



## **Submission to the Senate Finance and Public Administration References Committee Inquiry into the current capability of the Australian Public Service**

### **Overview**

Following the Committee's invitation, Services Australia (the Agency) makes the following submission to the Senate Finance and Public Administration References Committee (the Committee) inquiry into current capability of the Australian Public Service.

Services Australia is working to drive the transformation and modernisation of the Agency to become world leading in government service delivery over the next 5 years.

Services Australia has a significant number of transformation and modernisation projects that are currently underway. These projects are all designed to help the Agency achieve its vision: *to make government services simple so people can get on with their lives*.

Transformation is part of our core business, and many of our smaller projects are funded internally and delivered through existing ASL allocations and organisational structures. The Agency is also responsible for implementing policy changes on behalf of numerous other agencies. In addition to our projects and our core work, Services Australia is focused on continuous improvement to ensure that we are operating efficiently and effectively.

### **The submission**

Part One of the submission provides the Committee with details of major (total budget over \$10 million) transformation and modernisation projects currently being delivered by Services Australia.

Part Two provides a snapshot of the Agency's current digital and data capability.

Appendix A provides a list of all transformation and modernisation projects currently delivered by the Agency.

### **Part 1: Major projects**

This section outlines transformation and modernisation programs currently being delivered by the Agency with a budget over \$10 million. It provides details of the project, the area of the Agency responsible for delivery, reuse opportunities, and performance measures. It also includes the cost for external providers engaged on the project. The Agency utilises the services of a range of external providers to assist in delivery. This provides additional flexibility for the Agency to engage short-term specialist services, and to support day-to-day operations for surge workload requirements.

#### **Major reports and reviews**

The following reports about the Agency's major projects are attached:

- Executive Minute on Joint Committee of Public Accounts and Audit Report 452 (update on WPIT at the closure of Tranche One)
- Executive Minute on Joint Committee of Public Accounts and Audit Report 452 (update on WPIT at the closure of Tranche Two)
- Executive Minute on Joint Committee of Public Accounts and Audit Report 452 (update on WPIT at the closure of Tranche Three)

## Welfare Payment Infrastructure Transformation Programme

The Welfare Payment Infrastructure Transformation (WPIT) Programme commenced in July 2015, and is transforming Services Australia's welfare payment system through a business-led, people-centred, technology-enabled transformation. Services Australia's Transformation Projects Group is responsible for delivery of the Programme.

The final tranche of WPIT, Tranche Four, commenced on 1 July 2020 and is scheduled to complete on 30 June 2022. Tranche Four will deliver capability and modern technology that government can use to achieve its service delivery ambitions and expand digital services and further re-engineer and automate many welfare payment transactions, increasing the efficiency of welfare service delivery.

One of the focus areas for Tranche Four is on reusable technology and capability for other government transformation programs, to reduce build costs. Approximately 70 per cent of the Tranche Four budget is directly attributed to delivery of reusable capability for government and supporting policy agility.

Elements of WPIT have already been successfully reused. For example, the Payment Utility (PU) Platform, which was built in Tranche Three of the Programme, has been reused by:

- Services Australia for the Tasmanian Freight Equalisation Scheme (TFES), from April 2019.
- The ACT Government for COVID-19 stimulus related payments in May 2020.
- Victorian Government for COVID-19 emergency payments in July 2020. Recipients began to receive payments in just over 4 days from the time of the request by the Victorian Government.

Services Australia is working across agencies to deliver simplified income reporting through implementation of Single Touch Payroll.

Services Australia will continue to work with other Australian Government agencies and jurisdictional governments on further reuse opportunities, as well as identifying internal reuse opportunities.

Services Australia utilises the services of a range of external providers to assist in delivery. The total cost of external providers, including contractor workforce, for this project between 1 July 2020 and 31 January 2021 is \$42.1 million.

### Measuring performance

Tranche Four focuses on five key priorities (reusable technology, automation, claim transformation, circumstance updates, and data and enabling capability).

By focusing on these five priorities, by the end of Tranche Four, the Programme will enable the Agency to achieve five key outcomes:

- a new, reusable and scalable Payment Delivery capability
- a new and flexible eligibility and entitlements platform for Centrelink
- manual processes reduced through automation of claims and process steps
- a single staff interface built on a new technology platform (Process Direct) and
- enhanced ability to source and use data to enable organisational outcomes.

The progress and success of WPIT is measured against these key priorities and outcomes. WPIT has well-established programme governance process, and the Agency provides a report to the Joint Committee of Public Accounts and Audit at the end of each tranche.

## Health Delivery Modernisation

Services Australia is working with the Department of Health to stabilise and modernise the health payments system that underpins Medicare, the Pharmaceutical Benefits Scheme and other health related programs. This will ensure the continuity of services and the payment of benefits to customers and health care professionals. Services Australia's Transformation Projects and Technology Services Groups are responsible for delivering the Health Delivery Modernisation (HDM) program.

