



EXECUTIVE MINUTE
ON
JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT
REPORT 452

Natural Disaster recovery; Centrelink Telephone Services, and Safer Streets Program,
Review of Auditor-General Reports Nos 24-50 (2014–15)

Pursuant to the response to Recommendation No. 5, of 18 September 2016, detailed below.

In Recommendation No. 5, at paragraph 3.64, the committee recommended:

...that the Department of Human Services report back to the Joint Committee of Public Accounts and Audit, within six months of the tabling of this report and then on an annual basis, on the implementation of the Welfare Payment Infrastructure Transformation and the subsequent impact this has had on real time performance measuring, management and service delivery.

Services Australia (the Agency), formerly the Department of Human Services, supported this recommendation with qualification and advised that as the benefits realisation will occur upon deployment of each of the deliverables within the stages of the Welfare Payment Infrastructure Transformation (WPIT) Programme (the Programme), the Agency will report back to the Joint Committee of Public Accounts and Audit at the end of each tranche.

Tranche Three of the Programme commenced on 1 July 2018 and concluded on 30 June 2020.

An update on the Programme at the end of Tranche Three is provided below for the benefit of the committee.

1. WPIT Programme Overview

The WPIT Programme is a large scale business transformation that will change the way government delivers welfare payments now and into the future. The Programme will run over seven years (2015–2022) and overhaul the Australian welfare payment system. The Programme commenced on 1 July 2015 and will be delivered across four tranches. By delivering in tranches, the Programme can adapt to emerging technologies and ensure a sustainable, value-for-money welfare solution is delivered.

It will modernise the delivery of welfare payments and services by simplifying business processes across face-to-face, phone and digital channels. This will be enabled by new Payment Utility and Entitlement Calculation Engine platforms, which are designed to support a Whole of Government service and provide other departments with options to re-use capability.

The demands on service delivery are growing, as are the opportunities offered through emerging technologies and digital channels delivering smarter and easier to use digital services that provide an end-to-end experience for customers. Customers and the community have an increasing expectation of digital access to government service.

The Programme will enable the government to deliver smarter and easier to use digital services that provide an end-to-end experience for customers. The Agency is committed to keeping the user experience for our customers at the heart of how it designs and delivers services.

The Agency is working with our policy partners as well as the Australian Taxation Office, the Department of Veterans' Affairs, and the Department of Education, Skills and Employment to simplify services and payments with the aim of decreasing legislative, policy and process obstacles. This will help improve public sector efficiency and streamline user experiences for customers and staff.

The Programme spent \$500.8 million against the Tranche Three budget of \$508.1 million and delivered capability to generate \$268 million of benefits against a 10 year payback target of \$368.8 million.

2. End of Tranche Three Summary

Tranche Three of the Programme ran for two years, from 1 July 2018 through to 30 June 2020, with a focus on transforming how payments for Students, Jobseekers, Carers, Older Australians and people with Disability are delivered. Tranche Three built on the enhanced common capabilities developed in Tranche Two, and continued to make significant improvements for customers and staff while progressively modernising legacy technology.

A significant amount of planning was undertaken to articulate the scope and delivery mechanisms for Tranche Three. Planning and mobilisation was an integrated approach, bringing together all stakeholders in the Programme and more broadly across the Agency to align scope, schedule, resourcing, budget and benefits.

In the second half of Tranche Three, the Programme was re-organised to deliver on FY 2019-20 priorities and government commitments, in order to provide delivery flexibility and align to strategic priorities. The aim of this delivery approach was to allow the Programme to focus on delivering business and technology capabilities that could be applied across multiple cohorts, as well as achieving more value by developing reusable capabilities.

During Tranche Three, the Programme has continued to make significant improvements for our customers and staff. The Programme simplified the customer claiming experience by making it more dynamic, streamlined the process to transfer from one payment to another, automated processes where possible to save staff effort, and made it easier for customers to self-service via our digital channels. A major focus was on the improvement of the Disability Support Claims and the automated documentation upload and processing, which are considered a major pain point for both customers and staff.

The release of the JobSeeker Payment in March 2020, was a significant milestone for the Programme. The new JobSeeker Payment is the main working age payment for people between 22 years old and Age Pension age. In order to implement the JobSeeker Payment, seven working age payments were progressively consolidated into one payment. The JobSeeker Payment has been important in delivery of the Government's

Economic Stimulus Packages, as part of the Australian Government COVID-19 Response and was used at scale by customers claiming the new payment.

An area of focus for the Programme was to fully understand and utilise key customer data, acquire additional customer related data from other departments and agencies, and develop predictive models to better support our customers. This innovative focus on data was another key pillar in the transformation outcomes delivered for Students, Jobseekers, Carers, Older Australians and people with Disability. The delivery of the Digital Gateway, which allows multiple data streams to be exchanged with other agencies, is an important legacy for the Programme.

Transforming Collection of Student Information (TCSI) originally commenced in December 2017 to deliver near real-time data directly from higher education and VET Student Loan providers to Government. The key outcomes for Centrelink customers was to automate and accelerate student claims and change of circumstance processes. All of the Agency's deliverables for this initiative were formally completed at the end of June 2020. However, due to impacts from COVID-19 and universities seeking an extension, the full customer outcomes and benefits have not been achieved. In Tranche Four, the Programme will support DESE to finalise their remaining deliverables and support providers to on-board and transition to the TCSI system.

The Programme delivered a new Payment Utility platform, with the Tasmanian Freight Equalisation System (TFES) being the first payment successfully transitioned on to the new platform. The new Payment Utility platform is being implemented for white-label reuse by other agencies, saving significant time and costs that would be required for other agencies to build and maintain an equivalent capability. In Tranche Four, the Programme will focus on migrating larger more complex payment types such as Pensions and JobSeeker from the Income Security Integrated System (ISIS) to the new platform.

