



**Australian Government**  
**Australian Taxation Office**

# The Analyst Workbench – Four Years On

The ATO's Use of the IBM i2 Products and some possible future directions.

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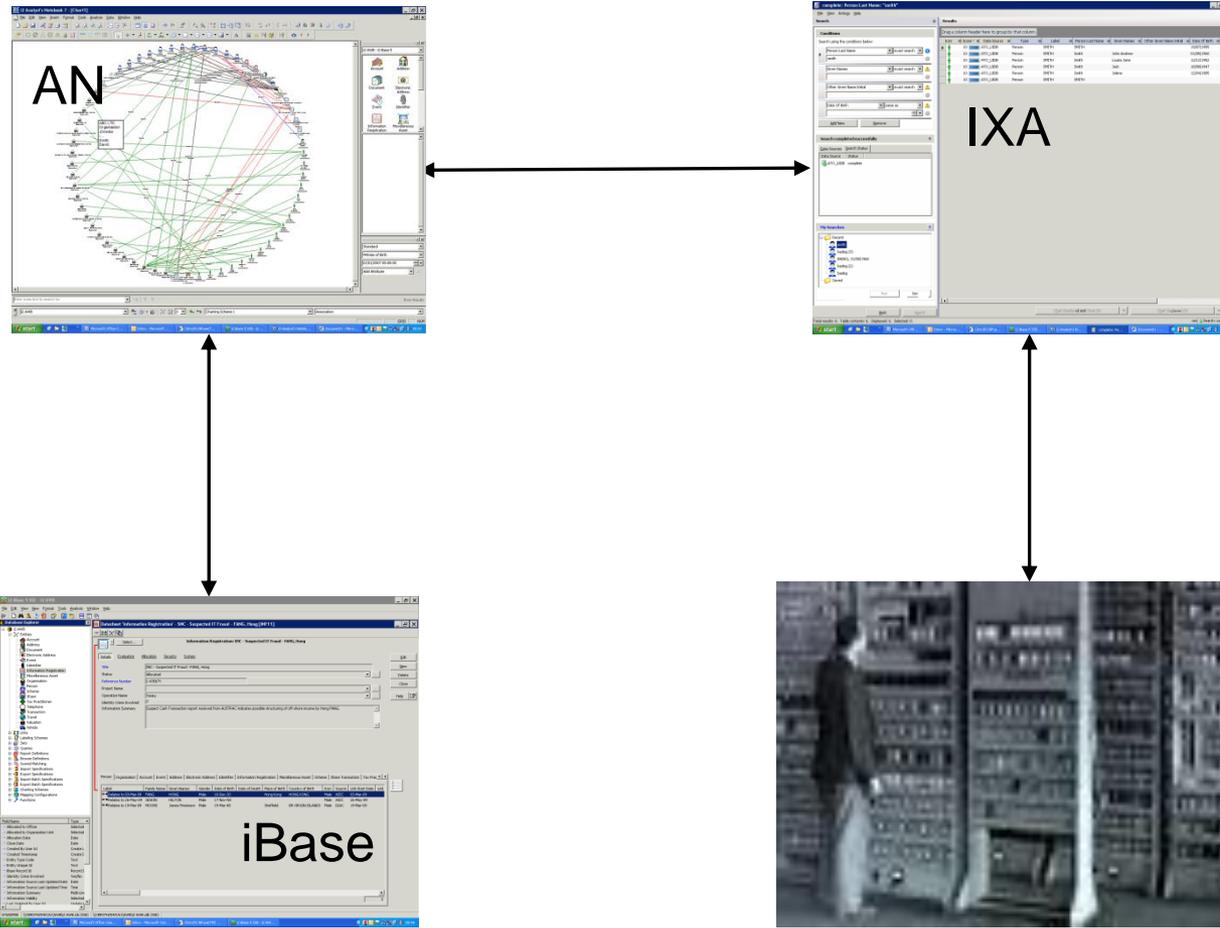
An opportunity to:-

- Talk about what the ATO's experience in using the IBM i2 Products.
- Talk about some different (for the ATO) uses of the technology.
- The ATO Reinvention program, Corporate Reviews and the recently released IT Strategy.

