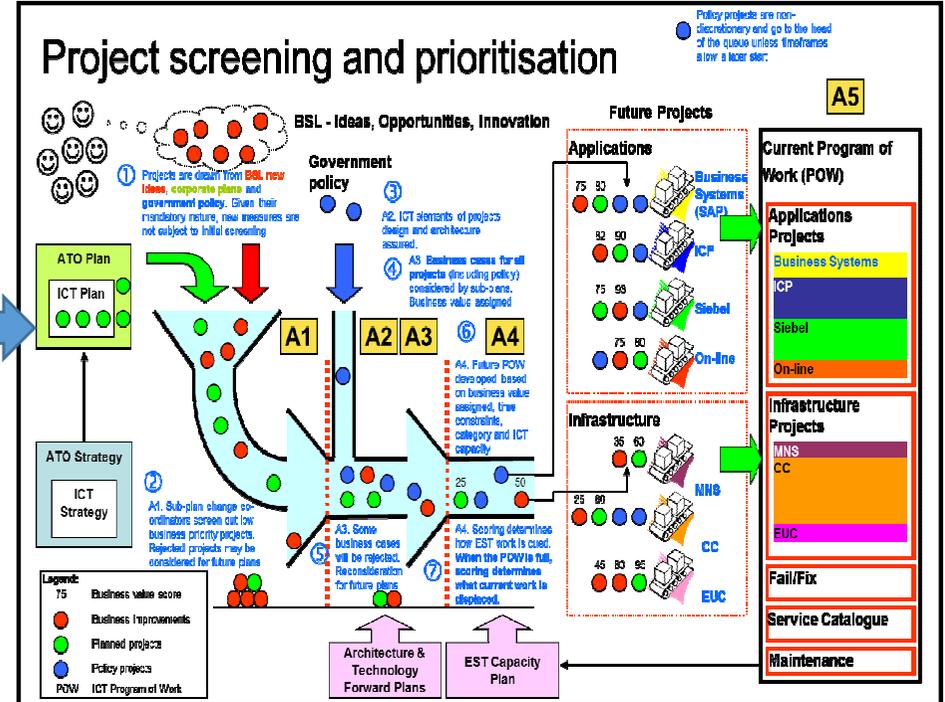
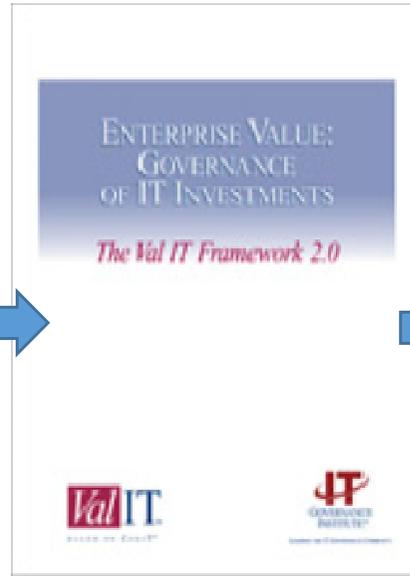
- Benefits Management
- Dependency Maps
- Research

Several others...

PMI Project Management Institute

National Government Information Management Office

Demand and Value Assessment Methodology



Close the gap – get expert help



The importance of being valued

John Thorp, an internationally renowned expert and thought leader on how organisations can optimise the benefits and business value from their information technology investments, recently presented two workshops at National Office.

More than 50 employees from a number of roles and positions attended the workshops, including senior executives, sub-plan change coordinators, Business Solutions relationship managers and representatives from a range of project management offices.

The workshops came about following the corporate conversations sessions, where ATO Online 2015, the ATO's plan for enhancing information technology within the organisation, was discussed.

The workshops were aimed at helping tax officers further develop the processes which support ATO Online 2015. John said that too often, organisations concentrate on the 15% of the project that constitutes the technology change. They forget about the business change, which represents 85% of the actual work and is where the value is really achieved.

“There is no such thing as an information technology project. Instead, we should think about business change projects that

Remember Machiavelli – this is about cultural change

‘there is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things’



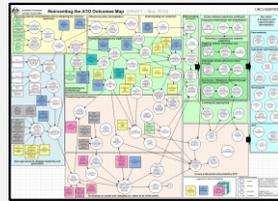
Think portfolio and program – as well as project

1

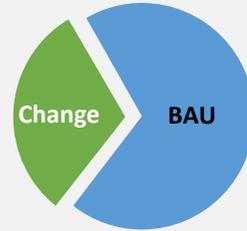
Allocation of funding

ATO Executive

- Define strategic outcomes
- Distinguish between BAU and change during corporate planning
- Allocate funding between BAU and change – operating and capital funds
- Provide guidance on internal vs external funding for change activities



