

# The ATO's digital transformation journey within contact centres

Over the past couple of years, the Australian Taxation Office (ATO) has been rolling-out a number of digital initiatives in their contact centres to improve customer experience and service delivery.

Last year the agency introduced voice biometrics to services in its contact centres, giving repeat customers a faster way of verifying their identity when contacting the ATO. The agency also launched 'Alex' the virtual assistant to expand their WebChat offerings to individuals and sole traders.

"Clients are increasingly seeking more online options, particularly the ability to lodge request and receive request via email (or equivalent)," says Annie Ferguson, Assistant Commissioner, Operational Service Centres at the ATO.

And since embracing digital and online in its contact centres, the ATO is realising some pretty impressive results. Shopfront interactions have reduced 15-20% year-on-year over the last 3 years, as improvements in digital services are creating a more convenient service for customers.

What's more, their client uptake of these new services is proving just how powerful digital is when it comes to customer engagement. More than 760,000 people have enrolled to use their new voice biometrics service to date, and the recent deployment of 'Alex' has resulted in 116,000 conversations with a YTD first contact resolution rate of 73.8%.

Ahead of [Government Contact Centre Summit 2016](#), we caught up with Annie Ferguson to find out the types of strategies the ATO is using to encourage smarter interactions with customers and how they are embracing digital channels in their contact centres to drive better service delivery and customer engagement.

## How has the growth of digitalisation changed the way your contact centre engages with customers?

**Annie:** Voice Authentication has made a huge difference to the way repeat clients interact with the ATO. Once an individual authenticates their personal record using voice authentication, as long as they are listed as an authorised representative for a business, they will be able to act on behalf of that business.

This has saved these clients time and frustration from no longer having to repeatedly provide several types of information over the phone.

There is also a trend towards more complex or specific calls. This is as a direct result of clients increasingly being able to find information more easily through search engines, the ATO website and a



growing range of online tools. Clients are increasingly seeking more online options, particularly the ability to lodge requests and receive requests via email (or equivalent).

The ATO is also receiving more queries about client accounts, the direct result of having made more of this information visible to clients through ATO online. Clients are increasingly calling for assistance on how to use ATO web applications for tax or business activity lodgements

Shopfront interactions have reduced by 75% since 2000, and 15-20% year on year the last 3 years as improvements in digital services make it more convenient for clients.

As traditional Shopfront client demand reduces to negligible levels, we are transforming our Shopfronts to Digital Support Hubs, where clients are assisted and supported to transition to, and use digital channels.

**What types of strategies are you using in your organisation to encourage smarter interactions with your customers? What results have you realised so far?**

**Annie:** The ATO as part of its Contemporary Digital Services ,program currently has a number of priority pieces of work underway to encourage smarter interactions along the following themes:

- Identity & Security - including Voice Authentication, linking Australian Business Numbers (ABN) to myGov – replacing the majority of AUSkeys
- Online tools and services - including Digital Inbox, mobile apps, ATO online, Digital Business Account
- Progressive accounts - through improvements in myTax to provide more prefill information
- Integration with natural systems - enabling natural business processes to report through Single Touch Payroll
- Support for digital transition - via virtual assistant , web chat, and co-browse capability
- Environmental stabilisation - improving the ATO's digital infrastructure to support more digital applications and offer 24/7 service).

The ATO is putting into place a digital support model (omni-channel) strategy to provide a seamless and integrated client experience, regardless of the channel used. Support for this strategy includes:

- On call support for high complexity queries
- Assisted support (web chat) for medium complexity queries
- Self-assisted support for low complexity queries (assisting clients in finding the right information)

Part of this strategy is to promote to clients, as much as possible, the self-assisted options. This is to significantly reduce the cost of administering the tax system. This strategy is being implemented through:

- Establishing a foundation by implementing 'Alex' the virtual assistant and expanding our web chat offering to individuals and sole traders
- Evolving the experience through the expansion of web chat on myTax to support myTax16, and introducing 'co-browse' for Customer Service Representatives (CSR) and clients to share screens over a web browser
- Optimising the experience by expanding 'Alex' and web chat to cover more topics, and implementing conversation manager that will provide our staff with a picture of all previous client interactions over telephony and web.