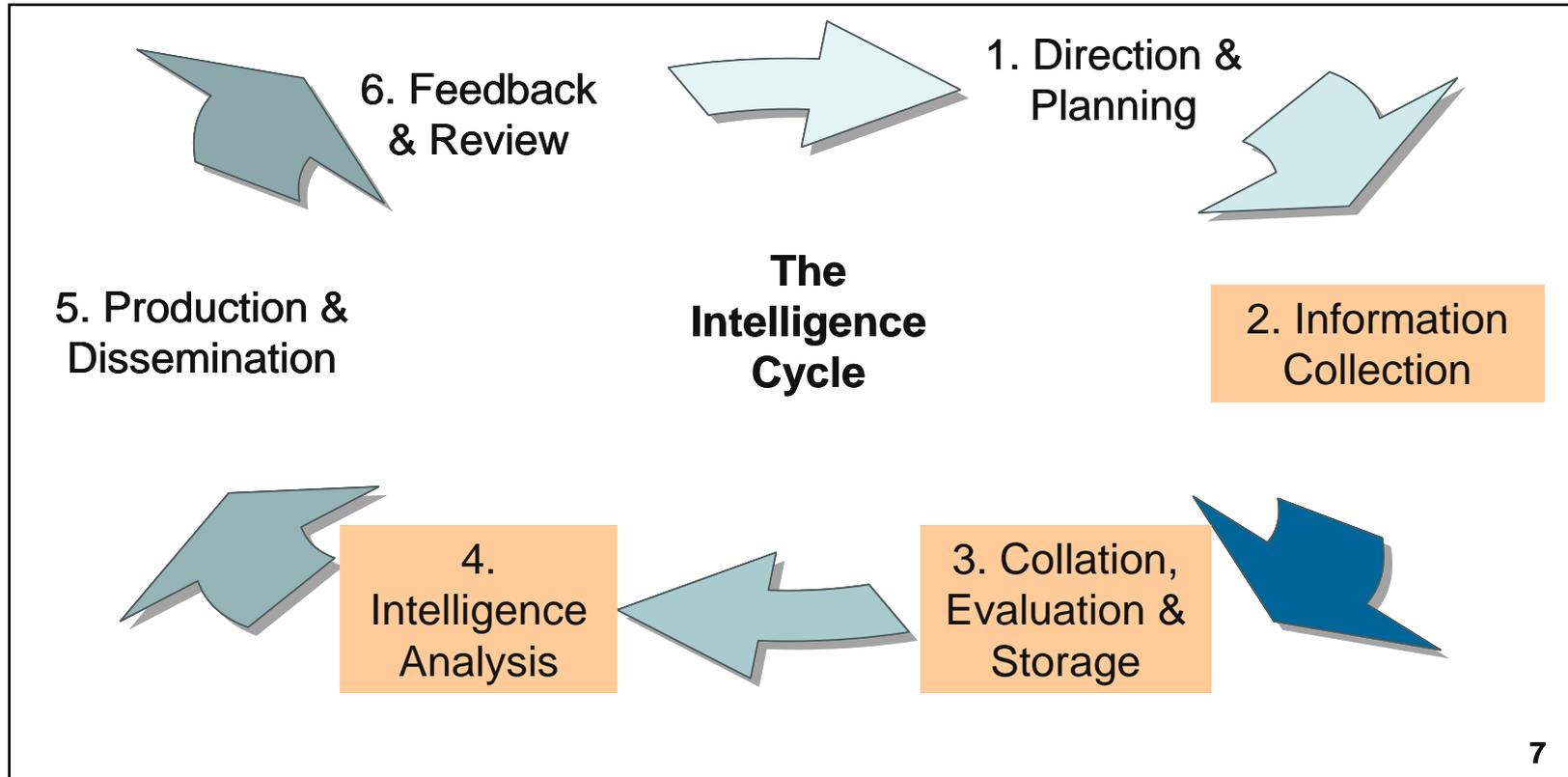
# The Analyst Workbench - Reprised

- Deployed into Production in August 2009.
- Aimed at those areas involved in complex investigations
- Provide a shared space built on “requirement to share” so that analysts from all areas could access information of mutual interest.
- Utilised the i2 suite – iBase, Analyst Notebook and iXa connected to a view of the Client Register + some 3<sup>rd</sup> party data.
- View contains 150 million entities and 500 million relationships

# Architecture – simplified.....



# Alignment with Intelligence Cycle



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# Current State

- 300 active users across ATO Compliance Business Lines.
- Over 500,000 entities and 750,000 links created in iBase since go live but data quality is sometimes problematic.
- Improvements include:-
  - Reduced cycle times,
  - Provision of a secure environment that facilitates collaboration
  - Enhanced management of “closely held” information such as LEA disseminations.
- We have also increased coverage to areas not initially catered for in the original design – ITX (GST and Excise), PGH (Trust Taskforce).

