Australian Government

Department of Human Services

AUSTRALIAN GOVERNMENT
DEPARTMENT OF HUMAN SERVICES

DIGITAL DELIVERY OF GOVERNMENT SERVICES

SUBMISSION TO THE
FINANCE AND PUBLIC ADMINISTRATION
REFERENCES COMMITTEE

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Part One – Overview

The Department of Human Services (the Department) is the service delivery arm of the Australian Government.

The Department administers payments and services for multiple government agencies and provides advice to government on the delivery of welfare, health and child support services.

The Department's scale, expertise, delivery network and digital services are substantial.

In 2016–17 the Department administered payments of over $174 billion. It processed over 399 million Medicare services (97 per cent via its digital services), 3.8 million welfare claims and over 60,000 aged care claims. It worked with separated parents to facilitate the transfer of $3.5 billion to support 1.2 million children. It managed over 700 million digital and self-service transactions.

The Department also handled 19 million visits to its 349 service centres and 52 million phone calls.

It provided almost 600 service points in regional, rural and remote Australia and a network of almost 3,000 dedicated computers for Australians to access services.

Some 1,100 Departmental staff supported Australians affected by Tropical Cyclone Debbie.

And the Department worked with the Digital Transformation Agency (DTA) on enhancing myGov.

myGov has transformed government digital services.

As at 30 June 2017 there were approximately 11.7 million active myGov accounts with access to 10 different Commonwealth and State services.

In 2016–17, myGov was available 99.8 per cent of the year and over a quarter of a million people used myGov every day. More than 81 million letters were delivered through myGov.

1.1 This Submission

This Submission provides an outline of the services currently available to Australians to access Centrelink, Medicare and Child Support services, and the Department's website and mobile apps. It also provides information about the reliability and security of these services and their uptake over the past several years. Importantly, it outlines how the Department is working across government to implement the Government's Digital Transformation Agenda and maximise current capabilities and investments.

The Submission also describes the Department's Digital Transformation Strategy and how it is continuing to improve the design, development, testing, deployment and management of its digital services. This includes a focus on user centred design while also making digital services easier, faster and more responsive.

The final part of the Submission outlines a number of areas of focus for the Department in relation to its digital services. This includes how the Department is managing the delivery of its digital programmes and projects, how it manages change and risk, its focus on security and privacy, and the way it engages with third party service providers. It also identifies some of the challenges faced by the Department in the delivery of its digital services. These range from dealing with ageing technology platforms and complex policy settings to the challenges of developing and maintaining a suitably skilled workforce.

1.2 In summary

The Submission highlights the Department's established capability to deliver high quality digital services to Australians. It also demonstrates the Department's capability to design, build, test and deploy digital services that support the Government's Digital Transformation Agenda and deliver real benefits to Australians.

The Department's digital services enable people to increasingly access government services at a time and place that suits them. The value of this will increase over time as the Department continues to strengthen and improve its digital services.

The Department would welcome the opportunity to provide Committee members with a tour of its Cyber Security Operations Centre, Technology Innovation Centre and/or Channel Operations Facility to further illustrate the Department's capabilities and expertise in delivering digital services.

1.3 Key Departmental Facts 2016–17

Services and Payments

over $174 billion payments made including:

$114.4 billion in social security payments

$22.4 billion in Medicare benefits

$12.4 billion in pharmaceutical benefits

$13.7 billion in aged care payments

$3.5 billion transfers facilitated to support the welfare of 1.2 million children

Australia Wide

34,037 staff across the country

349 service centres, 239 Access Points and 347 Agents

19 million visits to service centres, an average of 77,000 a day

over 52 million phone calls

Digital

over 700 million digital and self-service transactions

digital services available 99.3 per cent of the time

388.1 million Medicare services

Across Government

myGov digital service

11.7 million active myGov accounts

96.9 million myGov logins in 2016–17

National Disability Insurance Agency (NDIA) Myplace portal supporting

over 1.5 million successful NDIS payment requests with 93.8 per cent average success rate since 1 July 2017

$580 million paid since 1 July 2017, with approximately $2.02 billion since 1 July 2016

Part Two – The Department's Current Digital Services

This section outlines the Department's approach to maintaining and improving its ICT systems, infrastructure and networks and the extent of its current digital services.

2.1 ICT Systems and Infrastructure

The Department's ICT systems, infrastructure and networks are extensive, complex and critical to the delivery of government services.
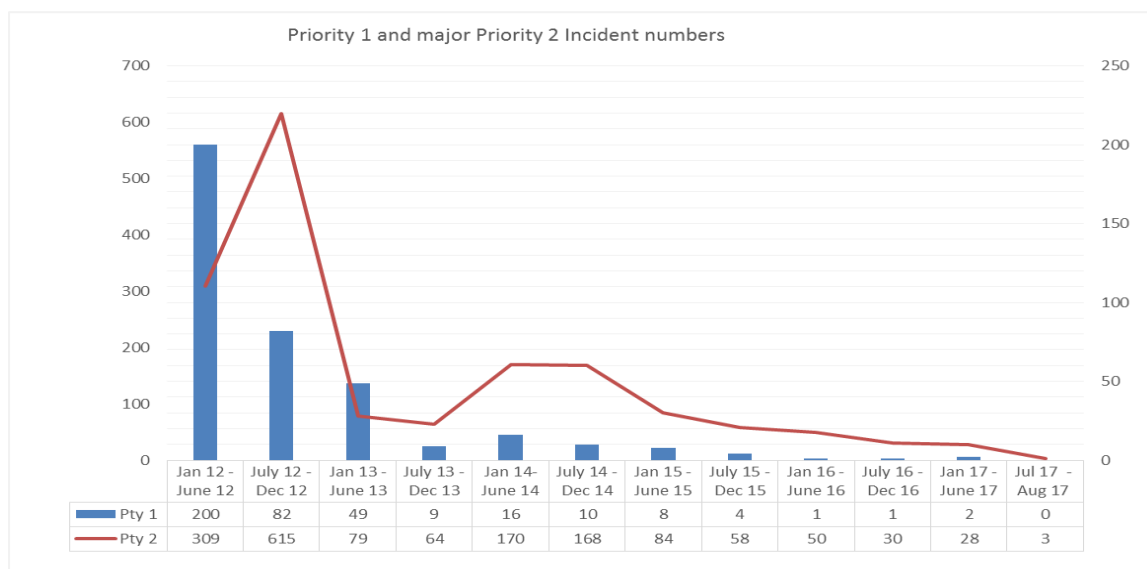
Over the past several years the Department has improved the availability and security of its systems, infrastructure and networks to ensure that Australians can access the Department's digital services on a 24/7 basis.

The Department currently manages significant ICT capabilities including:

- three of the 35 IBM z13 Mainframes in Australia with the capability to perform over five billion transactions every day
- 14.2 petabytes of stored information
- 16,000 processor cores of x86 hardware delivering a 'cloud' environment made up of over 10,000 guests distributed over 500 sites across the country
- 1,300 servers hosting over 14,000 virtual servers and nearly 10,000 virtual desktops
- two world-class datacentres with 424 racks over 1,840 square meters of floor space
- over 500 locations with 47,000 Mbps bandwidth for 950 primary links
- an internet gateway which services eight departments/agencies, and
- a significant network of supporting multifunctional devices and telecommunications.

The Department has systems that retrieve data, perform calculations and respond to millions of transactions at any time of the day. This is supported by disciplined and tested processes for managing day-to-day operations, change and incidents.

The improvement in the stability of the Department's digital services is illustrated in the following graph which records the number of Priority 1 and Priority 2 incidents over the past five years.

Priority 1 and major Priority 2 Incident numbers

	Jan 12 - June 12	July 12 - Dec 12	Jan 13 - June 13	July 13 - Dec 13	Jan 14- June 14	July 14 - Dec 14	Jan 15 - June 15	July 15 - Dec 15	Jan 16 - June 16	July 16 - Dec 16	Jan 17 - June 17	Jul 17 - Aug 17
Pty 1	200	82	49	9	16	10	8	4	1	1	2	0
Pty 2	309	615	79	64	170	168	84	58	50	30	28	3

A Priority 1 incident is when a system, network, application or self-service capability is severely degraded. A Priority 2 incident is where there is a degradation of ICT systems, networks or applications.

The Department has achieved these improvements through a rigorous programme to industrialise its infrastructure, to modernise its hardware and software, and by building a skilled and committed ICT workforce.