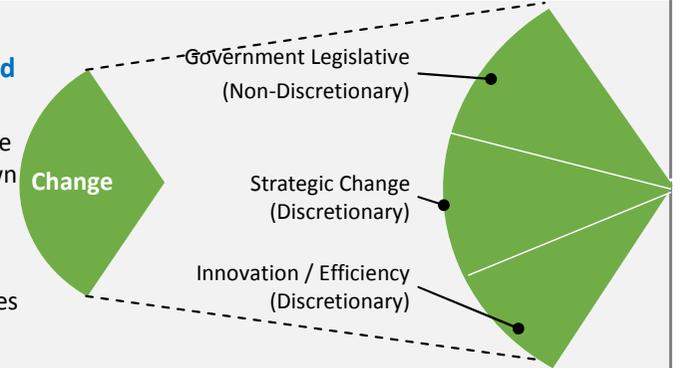
Strategic outcomes map



Funding allocation

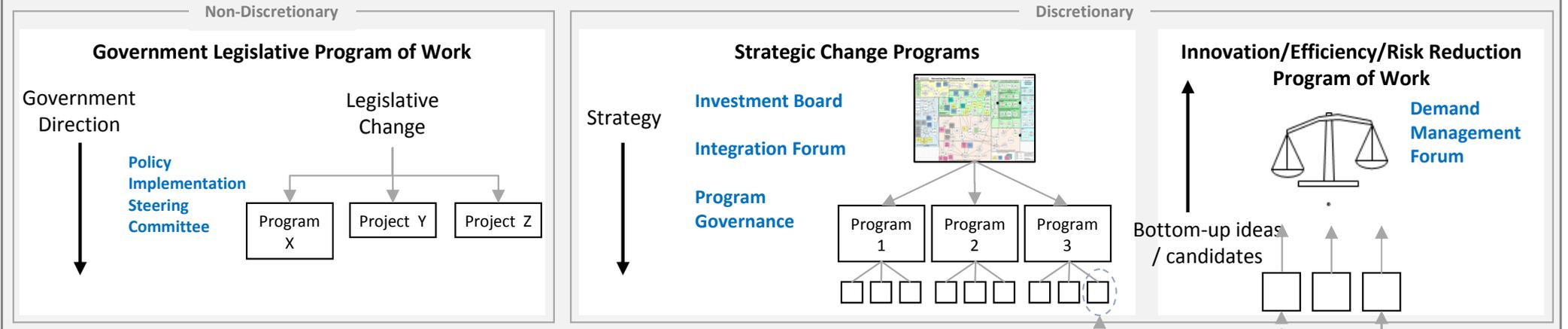
Investment Board

- Determine change budget breakdown
- Monitor realisation of government and strategic outcomes



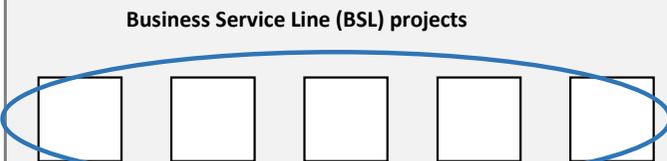
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Top-down structuring, planning and monitoring of corporate change portfolio

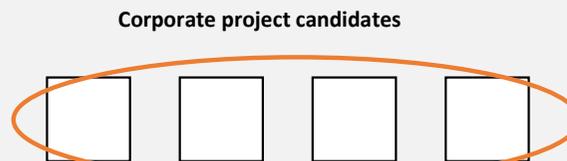


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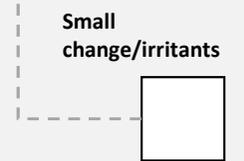
Bottom-up idea generation



- Projects that can be resourced within the BSL
- Corporate guidance and methods available
- BSL governance and assurance