# Current State

Since go live we have also:-

- Deployed a second instance, called the Fraud Workbench, for improved management of allegations of fraud and misconduct by ATO staff and contractors.
- Opened up access beyond the traditional “Intelligence” users and use cases.

Lesson:- Our “badging” of the software as “Intel Only” has artificially constrained our thinking about when the software could be used – failure to realise the benefits of our investment.

# Some Different Uses for the i2 Technology. Egregious Property Developers



# Characteristics

The Property Developer population has some players who exhibit high-risk characteristics that Intelligence and Risk Analysts have identified.

In this scenario we have:-

- Privately wealthy groups – more than 140 related entities including companies, trusts and individuals
- Numerous property holdings – hundreds of land transactions and sub-transactions, some real some “paper” only.
- Several bank accounts per entity with multiple transactions.
- Complex contrived financial transactions and general ledger accounts designed to “cover their tracks”.

The challenge was how to bring this data together so that it made sense.

# Property Developers

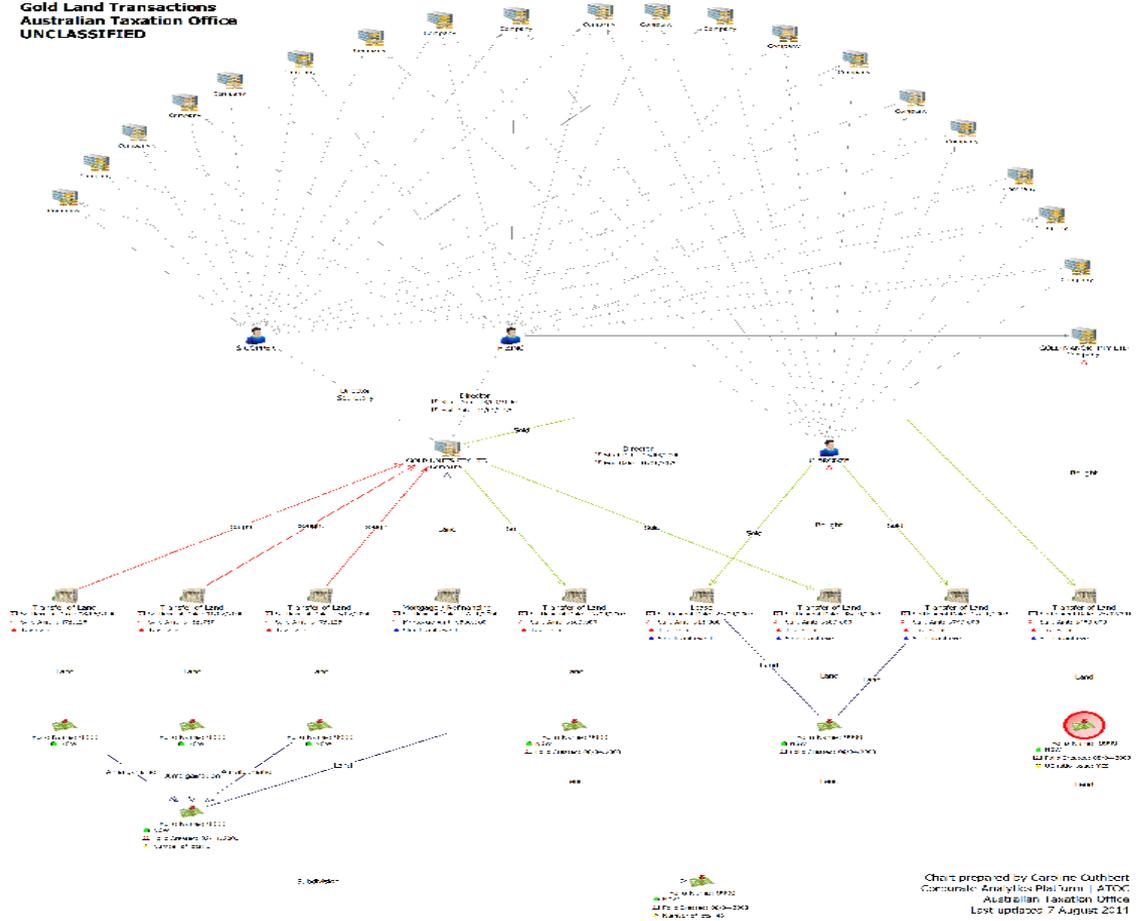
Working with the Data Analysts and Case Officers we defined additional data structures in Analyst Workbench which allowed us to:

- visualize the transactions entered in the general ledger and compare with the actual cash flow in the corresponding bank transactions,
- trace the changes in land holdings over time including purchases, sales, subdivisions and amalgamations and the corresponding taxation events,
- easily track the money routed from profitable entities to loss making and fictional entities and eventually to the asset location for debt recovery.
- Display this to officers in an easily digested format.



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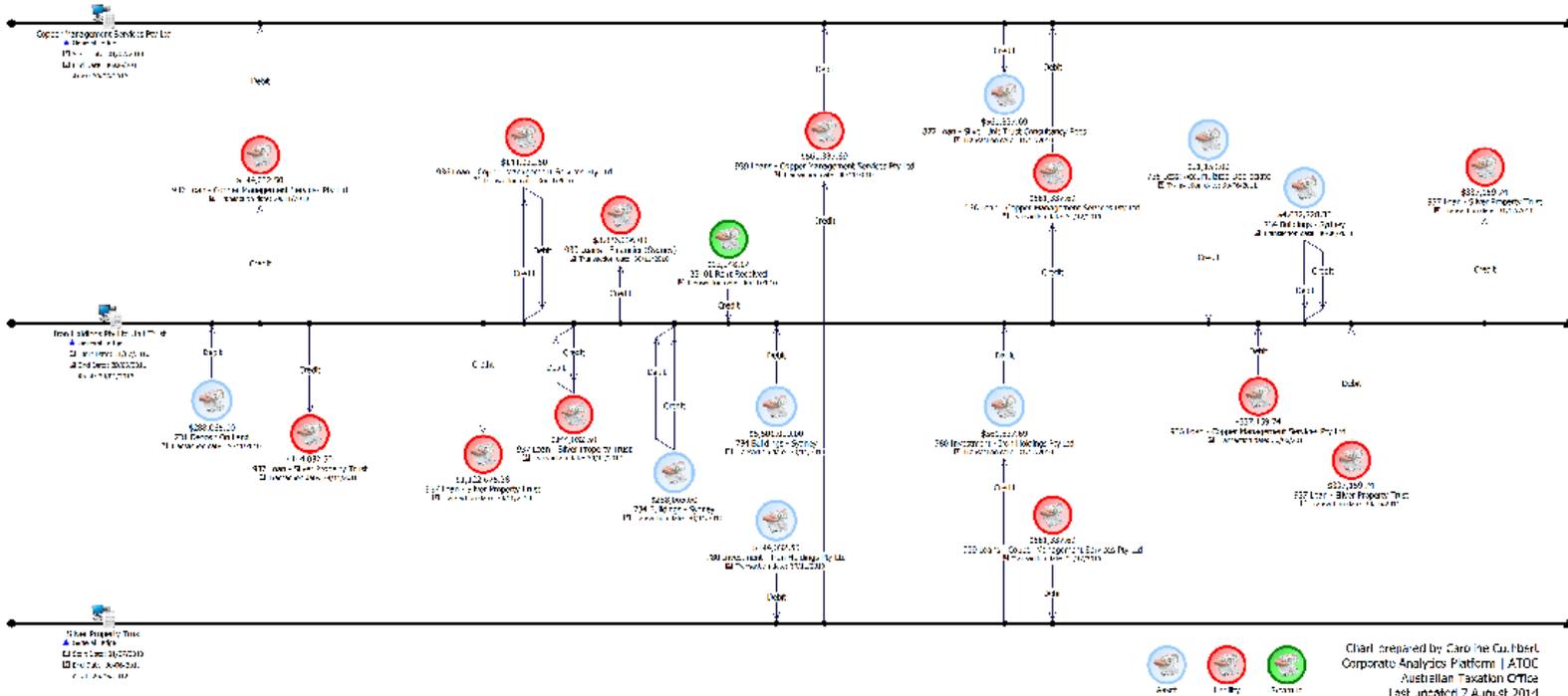
Gold Land Transactions  
Australian Taxation Office  
UNCLASSIFIED