This has meant that people who use the Department's digital services have access to them more than 99.3 per cent of the time.

The Department has, in addition, undertaken considerable rationalisation of its systems and software to produce better performance and efficiencies.

This includes establishing 'dominant technology stacks' and converged infrastructure, building strategic partnerships with key vendors, consolidating the Department's data centres, and optimising the Department's software.

The Department has also established a single managed telecommunications contract with Telstra which covers end-to-end voice and data services, voice carriage, contact centre services, video-conferencing services and mobile phone services.

Windows 10 Rollout biggest in the Asia Pacific Region

In 2015-16 the Department rolled out the Windows 10 operating system to around 35,000 staff. The rollout was successfully executed in less than four months and was one of the largest rollouts in the Asia Pacific region. The Department has gained significant benefits from the rollout including:

- a cyber-resilient operating system
- the ability for new capabilities to be deployed more readily and at a lower cost, and
- the ability to proactively monitor and improve the reliability of end user computing.

2.2 Working Across Government

While building its systems, infrastructure and 24/7 availability, the Department has also worked across government to maximise digital capabilities and investments.

myGov

The Department established myGov in 2013, transforming the way people interact with government.

myGov provides an easy and secure way to access government digital services. It allows people to undertake a wide range of transactions with multiple agencies.

A myGov account offers secure access to Centrelink, the Australian Taxation Office (ATO), Medicare, Child Support, the My Health Record, My Aged Care, the National Disability Insurance Scheme (NDIS), the Department of Veterans' Affairs, Australian JobSearch, and the Victorian Housing Register Application.

As at 30 June 2017 there were some 11.7 million active myGov accounts.

In 2016–17, an average of 265,000 people used myGov successfully every day (a 62 per cent increase on 2015–16). myGov was available 99.8 per cent of the year.

The busiest day of this financial year so far was on 12 July 2017 when 760,000 people successfully logged in to myGov.

The growth in myGov accounts and transactions is outlined in the following graph.

	2013-14	2014-15	2015-16	2016-17
Average Daily Logins	68,500	130,000	160,000	265,000
Active and linked accounts	2,900,000	7,000,000	9,500,000	11,700,000
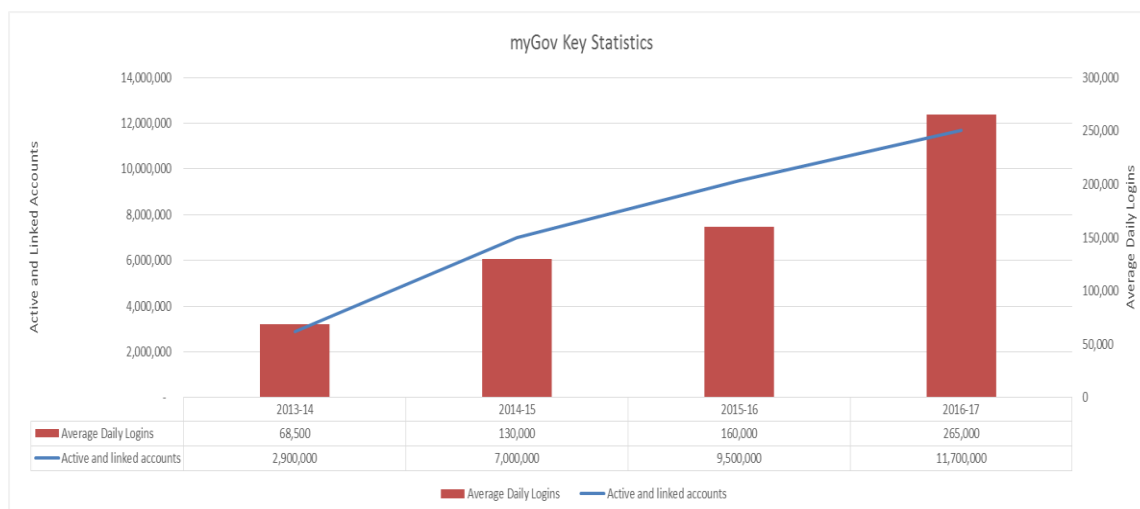
In addition, during 2016–17 some 81.8 million digital messages and letters were sent to Australians via myGov, thereby saving time, labour and postage costs. The myGov inbox is estimated to have saved the taxpayer some $100 million since it was launched in 2013.

On 27 June 2017 an Australian National Audit Office (ANAO) independent performance audit of myGov found that the Department's implementation of myGov was largely effective in improving service delivery and providing value for money.

Since 1 July 2016 the Department has worked closely with the DTA to improve myGov. The DTA is responsible for myGov's service strategy, policy and user experience. The Department continues to be responsible for the hosting of myGov, including system development, testing, security and operational performance.

Continuing to Improve myGov

In 2016-17 the Department, in partnership with the DTA, expanded myGov with the following new features:

- modernising the myGov user experience
- ensuring compliance with Web Content Accessibility Guidelines 2.0 standards
- web authentication to fast track signing on to member services
- a mobile authentication pattern, and
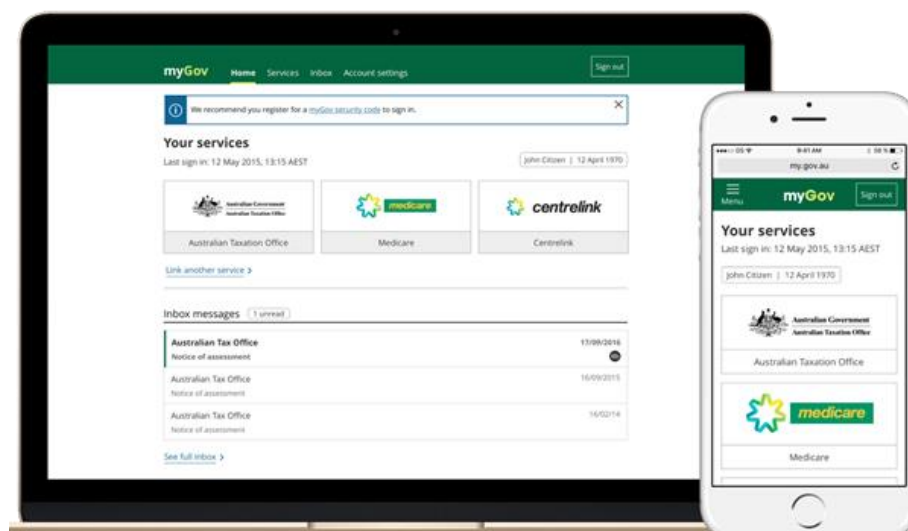- an inbox search facility to find messages.

Image: Screenshot of the new myGov 2.0 front page, full screen and mobile version

The National Disability Insurance Scheme

Over the past several years the Department has leveraged its expertise and capabilities to provide support to the National Disability Insurance Agency (NDIA). This has included providing:

- a full suite of ICT shared services to the NDIA, including end user computing, information management and corporate systems, telephony, online channels and business systems
- access to the Department's contact centre staff to support general enquiries and participant and provider access to the NDIS, and
- shared corporate services and property support.

The NDIS is currently supporting over 100,000 participants, and individual claiming by participants and providers through the system has a 93.8 per cent average success rate.

The Department is also continuing to collaborate with the NDIA to implement the recommendations from the MyPlace Portal Review undertaken by PwC in August 2016.

The Review found that, while there were issues with stakeholder engagement, training and preparedness for providers, the Department delivered the Full Scheme ICT Solution in line with the NDIA's requirements.

2.3 Centrelink Digital Services

In 2016–17 Centrelink service recipients undertook over 53 million interactions online and via the Department's Express Plus mobile apps.

Through myGov the Department offers Australians the capability to make claims for Centrelink payments online. This means people can start the claim, enter information and upload documents without visiting a service centre or contacting the Department.

In 2016–17 over 76 per cent of claims for Family Tax Benefit (FTB), Child Care Benefit, Parenting Payment, Parental Leave Pay, Dad and Partner Pay, Age Pension, Newstart Allowance, Youth Allowance, Austudy, Sickness Allowance, and Mobility Allowance were submitted through the Department's digital services.

Through enhancements to the Department's online services, recipients are now able to view more of their details on the landing page of their online account. This includes viewing the status of their claims, reminders, and the details of their next payment.

To ensure they receive the correct payments, Centrelink recipients can also update their personal details and notify changes to circumstances online or via the Department's mobile apps. This includes changes to their address and accommodation, income and assets, study, overseas travel and bank account details. Recipients can also report employment income, request a document, and claim Advance Payments online.

