



Australian Government
Australian Taxation Office

From measurement to judgment

Shifting evaluation norms in a large public sector agency

aes23 International Evaluation Conference

28 September 2023



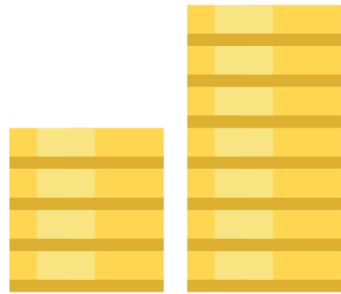
Acknowledgment of Country

We acknowledge the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to them, their cultures, and Elders past and present.

We recognise the unique relationship Aboriginal and Torres Strait Islander peoples have to Country, culture, community and the important role this plays in us all walking together as Australians.

We value the contribution Aboriginal and Torres Strait Islander peoples make to our organisation and the broader tax, superannuation and registry systems.

Australian Taxation Office



**TAX
RETURN**



2021-22

**Principal revenue
collection agency of
the Australian
Government**

**Around 20,000
employees**

**\$515.6b net tax
collected
14m individual
income tax returns**

ATO corporate plan 2023–24

Strategic objective: GI Government

We build community confidence by sustainably reducing the tax gap and providing assurance across the tax, superannuation and registry systems.

Performance measures	Latest result (2021–22)	Performance target	
		2022–23	2023–24
Trust – Community trust in the ATO and the system	New measure for 2022–23	Under development	Under development
Lodgment – Proportion of activity statements and income tax returns lodged on time	70.5% activity statements 82% income tax returns (2020–21 returns).	78% activity statements 83% income tax returns	78% activity statements 83% income tax returns
Tax gap – As a proportion of revenue	7% or \$33.4 billion (2019–20)	Reduce the gap to a level as low as practicable and the resources available.	
Total revenue effects – Revenue from all compliance activities	\$15.5 billion	\$15 billion	\$15.7 billion
Payment – Proportion of liabilities paid on time by value	87.8%	88%	88%
Debt – Ratio of collectable debt to net tax collections	8.5%	Between 8% and 8.5%	Between 7.5% and 8%

ATO performance measures are generally quantitative

ATO corporate plan 2023–24

Strategic objective: C2 Client

We work with and through others to deliver efficient and effective tax, superannuation and registry systems.





Performance measures	Latest result (2021–22)	Performance target		
		2022–23	2023–24	2024–25
Working together – Partner perceptions of how we are working together with them to administer the tax and superannuation systems ⁵	68/100	Equal to or better than the 2018–19 result (64/100).		

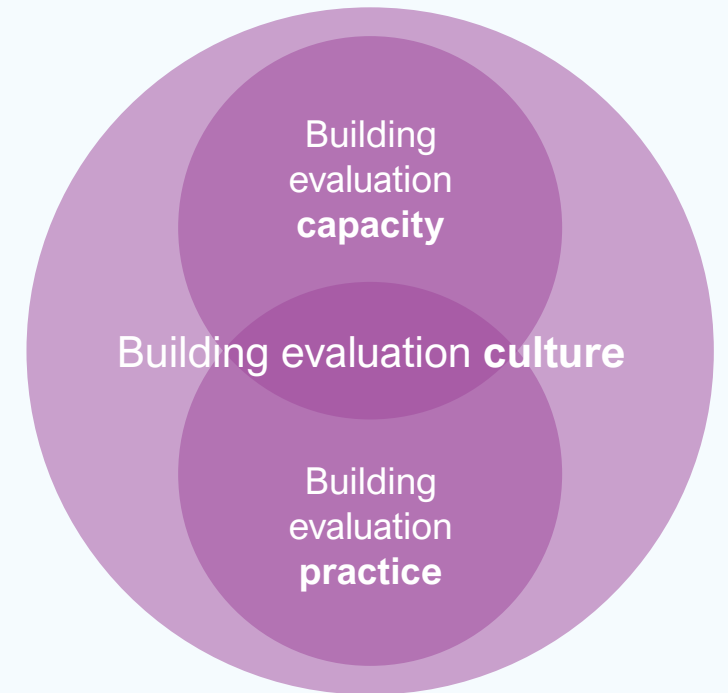
**Qualitative concepts
have also been
reported numerically**

Unsurprisingly, evaluation and performance monitoring at the program and tactical levels predominantly involves quantitative measures.