Classification: UNCLASSIFIED

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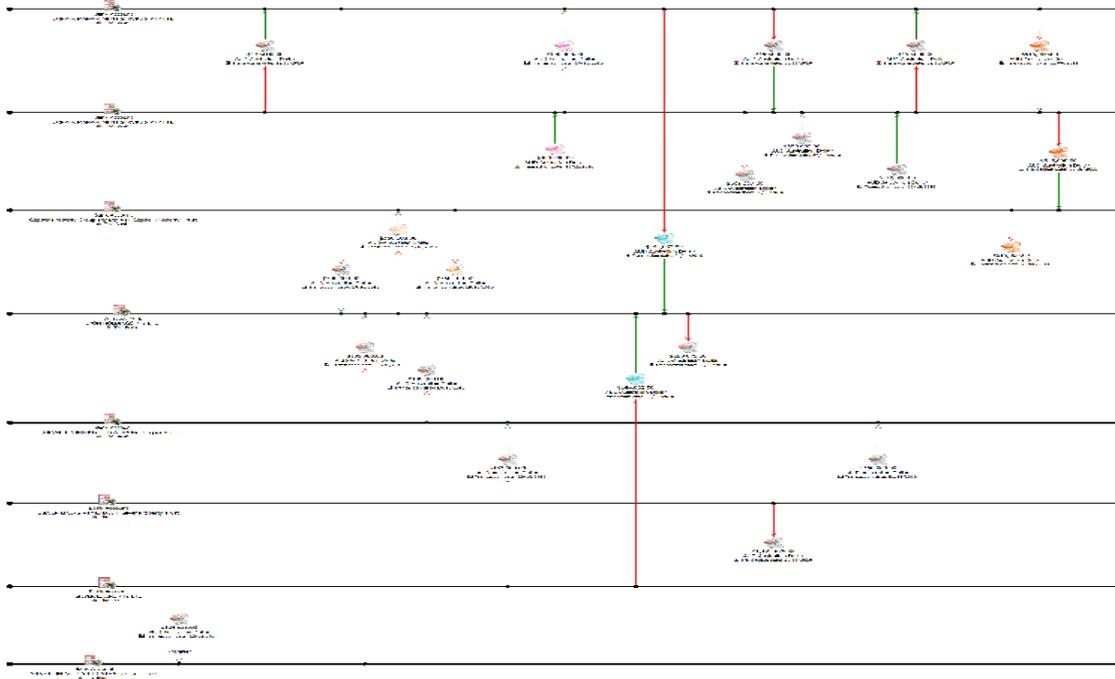
### General Ledger Transactions Australian Taxation Office UNCLASSIFIED



Classification: UNCLASSIFIED

**Bank Account Transactions**  
Australian Taxation Office  
UNCLASSIFIED

2014 - Personal for Corporate File List  
Customs and Excise - External - ATO  
6 - 2014 Bank Transactions (PDF)  
Last updated 7 August 2014



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# Some Different Uses for the Technology – Share-point 2010 Upgrade Project