Phase One of the HDM program delivered targeted user benefits for customers, health care professionals, and health and aged care businesses, making it simpler and quicker to interact with government services. Benefits included:

- Improvements to the Medicare Online Account and Express Plus Medicare mobile app to include an enhanced claiming flow for users, and enable processing efficiency for staff.
- A streamlined registration process for medical interns, which has resulted in interns receiving their Medicare provider number faster, reducing registration times from up to 6 weeks to just 2 days.
- Enhancement to IT systems that have reduced claim processing times for the aged care annual and lifetime fee caps process from 50 minutes to an average of 5 minutes.

Phase Two of the Program will continue critical stabilisation and modernisation of the health payments system, to ensure continuity of health payments and start transforming health services for millions of Australians.

Elements of HDM are intended for future reuse in other projects within the Agency. For example, digital service improvements in HDM will deliver one or more customer analytics tools that will be reused by other projects and business areas within the Agency to gain customer insights. The project is also developing technical foundations with a view to future alignment with Enhanced myGov.

The Agency is also working to reuse elements of other projects for HDM, in order to maximise Government investment in major technology capabilities. For example, the Agency is undertaking preparatory work to reuse Payment Utility capabilities developed through WPIT for the delivery of health payments and services.

Services Australia utilises the services of a range of external providers to assist in delivery. The total cost of external providers, including contractor workforce, for this project between 1 July 2020 and 31 January 2021 is \$19.4 million.

## Measuring performance

Phase Two of HDM will include work to:

- Reduce the risk to data and payment integrity, by improving the communication and synchronisation of data between systems to ensure the correct payments are made to correct recipients.
- Improve functionality for end users, including implementing new digital features to enable customers to self-manage more of their information.
- Upgrade technology to reduce the risk of outages and disruption of services to customers and providers, modernise legacy code, and reduce cyber risk.

The Agency will continue to measure progress of HDM throughout Phase Two of the program, to ensure expected benefits continue to be realised.

## Aged Care Funding Reform

Services Australia is partnering with the Department of Health on aged care funding reform. The Agency has commenced work to deliver replacement calculation and payment infrastructure, which will modernise residential aged care capabilities and replace legacy systems, with a delivery date of March 2022.

The changes will provide a more flexible, responsive and quality service for older Australians to access aged care services and support. Modernising aged care capabilities and replacing legacy systems will provide a more usable and joined up experience, and allow for forward flexibility in adjusting to future funding reforms.

The Services Australia components of the Residential Aged Care Funding Reform (RACFR), project encompass:

- continuing work on options to implement a new funding model for Residential Aged Care; and
- replacement of the legacy System for the Payment of Aged and Residential Care.

RACFR is being delivered by the Agency's Transformation Projects Group.

Services Australia utilises the services of a range of external providers to assist in delivery. The total cost of external providers, including contractor workforce, for this project between 1 July 2020 and 31 January 2021 is \$12.1 million.

## Measuring performance

Benefits delivered by RACFR will include:

- Improving payment accuracy to ensure the right payment is made to the right provider at the right time.
- Enhancing systems by contributing to legacy replacement and implementing systems integration across key system components for aged care, both within the Agency and with the Department of Health.
- Minimising manual effort for staff, thereby decreasing the opportunity for manual keying and errors.
- Contributing to aged care reporting by implementing core capabilities to support the exchange of data across the aged care end-to-end system

Performance will be measured against these success criteria.

## Veteran Centric Reform

Services Australia is working to support the Department of Veterans' Affairs (DVA) in delivering a modern digital ICT system to be used for DVA's Veteran Centric Reform – Putting Veterans and their Families First Program.

The program is currently in its fourth year, and is being delivered by the Agency's Transformation Projects Group. The program leverages existing Services Australia capability and improvements from the first 3 years of the program have already made it easier for veterans to access services, for example, by:

- streamlining and enhancing telephony and online claim processes
- building the underlying ICT system for approximately 200,000 veterans and their families
- providing veterans and their families in regional Australia greater access to services through Services Australia Mobile Services Centres and Agents network; and

- releasing the DVA Third Party Portal, allowing external organisations to interact with DVA through an authenticated online platform.

Services Australia utilises the services of a range of external providers to assist in delivery. The total cost of external providers, including contractor workforce, for this project between 1 July 2020 and 31 January 2021 is \$8.3 million.

## **Measuring performance**

All performance measures, KPIs and benefits for Veteran Centric Reform are the responsibility of DVA. The Agency supports DVA in the performance measurement process, where required.

## **Digital Identity**

Digital Identity will give Australian people and businesses a single, secure way to use government services online, without the need to physically present evidence of their identity to access services. This project is being delivered as a Whole of Government solution in collaboration with the Digital Transformation Agency and Australian Taxation Office.

Services Australia has a role to develop and operate core elements of the Digital Identity ecosystem, including the Identity Hub and the Interim Oversight Authority. The Agency will also be a significant user of the service, and will change systems and processes to allow customers to use Digital Identities to access myGov and other critical services, such as Centrelink registration.

The capability from this project will initially be used by Services Australia for the Centrelink program. This will later be extended across Services Australia and other government agencies.

Services Australia's Transformation Projects Group is responsible for the key deliverables for the project, with other areas of the Agency responsible for operational aspects of the Digital Identity Ecosystem.