We in the Evaluation Hub are trying to open space within the dominant discourse to explore more non-tax traditional evaluation methods and approaches.

The Evaluation Hub is a driver for changing evaluation culture, capacity and practice

	Leadership of the ATO Evaluation Community of Practice
	Opportunities and resources to build evaluation capability and capacity
	Guidance and support for planning and carrying out fit-for-purpose evaluations that produce actionable insights
	Help with defining program purpose, outcomes and program logic

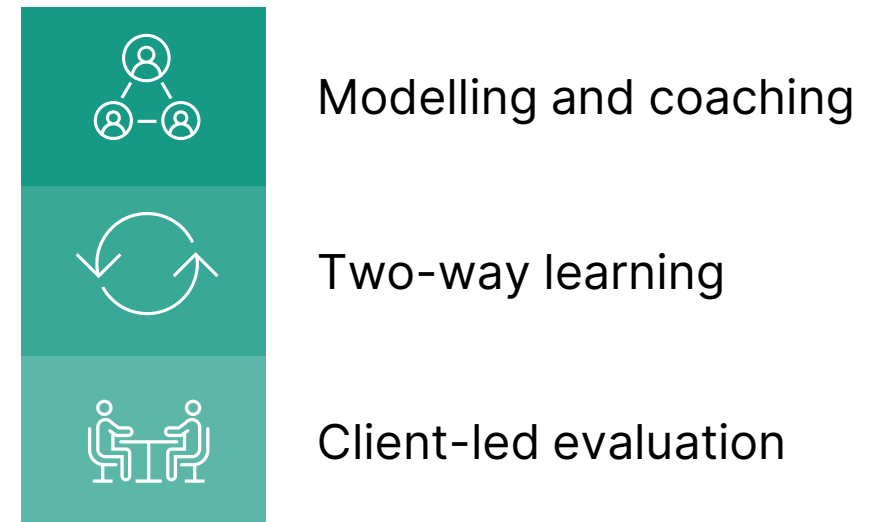


We operate with five core principles

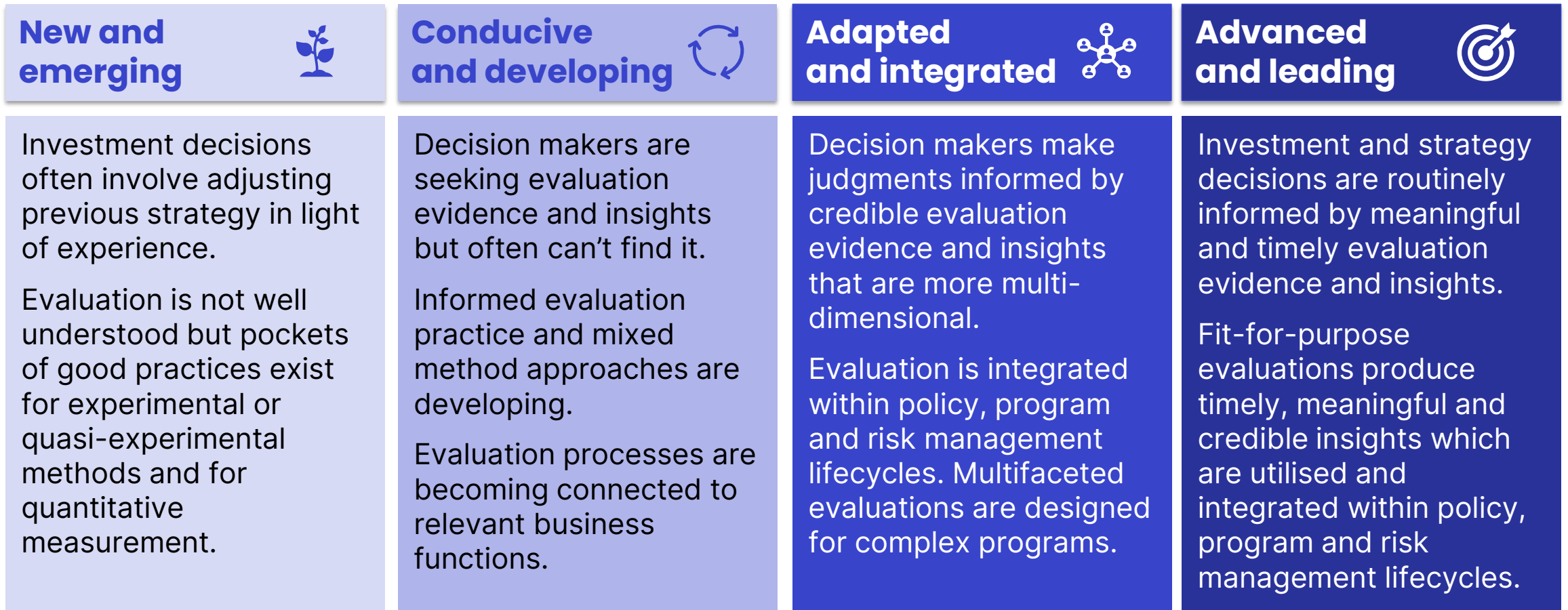
Our service principles



Our service delivery strategies



Our Evaluation Maturity Model – refocusing towards evidence and judgment



Addressing the challenges of 'Regulating by numbers'

'calculative practices have the potential to divert attention towards targeted measurable numbers and away from other important normative aspects of regulation that are less amenable to quantification'

Gilligan, G., et al., **Regulating by Numbers: The Trend Towards Increasing Empiricism in Enforcement Reporting by Financial Regulators** (February 4, 2016). *Law and Financial Markets Review*, Vol. 9, No. 4, pp. 260-282. Available at: <https://ssrn.com/abstract=2728071>

Performance measurement and evaluation need to work together in the APS

Bray, J. Rob et al. **Evaluating and Learning from Failure and Success: An ANZSOG Research Paper for the Australian Public Service Review Panel** (March, 2019). Australia and New Zealand School of Government. Available at: <https://www.apsreview.gov.au/resources/evaluation-and-learning-failure-and-success>

