



AUSTRALIAN TAX AGENCY IMPROVES SERVICE AND INCIDENT MANAGEMENT

AUSTRALIAN TAXATION OFFICE (ATO)

/// BUSINESS VALUE CASE STUDY



ATO wanted to ensure consistent customer service during the peak tax filing periods that have historically challenged its infrastructure and system process capacity. With Internet tax filing becoming more popular, the agency also wanted to migrate its core business applications to the Web without impacting daily business.

CLIENT PROFILE

www.ato.gov.au

The Australian Taxation Office is the Australian government's principal revenue collection agency, and is part of the Treasurer's portfolio. Their role is to manage and shape tax, excise and superannuation systems that fund services for Australians. The roots of the ATO can be traced back to 1788 when taxation was first imposed on the colony and much later as a national organization. In 1942 the Commonwealth Government began collecting all income tax on a uniform basis throughout Australia, and granting much of this revenue to the States and Territories. With a budget of over AUS \$2.5B, the ATO collects around 92 percent of revenue at the federal government level.

Industry: Government

Headquarters:
Canberra, Australia

Employees: 23,000

Highlights

Goal

Significantly improve the customer experience by establishing a more streamlined and consistent IT environment able to deliver "no-excuse" availability and support during peak periods.

Solution

Modernize and outsource IT infrastructure, as well as develop a governance and incident management process that optimizes the use of resources to address critical business needs. The solution would also eliminate errors within the IT Infrastructure through effective Problem Management practices, drive continuous infrastructure improvement and proactively manage peak processing through Capacity and Availability Management practices.

Results

ATO realized an increase in customer satisfaction by improving infrastructure performance and system availability to above 99 percent for critical services, while also achieving a 70-80 percent reduction in system-generated errors during peak periods that are four to 10 times the normal transaction volume.



EXECUTIVE SUMMARY

The past decade has witnessed profound change to government agencies and their interaction with customers. Driven by the accelerated pace of Internet usage and more demanding users, many agencies are re-evaluating the way they do business. Responsible for collecting more than 90 percent of revenue at the Federal Government level, the Australian Taxation Office understands the importance of providing exceptional support for the organization's key business applications. Recognizing the limitations of its legacy information technology systems, the ATO began an effort to modernize its IT infrastructure. In 1999, the ATO established a partnership with EDS, an HP company, which was designed to provide a business infrastructure, streamline the IT environment and ensure trouble-free peak taxation periods. Through this partnership, the results have been significant, with almost 100 percent system availability during peak periods and a 63 percent reduction in outages. At the same time, the ATO benefits from a broader experience base and the confidence to satisfy a customer base that is migrating the Internet and electronic lodgment.

The Challenge: Ensure consistent customer service, while migrating core business applications to the Web

ATO was in the process of modernizing its IT infrastructure to better suit the changing needs of the modern customer. Today's customers are much more comfortable doing business over the Internet and using electronic lodgment, and as such, the ATO expects over 2 million tax returns to be filed through the Web. EDS has been providing outsourcing and support services to ATO since 1999. The two extended the contract in 2005, giving EDS responsibility for supporting the first peak processing period in February, 2006.

Acceleration of the Internet and increased expectations from customers required ATO to re-assess the resources and expertise required to effectively deliver services to the public. The ATO took the opportunity to determine whether there was a better way to manage these critical applications - including ways that might provide an even higher level of service while minimizing risk.

What ATO Wanted

The ATO needed an IT partner with the expertise to modernize its IT infrastructure, effectively manage its key transaction systems and deliver exceptional customer services and support during peak tax filing volume periods. The key criteria were:

- Deliver a business systems platform with 100 percent availability during peak periods
- Reduce and eliminate service disruptions to ATO customers
- Develop a process for continuous infrastructure improvement
- Build a repeatable and proactive process for managing peak performance

ATO chooses EDS

EDS' superior service to ATO during its initial ITO contract period of 1999-2005 established ATO's trust and confidence in EDS's high level of performance accountability. ATO chose EDS because of its comprehensive and collaborative approach that ensured there would be no letdown in support. In addition, ATO felt that the long-term relationship helped minimize service delivery risk.

"EDS is a 24/7 company. When the heat is on, it puts in the right people to get the right outcome and has never fallen short."

Angus Mitchell
Assistant Commissioner
Australian Taxation Office

ATO's Bottom Line for the Project:

A 63 percent first year reduction of outages, 70-80 percent decrease in system-generated errors and an incident free peak processing period with an increased processing time of 0.33 seconds per transaction.

The Bottom Line for ATO

By modifying the contract, the joint team was able to significantly improve the performance of key transaction systems. A key requirement for success was the need to deliver near 100 percent availability during peak filing periods for all systems including Tax Agent Portal, Business Portal, the Electronic Filing System and the ATO Web site. Fundamentally, this meant the end-to-end service availability for ATO's customers, and 24 hours of heightened help desk support during the peak processing periods which experience increased volumes of four to 10 times. Any interruptions to operations were minimal and most important, transparent to users.