With the recent deployment of 'Alex', the ATO has seen 116,000 conversations with a YTD first contact resolution rate of 73.8%. and a YTD deflection rate of 47% (meaning Alex answered the client query without redirecting)

This Tax Time (1 July – 30 October 2016), the ATO will be using sophisticated analytics and data matching techniques to compare myTax lodgers with their 'nearest neighbour', for example someone with a similar occupation and from a similar suburb.

This will enable myTax lodgers to see what deductions/claims they are making that may be 'outside of the norm'. It is expected this will also drive client queries to the various support options detailed above.

In addition, the ATO will allow lodgers to pre-fill their deductions (captured via myDeductions in the ATO app) straight into their tax return. This information is also able to be accessed by tax agents, allowing all individual clients to fast track their lodgments and reduce 'shoeboxes of receipts'.

We are trialling several initiatives under the "Show me How" theme to engage clients who are reluctant to use, or are unaware of our digital channels. These include transforming the Shopfronts to digital hubs, outreach field services for individuals, tax agents and small businesses, and "pop-up" kiosks in shopping centres.

The ATO is targeting support to small business clients through its 'small business assist' program that gives clients the ability to receive after hours call backs. This will enable small business to interact with the ATO at a time that is more convenient for them.

ATO contact centres have rolled out several initiatives to support the ATO's overarching strategy to transition clients to digital. This includes telephony staff proactively promoting use of myGov for access to online services and updating client digital details on individual and sole trader records during every interaction where it is appropriate.

The release of several new services on ATO online and the mobile platform have provided an opportunity to build on these existing strategies to actively promote new digital services to clients during inbound interactions.



To support this, MyClient (an analytics solution) has been developed to provide tailored insights about our clients and their behaviour. The CSR uses this information, along with scripting, to tailor their conversation with the client to promote the digital services specific to their needs.

ATO Online currently supports individual and sole trader clients, but with future development, it will also include the availability of information for business clients.

Other strategies include the Digital by Default initiative that is currently proposed, but not yet enacted, that will allow the ATO to require, over a multiyear transition period, digital transactions from those clients capable of using them. This will see our contact centre staff continuing to service those clients who can't transition to digital and helping those clients who can transition, but may require help to do so. There will be an increased need for our contact centre staff to tailor their conversations and approach depending on where on the spectrum the client falls.

In addition, the recently announced Single Touch Payroll changes will allow businesses to report their tax and superannuation information at the same time as paying their employees. This will allow real time monitoring of obligations, while reducing reporting requirements, improving the experience for both the business and their employees.

Finally, the ATO is also in line with whole of Government initiatives that form part of the Digital Transformation Agenda. These include:

- Making use of services in myGov that allow clients to 'tell us once' of updates to their contact information.
- Moving towards Standard Business Reporting so that businesses can more easily report their obligations to all government departments without the need for multiple software platforms.

### **What are some of the major challenges you've faced so far in your journey towards digitalisation? How have you addressed or overcome these challenges?**

**Annie:** There have been staff challenges, stemming from mixed enthusiasm by staff in relation to promoting and supporting clients through the change to digital.

The growth in digitalisation has resulted in a capability gap for some staff, particularly those who have been skilled in, and conditioned to, working in an analogue/paper/telephony environment.

Some staff are less comfortable using digital services and instead would prefer to continue supporting clients through basic transactional services, while others may not consider it their role to assist in transitioning clients online. To overcome this, extensive communication and support has been provided on an ongoing basis to develop the skills of staff and reinforce the benefits and necessity for the changes, to clients, staff and the ATO.



To address these issues, the ATO is trialling new digital specialist positions, including digital skills in our recruitment plans, and providing all staff with basic digital knowledge and skills, via both traditional training processes and “Show me How” hands-on events with tablets etc.