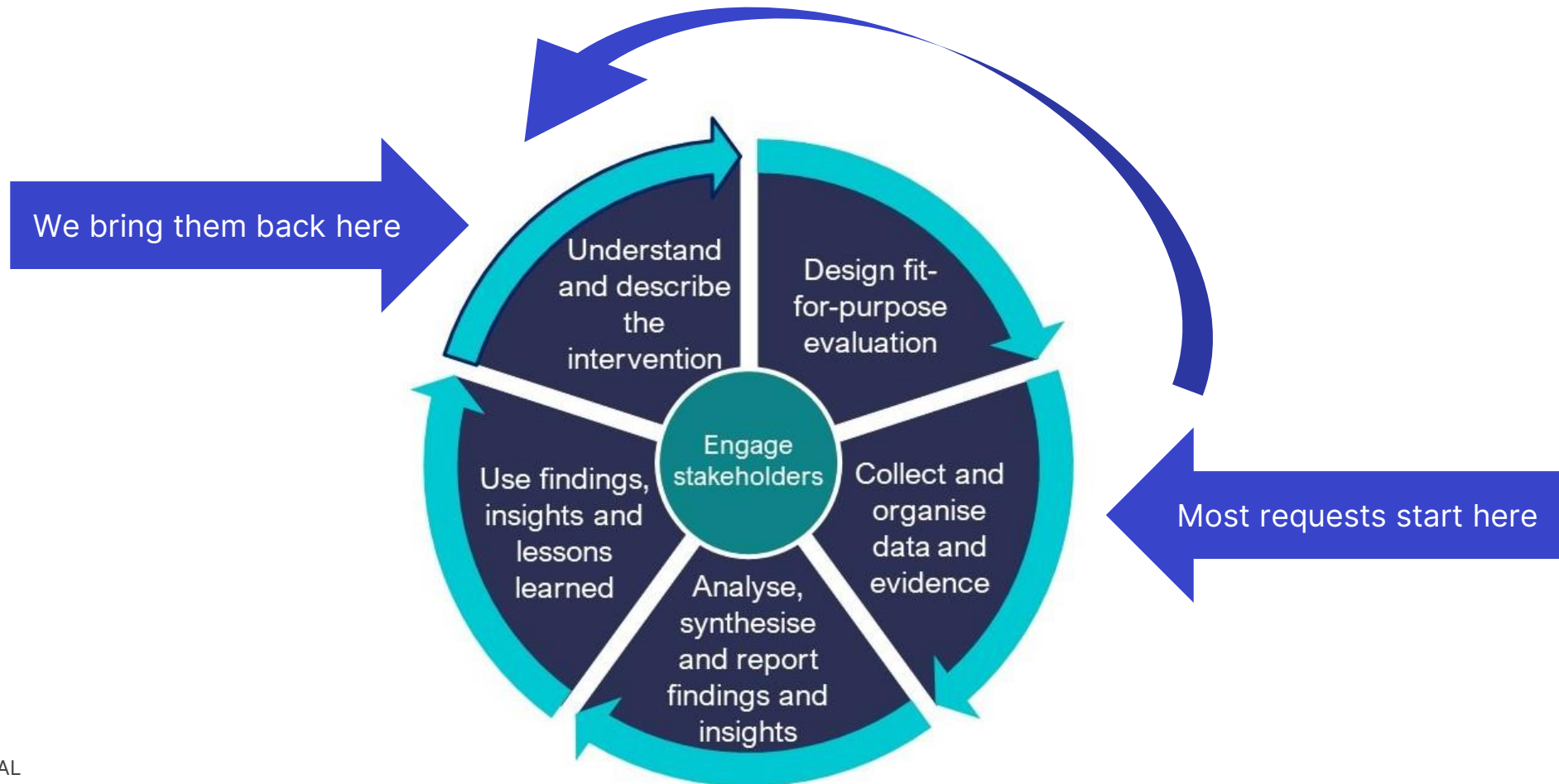
‘production of key performance indicators (KPIs) has become an entrenched element of APS reporting over several decades’

‘these indicators give at best only a limited insight into the efficiency and effectiveness of a program’

‘considerable scope for evaluation activity to complement the production of KPIs’

