

PROJECT
OUTLINE
FORMAT

INTERNAL
AUDIENCE

DECEMBER 2005
DATE

IN CONFIDENCE
CLASSIFICATION



Australian Government
Australian Taxation Office

FILE REF: CSA 06/07

Child Support Agency (CSA) Non Lodger Project

Default Assessment strategy

Project name: CSA Non Lodger Project
Date: July 2006
Project Director: S47E [REDACTED] (ATO) & S47E [REDACTED] (CSA)
Project Sponsor: S47E [REDACTED] (ATO) & S47E [REDACTED] (CSA)
BSL and Sub-Plan:



IN CONFIDENCE



For further information or questions, please email the [Project Management Improvement](#) team or call ext 62266.

Template V1.4

Background and Business Drivers

How did this project come about?

This project is subordinate to the CSA non lodger project (see the attached project outline).



H:\CSA project
outline July 2006 - fin

The usual lodgment enforcement activities involve letter, phone and prosecution strategies. Whilst it is possible to get a very wide coverage in the letter and phone strategies, we are limited in the number of prosecutions that can be progressed. The initial project outline recognised the need to explore additional and alternative enforcement strategies to achieve the desired lodgment of income tax returns.

This paper has detailed ATO's assurance of high level lodgment compliance outcomes and Government has agreed that an effective Lodgment Enforcement Program is critical to achieving the objectives of the Child Support Scheme reforms. To this end funding was provided in the May 2006 Budget to the Child Support agency (CSA) for lodgment enforcement activity with the aim of securing additional lodgments from CSA clients that have failed to lodge. CSA and the Australian Taxation office (ATO) have agreed to deal with 125,000 referrals for Lodgment enforcement action, each year of the agreement.

The project outline provides the detail for the trial of a default assessment strategy in relation to CSA non lodgers. The aims of this strategy are to provide a firm enforcement alternative to prosecution and improve the leverage of our letter and phone strategies.

Description

What are we going to do?

This project outline will address the necessary actions that are required to be implemented to undertake a trial of a default assessment strategy. This will include communication and Tax agent liaison plans to introduce to the community and tax professionals our intent and planned approach.

The clients will be selected from the CSA referrals received since 01/07/2006 and have exhausted the first three letters in the four letter strategy. From this base population we will select clients that have only their 2004/05 financial year outstanding and have payment summary data for the full 12 months and indications that they have been in full time employment for the whole year. The remaining population will be further stratified into two broad groupings:

- Clients with only salary and wages income and;
- Clients with salary and wages plus other identified income (generally AIRR and P'ship/Trust distributions).

At this stage the sample will have 500 clients in each population. It is intended to commence the letter issue associated with the trial prior to the first week of November so that the outstanding default assessment action can be completed prior to Christmas 2006. This will enable the evaluation to be completed in January/February 2007 with a decision to proceed with a full project by mid February 2007.

Intent and Outcome

What are we aiming to achieve?

The intent of this project is to trial a default assessment strategy. This will include the identification and rectification of all associated issues. An evaluation will be completed with associated recommendations about the potential of this alternative enforcement strategy. The key elements to be addressed are:

- Communication plan.
- Tax agent liaison plan.
- Stakeholder liaison -.particularly in relation to reverse workflows (amendment/objection handling and call centres) and debt implications.
- Ensuring capacity to compile the necessary data. This includes extracting and assuring quality of the relevant data, building print files to issue bulk letters, excluding clients that subsequently lodge or seek additional time to lodge, and format data to upload through processing.
- Compose and obtain approval for the bulk letter.
- Identify the candidate client populations, divided into two trial groups;
 - Full year salary and wage only.
 - Full year salary and wage plus other income (interest, dividends and distributions)
- Evaluate the outcomes from the test.
- Recommend cessation or continuation/expansion of the strategy

Deliverables and associated key tasks

Deliverable name	Purpose and description	Due date
Project endorsement	Sponsors to approve the CSA Non Lodger Project default assessment strategy.	06/10/2006
CSA non lodger project - default assessment plan	This will provide the specific detail of the default assessment strategy. These specifics are essential for	06/10/2006

Deliverable name	Purpose and description	Due date
	stakeholder discussion.	
CSA non lodger project - communication plan	This will provide the specific detail of how the strategy will be communicated to the community. Specifically the CSA client community.	06/11/2006
CSA non lodger project - Tax Agent liaison plan	This will provide the specific detail of how the strategy will be communicated to the Tax Agent community. Specifically the potential implications for Tax Agents, their current clients and their potential clients.	06/11/2006
Delivery of Communication and Tax Agent liaison plans	These plans need to be actioned prior to any letter strategy commencing.	30/11/2006
Commence necessary actions to implement default assessment plan	Default assessment threat letter to be approved and ready for issue. Letters to issue providing 28 days to lodge. Allow an additional week after the deadline date. Default assessment data run to commence. Default assessment plan action phase completed – Sample population either lodged or default assessment issued.	27/11/2006 08/12/2006 22/01/2007 26/01/2007
Reporting	Progress reports to be included in the monthly CSA report.	Each Month
Project review and evaluation	Compile necessary data from the project. Compile an evaluation report. Recommendations provided to the sponsors for consideration. (Due to Christmas New year break I have not allowed for any work availability from Christmas to the end of January 2007)	05/02/2007 09/02/2007 16/02/2007