These changes have made it easier for Australians to access Centrelink information and services and reduced the need for people to contact the Department in person or by telephone.

In addition, during 2016–17 the Department began to deliver a capability for claimants (commencing with students) to track the progress of their claims through digital channels as part of its Welfare Payments Infrastructure Transformation (WPIT) Programme. This has made it significantly easier for students to check on their claims.

Enhancing Centrelink Online Claims

In September 2016 the Department released a new digital Pre-Claim Lodgement process which:

- allows claimants to be advised as early as possible if they are ineligible for payment
- ensures that key questions are completed and documents provided before the claim is submitted
- includes a progress 'tracker' displaying the estimated claim assessment completion date
- provides a countdown clock to provide a visual message of days remaining to submit a claim
- provides the ability to save draft claims for up to 13 weeks, and
- enables the sending of targeted reminders for outstanding tasks.

The function is currently available for claims for Youth Allowance, Austudy (Student and Australian Apprentice/Trainee), Carer Payment, Carer Allowance and the Age Pension.
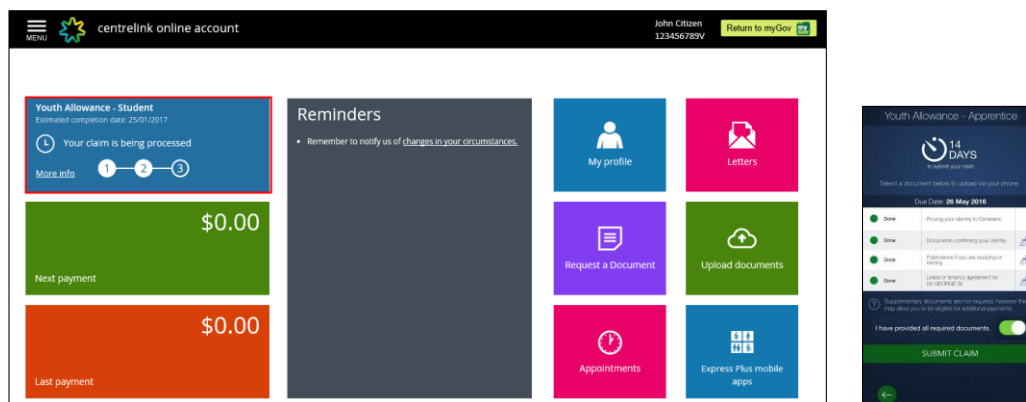
Image: Screenshot of the claim 'Tracker' in a Centrelink online account and Express Plus app

While improving the services available to recipients online, the Department has also commenced re-engineering the claim processing systems to reduce turnaround times and improve productivity.

Centrelink Concessions

Another element of the Department's digital services is the Centrelink Confirmation eServices which allows participating businesses and organisations to confirm a person's entitlement to a concession or rebate, obtain income and asset information or assist with determining eligibility for the early release of superannuation due to financial hardship.

Businesses and organisations such as utility providers, local councils, housing and financial planners can electronically confirm a person's details to:

- receive a concession, rebate or service
- request income, assets and payment details for people receiving income support, and
- assist administrators and trustees of superannuation funds to decide whether superannuation can be released early due to financial hardship.

In 2016–17 there were 81.7 million Confirmation eServices transactions.

Express Plus Centrelink Mobile App

The Department deployed the first iterations of the Centrelink Express Plus Apps in 2012. Originally there were four Centrelink Express Plus mobile apps, specifically for Students, Seniors, Job Seekers, Families and an Express Plus Lite Multilingual, with capability for recipients to view and update personal information, fulfil reporting obligations, apply for advance payments and read online letters. In 2014-15 the Department combined the Centrelink Express Plus apps into one app that is responsive to the recipient's circumstances.

The Department continues to improve the app on the basis of feedback from Australians. Recent improvements include:

- the 'Payment Choices' service which allow recipients to view and update their payment options for FTB Part A, FTB Part B, Rent Assistance and Child Care Benefit payments

- the 'Customer Circumstance Monitor' service which allows users to manage their current claims. It also allows them to track the progress, submit, withdraw or upload associated document(s) for the claim. Enhancements were also made to enable documents and images to be imported from a mobile device into the Express Plus App's vault, allowing users to provide these documents through the associated document process

- enhancements to the 'Advise Non-Lodgement of a Tax Return' and 'Family Income Estimate' service

- the implementation of the 'Deduction' service which allows users to manage Centrepay, Child Support, Tax and Rent Deduction Scheme deductions

- enhancements to the 'Update Contact and Address Details' service to support victims of Domestic Violence

- enhancements to the 'Money You Owe' and 'Advances' services, and

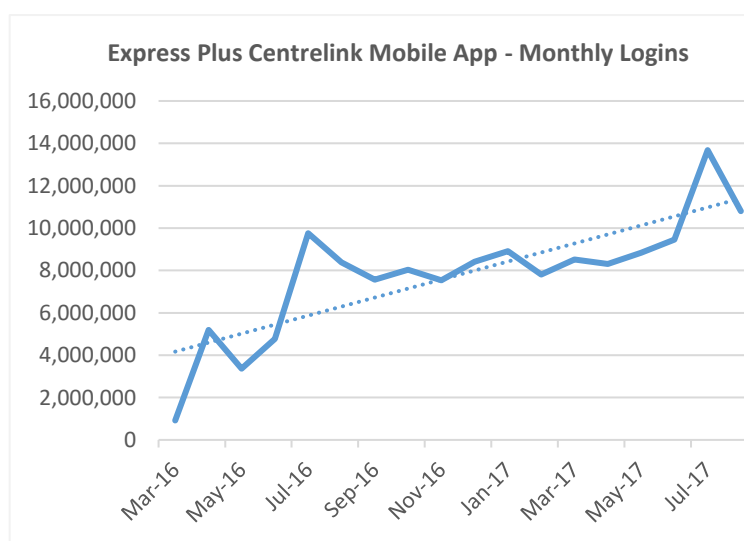- changes to reflect legislative changes which had an impact on a variety of services.

Image: Screenshot of the Express Plus Centrelink App and data demonstrating number of logins per month.

Online Compliance

In 2015–16 the Government announced a Budget measure to expand the Department's compliance activity in employment income data matching as part of the Government's Strengthening the Integrity of the Welfare Programme.

Data-matching, sending letters, and assessing and calculating differences in income and payments has been at the core of the department's welfare compliance activities since the 1990s.

As part of the Budget measure, in 2016 the Department introduced an online compliance portal enabling people to confirm their information at a time convenient for them, quickly and simply. Parts of the debt raising process previously done manually were also automated.

The Department launched the online portal after a pilot program involving around 1,000 people. The portal gives people the opportunity to review, update, or confirm the employment income information provided to the Department by the ATO.

Approximately 80 per cent of the assessments completed between July and December 2016 resulted in a debt to the Commonwealth.

The online portal has not changed how data matching occurs, how income is assessed or how debts are calculated. It has allowed the Department to significantly increase the volume of assessments and provided recipients with the opportunity to review, confirm or update the relevant information online. However, the initial rollout gave rise to public controversy.

In April 2017 the Commonwealth Ombudsman (the Ombudsman) released a report into the Department's implementation of the automated debt system. The Ombudsman found that it is entirely appropriate for the Department to ask recipients to explain discrepancies following its data matching processes and that the debts raised were accurate based on the information available to the Department at the time the decision is made.

The Ombudsman also found that the Department did not clearly communicate aspects of the system to recipients and staff which led to confusion and misunderstanding.

Over the past nine months the Department has introduced a range of enhancements to the online compliance system. These included the practical enhancements suggested by the Ombudsman. For example, the Department no longer applies the automatic 10 per cent fee where there is no contact from the recipient, or the recipient responds that they had personal factors which affected their ability to accurately declare their income. Registered post and read receipts on digital letters are also used to verify people's contact details.

The changes, which were developed after comprehensive user testing and input from the DTA, have improved the usability and accessibility of the system.

2.4 Medicare Digital Services

Electronic claiming

The Department has a strong focus on encouraging Medicare payments to be claimed at the point where health services are provided as the quickest and most convenient process for patients.

In 2016–17 some 24.9 million people were enrolled in Medicare and $22.4 billion was paid in benefits.

The percentage of services delivered digitally continues to grow, with 97.1 per cent of claimed services lodged electronically across all digital Medicare service channels.

