



CASE STUDY

Australia Post

Tax technology innovation for systems and controls



Company Profile

Name: Australia Post

Region: Australia & International

Operation: Government postal services

Workforce: 75,000

Revenue: \$7.5B

www.auspost.com.au

For more than 200 years, Australia Post has fulfilled its role as the country's leading logistics and integrated services business. Australia Post is a Government Business Enterprise and a self-funded business with commercial and community service obligations.

Each year, it makes a direct contribution of over \$3 billion to national GDP through its operations and in 2020, it contributed \$501.6 million in Government taxes, duties and dividends. As noted in the Australia Post Tax Transparency Report, it abides by its Tax Governance Policy to provide full and transparent compliance with all taxation obligations. In July 2020, it implemented CCH Integrator to support its income tax reporting and compliance needs.



Product Solution

✓ CCH Integrator

Challenge:

Streamlining income tax compliance and reporting

The nine-person tax team at Australia Post is responsible for the income tax reporting and compliance for multiple enterprise entities. It had been previously relying on macro-enabled spreadsheets and a web-based tax software to produce its income tax returns and tax related financial reporting disclosures. However, the team needed a more streamlined and integrated solution to deliver a more robust end-to-end process.

Australia Post wanted to streamline its income tax reporting and compliance – from financial reports to tax returns - across all its divisions. This would see CCH Integrator replace the manual roll-forward processes it previously needed to complete for tax provisioning. CCH Integrator would also remove the need to copy and reconfigure data from spreadsheets and its previous tax software into a tax return format.

Australia Post went looking for a best of breed, cloud-based core platform to deliver on this strategic outcome.

“We need to manage a broad range of taxes here at Australia Post, including income tax, GST, FBT and payroll taxes. We looked for a solution to support our delivery of the core policy principles in our Tax Governance Policy. The enterprise wants to be 100 per cent compliant with all our tax obligations. At the same time, meet our benchmarks for maximising shareholder value, managing risk, operating transparently and building a high level of assurance in tax matters,” said Peter Dimech, Head of Taxation at Australia Post.

CCH Integrator From one person to multinational teams, CCH Integrator streamlines the complexity of tax compliance and reporting across multiple entities and jurisdictions, increasing control, reducing risk and freeing your tax function to focus on greater things.



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Solution:

CCH Integrator transforms the tax review process and outcome

Australia Post completed a market review to shortlist a solution that was reliable and cost-effective to use. CCH Integrator was selected because of its track record as a global, proven solution. A large proportion of the Australian Stock Exchange Top 100 rely on CCH Integrator for their tax reporting and compliance.

Australia Post completed its implementation of CCH Integrator and went live during the first week of July 2020 to meet its tax provisioning timeline. To do this, it had previously completed a full internal review of its data security and legal requirements. The enterprise also worked closely with Wolters Kluwer Australia to map its spreadsheet content into CCH Integrator.

“With the implementation of CCH Integrator, we have transformed the review and analysis process for income tax compliance. The preparer process has now become more of a review role that allows us to take a step back and critically analyse the data in front of us,” said Alesha Mercieca, Manager, Tax Operations at Australia Post.

Key Benefits:

- Collaborative and configurable platform
- Greater accuracy and automation of annual returns
- Value-added review capabilities

Benefits:

Enhanced governance as a Top 100 taxpayer

Even though it is in what it considers the early stages of its CCH Integrator implementation, Australia Post believes it has achieved a new economy of scale for review processes.

“Management review process times have reduced by around the 25 – 30 per cent mark,” outlined Alesha.

Australia Post can now produce the responses it needs from the system to meet a range of tax queries. Reports are more easily produced and are much ‘cleaner’ to read, making it even easier to compare year-on-year results and underpin its governance requirements.

Gone are the days where Australia Post’s tax team are required to edit Excel spreadsheets in different formats each year. Now the team can utilise the integrity of the CCH Integrator platform to gain a clear view of the underlying tax data. Mapping from the financial information within Australia Post’s ERP systems to the annual company tax return is fully transparent, which meets the Australian Taxation Office’s reporting standards, and will assist Australia Post in achieving assurance with the Australian Taxation Office through the evidence-based framework of Justified Trust.

“The implementation of CCH Integrator is part of our technology-focused roadmap for the tax team and the broader enterprise. We feel CCH Integrator meets our best of breed benchmarks, and it will be a key tool for our future,” said Peter.