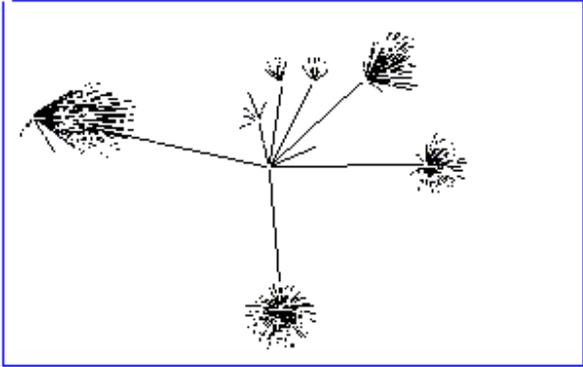
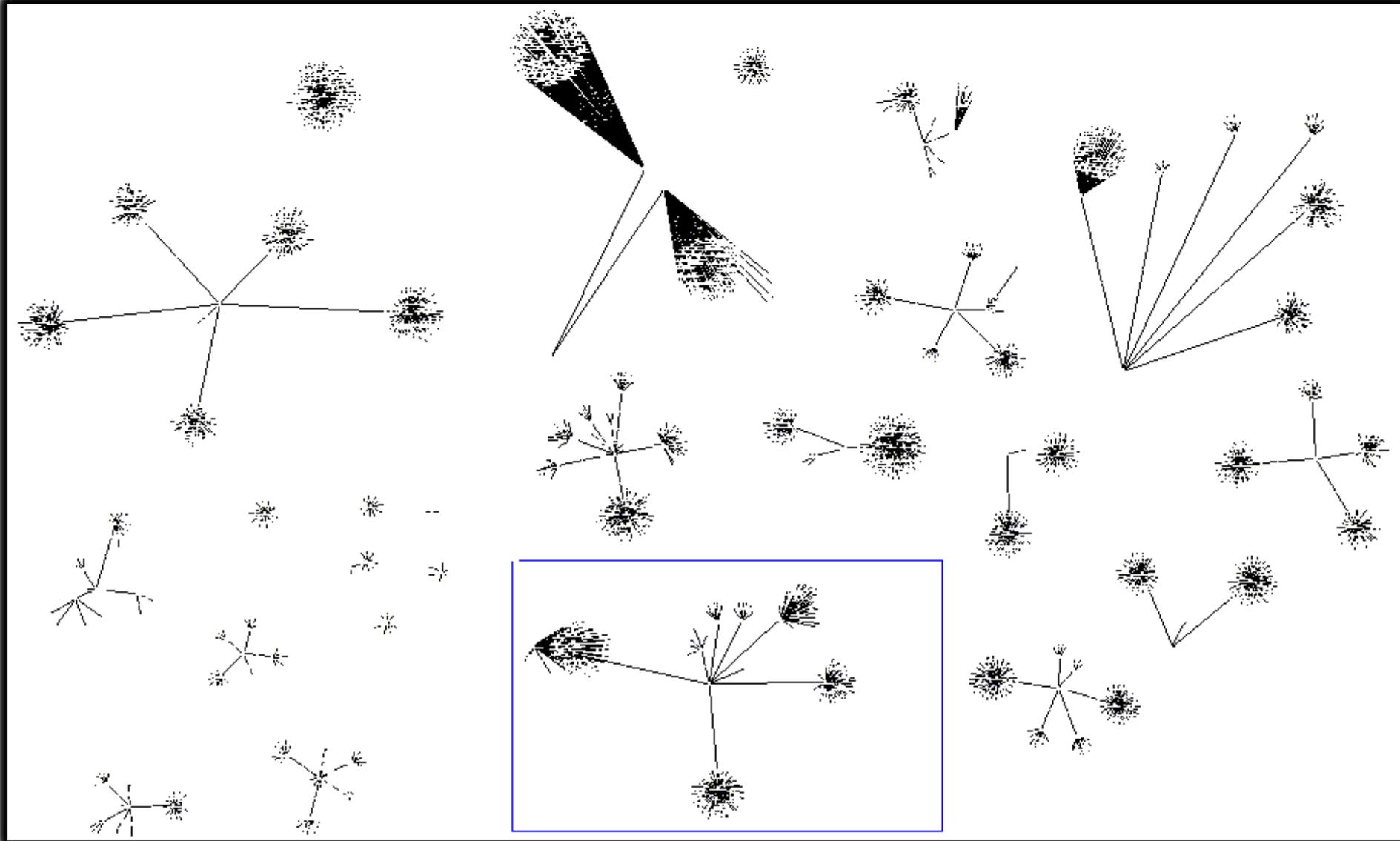
The team needed to determine:-

