Australian Government

Department of Human Services

<div style="border:1px solid">EXECUTIVE MINUTE</div>

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.

The Department of Human Services (the department) 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 Payments Infrastructure Transformation (WPIT) Programme, the department will report back to the JCPAA at the end of each tranche.

Tranche Two of the Programme commenced on 1 January 2017 and concluded on 30 June 2018.

An update on the Programme at the closure of Tranche Two is provided below for the benefit of the Committee.

1. Programme Overview

The Programme is a large scale business transformation that will change the way government delivers welfare payments now and into the future. The Programme is forecast to run over seven years (2015–2022) and will overhaul the Australian welfare payment system. 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 a new Information and Communication Technology (ICT) solution that will replace the current 30 year old system, and will position the department to meet the evolving needs of the government and the community.

The demands on service delivery are growing, as are the opportunities offered through emerging technologies and digital channels. Customers and the community have an increasing expectation of digital access to government services.

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 department is committed to keeping the user at the heart of how it designs and delivers services.

The department is working with policy partners to simplify service delivery for recipients with the aim to decrease legislative, policy and process obstacles. This will help improve public sector efficiency and streamline user experiences.

The Programme commenced on 1 July 2015 and is forecast to run until 2022, with work undertaken 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.

The Programme is working closely with the Digital Transformation Agency (DTA) to ensure the Programme aligns with the Digital Service Standard. This includes using multidisciplinary teams, and adopting an agile and user-centred approach to designing and building services.

In the 2015-16 Budget, the Government provided $60.5 million net funding over four years for Tranche One of the Programme.

In the 2016-17 Mid-Year Fiscal and Economic Outlook, and following adjustments at the 2017-18 Mid-Year Fiscal and Economic Outlook, the Government provided $260.3 million net funding for Tranche Two over four years.

2. Tranche Two Overview

Tranche Two of the Programme commenced on 1 January 2017 and concluded on 30 June 2018. The Programme successfully delivered Tranche Two, meeting and/or exceeding its commitments to Government. Commitments included improved student payments functionality, finalisation of the Future State Business Model, and a detailed technical design for the future technology platform, as well as foundational technological capabilities that can be re-used across welfare payments.

During Tranche Two, the Programme adopted an agile programme delivery methodology, based on principles from the Scaled Agile Framework approach, or SAFe. Along with being flexible and adaptive, the true strength of the agile framework is that user requirements are paramount. It means understanding user problems and working with users, particularly staff and customers, to solve them. This shift and initial agile release trains (ARTs) in the student transformation space, provides a strong template for future implementation and investment. The agile framework is aligned with the Government's Digital Service Standard, which aims to ensure the Programme builds government services that are simpler, clearer and faster for all customers and staff.

Tranche Two focussed on three key objectives:
- **Transforming delivery of student payments**—including developing the capability to automatically process simple student claims (straight-through process). This means faster decisions for students, and staff will have more time to support people with more complex needs.

- **Developing foundational capabilities**—developing the core system features required to support all welfare payments into the future.

- **Finalising end state design**— designing the future-state business and technical designs.

3. Tranche Two Delivery Outcomes

Tranche Two of the Programme concluded on 30 June 2018.

3.1 Transforming delivery of student payments

The Student Transformation Agile Release Train (START) was launched in April 2017, to transform how $3 billion in student payments are administered and delivered. While students are a relatively small cohort of customers, around 80 per cent of the components that make up student payments are common to all other welfare payments. This means the Programme has been able to design and build foundation capabilities that can be re-used to benefit recipients receiving other payments.

Over fifteen months, the project team delivered 49 features into production, which have improved the student claiming experience for both students and staff.

These features have enhanced and simplified existing services, enabled automatic processing in the claim process, and enabled straight-through processing for some claims. START has delivered business process updates as well as technical updates, with the claim process changed to collect additional information and to better capture the correct information from customers.

Early indications of the impact this has had on real time performance measurement and service delivery have been positive.

- In August 2017 a technology framework was developed by START to fast track the processing of simple student claims. This means that over one in every 10 students will know the outcome of their claim in less than three working days.