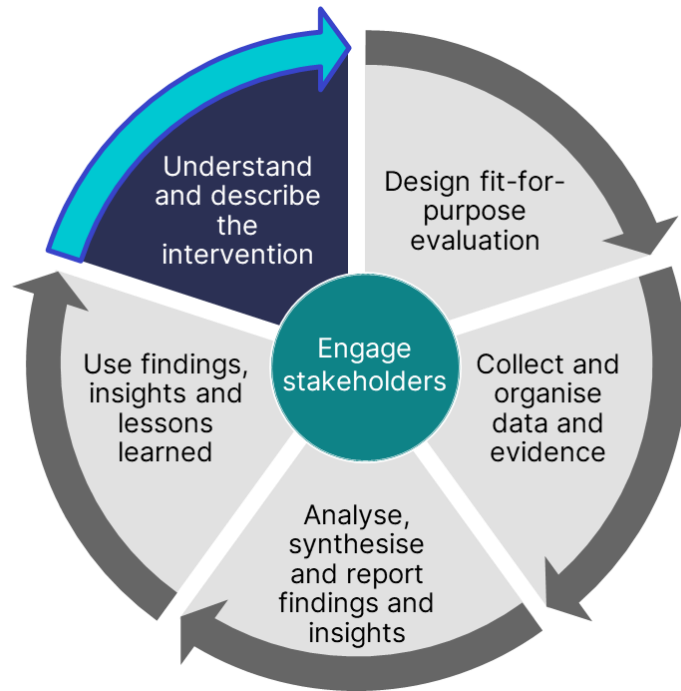
Reframing the conversation

- We bring the conversation back to a more logical starting point



Reframing the conversation

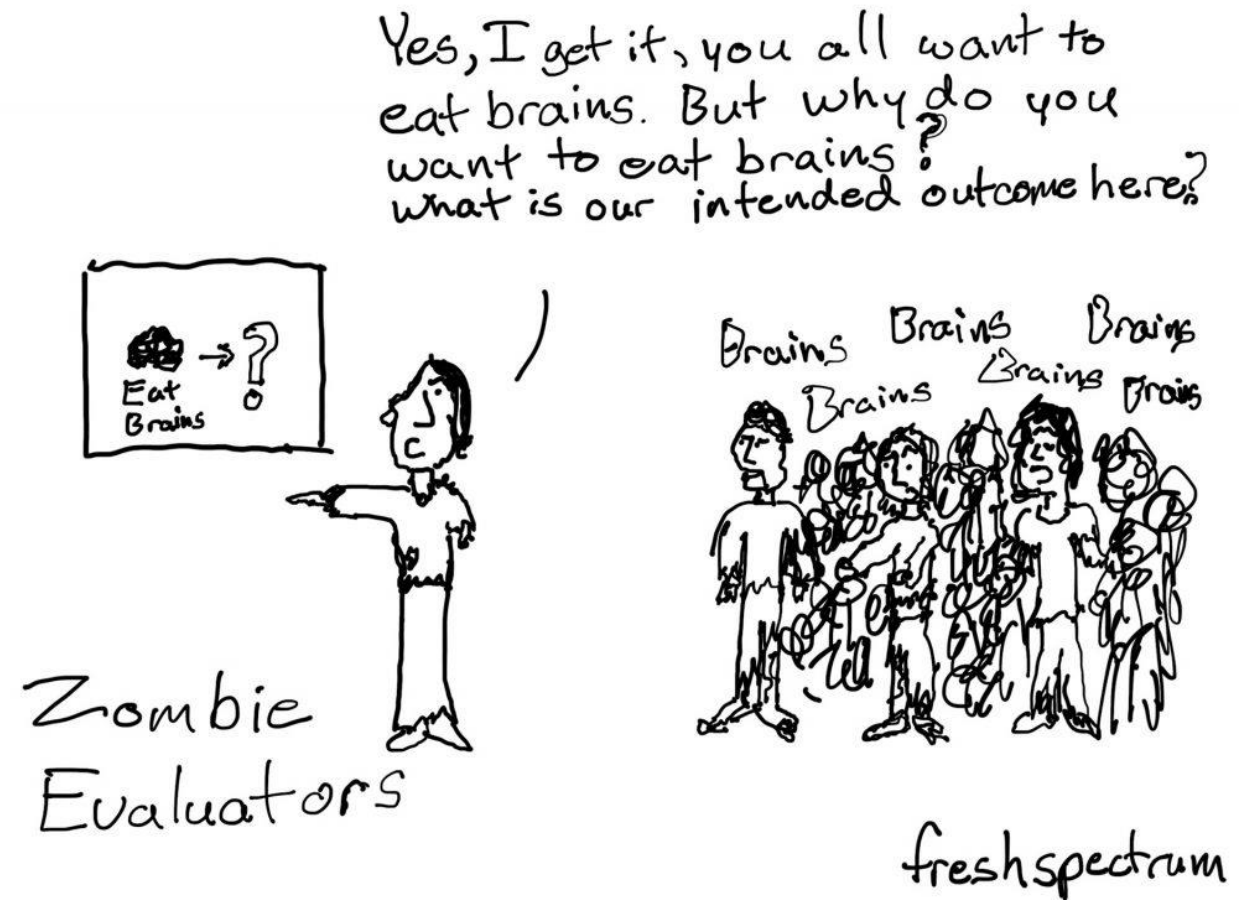
- We deliberately use questions to operate the life cycle – no templates or forms to fill in.