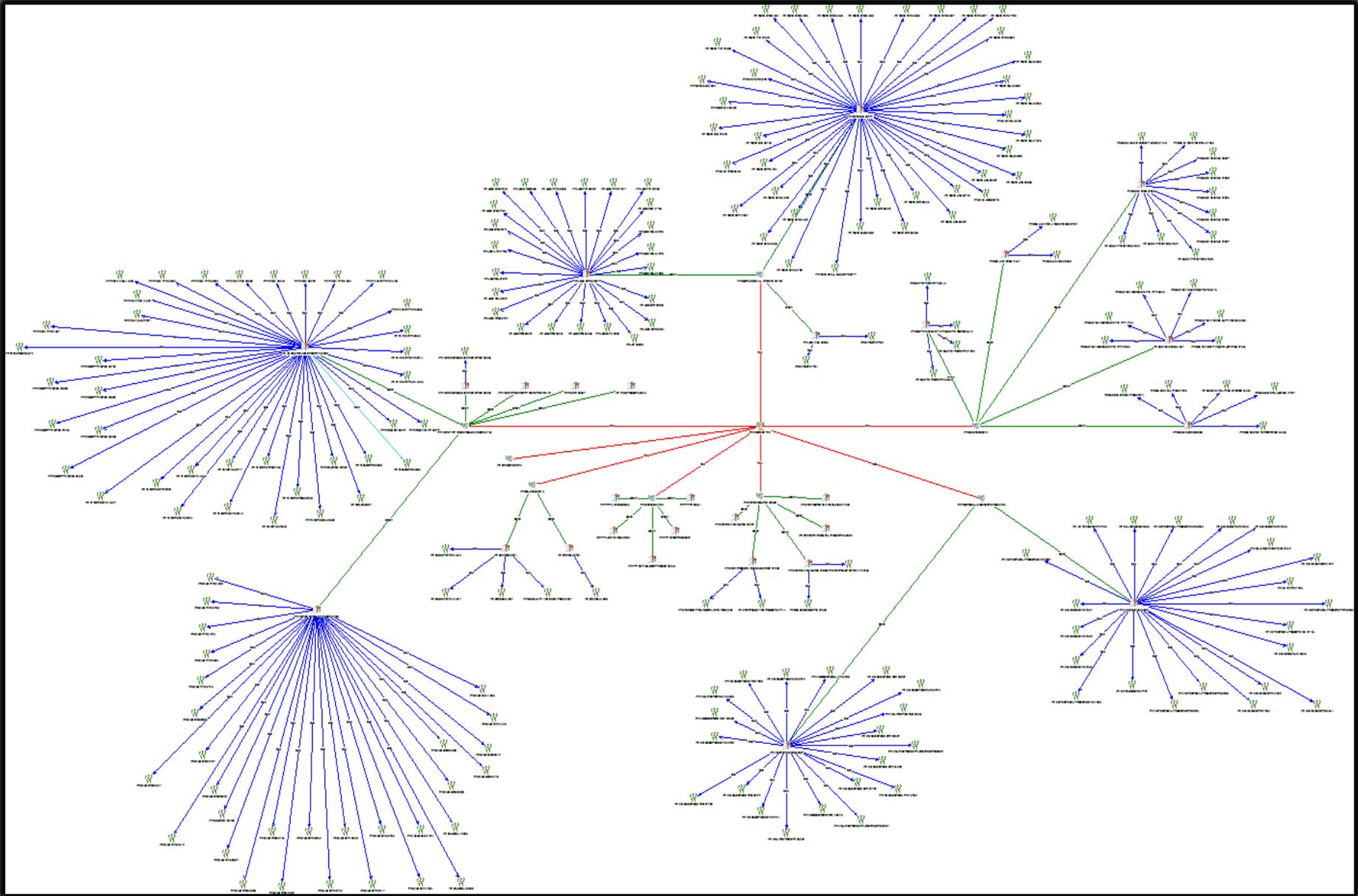
- Who currently has Share-point sites?
- Which sites would be upgraded?
- Which sites would be retired?
- Who needed a new site to be established and how many in total?

But:-

- Data was drawn from SAP and Sharepoint data contained in 2394 lines in an excel spreadsheet.
- Hard to interpret and track – they needed to visualise it!!

The Visualisation shows 245 lines of data.





# What for the Future – Reinvention Underway

## Client Experience

'We are not reinventing for the sake of reinvention. We are looking to design with the community a tax and super system which supports the majority who want to get things right, but also to more effectively detect and deal with those who are not complying. It's a balanced system – through contemporary and tailored services and engagement, through targeted use of data and technology, and a strong legal framework – we actually improve people's likelihood of complying with the system'

## Staff Experience

In order to deliver world-leading contemporary external services, we also need to transform our internal services and staff experience. Our internal change will power our client experience transformation, and help unleash the potential of our people.

## Culture

The engine and the heart of our reinvention will be our culture change. Supporting the APS iCare values – Impartial, Committed to service, Accountable, Respectful, and Ethical – is the move to a more empowering culture.



# Corporate Function Reviews

2 key reviews that will influence our future R and I people and technology landscape:-

- **Strategy, Risk and Intelligence Review**

The Strategy, Risk and Intelligence review will focus on all aspects of how these activities are delivered in the ATO. The review will look at the end to end delivery of each function including the capability, processes, systems and structures.

Our goal is to develop a more integrated approach to strategy development, risk management, intelligence activities and linked/associated capabilities that is corporately directed to best serve the ATO's goals set.