There have also been challenges in moving clients towards digital, as the ATO has for a long time been a very analogue and paper based organisation. To address this the ATO has:

- Begun offering digital solutions that are similar to other private organisations (e.g. the ATO app has a similar “look and feel” to other apps). This is a move away from applications that are designed with the ATO needs in mind, and instead designed with a focus on the client’s needs.
- Educating clients about the digital options when they contact us for assistance or advice.
- Ceasing the issuing of paper products, for example activity statements for sole trader clients who already have a digital account from lodging their income tax return

Another client based challenge that has emerged is the growth in client and community expectations as the result of increased use of digital platforms. This includes the expectation of on the spot processing of queries that could be resolved over the phone rather than waiting the current 14 day service standard. The ATO is looking to overcome these through implementing real time processing for low complex queries.

The ATO recognises that our client facing systems need to be available for clients to use when they wish to interact with us. As outlined previously, a key theme in the Contemporary Digital Services program is to stabilise the environment to overcome the problems that come with greater digital use.

Another challenge emerging is the concern from the ATO’s partners who may view new online services as having a negative impact on their business. The ATO through myGov and online services is not seeking to take business away but rather offer more digital options for clients and greater access to technology.

The ATO is working closely with our partners to make sure the services developed can also meet their needs. One example is that of payment arrangements, a time consuming and costly service for tax agents to provide. The ATO payment arrangements calculator allows tax agents to guide their clients to self-assist on what the ATO will find reasonable for repayment of debts, freeing up the tax agent to focus on more value add activities.

Another major challenge for the ATO has been to react quickly to Fraud: The ATO is facing increased pressure from fraudsters who are using channels such as email, text messages and social media to impersonate the ATO.

The increased use of social media to ‘crowdsource’ answers about potential scams is proving challenging as there have been instances where legitimate ATO or affiliated numbers have been identified as scams or fraudsters on discussion forums. This has led to clients not answering or returning ATO calls based on incorrect information.



The fraud challenges are very difficult to overcome, as they involve educating clients to look for signs that indicate that the contact is not actually from the ATO. For example requests for payment through non-traditional methods (e.g. iTunes and movie vouchers).

However our digital services and integrated solutions have increased visibility of fraudulent activity earlier in the pipeline and therefore provide opportunity to more proactively act, rather than traditional paper based post event identification.

We are also providing additional educational messaging, and designing our services with a client's perception of risk in mind, for example, designing our co-browse solution so that a client never leaves the ATO domain and doesn't need to download any software to their device.

### **How are you ensuring your staff are equipped and trained to work across new channels?**

**Annie:** The ATO is taking an overarching approach to get the message out early and build an enterprise capability. Activities include:

- The provision of training in the use of digital services, familiarisation with mobile devices and ongoing support to maintain skills
- Hands on training that will allow staff to 'emulate' the same experience of the client in the applications (e.g. a myGov emulator that simulates a client linking to the ATO)
- Encouraging staff to transition to the digital channel themselves (e.g. establishing and linking their myGov account, registering their voice print)
- Showcasing how all the new digital measures are linked together to deliver a future client and staff experience, providing a view of how the experience is changing
- Educating staff, some of whom are concerned about the future of their jobs due to automation, about the shift in jobs to a focus on providing support and advice on more complex matters.
- Changes in the internal work environment, such as providing WIFI for staff to bring their own device, rolling out virtual desktop applications and trialling a future workspace environment.
- Engagement with capability areas to ensure workforce readiness, contemporary learning and development products and staff workshops that are all aligned to the future client and staff experience.

### **Interested in learning more?**

Join Annie at the [Government Contact Centre Summit 2016](http://www.govcc.com.au), where she will further explore:

- An overview of the transformation journey at ATO and where they are at now
- New initiatives implemented, and how this will affect the contact centres
- Strategies to manage the impact of the staff and organisation of digital transformation





- Delivering streamline service and customer experience through innovative delivery and engagement

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