Key milestones

Measure	Purpose and description	Due date
Strategy endorsed	<ul style="list-style-type: none"> Sponsors approval to proceed. 	06/10/2006
Plans completed	<ul style="list-style-type: none"> Strategies articulated. 	06/11/2006
Delivery of Communication and Tax Agent plans	<ul style="list-style-type: none"> Community and Tax Agents advised about the strategy and warned about the possible implications. 	30/11/2006
Default assessment threat letter approved for issue.	<ul style="list-style-type: none"> Letter crafted and referred for necessary sign offs by impacted stakeholders. 	27/11/2006
Mail out completed	<ul style="list-style-type: none"> Bulk letter run generated. 	08/12/2006
Sample population opportunity to lodge	<ul style="list-style-type: none"> Period for clients to lodge. 	22/01/2007
Those still not lodged, default assessment action	<ul style="list-style-type: none"> Identify clients that are still not lodged and do not have other arrangements in place. Commence generating default assessments. 	26/01/2007
Evaluation	<ul style="list-style-type: none"> Report on the trial and the results achieved, including a recommendation for expansion or cessation. 	09/02/2007
Decision to expand or cease	<ul style="list-style-type: none"> Sponsors to agree on the evaluation recommendations. 	16/02/2007

Indicative ATO costs

Cost item	Project cost
Default assessment strategy	To be met through the resource costs provided in the CSA/ATO MOU for the non lodger project.

Project risks

Key Risk	Potential Impacts <i>[Indicate how the risk could impact the budget, timeline, scope or deliverables]</i>	Mitigation Strategy <i>[Outline action that could be taken to mitigate the risk]</i>
Complications/delays in the roll out of communication and Tax Agent liaison plans	It is essential that the community and Tax Agents are advised about this project, its intent and strategy.	AC and DC support/endorsement of this project to provide appropriate high level backing for communications to be developed and prompt publishing.
Unforeseen implications on stakeholders that create blockers to the project	In recent years there has been no bulk default assessment strategy. As such we have little historical data to provide. Need to be prepared for unforeseen blockers.	Circulate strategy and plan to all stakeholders for input and comment.
Default assessment letter approval delays	The time taken to approve letters can be 1 to 2 months.	To avoid delays we have the scope to use an existing Default assessment letter. Whilst this is not our preferred letter, it will enable us to develop an improved letter whilst continuing with this trial.
Available clients that meet the project criteria	The sample population has been quite restrictive. As such we may have insufficient clients that meet the stated parameters	Potential to modify the parameters to increase the client population. Would look to include the 03/04 year in this trial.
Production schedule issues that affect the issue of letters	Need to be provided with capacity to issue the default assessment threat letters.	Size of data run is small which will enable us to work around the existing schedule. If project is expanded will need to include in future production schedules.
Unexpected client reaction to the strategy	Could generate significant and unexpected reverse workflows.	Need to raise the awareness with work areas that will be impacted by such reverse workflows. Initial exercise will be limited in size to minimise potential impact, but will enable the development of metrics to better predict future exercises.

Stakeholders

Name	Interest	Strategy
S47E [REDACTED]	ATO	Provide project brief for sign off, monthly reports and a six month Governance session, in addition to ad hoc briefings as required.
S47E [REDACTED]	CSA	Provide project brief for sign off, monthly reports and a six month Governance session, in addition to ad hoc briefings as required.
S47E [REDACTED] (or her representative)	OPs Debt	Provide project plans and strategies for comment and identification of implications to be resolved. Provide ongoing updates and ad hoc briefings as required.
TBA OPs	Client service (call Centres)	Provide project plans and strategies for comment and identification of implications to be resolved. Provide ongoing updates and ad hoc briefings as required.
TBA	OPs CSA	Provide project plans and strategies for comment and identification of implications to be resolved. Provide ongoing updates and ad hoc briefings as required.
S47E [REDACTED]	OPs Key processing	Provide project plans and strategies for comment and identification of implications to be resolved. Provide ongoing updates and ad hoc briefings as required.
S47E [REDACTED]	ME&I	Provide project plans and strategies for comment and identification of implications to be resolved. Provide ongoing updates and ad hoc briefings as required.

Joint Project Directors approval

Name S47E [REDACTED] (ATO) and S47E [REDACTED] (CSA)
 Title/Position CSA non Lodger project Directors
 Signatures Date 14/07/2006

Joint Project Sponsors endorsement

Name S47E (ATO) and S47E (CSA)

Title/Position CSA non Lodger project Sponsors

Signatures Date 14/07/2006