- By re-using information already known about customers transferring from some income support payments, the department has reduced the number of questions in the online claim question set (for some students) by nearly 70 per cent, from 117 to 37 questions. By 30 June 2018, the reduced question set had been used over 24,000 times, reducing the amount of time and effort it takes these students to complete a claim.

- START has improved notifications to customers and staff during the claim process, and delivered additional control to customers through greater use of the digital channel. All students can now inform Centrelink online about changes in their employment and have their fortnightly income reporting automatically initiated. As a result, there have been approximately 57,000 instances of students updating their earnings in the digital channel.

- START also released the first ever ABSTUDY online claim for Aboriginal and Torres Strait Islander apprentices, as well as a number of features that improve the experience for customers who would like to cancel their own payment and for students to advise how they have supported themselves through work.

Additional Student Transformation achievements as at 30 June 2018 were:

- More than 2,000 vulnerable youth have booked their own Social Worker appointment online in the digital channel as part of the claiming process, where an unreasonable to live at home assessment is required.

- As many as 3,100 students have been able to choose to be paid from their 22nd birthday when they are considered to be independent from their parents.

- Customers have been advised around 29,000 times of their ineligibility to claim (based on their answers) before claim commencement.

The department has also implemented virtual assistants on its website to help students and families find information, as well as virtual assistants in its authenticated online accounts to assist students when making a claim and to assist staff with processing claims.

3.2 Developing foundational capabilities

The Programme developed foundational capabilities and commenced build of a technology solution, which enables transformation to the Future State Business Model. The solution incorporates aligned technical and business architecture to deliver the Programme using SAP and other software to build foundational capabilities for the future tranches of the Programme, and deliver the business and technical designs for future welfare payment service delivery. This included work to move claims from the existing legacy platform to the SAP platform, providing a technical foundation for the transformation of welfare payments delivery. In addition, other foundational work includes the development of an enhanced online claim capability that has been released for some claims, with others to follow in the first stage of Tranche Three.

The solution build and rollout is supported by the Chief Information Officer Group as Lead Systems Integrator. While developing the foundational capabilities, the department actively engaged with other Commonwealth agencies and their ICT, procurement and vendor management areas to discuss transformation, innovation experiences and opportunities.

3.3 Finalising end state design

As a guiding anchor, the Programme has developed the Future State Business Model, which sets the department's future ambition for welfare service delivery. It has clearly defined outcomes, accountabilities, and targets to enable tracking of progress through implementation and service transformation, through to 2022. On 27 February 2018, the then Minister for Human Services, the Hon Michael Keenan MP, approved the Future State Business Model.

The Programme has also developed a detailed design of the future technology platform and has updated the Integrated Solution Architecture. Like the Future State Business Model, the Technical Roadmap provides a basis for implementation, planning and outputs. An independent assessor and the Digital Transformation Agency validated the Integrated Solution Architecture and Technical Roadmap. In addition, a Programme specific Architecture Working Group has been established to ensure continued alignment between the business and technology architectures.

4. Other Tranche Two Work

4.1 User Centred Design

Customer's needs and expectations continually change. To keep pace, the Programme continues to engage customers to understand their needs, their pain points and their experience of services.

The Programme worked closely with the Digital Transformation Agency to align with the Digital Service Standard, including using multidisciplinary teams and utilising an agile and user-centred approach to service design and build.

In Tranche Two, through the application of the Scaled Agile methodology of iterative discovery, design, test, and build phases, the Student Transformation Project was able to achieve the rapid implementation of changes to existing functionality, resulting in an improved experience for students. The project also developed new and innovative online features to

ensure that digital services are more accessible for Australians in the future. This work progressed the government's agenda on digital transformation, and assisted the department in delivering easier, more accessible services for its customers.

In Tranche Two, the Student Transformation Project engaged with the student cohort nearly every week, utilising a number of different forums, including regular attendance at universities and running market stalls at university orientation weeks, visiting Service Centres, and seeking student participation in Design Hub sessions and testing workshops.

Many hours of research were conducted, investigating the needs of students, and discussing and capturing their 'pain points', to ensure the changes being made by the Programme would improve the experience of the primary user: the student.

Additionally, the department established the Chief Citizen Experience Officer (CCXO) Division to build customer-centric design capability across the department, in areas such as customer research, human-centred design and delivery, to improve the customer experience and achieve government outcomes.