The majority of recipient claims for Medicare services are lodged via three electronic claiming channels (Medicare Online, ECLIPSE and Easyclaim).

Over 90 per cent of Medicare Online claims are automatically processed, with payments usually made within 48 hours directly into the claimant's bank account.

The increase in digital Medicare claiming over the past six years is illustrated in the following graph.

Medicare - percentage of services lodged electronically

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
% services lodged electronically	84.5	89.3	93.1	94.9	96.1	97.1
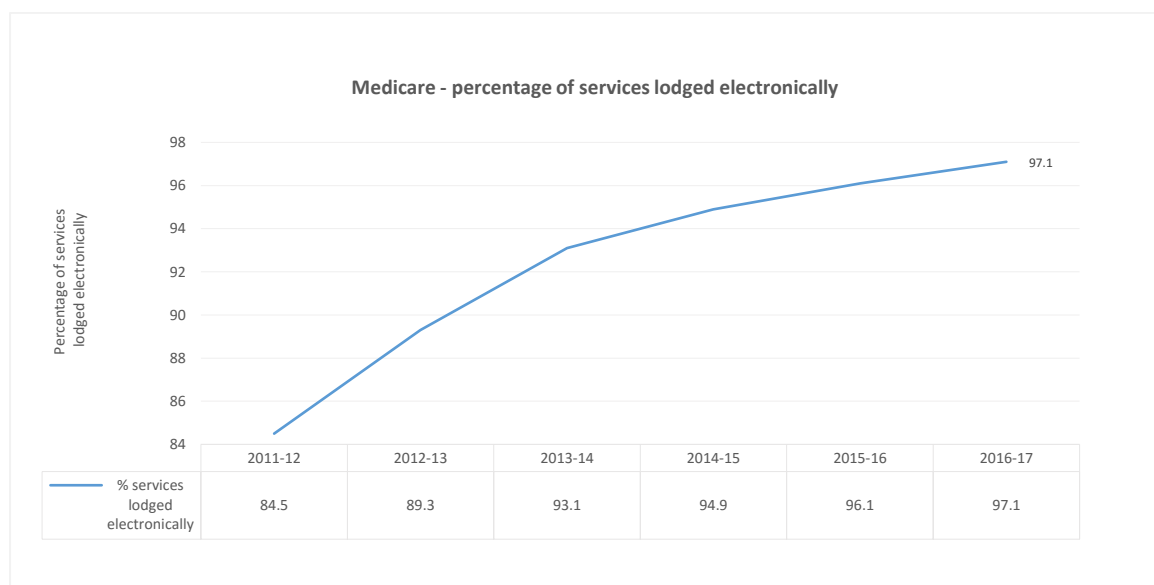
Online Services for Health Professionals

The Department's Health Professional Online Service (HPOS) was established in 2009 and offers health professionals a single entry point to access a range of health services.

In 2016–17, the Department made a number of enhancements to the HPOS system including:

- extending provider online services

- introducing a secure service for health professionals to scan and electronically submit a selection of forms directly to the Department

- extending existing Webclaim services which allows health professionals to securely submit patient claims on behalf of their patients online, and

- establishing Concessional Entitlement Verification for health professionals to confirm a patient's current concessional eligibility for Medicare services.

Over the past 12 months there has been a significant increase in the use of HPOS following the increase in functionality. The Department also has robust measures in place to protect people's personal information.

Access to Medicare numbers

On 10 July 2017 the Government commissioned an independent review of Health Providers' access to Medicare numbers.

The Review is being led by Professor Peter Shergold AC, with a report due to be completed by 30 September 2017.

The Review was commissioned to consider the balance between appropriate access to Medicare card numbers for health professionals to confirm patients' Medicare eligibility, with the security of patients' Medicare card numbers. The Review will identify options to improve the security of Medicare card numbers while continuing to support access to health services without unnecessarily increasing the administrative workload faced by health professionals.

The Department understands that the Australian Federal Police is investigating criminal activity in relation to the alleged sale of Medicare card numbers on the dark web.

A separate Senate Inquiry into the circumstances in which Australians' personal Medicare information has been available for sale illegally on the 'dark web' is also underway, with a report due to be tabled on 16 October 2017.

2.5 Child Support Digital Services

Over the past several years the Department has made improvements to the underpinning processes and systems that support the delivery of Child Support services to Australians.

Each year the Department facilitates the payment of $3.5 billion from separated parents to financially support the welfare of over 1.2 million children. These payments are required by legislation and involve a range of data exchanges with external agencies, the collection of information from parents and the processing of complex assessments and payments.

The redevelopment of the underpinning Child Support system was undertaken across several years. The work was challenging due to the many different technologies that support the existing Child Support system. As a result, the Department had to undertake significant technical analysis prior to commencing the development of the new system.

In 2017 the Department implemented a new processing system to support the delivery of the Child Support Program. The new system, which included payments processing and enhanced staff processing functionality, was progressively developed, tested and rolled out across the Department's 14 Child Support Smart Centre sites. This enabled extensive engagement with Departmental subject matter experts and the provision of training to around 3,000 staff. The new platform enables more streamlined processing of child support payments and will offer long-term benefits in enabling payments and transactions to be processed faster.

The Department is also improving its online services for parents making or receiving child support payments. These services will make it much easier for parents to access information online about the Child Support Program and manage their payments.

2.6 Additional Digital Services

A new website

An overhaul of the Department's website is also making it easier for people to read and access Centrelink, Medicare and Child Support information and services online.

The new website was released in late August 2017 after comprehensive research and public testing. More than 57,000 people visited the public beta trial site and provided more than 1,800 pieces of feedback, which helped to further refine the website design.

Enhancements include:

- simplification of the language used for more than 90 payments and services
- a new look and feel to make the site easier to use, especially on mobile devices
- helping people understand where they are in the site, and
- an improved on-site search function.

The New Look Website Goes Live

The Department worked closely with the DTA to improve the website. It was designed and delivered in line with the DTA service design and delivery process, including Department-led assessments at the alpha, beta and live stages.
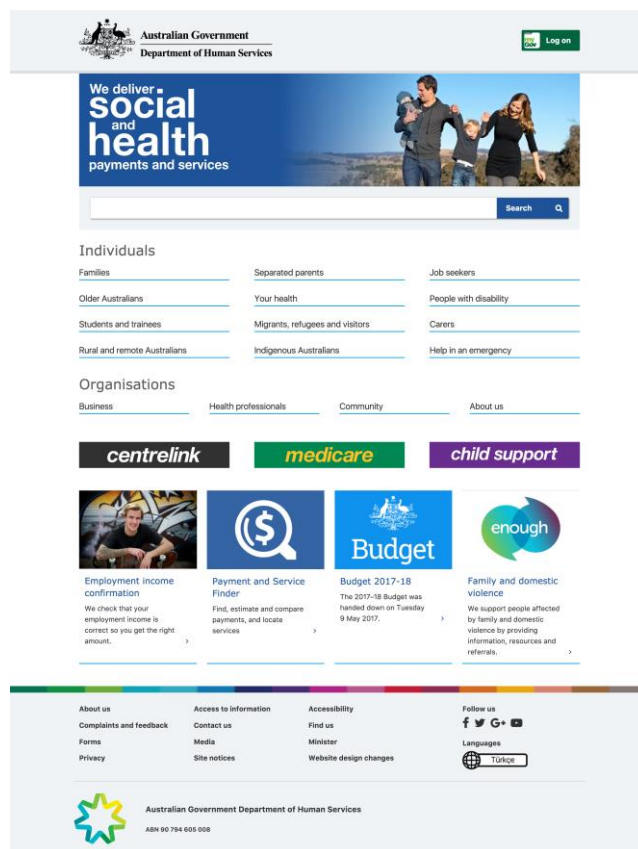
Image: Screenshot of the new humanservices.gov.au website

Document Lodgement Service

The Document Lodgement Service (DLS) was developed by the Department in 2013 and allows people to submit forms and documents quickly and easily online rather than attending a service centre or sending the documents through the mail.

The service can be used through online accounts and Express Plus mobile apps.

Over 4.3 million documents were submitted to the Department via the DLS in 2016–17, with an average of 11,900 lodged each day.

This is compared to some three million documents lodged in 2015–16 and 1.4 million in 2014–15.

Virtual Assistants

The Department is investing in the development of virtual assistants to automatically respond to queries from the public or Departmental staff. A chat bot, or Virtual Assistant (VA), is a computer program that simulates human conversation through artificial intelligence. Chat bots are typically limited to conversations regarding a specialised purpose and learn based on user interaction.