The Programme selected the Systems Integrator for the Entitlements Calculation Engine (ECE) after an extensive contract management negotiation, and completed the initiation and design phase at the end of June 2020. This phase was critical in determining whether the underlying technology was viable, the selected vendor (Infosys) was capable and that the Agency had the right core capabilities to support such a large complex initiative.

The completion of Tranche Three provides the Agency with continued positive change momentum and achievement of important business outcomes. The Programme is well positioned to continue on its delivery success in Tranche Four with a continued focus on delivery of commitments, outcomes and benefits to customers, staff and Government.

2 WPIT Contribution to COVID-19 Response

In March 2020, the Programme supported the Agency response to COVID-19 by redeploying skilled staff from across the portfolio to assist with customer facing work. Approximately 54% of programme staff were redeployed to assist with COVID-19 activities. This redirection of capacity and resources had an impact on the Programme's budget, benefits position, delivery scope and overall Programme position, resulting in some Tranche Three scope being delivered in the first quarter of Tranche Four.

While the COVID-19 Response had an impact on the Programme, a tremendous amount of change was delivered to support customers and staff during this emergency response. With so many Australians seeking support at once, a priority for the Programme was to deliver a quick and easy way for customers to connect with the Agency's payments and services. The Programme utilised functionality and capabilities developed over Tranche Two and Tranche Three, to achieve in days or weeks what might otherwise have taken months.

The Programme streamlined the Identity Confirmation process for online claims to allow customers to submit without delay. This included streamlining identity requirements for customers who had already started an online claim. The JobSeeker Payment delivered in March 2020, was central to delivery of the Government's Economic Stimulus Packages and has been used at scale by customers claiming the new payment.

In addition, the Programme expanded previously delivered automation capabilities (developed in Tranche Two for Students) to support straight through processing of automated decisions to grant JobSeeker Payment claims in some circumstances. Online features were released to help customers with income and asset reporting, and the new Payment Utility platform delivered new payments to support the ACT Government with their emergency response.

3 Governance and Assurance

The Programme has well-established programme governance processes that are tailored to the chosen delivery model and align to broader departmental governance. The Programme reported through the Programme Control Board to the Executive Committee. Programme design and business transformation governance was provided through Business Transformation Advisory Group (BTAG) with operational governance provided through Programme Senior Responsible Official meetings. The Programme Architecture Working Group provided guidance on the direction of business and technology architecture.

The Programme's governance structure included whole-of-government engagement and consultation through:

- the Strategic Advisory Committee which supports effective communication between the Programme and central and partner agencies; and
- the Expert Advisory Group consisting of experienced leaders from the private and public sector, providing guidance and advice on the implementation of the Programme to the Minister for the National Disability Insurance Scheme/Minister for Government Services and the Minister for Finance.

At the end of Tranche Three, the Expert Advisory Group was dissolved, to align with the consolidation of the major transformation programmes in the Agency. The Portfolio Advisory Council was then established in October 2020, to provide strategic guidance, independent expertise and perspective across the Agency's wider portfolio of

transformation programmes, including the WPIT Programme. The Council has a broad transformation advisory focus and includes independent members with experience in government and large scale business transformation, and leverage the benefits of independent input and advice.

A Mid-Stage Programme Gateway Review was conducted in March 2019 with the Programme receiving an overall delivery confidence rating of Green-Amber—“successful delivery of the program to time, cost, quality standards and benefits realisation appears probable, however constant attention will be needed to ensure risks do not become major issues threatening delivery’. The Gateway Review is independent and is a positive endorsement of the Programme.

4 Next Phase Summary

Tranche Four, the final tranche of the Programme will run for 24 months from 1 July 2020 to 30 June 2022. This period will see the Programme build upon the work completed in previous tranches and will focus on delivery of commitments and benefits to customers, the Agency and the Government as a whole.

At a high level, the Programme will continue to deliver for our customers and will focus on five key priorities:

- Automation;
- Claim transformation;
- Circumstance updates;
- Data and enabling capability; and
- Reuseable technology.

These five key priorities will enable the Agency to achieve the following five outcomes:

- delivery of a new reusable Payment delivery capability;
- delivery of a new flexible eligibility and entitlements platform;
- reduction of manual processes through the automation of claims and process steps;
- delivery of a single staff interface on a new technology platform; and
- an enhanced ability to source and use data to enable organisation outcomes.

By the end of Tranche Four, the Programme will deliver improvements for customers, staff and Government, including:

Customers:

- transition “Families” to the new and improved customer experience platform;
- further digitise customer interactions that will enable customer to do more online (self-manage obligations, circumstance updates, document management etc.);
- leverage data from existing and new data sources to prefill information thus reducing customer effort and error rates;
- complete the transition of remaining related payments to the new JobSeeker Payment; and
- enable straight through processing of claims thus improving claim processing timelines

Staff:

- complete the transfer of majority claims to the new staff platform thus moving us closer to a single staff interface;
- further eliminate manual processes through payment/claim automation thus freeing up staff effort;
- deliver features (like process step automation, risk based models, use of new data sets) that will allow staff to spend more time on complex customer cases; and
- enhance circumstance update processing by transitioning circumstance updates to the new staff platform.

Government:

- enable policy agility by delivering capability to simulate policy change and hence better inform policy reform;
- have a modern, rules based and highly flexible eligibility and entitlements reusable platform;
- transition all Centrelink payments to the new and reusable Payment Utility; and
- establish a managed service model for the Payment Utility to be used as a service across Government.



Rebecca Skinner
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Services Australia
30 November 2020