

# Department of Finance

## Response to Question on Notice

### SENATE FINANCE AND PUBLIC ADMINISTRATION REFERENCES COMMITTEE

#### Inquiry into the current capability of the Australian Public Service Hearing of Friday, 5 March 2021

**Question on Notice 4** (Proof Hansard page 25-26)

#### **Finance projects under Modernisation Fund**

**Mr Williamson:** ... There were 42 projects that sat under the modernisation fund. Each of those projects individually reported through that process. Each entity that led a project was responsible for that. In Finance's case, we led six modernisation fund proposals, and I can take you through those if you'd like.

**CHAIR:** Yes, thank you.

**Mr Williamson:** The first one related to shared services. The department received \$89.5 million. This was about consolidating and standardising the delivery of APS corporate services. We are currently at a point where we have six main 'provider hubs'. One of those is the Service Delivery Office within the Department of Finance. We provide shared services to 15 client agencies—

**CHAIR:** So it's \$89 million overall, but your share of that is—

**Mr Williamson:** That came to Finance because we manage that particular project.

**CHAIR:** I see.

**Mr Williamson:** We've got the Service Delivery Office, we've got 15 clients, we're providing support for many transactional services around payroll, credit cards—that sort of thing. The other delivery hubs are Services Australia, the Australian Taxation Office, the Department of Foreign Affairs and Trade, the Department of Home Affairs and the Department of Industry, Science, Energy and Resources.

**CHAIR:** Let's stick with that project for a moment. What metrics or analysis has the department used to evaluate it?

**Mr Williamson:** There are two things about that. The first is that we are still on a journey. In the last budget some of our funding was reprioritised for the department to lead the development of GovERP, which we are in the midst of right now. How do we rate the success or otherwise? Perhaps I need to take some of this on notice, but we've got metrics around where we've seen—we've done some automation, for example.

## Response

The Shared Services program (the Program) is led by the Department of Finance (Finance). The Program received \$89.5 million from the Modernisation Fund across three years to consolidate and streamline back-office corporate functions in the Australian Public Service (APS). This funding was allocated across 18 entities, including Finance, which received \$45.4 million to support the development of entity capability and readiness related to shared services.

To date the Program has:

- delivered savings of \$89.1 million from 2016–17 to 2019–20, with ongoing savings of \$16.8 million per annum from 2019–20;
- established six shared service provider hubs that are providing more efficient corporate services to 29 Commonwealth entities; and
- designed and mapped over 200 standard business processes, meaning in the future APS employees will have a common way of managing corporate matters such as accounts payable and receivable, payroll, credit card management and travel.

The Program is currently:

- Enabling a reduction in the total cost of ownership, maintenance and upgrades of the 170 bespoke corporate ICT systems across the APS through the design of a shared enterprise resource planning (ERP) technology platform, GovERP. Efficiencies from the Program will flow after the GovERP system is built and agencies on-board.
- Streamlining manual processes, driving productivity gains and building APS workforce capability through the Productivity and Automation Centre of Excellence. Several departments including Finance, Social Services, Foreign Affairs and Trade, and Industry, Science, Energy and Resources now have process automation capabilities. In 2020, Finance's Service Delivery Office (SDO) process automations returned about 3,050 hours to business allowing prioritisation of activities to improve customer experience, e.g. improving the timeliness of manually processed transactions to an average of 4.38 days as at 31 March 2021. The SDO has also supported processing officers to be trained as process automation configurers, demonstrating an investment in staff as part of the workforce of the future.
- Implementing a digital travel and expense management capability which integrates with the whole of government travel provider making it easier for business to work with Government as well as reducing administrative time in the APS. This first of a kind integrated capability, initially implemented into six agencies, is increasingly being adopted by other Commonwealth entities.

In addition, the Program is helping to streamline, and improve timeliness and user access to back-office services through:

- improving timeliness of information and reporting for back-end system processes, for example the SDO has improved system payment execution response time by 2497%, system payroll response time by 427% and report run time by 168%;
- redesigning the procure-to-payment processes within the SDO, which drove a 64% decrease in cost to other agencies for back office functions like finance and payroll in one year;

- app-based interfaces providing more intuitive ways to process and approve transactions, making administration faster, easier and less prone to error;
- cloud based services providing staff with access to the systems they use to view payslips and enter attendance (via a URL on any computer or mobile phone) without needing to log into their agency network; and
- establishing the Payroll Control Centre which is providing additional reporting and process control capability to help eliminate data errors.