The Department has developed a number of virtual assistants as part of a strategy to test both the underpinning technologies and the best way of utilising this emerging technology platform to support the delivery of services to Australians.

As part of the work on virtual assistants, Roxy was created to assist Departmental staff in processing online claims. Since it was rolled out in October 2016, Roxy has answered approximately 95,000 staff questions regarding the processing of student, carer and age pension online claims, whilst increasing its intelligence to store 6,680 question and answer pairings.

In July 2017 the Department released a virtual assistant called Sam, located on the students and trainees and families webpages of humanservices.gov.au. Sam helps visitors to find webpages containing information and assists with navigating to those webpages.

Sam has already answered over 150,000 queries on the Families and Student pages of the website.

Naomi is a small physical robot, created and named by IBM, which can understand natural language and respond accordingly. Naomi currently performs concierge functions at the Department's Technology Innovation Centre.

The Department is also working with the NDIA in developing Nadia, a virtual assistant for the NDIS. Nadia is still in development and combines a human face and voice with cognitive intelligence, leverages sentiment analysis and natural language processing.

The Department of Human Services Virtual Assistants

The Department has implemented a range of Virtual Assistants (VAs) to support both recipients and staff. Levels 1 and 2 are currently in operation for services within the Department.

Level 1 – Sam and Roxy

Roxy and Sam were the first VAs in the Department. They offer basic question and answer (Q&A) interactions to build knowledge and are unable to answer questions outside the information provided to them.

Level 2 – Oliver and Gus

Oliver and Gus are the second version of the VA, with capability to capture and send information to other applications and assist in processing.

Level 3 – Naomi

The next iteration of VA incorporates the Q&A functions but also adds a physical presence. This could be used to complement front of house services helping people with directions and basic questions.

Level 4 - Nadia

An avatar VA utilising all previously learned services, is under development for all NDIA communication channels providing an omni-channel experience. This technology shows empathy and emotions towards the person interacting with it.
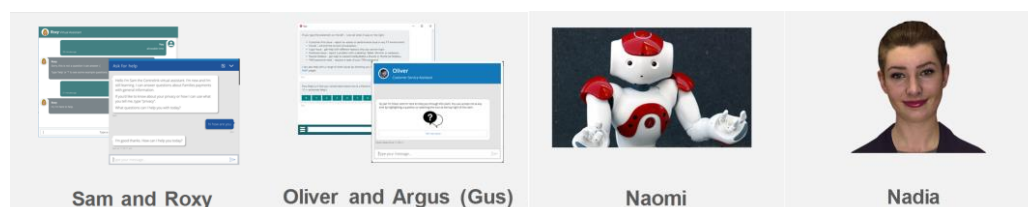

| Sam and Roxy | Oliver and Argus (Gus) | Naomi | Nadia |

Image: Screenshots of the virtual assistant technology

Express Plus Mobile Applications

The Department's Express Plus mobile apps continue to be a popular and convenient way for people to engage with government services, allowing people to have access to services anywhere, at any time.

The Department's mobile apps enable people to access the Centrelink, Medicare and Child Support services, including functions such as:

- uploading documents
- accessing concession cards through a Digital Wallet
- reporting income payments to Centrelink
- claiming Medicare benefits
- viewing Child Support account balances and make payments, and
- receiving notifications, reminders and letters.

Over the past four years Australians have downloaded the Department's Express Plus mobile apps more than 10.5 million times. In 2016–17, over 2.7 million apps were downloaded (an average of just over 7,400 downloads per day).

These apps are also offered in four non-English languages for iOS and Android devices (Arabic, Chinese, Vietnamese and Persian (Farsi)).

Express Plus Medicare Mobile App

The Express Plus Medicare app allows people to access some Medicare services on their phone or tablet. The app can be used to:

- submit Medicare claims
- view Medicare claim history and Medicare Safety Net balance
- request a replacement or duplicate Medicare card
- view and update personal, contact and bank account details
- view, download and email Immunisation History Statements
- register and update Organ Donation details
- view a digital copy of the Medicare and Australian Organ Donor cards, and
- find the nearest Medicare service centre.

Image: Medicare app screen shots

Remote ICT Capability Enhancement project

The Remote ICT Capability Enhancement project is a four year initiative to deliver stable and reliable access to online services and improved infrastructure at all of the Department's Agents and Access Points across rural and remote Australia.

It will ensure that these locations will have long-term hardware and infrastructure solutions that are robust and fit for purpose, along with reliable high speed internet connectivity and public access Wi-Fi.

As a result, digital service delivery outcomes will improve for remote recipients and the staff in remote servicing roles.

Social media

The Department's social media capability has grown in line with community expectation that more modern channels are available to engage with Australian Government departments.

In 2016–17 the Department used 18 social media accounts to interact with the public and help further reduce the need for people to call the Department.

This included reaching an average audience of 1.5 million every month with service delivery messages.

The Department received an average of 10,800 questions every month via the social media accounts and responded to around 4,000 posts per month. In peak periods, this increased to 15,000 incoming social media posts and 6,000 responses per month.

2.7 In Summary

The Department currently provides a wide range of digital services to Australians.

These services are delivered through the Department's extensive ICT systems, infrastructure and networks and are both available over 99 per cent of the time and secure.

The Department is continuing to work closely across government with a large number of agencies, including the Departments of Health, Social Services, Veterans' Affairs, Education and Training, Employment, and Agriculture, along with the DTA and the NDIA, to improve its services and to leverage its capabilities to support the delivery of digital services across government.

The Department is also committed to the ongoing transformation of its services and supporting the Government's Digital Transformation Agenda.

Further information around the Department's digital and self-service transactions can be found in the following tables.

The Department's Transactions for Digital and Self Service

	2015–16	2016–17
Centrelink		
Self-service transactions[(a)(b)]	51.1 million	53.7 million
Electronic Data Interchange (EDI)[(c)]	43.0 million	44.7 million
Medicare		
Self-service transactions[(d)]	9.4 million	13.3 million
Provider 'point of service' digital transactions[(e)]	588.0 million	594.1 million
Child Support		
Self-service transactions[(f)]	890,000	835,000

(a) Due to enhancements of online services Centrelink recipients now view more of their details on the landing page once entering their online account.

(b) The number of self-service transactions for 2015–16 does not include transactions that are no longer required because the data is available on the landing page.

(c) Electronic Data Interchange (EDI) is a Centrelink digital transaction for businesses and organisations providing the Department data electronically.

(d) CMBO (Claim Medicare Benefits Online) transactions are included in this entry for the first time in 2016–17 (0.1 million transactions). The figure from 2015–16 was 0.2 million transactions.

(e) Point of service digital transactions include PBS Online, online bulk billing, Easyclaim, HPOS (Health Professional Online Services) and ECLIPSE (Electronic Claim Lodgement and Information Processing Service Environment).

(f) From 2015–16 Child Support 'self-service transactions' data included phone self-service transactions.

The Department's Online Letters

	2014–15	2015–16	2016–17
Centrelink	49,104,303	47,073,502	50,246,219
Medicare	3,064,831	3,670,957	4,794,806
Child Support	2,911,905	3,532,567	3,808,836
Total letters online	**55,081,039**	**54,277,026**	**58,849,861**

Part Three – Digital Transformation

The Department continues to focus on engaging Australians across its service delivery channels, enhancing their experience and delivering faster, more seamless services. The provision of high quality digital services to Australians is critical to the Department's current and future success.

This section outlines the Department's strategies, plans and key programmes for transforming the design, development, testing, deployment and management of its digital services and supporting the digital transformation of services across government.

3.1 Strategic Partnerships

The Department has strong and collaborative partnerships with a large number of government agencies and third parties to support the delivery and transformation of its digital services.

For example, the Department partners with various agencies to design, build and deliver new digital services in-line with government priorities and expectations. This ensures appropriate consideration of the complexities of existing technology systems and design solutions, along with the associated costs and risks of policy implementation.

This also enables the Department to build common digital capabilities and approaches into the delivery of government initiatives.

Examples of the Department's delivery of platforms and services to assist multiple agencies to meet the requirements of the Government include myGov, NDIS and the Veteran Centric Reform (VCR) programme.

The Department also supports the delivery of Australian Government outcomes by working with various agencies on a range of activities that include data exchange, shared corporate services, co-location, ICT infrastructure support and utilising shared facilities or ICT platforms.