These key areas of improvement, all met while managing costs, evolved in different ways. The success of the outsourcing model that had been in place for almost six years made modernizing the infrastructure easier. Responsibility and accountability of peak period system availability was transitioned to EDS. Significant planning occurred pre-transition with major consideration given to defining an effective governance and incident management plan. This plan assures focused restoration of key services and seamless problem resolution. With a strong incident management process in place, severe incidents are now managed by EDS' staff around the clock and managed with minimal impact to the work day. ATO also experienced a 63 percent reduction in outages from improved infrastructure management in the first year.

Figure 1: Transaction Volumes

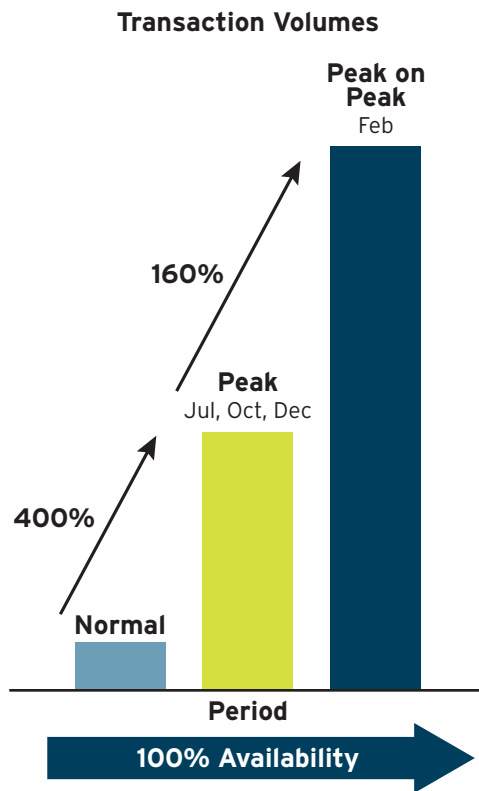


Figure 2: Outages

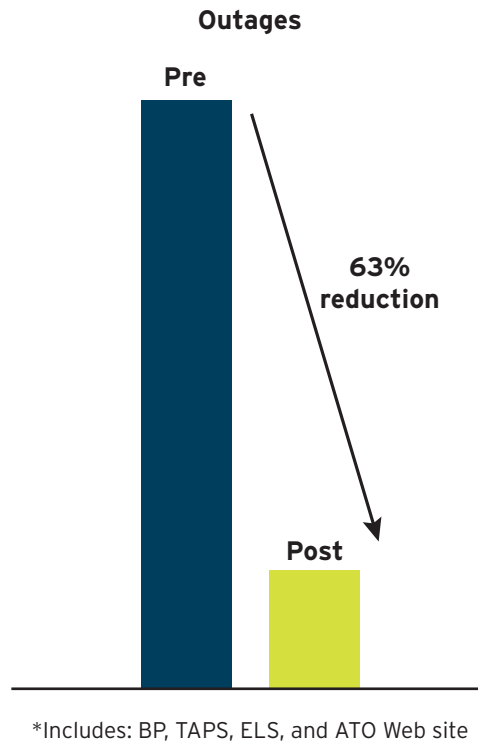


Figure 3: Benefits

OBJECTIVES	BENEFITS ACHIEVED
Reduce outages	ATO experienced a 63 percent reduction in system outages during the first year.
Improve responsiveness	EDS institutionalized a twice daily metrics review to assess IT operations effectiveness.
Provide additional resources to support peak performance periods and user transparency	EDS is now personally responsible for severe incidents and has reduced system-generated errors by 70-80 percent, while delivering near 100 percent customer availability of key applications and 24-hour heightened help desk support.

ATO Looks to the Future

The partnership established between ATO and EDS has grown stronger through the implementation of the outsourcing and infrastructure modernization solutions. Although service levels were acceptable, the availability of EDS resources and ability to respond to severe incidents instantaneously has increased satisfaction and levels of operations continuity. With sound governance and incident management guidelines in place, monitoring the performance of critical systems enables the ATO to focus on the business of providing tax services to the Australian public. More importantly, ATO continues to modernize and change how it does business and is able to rapidly adapt to the ever-changing technological landscape that lies ahead. ATO continues to look to EDS as it delivers high levels of service consistency.

"I look forward to EDS drawing on experience from the peak processing service improvement initiative to benefit our broader processing base"

Bill Gibson
Acting Second Commissioner
Australian Taxation Office

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About EDS

EDS, an HP company, is a leading global technology services provider, delivering business solutions to its customers. EDS founded the information technology outsourcing industry more than 46 years ago. Today, EDS delivers a broad portfolio of information technology and business process outsourcing services to customers in the manufacturing, financial services, healthcare, communications, energy, transportation, and consumer and retail industries, and to governments around the world.

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