

Senate Community Affairs Legislation Committee

ADDITIONAL ESTIMATES – 11 FEBRUARY 2016 ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Welfare Payment Infrastructure Transformation Programme

Question reference number: HS 123

Senator: Cameron

Type of question: Written

Date set by the committee for the return of answer: 4 April 2016

Number of pages: 4

Question:

- a) Please provide details of the best estimate of the total cost of the WPIT and the methodology used to determine the costs.
- b) Please provide details of expenditure and income outcomes for tranche 1 of the WPIT program.
- c) Please provide details of the outcomes to be achieved and estimated costs for each tranche of the WPIT program.
- d) Please provide details of the expected completion date of WPIT and the completion date of each of the tranches.
- e) How many staff are allocated to WPIT by classification and how many external contractors are engaged on the project?
- f) Please advise the location of staff by classification.
- g) Please provide updated details of the membership of the WPIT Expert Advisory Group.
- h) How many times has the WPIT expert advisory group met? Please provide minutes of the WPIT expert advisory group meetings.
- i) Please provide details of recommendations by the WPIT advisory group that have been implemented and/or not implemented.
- j) Please provide details of lessons learned arising from the implementation of tranche one of the WPIT program.
- k) Please provide details of activities and outcomes achieved under tranche one of the WPIT program.
- l) Has the department provided advice to government in relation to funding required over the forward estimates of the 2016/17 budget?
- m) What has been the expenditure on tranche one of the WPIT program?
- n) Former Minister Robert advised ABC radio on February 01, 2016, “MyGov runs 100m instructions per second, – Commonwealth Bank runs 25m per second” what is the target of instructions per second for the system once WPIT has been completed?
- o) Noting Secretary Campbell’s response during February Estimates, can you advise, over the seven year program, what specific areas of the WPIT will improve call wait times?

Answer:

- a) The Welfare Payment Infrastructure Transformation (WPIT) Programme is a seven year business transformation programme, with work being delivered through multiple tranches from 2015 to 2022. Tranche one of the programme focusses on the business planning, scoping and design work required to deliver the programme. Government will consider costs for each tranche with the benefit of information gained from market testing.
- b) Tranche one involves detailed business planning and identifying commercial partners to allow for planning and co-design for future tranches. Tranche one also includes the delivery of digital projects that will provide early benefits for the programme.

In the 2015–16 Budget, government allocated \$60.3 million net expenditure for tranche one over the forward estimates as below:

	2015–16	2016–17	2017-18	2018-19	Total
Department of Human Services	-112.0	-57.2	44.6	64.2	-60.3

- c) The WPIT Programme will be delivered in tranches to allow for a flexible implementation approach. This will ensure the department can adapt to emerging technology and priorities over time. Each tranche will deliver tangible benefits to welfare customers, taxpayers and government, and ensure costs are managed throughout the project to achieve value for money.

Tranche one of the programme focusses on the business planning, scoping and design work required to deliver the programme. This includes procuring industry partners and the delivery of digital enhancements by the end of 2016. The cost of tranche one is \$60.3 million net expenditure over the forward estimates as outlined in (b) above.

Before the end of tranche one, the department is due to provide advice to government on how future tranches will be delivered. Funding for the future tranches is dependent on the procurement process outcomes, design suitability and demonstration of value for money.

- d) The WPIT Programme is expected to be completed in 2022. Tranche one of the programme focusses on the business planning, scoping and design work required to deliver the programme. This includes procuring industry partners and the delivery of digital enhancements. The timing of tranche two and future tranches is dependent on the procurement process outcomes, design suitability and demonstration of value for money.
- e) As at 30 June 2016, there were 116 contractors and 178.2 staff (FTE) allocated for tranche one of the WPIT Programme. Classifications of departmental staff included: SES = 9, EL1&2=49, APS3-6=59, ELP Apprentice/Graduate=5. Of the 178.2 staff, 56.2 FTE are from other teams within the department supporting WPIT and who are funded by the programme. They are unable to be broken into classifications.

f) As at 30 June 2016, staff locations and classifications were as follows:

Classification	Location				
	ACT	NSW	QLD	VIC	SA
SES Band 3	1	-	-	-	-
SES Band 2	1	-	-	-	-
SES Band 1	7	-	-	-	-
EL2	11	3	4	2	-
EL1	17	3	6	3	-
APS6	14	5	15	4	-
APS5	10	1	3	-	1
APS4	3	-	-	-	-
APS3	-	-	3	-	-
ELPGRAD	4	-	-	-	-
ELPAPP	1	-	-	-	-
Total	69	12	31	9	1

g) Membership of the Expert Advisory Group comprises:

- Mr Martin Stewart-Weeks, (Chair).
- Mr David Pitchford CBE LVO.
- Ms Akiko Jackson.
- Mr David Curran.
- The Secretary of the Department of Human Services is an ex officio member of this Group.

h) Prior to 11 February 2016, there was one meeting of the Expert Advisory Group – on 4 November 2015. The minutes of this meeting are provided as an attachment. Some of the details contained in the minutes have been redacted to protect the Commonwealth's commercial interests and to reflect the deliberative nature of the discussions.

i) Actions and advice of Expert Advisory Group meetings are minuted and actioned as appropriate by the department. The following advice was provided at the 4 November 2015 meeting (parts have been redacted to protect the Commonwealth's commercial interests and to reflect the deliberative nature of the discussions):

<i>Advice</i>	<i>Noted/Incorporated</i>
[REDACTED]	[REDACTED]
Importance of simplification and associated challenges (policy)	Noted
Maintain close attention to the scope of the programme [REDACTED]	Noted
Importance of scalability to be leveraged across government (reusability)	Noted
[REDACTED]	[REDACTED]
Importance of Future Orientated Approach [REDACTED]	Noted

The Expert Advisory Group provides advice to the Minister for Human Services and the Minister for Finance on the WPIT Programme.

j) Tranche one focuses on the business planning, scoping and design work required to deliver the programme. Tranche one is currently in progress and is expected to be completed in the 2016-17 financial year.

- k) Since its commencement on 1 July 2015, the WPIT Programme activities have included establishing a Programme Management Office and governance structure; commenced procurement activities including preparing for the release of a Request for Tender for the WPIT Systems Integrator and for the WPIT Core Software Vendor; and working closely with policy departments, customers, staff and stakeholders on the design of the solution. The department approached the open market on 18 September 2015 for Requests for Expressions of Interest (REOI) for a Core Software Vendor.
- l) The Programme is due to report back to government with further detail in the 2016-17 financial year.
- m) The expenditure for tranche one to 30 June 2016 has been \$78,968,856.
- n) The design of the WPIT system is currently being undertaken and will be refined through the procurement process, including the metrics for the performance of the system.
- o) The programme will modernise the delivery of welfare payments and services by simplifying business and ICT processes across face-to-face, phone and digital channels. Increasing digital connectivity, simplifying unnecessary complexity, providing better data matching capability, delivering real-time data analysis and taking advantage of modern technology will all help to reduce the need for customers to call us.