The Department, in addition, works closely with the DTA to support the implementation of the Government's Digital Transformation Agenda. The Department is working with the DTA and other government agencies on how it can contribute to the delivery of pilot programmes such as improvements to 'Tell Us Once', a digital identity solution, and the publication of information on dashboard.gov.au.

3.2 The Digital Transformation Strategy

The Department's Digital Transformation Strategy outlines a six-year roadmap to harness current and emerging technologies to deliver smarter and more efficient services. It seeks to:

- provide end-to-end, connected services with fast, easy, light-touch interactions where people only need to provide information once
- implement improvements across all service delivery channels
- deliver a comparable quality of service to recipients across digital and non-digital channels, including people-based support for those who need assistance, and
- strengthen the integrity of services through digital solutions that enforce mutual obligations and ensure people receive the right payment, at the right time.

The Department continues to adopt smarter and more agile approaches. This includes an ongoing commitment to:

- government outcomes and a user focused culture
- an innovative and agile culture, using iterative 'test-and-learn' approaches to solution design
- collaboration and knowledge sharing across government and industry to promote innovation, learning and a unified approach to service delivery, and
- business and service design to develop end-to-end or zero touch digital transformation outcomes.

3.3 The Channel Strategy 2016-19

The Department's Channel Strategy outlines how the Department will integrate the delivery of services, using a mix of channels to:

- deliver on government objectives
- streamline service delivery to make services easier for people to access and manage
- be able to respond quickly and effectively to change, and
- improve efficiency and effectiveness through strategic partnerships.

This will deliver a connected, efficient and personalised experience for Australians and make services easier to access.

Monitoring Service Delivery in Real-time

The Channel Operations Facility (COF) enables the real-time monitoring of the Department's service delivery network and digital services from one location.

The facility displays real-time data showing demand on face-to-face and telephony channels as well as performance information for ICT systems, including the Express Plus mobile apps and online services.

The COF has screens dedicated to monitoring the news for emergencies or events that the Department may be called upon to respond to.

This facility played a key role in the Department's response efforts during Tropical Cyclone Debbie in March 2017, co-ordinating the deployment of 1,100 staff to Smart Centres, Service Centres and Recovery centres to assist those affected.

Image: Photo of the Channel Operations Facility

3.4 The Department's Technology Plan 2016-20

The Department's Technology Plan 2016-20 provides a high-level roadmap for the Department to deliver the capabilities it needs for the next five years and beyond.

Implementation of the Plan will enable people to engage with the Department using any available digital device. It will also support the Department to:

- provide user-centric services to other government agencies, service partners and service providers
- ensure its technology and services are driven by user needs and requirements
- provide technology to the Department as a service - ensuring agility and high quality, and
- access and manage information and data within the Department.

A primary goal is to introduce an improved system of technology planning extending at least five years into the future.

3.5 The Welfare Payment Infrastructure Transformation Programme

The WPIT Programme is a business led, user centered, technology-enabled transformation that will replace the Department's existing welfare payment processes and systems.

The WPIT Programme will provide faster, more connected and automated digital services.

WPIT is two years into a seven-year programme of work which is divided into five Tranches to enable the Department to adapt to new technology and evolving priorities while making sure costs are managed and outcomes delivered.

The Department is also working closely with the DTA to ensure that the WPIT Programme contributes to delivering common government platforms. In addition, an Expert Advisory Group has been in place since November 2015 to provide the Minister for Human Services and the Minister for Finance with independent advice on the implementation of the programme.

Delivering in Tranches

Tranche One of the WPIT Programme was completed in June 2017 and involved business planning, scoping and design work for future tranches, the implementation of a number of improvements to the Department's digital services, and the selection of the major commercial partners for the Programme.

During Tranche One the Programme delivered enhancements to improve a number of digital services. As highlighted under part 2.3—Centrelink Digital Services these included introducing a claim tracker to help people claiming welfare payments track the progress of their claim through the assessment process and support claimants to submit all the required documents to enable quicker claims processing.

The Department released a redeveloped online 'payment and service finder' to help potential claimants understand what payments and services would best suit their circumstances before lodging a claim.

A Virtual Assistant, 'Sam', was also introduced on the students and trainees and families webpages on the humanservices.gov.au website to assist users to navigate the website and source information. For staff, a new simulation tool was introduced to allow them to better assist claimants with any queries and how to transact online. Further details on the Department's virtual assistance can be found at part 2.6 of this submission.

Tranche Two of the WPIT Programme commenced in January 2017 and will run through to June 2018. In commencing Tranche Two, the Programme moved from the planning and set up phase, into the first of its core delivery phases.

The Programme is delivering an improved service experience to students claiming Youth Allowance and Austudy. During Tranche Two, students are being offered a more dynamic digital claiming experience, with digital servicing support for those who need it.

Together with its commercial partners, the Programme has commenced building the core system features required to support all welfare payments into the future. This includes payments for job seekers, families, older Australians and people with a disability.

Planning for tranches Three to Five is in progress.

Supporting the Pathway to Single Touch Payroll

As part of WPIT the Department is working with the ATO, the Treasury, and the Department of Social Services to support the ATO's Single Touch Payroll (STP) programme. The project will:

- develop a proof of concept for how the Department will use STP data through the Pathway to Single Touch Payroll Pilot
- design and deliver the use of existing STP data set from 1 July 2018, and
- progress the design for the use of an expanded STP data set through collaboration with Government agencies.

Data Analytics

The Department is also developing its capability to use data and analytics to identify claimants and recipients whose circumstances indicate a risk of severe vulnerability, complexity or risk to payment accuracy.

As the capability matures, it will be applied to identify recipients who are at risk of falling into financial difficulty or incurring a debt and connect them with appropriate information and services as early as possible in order to prevent, or reduce the risk of, further financial hardship.

In order to build foundational capability for the development of data analytics and modelling, a series of Beta tests have been scheduled for the remainder of Tranche Two of the WPIT programme. The Beta exercises are designed to test both the accuracy of data modelling and the associated technology and business rules.

If it is proven to be effective, data modelling capability and subsequent servicing strategies will expand to ensure more claimants and recipients benefit from earlier and more effective engagement with the Department.

3.6 myGov

The Department is continuing to modernise and improve the myGov service. This includes initiatives to:
- improve the management information and data analytics associated with the service
- further improve the authentication options for users, and
- modernise the system architecture.

The Department is also working closely with the DTA, ATO and Department of Industry, Innovation and Science to contribute to the GovPass programme to produce a common model for verifying identity that can be used across government.

Many digital services require users to prove their identity before completing a transaction. The reliance on the sighting and validation of physical copies of identity documents leads to a disjointed user experience, where claimants have to prove their identity multiple times and in different ways to deal with different agencies.

The implementation of GovPass will allow people to undertake complex transactions with government entirely through digital channels. In the Centrelink context, for example, recipients could create a digital account, verify their identity and then lodge a claim for payment, without needing to attend a service centre in person.

3.7 Modernising Health and Aged Care Payments Services Programme

The Department is supporting the Department of Health (Health) to lead the Government's initiative to Modernising Health and Aged Care Payments Services (MHACPS).

The current systems delivering Health, Aged Care and related veterans' payments have evolved over 30 years and need to be replaced.

Consistent with the Government's announcement of the MHACPS Programme on 19 October 2016, the Government will continue to own, operate and deliver Medicare, the Pharmaceutical Benefits Scheme, Aged Care and related Veterans' payments systems.

When complete, the new system is expected to deliver an integrated, citizen-centric digital claims and payments service that is seamless, flexible and sustainable.

The Department is maintaining the existing Health systems while work on the MHACPS Programme proceeds. This includes ongoing remediation work to ensure continuity of service delivery while the development of the new system occurs.

3.8 The Veteran Centric Reform Programme

The Department is also supporting the Department of Veterans' Affairs (DVA) to transform its service delivery to veterans and their families.

The Government announced the VCR programme in the 2017 Budget to enable veterans and their families to receive a better level of support based on their needs and expectations.

The Department is working with DVA to deliver the VCR programme in order to leverage existing capabilities and expertise. In particular, the Department will deliver the foundational ICT system for DVA's income support payments.

DVA's MyService

Supported by the Department, DVA has delivered MyService – a simple, intuitive and innovative digital solution that redesigns a previously complex, paper-based claim process to improve the user experience, allowing people to obtain assistance more quickly and with less stress.