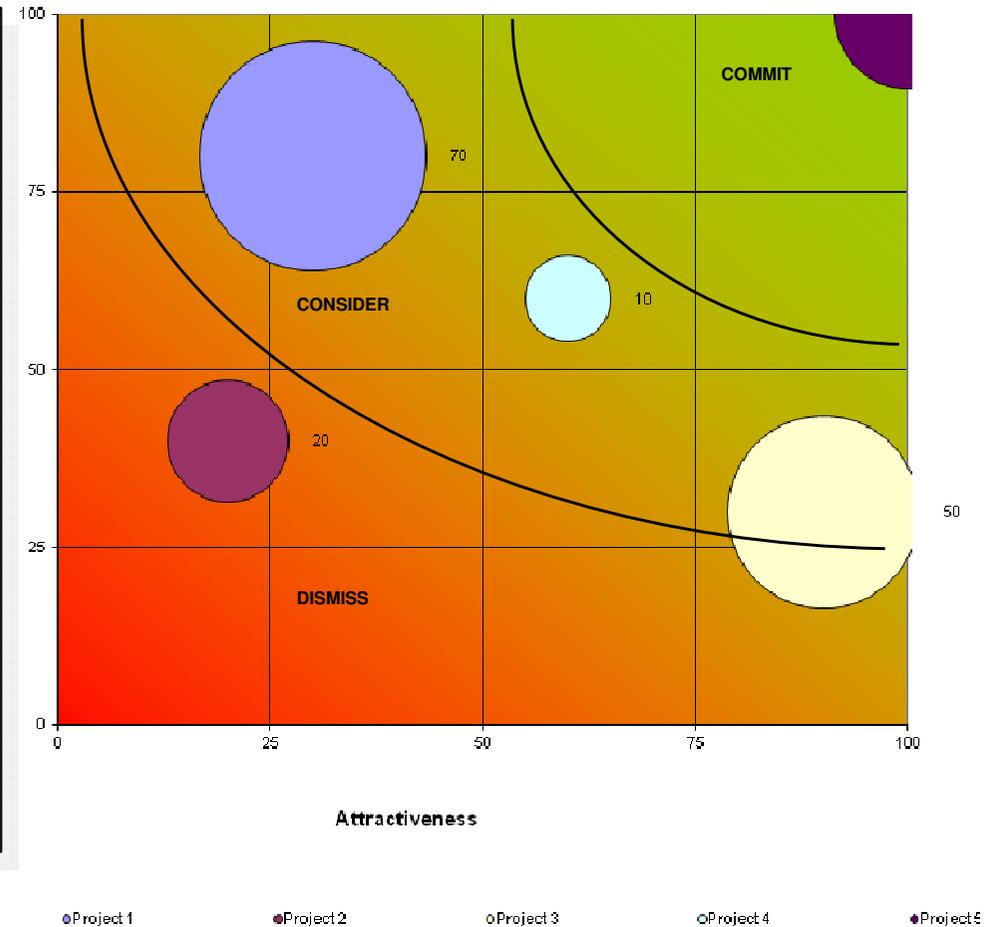
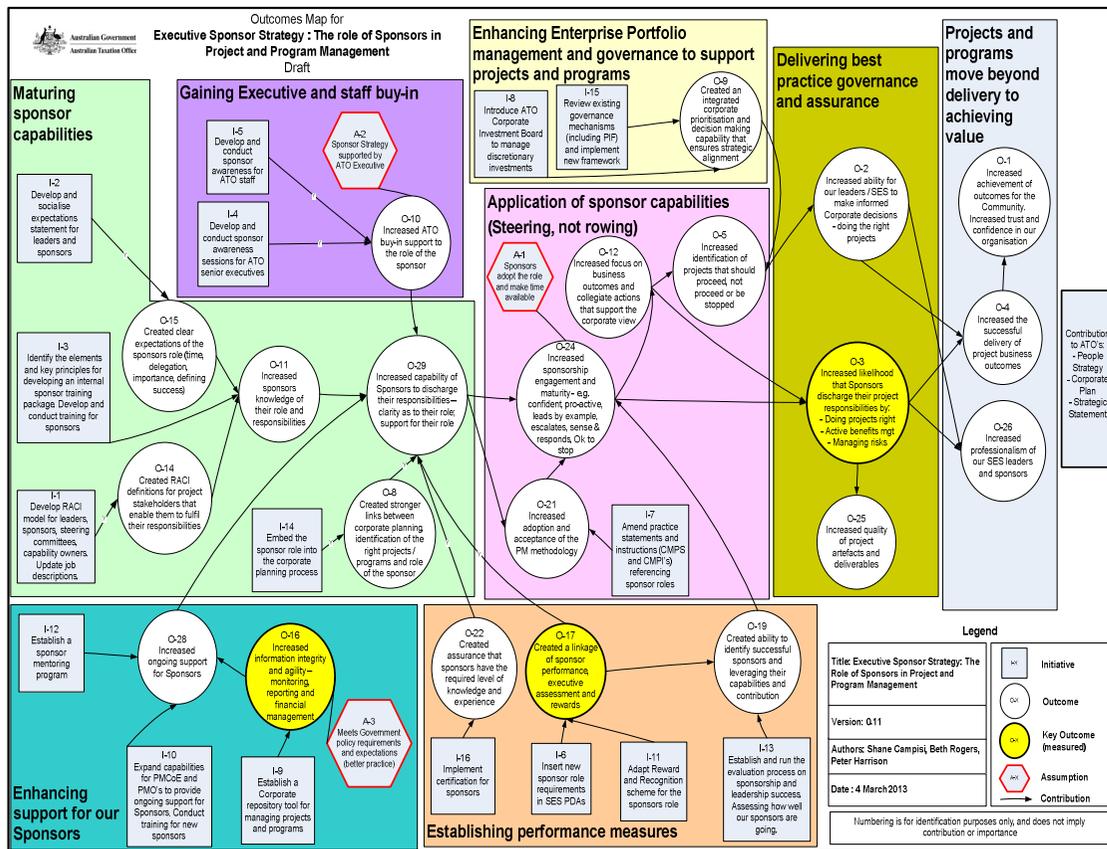
- Projects that require funding/resources from more than one BSL
- Corporate guidance and methods utilised
- Corporate governance and assurance



Remember Drucker – focus on value

“There is nothing so useless as doing efficiently that which should not be done at all.”

– Peter F. Drucker



Questions?

The journey continues...



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