- What problem or risk are we trying to address?
- What changes are we trying to achieve?
- How should that happen?
- Is there a logic to how that should happen?

Reframing the conversation

- We emphasise logical modelling as a way of working towards more theory based approaches.
- Again, we start with questions rather than a template and have no set logic model format.



Reframing the conversation

- We're deliberate in the language we use for questions.

For example, we might ask:

- 'What do we need to know?' rather than 'What do we want to measure?'
- 'What change do we want to see?' rather than 'What target are we trying to reach?'
- 'What evidence could help to answer that?' rather than 'What data do we have?'
- 'What might we learn from that?'

We harness and reinforce words and principles from authoritative sources such as the [Commonwealth Evaluation Policy](#):

- 'embed a culture of evaluation and learning from experience to underpin evidence-based policy and delivery'
- fit for purpose, useful, credible, ethical and culturally appropriate

Building an evaluation community

- We use our leadership of the ATO Evaluation Community of Practice to generate awareness and interest in new ways of doing things, while being responsive to the community's interests
 - for example, exploring the use of mixed methods using a variety of case studies from tax and other contexts.
- We run a series of workshops to build foundation evaluation skills and we intentionally seek out external learning events that expose people to a range of methods and ideas.
- We support members to share their reflections on new learning with the community – encouraging multiple voices and different perspectives to be part of the conversation.



Scaffolding new learning

- Scaffolding new learning is particularly important to embed new concepts, challenge old habits and build confidence to try something new.
- We scaffold new learning before and after external workshops by sharing useful tips, reflecting on key concepts, and supporting participants to apply new learning in their roles.
- We offer participants continued guidance and support including through our suite of internal resources.

According to Bruner's Scaffolding theory, when students are provided with the support while learning a new concept or skill, they are better able to use that knowledge independently

[Scaffolding in Education: A teacher's guide \(structural-learning.com\)](https://www.structural-learning.com)

What changes are we seeing?

- Shifting to criterion-referenced performance measures where relevant. These provide clear standards against which performance is judged using collected evidence, and results are reported as achieved or not achieved.

Administered program	Performance measures	Latest result (2021–22)	Performance target			
			2022–23	2023–24	2024–25	2025–26
1.5 Australian Screen and Digital Game Production Incentive	Value of tax offsets processed	\$213 million	The ATO aims to administer the program in accordance with the law.			
1.6 Junior Minerals Exploration Incentive	All applications received are processed and taxpayers notified of their exploration credit allocation within 28 calendar days of the application period closing	Target met	All applicants notified within 28 calendar days of the application period closing.			
	Public reporting data uploaded on data.gov.au (and linked to the ato.gov.au website) after determination letters are issued	Target met	Published within 56 calendar days of the application period closing.			

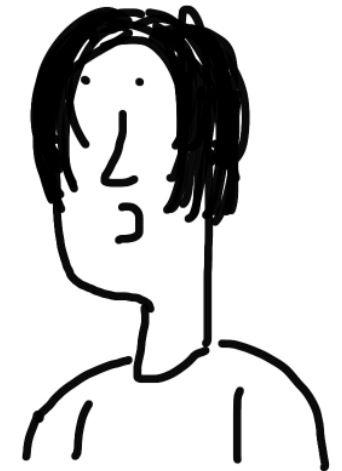
What changes are we seeing?

- Business areas are seeking to expand from simply reporting against traditional revenue measures to undertaking logic modelling and program evaluation.
- Some of our current projects include:
 - developing new approaches to evaluating public advice and guidance
 - defining and evaluating outcomes from implementing independent review recommendations
 - evidencing broader non-tax revenue benefits from significant compliance strategies

You say your program works but why should I believe you?



Because I have evidence.



freshspectrum.com

Thanks for listening

Any questions?

Contact us at
cegevaluation@ato.gov.au