MyService:

- re-uses client information by retrieving information from the Department of Defence (Defence)
- reduces the claim process to seven intuitive questions
- displays the claim requirements and the medical statements of principle relevant to the condition being claimed or covered
- uses predictive text and prompts, and
- verifies the identity of users, replacing a lengthy paper based process.

MyService is the first Australian Government digital service to help people fast-track through legal eligibility conditions by leveraging an authoritative digital source of legal rules (the Federal Register of Legislation maintained by the Office of Parliamentary Council). MyService shows, in digital form, an automatically updated list of eligibility conditions derived directly from applicable laws.

MyService uses a completely open-source Application Programming Interface (API), developed by DVA's partners GovLawTech. This API automatically extracts legal requirements and metadata, keeping DVA up to date when legal requirements change. MyService automatically filters the appropriate eligibility requirements and conditions based on the user's circumstances. The user is then able to easily decide for themselves which conditions that they have met, and to make a declaration that is traceable directly to the applicable legal rules.

MyService also modernised the DVA web services platform to allow for a better user experience that is supported on portable devices, including mobile phones and tablets. This was a first for DVA.

The MyService digital service was recently a finalist in the 2017 Institute of Public Administration Australia - Public Sector Innovation Awards.
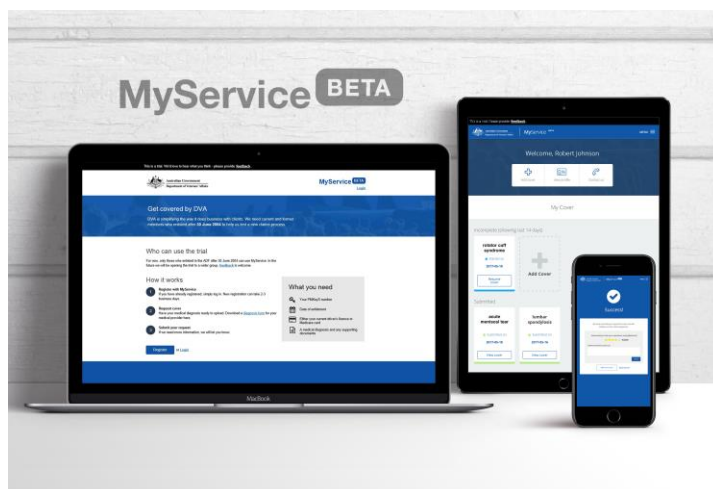

Image: Screenshot of the DVA's MyService

3.9 In Summary

The Department is committed to the further transformation of its digital services and to working with other agencies to support the Government's Digital Transformation Agenda. This includes working with the DTA, Health, DVA, NDIA and other agencies on major transformation programmes.

Part Four – Key Areas of Focus

This section outlines a number of key focus areas for the Department in relation to the provision of its digital services.

4.1 User Engagement

Increasingly, the Department is working directly with the end user in designing its digital services. This is delivering much better outcomes for the people who use these services as well as improving the uptake of the Department's digital services.

The Department has established a Chief Citizen Experience Officer (CCEO) to focus on systemically improving the user experience of the Department's digital services.

The CCEO is leading the implementation of user centric design across the Department and working closely with the DTA to ensure the Department meets the requirements of the DTA's Digital Transformation Standard (the Standard).

The Department is also actively applying behavioural insights to understand how and why people make the decisions they do and using this knowledge to test and design more effective digital services.

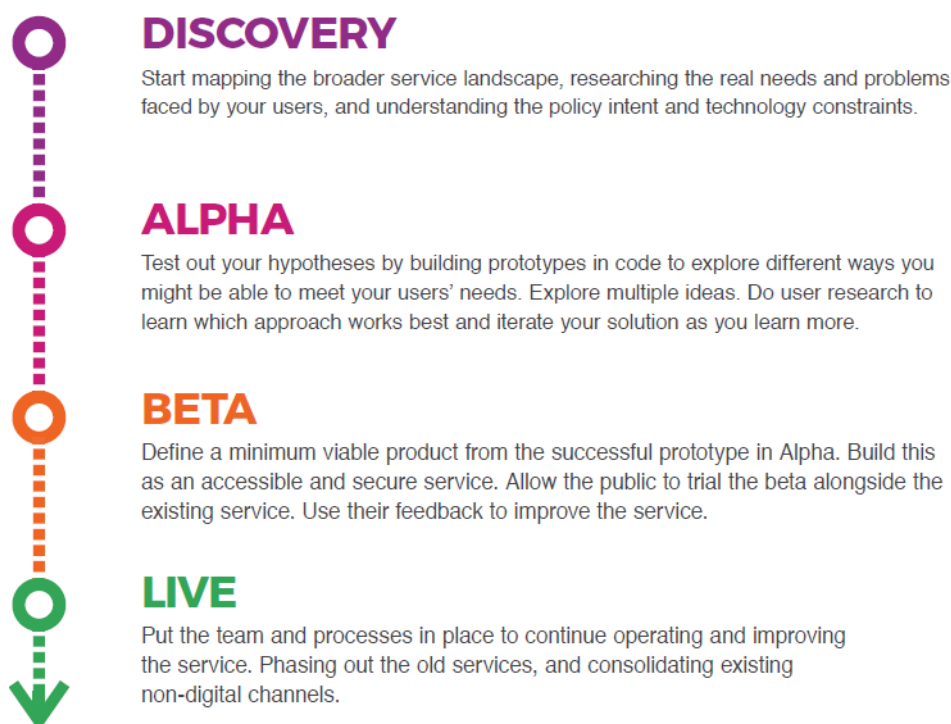## Implementing the Digital Service Standard

The Standard sets out the Government's expectations of agencies who are delivering digital services to enable those services to be simpler, faster and easier to use.

The Department is applying the Standard to its services as they are transformed.

As new projects are initiated, staff responsible for those that fall within the scope of the Standard are provided hands-on support to ensure projects meet the requirements of the Standard.

More broadly, the Department is developing the capability to significantly strengthen user-centred approaches to design and delivery of its digital services. This includes developing a pool of staff skilled in experience design, including user research, service design and information/visual design skills, which can be deployed to multi-disciplinary teams.

The key elements of the Standard are outlined in the following diagram.

DISCOVERY
Start mapping the broader service landscape, researching the real needs and problems faced by your users, and understanding the policy intent and technology constraints.

ALPHA
Test out your hypotheses by building prototypes in code to explore different ways you might be able to meet your users' needs. Explore multiple ideas. Do user research to learn which approach works best and iterate your solution as you learn more.

BETA
Define a minimum viable product from the successful prototype in Alpha. Build this as an accessible and secure service. Allow the public to trial the beta alongside the existing service. Use their feedback to improve the service.

LIVE
Put the team and processes in place to continue operating and improving the service. Phasing out the old services, and consolidating existing non-digital channels.

In addition, the Department is establishing a number of User Experience and Prototyping facilities. The facilities will provide a hands-on environment where designers, service users, partner agencies, third parties and others can work together earlier to create and test solutions quickly. The new facilities will provide ways for the public to participate more directly in the development of new design ideas.

The Design Hub

The Department's has two Design Hubs. The Hubs enable staff to work closely with stakeholders to tackle complex issues and develop innovative digital solutions.

Image: Photos of the Canberra Design Hub in use

4.2 Privacy and Security

The Department takes its obligations under the *Privacy Act 1988* and relevant secrecy provisions very seriously.

The security of personal information is paramount to the way the Department operates and the Department has comprehensive processes to protect personal information.

Personal information related to the administration of the Department's programs and services is protected by the *Privacy Act 1988*, and the secrecy provisions in the various laws under which services are delivered, including, for example, the *Social Security (Administration) Act 1999*, the *Health Insurance Act 1973* and the *National Health Act 1953*. Requests for personal information are considered under the Australian Privacy Principles and relevant secrecy provisions.

The Department's privacy framework is guided by the Operational Privacy Policy which includes a number of requirements with which staff must comply. The policy reinforces that:

- all staff acknowledge their privacy and confidentiality responsibilities every year

- privacy incidents must be reported as soon as they are identified, and

- privacy impacts for all projects must be assessed and a Privacy Impact Assessment (PIAs) undertaken for significant new departmental initiatives involving personal information.

The Department's policy is to undertake PIAs for all significant digital services. PIAs are used to:

- minimise privacy risks and impacts

- ensure compliance with legal obligations, and

- ensure the Department's commitment to safeguarding recipient privacy is met.