The CCXO Division is working on improving user capability to interact digitally, developing new technologies to enhance the digital experience and strengthening connections with delivery and information exchange partners. This includes applying a customer-centric approach to design, development of new digital experiences and delivery, taking an omni-channel approach that helps meet customer and government objectives.

4.2 Digital Transformation Agenda

The government's digital transformation agenda aims to deliver services that are faster, simpler and easier to use. The department is continuing to reimagine and redesign the way it delivers payments and services, which will include dismantling the complex business and technology environment that built up over many years.

During Tranche Two, the Programme conducted further discovery and design work, guided by the vision of the digital transformation agenda to make it simpler and faster to interact with government. The Digital Enablement Project, established under the Programme, is progressively delivering capabilities to ensure customers and staff are able to interact end-to-end with the department using easy-to-use, secure, and integrated digital touchpoints.

To date, the Digital Enablement Project has delivered the following digital activities:

- completion of the build and testing of a redesigned online claim in the Centrelink Online Account (accessed through myGov) on a new user experience platform for job seekers.

- incorporation of digital analytics to understand user behaviour in the Centrelink Online Account, such as common drop out points, to inform future improvements to design and content that improves the user experience.

- expansion of the Digital Assistant (Sam) to selected web pages on humanservices.gov.au, adding job seeker content that allows users to ask questions in a conversational manner. Additional student and families content was also included to enable Sam to answer more questions from users. Since its release in June 2017 until 31 August 2018 Sam has helped answer more than 1,005,000 questions;

- Digital Assistant (Oliver) helps students during their claim and as at 31 August 2018, Oliver had completed more than 706,000 student interactions.

4.3 Governance and Assurance

During Tranche One the Programme established a comprehensive governance structure to set direction, support decision making and drive Programme outcomes. The governance structure leveraged existing departmental governance arrangements, and balanced requirements between WPIT and ICT activities with ongoing business as usual requirements.

To support Tranche Two's focus on delivery and adoption of the Scaled Agile Framework (SAFe) methodology, the governance arrangements were refined to support the changing needs of the Programme and to enhance accountability. Through this process the WPIT Oversight Board was renamed the WPIT Programme Control Board with an independent Chair appointed, and with new authority, through the Chair, to provide direction to the Programme's Senior Responsible Official, based on the agreed view of the Board.

In addition, the WPIT Portfolio Delivery Board replaced the WPIT Project Board (Delivery Authority); the WPIT Business Transformation Advisory Group replaced both the WPIT Business Design Authority and the WPIT Programme Advisory Group; and the WPIT Programme Architecture Working Group was established.

The WPIT Strategic Advisory Committee, made up of senior representatives from other Commonwealth agencies, continued throughout Tranche Two, providing Whole-of-Government coordination.

The Expert Advisory Group, consisting of experienced professionals from outside government continued to provide guidance and advice to the Minister for Human Services and Digital Transformation and the Minister for Finance on the design and implementation of the Programme.

The independent assurance programme was expanded to take into account the increased scope of work in Tranche Two. A new provider, appointed in July 2017, completed eight separate assurance activities in 2017-18.

4.4 Procurement

In 2017, the department established a Panel of Systems Integrators (SI) to support the Programme in design, planning and program management work. The SI Panel comprises of Accenture, Capgemini, IBM and DXC (formerly HP Enterprise). These arrangements continued in Tranche Two.

During Tranche Two, the department also engaged a number of Small to Medium Enterprises to provide specialist skills to support the Programme.

5. Next phase summary

The Programme has now moved into Tranche Three fulfilling a $316.2 million funding commitment by Government in the 2018-19 Budget.

The focus of Tranche Three to transform the customer experience and business presence for job seekers, Older Australians, Disability and Carer cohorts.

By the end of Tranche Three, customers will be able to lodge claims, update their details, and self-manage their obligations digitally. Eligibility for JobSeeker, Disability and Carers payments will be assessed with simplified claims and automated business rules, resulting in faster claim assessments and updates to entitlements when circumstances change.

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

Renée Leon
Secretary
Department of Human Services
30 November 2018