Services Australia utilises the services of a range of external providers to assist in delivery. The total cost of external providers, including contractor workforce, for this project between 1 July 2020 and 31 January 2021 is \$4.6 million.

## **Measuring performance**

Performance will be measured based on the successful delivery of a capability that allows a customer to use their myGov Digital Identity Proofing level 3 to prove who they are to Centrelink and confirm identity requirements.

## **New Employment Services Model - Process and Workflow Communications**

The Department of Education, Skills and Employment's (DESE) New Employment Services Model (NESM) will fundamentally change the way many job seekers receive services, providing digital services for job ready job seekers, and more intensive enhanced services to disadvantaged job seekers.

Data exchanges and associated business processes between Services Australia and DESE will be modernised through an ICT solution to be developed and implemented as part of this project. This project will utilise Application Programming Interfaces (API) technology in accordance with whole of Government API standards. This is expected to facilitate the greater reuse of government systems.

Services Australia's Customer Service Design Group is responsible for the Agency's role in the project. Services Australia utilises the services of a range of external providers to assist in delivery. The total cost of external providers, including contractor workforce, for this project between 1 July 2020 and 31 January 2021 is \$0.05 million.

### **Measuring performance:**

The project has three key phases:

- Planning and initial delivery, which includes the initial design and delivery of APIs and the development of the system transition strategy
- Preparatory implementation, which will see the decommissioning, replacement or redesign of Services Australia and DESE hosted business and ICT process that are not anticipated to be fundamentally re-engineered as a result of NESM, and
- Cutover and go-live, which will see the decommissioning, replacement or redesign of remaining Services Australia and DESE hosted business and ICT processes as well as the delivery of new APIs to assist the assessment of job seeker eligibility or early intervention requirements.

Performance will be measured against each of these phases.

## **Australian Immunisation Register COVID-19 Vaccination Readiness**

The Australian Immunisation Register (AIR) COVID-19 Vaccination Readiness project is preparing Services Australia systems for a rollout of a national COVID-19 vaccine, including the reporting of vaccinations to the AIR.

Deliverables for the project include the introduction of a new COVID-19 vaccination digital certificate, updates to the immunisation history statement, and ICT system updates to accept, store, use and share data about the COVID-19 vaccine.

Services Australia's Customer Service Design Group is responsible for delivering the project. Services Australia utilises the services of a range of external providers to assist in delivery. The total cost of external providers, including contractor workforce, for this project between 1 July 2020 and 31 January 2021 is \$2.1 million.

The reuse opportunities that this project is expected to provide include:

- Increase in system capacity for future requirements, including peak period readiness; improved data sharing capacity with the Department of Health and the Australian Digital Health Agency; and more automated data matching to reduce manual work.
- The AIR as a national asset providing a single source of truth on vaccinations for the Australian Government, jurisdictional governments, and My Health Record.

### **Measuring performance:**

The key performance indicators for the project are the ability for the AIR system to receive COVID-19 vaccination data, and to provide proof of vaccination information and status to the Australian community.

## Part 2: Digital and data capability

Strong agency capability is essential in delivering on government commitments, meeting the expectations of Australians and transforming our business. It also ensures we are well prepared to respond to challenges and emergencies, and to optimise opportunities. Our capability comprises our governance, systems, technology, processes, knowledge and most importantly—our people.

### Staffing snapshot

#### Data and analytics

The Agency has a dedicated Data and Analytics Division, led by the Agency's Chief Data Officer. As at 31 December 2020, the Division employed 334 APS employees and 37 non-APS employees (i.e. labour hire, contractors and consultants).

There are also staff performing data roles working in other areas of the Agency.

#### ICT and digital

Services Australia is a public service leader in digital service delivery transformation and is responsible for the direct delivery of Australian Government services and payments to the Australian public, communities and businesses through online channels. The scale of our ICT system means that the Agency oversees one of the largest networks in the Southern Hemisphere.

The Agency has a dedicated Technology Services Group, led by the Chief Information Officer. As at 31 December 2020, the Group employed 2,266 APS employees and 2,443 non-APS employees. The Technology Services Group utilises the services of a range of external providers to assist in delivery. This provides the Group with the flexibility to engage short-term specialist services.

The Agency also has a Digital Services Division within the Customer Service Group, which focuses on the Agency's digital capability. The Digital Services Division employed 355 APS employees and 7 non-APS employees at 31 December 2020.

There are also staff performing digital and ICT roles working in other areas of the Agency.

## **Appendix A: projects currently being delivered by Services Australia**

- AIR COVID-19 Vaccination Readiness
- Authenticated self-service for information release
- DMIS/SAP Reconciliation Remediation
- Digital Identity
- Health Delivery Modernisation
- Life Event Redesign (Birth of a child)
- New Employment Services Model - Process and Workflow Communications
- Residential Aged Care Funding Reform
- Stabilising and Improving the Workload Management tool
- Welfare Payment Infrastructure Transformation Programme
- Veteran Centric Reform Program – Putting Veterans and their Families First
- Voluntary Patient Enrolment
- Working Age Payment Reform Finalisation – cessation of Wife Pension and Partner Allowance and transition customers to Age Pension/JobSeeker Payment