- **Data, Analytics and Reporting Review**

An enterprise wide approach to how we operate across data analytics and reporting functions will help us to support the ATO's future work program.

The review provides us the opportunity to look at best practice approaches in these areas in line with our current operating environment, to design and deliver a more efficient model.

# Corporate Documents – setting out the vision

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## Focus Area 2 > Insight and intelligence

Our data is an enterprise asset and we must use it to make better decisions for compliance and service delivery based on deep understanding of what drives taxpayer behaviour and of potential vulnerabilities in the tax and super systems. It is also about deriving predictive insight and enhanced intelligence from our data asset.

We will continue to improve our ability to manage data as an enterprise asset, and use it more effectively to gain insights from large unstructured data sources, such as social media feeds. We will build on our current analytics capability of understanding and reporting on what has already happened, to being able to predict and influence future taxpayer behaviour. More detailed and predictive use of our information will help us to identify potential vulnerabilities in the tax and super systems and make better decisions in our compliance and service delivery activities.

Making more effective use of our data, and building analytics into our processes to derive real-time insights, are central to the ATCO participating in a digital world. Improving maturity in these capabilities will be critical to targeting fraudulent behaviour, identifying patterns of legal tactics that undermine the tax system, and guiding taxpayer behaviour to use the system in the most effective and compliant way.

We will move:

- From holding data in silos to enabling the whole enterprise to leverage our holdings
- From using our analytics to report on what has occurred, to predicting and influencing what is likely to occur
- From overnight batch to right-time analytics
- From tightly holding our data to sharing and publishing datasets for whole-of-government and public use
- From disaggregated data holdings to integrated ones with reliable quality assurance.

In the future we aim to:

- Unlock the value of our information holdings to better serve business and stakeholder needs
- Increase our use of and integration with third-party data sources
- Continue to assure the security and integrity of our data
- Simplify client experience by directly gathering information from normal economic interactions, such as payroll and point of sale, rather than requiring separate lodgment processes.
- Create a data warehouse dedicated to exploratory analysis and intelligence investigations
- Support each client contact with information on previous interactions, and the risk profile of the customer, to enable more effective engagement and service delivery
- Embed our insight into processes to 'hedge' behaviour through proactive communications
- Increase our ability to effectively use unstructured data and social media feeds
- Use our information to quickly identify and better manage new and emerging risks and intelligence.

Strategy 01

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

- Co-designing with the community and stakeholders a transformed client experience
- Identifying the foundation programs to continue our reinvention journey, ensuring we continue to demonstrate visible progress as we implement this program of work
- Engaging and communicating on our reinvention journey
- Driving cultural change

Strategy 02

Simplify interactions, maximising automation and reducing costs

- Contributing to the government's 'open for business' agenda, driving productivity increases, deregulation, improvements in efficiency and reductions in red tape
- Providing an integrated online experience focusing on myGov, myTax and building on our contemporary services
- Improving our online services to small businesses and reducing paper products
- Improving the productivity of the superannuation system through the implementation of consistent data and payment standards

Strategy 03

Connect with the community and other agencies in meaningful ways

- Working with the Department of Human Services to deliver a whole-of-government Reliance Framework solution
- Working with software developers and tax professionals to drive innovation in tax services
- Working with taxpayers to resolve issues early so that returns lodged are correct
- Working with the community to develop targeted compliance strategies that leverage off taxpayers' natural business systems
- Proactive engagement with individuals throughout their life to prevent lost superannuation and other

Rectangular Ship

Strategy 04

Influence policy and law design for more certain outcomes

- Influencing policy and law design, using insights from our administration and connections with the community
- Supporting Australia's G20 presidency and its taxation priorities including addressing base erosion and profit shifting
- Influencing government policy development and implementation, through advocating the use of services, technologies and processes to minimise the administrative impact on business\*

# Some thoughts in closing

- Convergence of analytics and “traditional” Intelligence.
- Moving away from post event data mining to real time analytics.
- Massive increase in 3<sup>rd</sup> party data feeds – FATCA, GATCA, BEPS – will require a “fusion” approach to data on-boarding and provision.
- Efficiencies through automation of processes (intelligence referrals, risk scoring and treatment decisions as examples).
- Despite improvements in technology there will always be a need for Intelligence and Risk Analysts to do their value add, but how they do their work will most certainly change.



# Questions?

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