The security of staff, information, assets and infrastructure is also very important to the Department.

The Department ensures that it meets the mandatory requirements of the Australian Government Protective Security Policy Framework and actively manages security risks, plans and policies, and provides the necessary training and education to its staff.

The Department's protective security policy aligns with the Framework and emphasises security as being part of the Department's culture.

Cyber Security

The Department takes cyber security very seriously, constantly evolving and continually reviewing security systems to ensure its digital services and information are protected, including the myGov digital service.

The Whole of Government Protective Security Policy Framework is used to ensure the security of information, information systems, physical assets and people. Systems and policies are developed in accordance with the Framework, which is also supported by the Australian Signals Directorate's Information Security Manual.

The Department's Cyber Security Operations Centre works collaboratively with national and international agencies as well as multiple vendors to ensure its operations are in line with global best practice.

In March 2017 the ANAO released its Cybersecurity Follow-up Audit, which rated the Department as 'cyber resilient' and fully compliant with the Australian Signals Directorate's Top Four cyber risk mitigation strategies.

The ANAO describes cyber resilience as the ability to continue providing services while deterring and responding to cyber-attacks. In essence it is how well an entity is protected from external intrusions, internal breaches and unauthorised disclosures of information, and how well it is positioned to address threats.

In addition to its cyber security operations, the Department is focussed on increasing cyber security awareness within its workforce as an additional line of defence

The Cyber Security Operation Centre

The Department's Cyber Security Operation Centre (CSOC) was established in December 2016 and has significantly enhanced cyber security monitoring, security threat intelligence, rapid detection and security incident response capability. The CSOC has:

- a cyber-skilled workforce, supported by ongoing training and development programmes
- best practice processes, technology capability and governance
- a state of the art facility operating 24/7
- proactive information sharing and partnering with government agencies including the Australian Signals Directorate and the Australian Federal Police, and
- a staff exchange program with relevant agencies, together with education and awareness programmes.

Overall it has increased the Department's cyber resilience, improved the ability to respond to cyber incidents and provided the capability to monitor the global cyber threat landscape and prepare the Department for issues as they unfold in different time zones.

Image: Department's winning team at the Cyber War Games, held Sept 2017

4.3 Programme and Risk Management

The Department has extensive governance arrangements in place to ensure that major ICT enabled programmes and projects are successfully delivered.

Strong portfolio, programme and project management is essential to the Department's work, particularly the ability to effectively implement new initiatives, support the Government's agenda and ensure robust systems and processes for staff.

The Department continues to repeatedly deliver a substantial number of programmes and projects successfully each financial year to support a range of government initiatives across many portfolios.

At any given time the Department is managing numerous programmes and projects. In the last 48 months it has delivered over 450 projects.

The Department's well established approach to portfolio, programme and project management is set out in the Portfolio, Programme and Project Management Frameworks and associated supporting guidance for project teams. These describe the Department's principles and practices that apply to portfolio, programme and project management and provide guidance for delivering the Department's programmes and projects in a structured, efficient and effective way.

The Department undertook a P3M3® Self-Assessment in August 2014. The assessment found that the Department had level 4 (out of 5) maturity ratings for its portfolio management, programme management and project management. P3M3® is a common methodology for assessing the organisational capability of entities to commission, manage and realise benefits from ICT-enabled investments. The Department anticipates another assessment will be undertaken in 2018.

The Department constantly seeks opportunities to strengthen its programme and project management capabilities.

Key initiatives over the past 12 months include the:

- commencement of mandatory training for the Department's Senior Responsible Officials

- exploration of new and emerging delivery methodologies, and

- delivery of a wide range of project management training to Departmental staff.

Risk Management

The Department's risk management policy and framework are consistent with the international risk management standard AS/NZS ISO 31000:2009 Risk Management: Principles and Guidelines and the Commonwealth Risk Management Policy.

Risks are identified as part of the Department's business planning cycle. Senior Executive staff manage risks and report on them regularly. Risks are reported to the Department's Risk, Business Continuity and Security Committee and the Audit Committee reviews the appropriateness of the Department's risk management system.

Effective risk management is a core focus of programme and project management in the Department. It is mandatory for all projects to have a Risk Management Plan.

To assist in managing risks arising from urgent or high-profile incidents and issues, the Department has an escalation process to ensure relevant stakeholders are quickly informed.

4.4 Change Management and Assurance

The Department has well-established change management capability, processes and procedures.

All changes to systems and digital services must comply with the Department's ICT Change Management Policy which ensures that all changes are logged, prioritised, categorised, assessed, authorised, planned, scheduled and tested.

Rigorous development and testing processes also contain safeguards which provide assurance of the quality of the Department's digital services.

This includes identifying and rectifying issues which may arise during the development or changing of systems. The process enables planning, scheduling and control of the movement of code through test and live production environments. User Acceptance Testing (UAT) and Business Verification Testing (BVT) inform the decision to release a new or changed ICT system or digital service and then validate that it is working as intended.

The diagram below provides a high level overview of the typical technical process for the development of the Department's digital services.
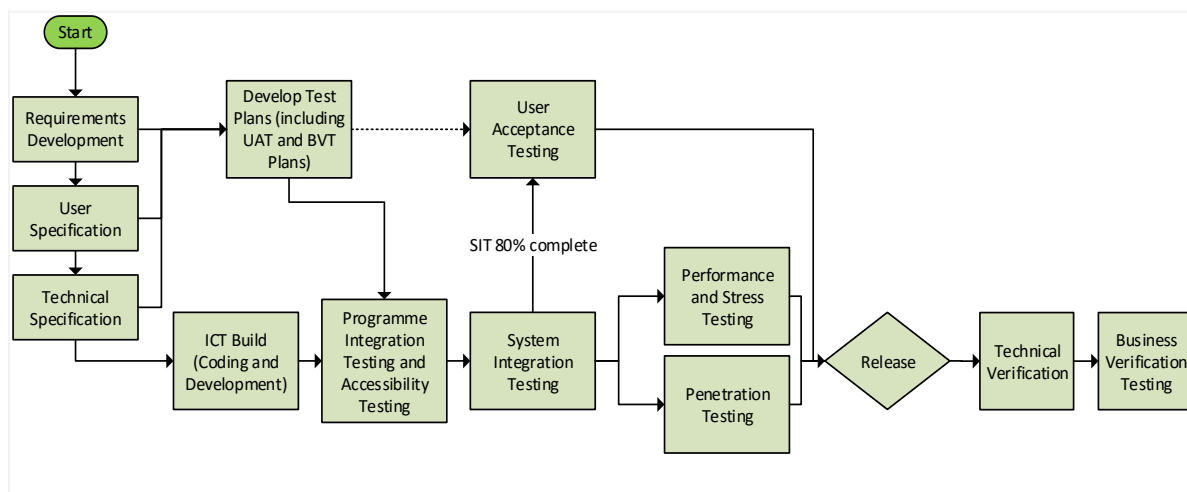

Diagram 4.1 Testing process overview

Note: this is an illustrative diagram only to demonstrate the development and release process. UAT can generally commence once System Integration Testing is 80% complete on the basis there are no outstanding major defects.

Complementing this, the Department's Change Assurance Framework provides operational assurance for all change initiatives that have a material impact on staff in the Department and/or recipients.

Assessments are conducted of the recipient, staff and strategic impact of initiatives in order to ensure these are managed appropriately.

Readiness assessments are also conducted prior to deployment decisions to ensure that all key activities and areas have been addressed.

A range of additional internal assurance activities are also conducted by the Department, such as stage gate reviews and project health checks.

The Department also conducts a programme of internal audit activities designed to add value and improve the Department's operations. These audits augment ANAO performance audit activities and reviews undertaken through the Department of Finance Gateway Review Process.

In the event that there are production issues with systems, the Department has an established incident management process. Incidents are assessed for scale and impact then resolved according to priority and risk.

Complementing this, as highlighted in Section 2, the COF provides real-time monitoring of the Department's service delivery network and digital services. This includes when new or changed services are released.

4.5 Procurement and Contract Management

The Department conducts its procurement activities in accordance with the Commonwealth Procurement Rules (CPRs).

In 2016–17 the Department entered into some 2,000 contracts valued at or above $10,000 with a total value of $890 million.

The Department also engages consultants to provide specialist professional services, independent research or assessment, and other skills that are otherwise unavailable in the Department. This means that the Department is able to utilise external expertise to augment its workforce in order to deliver its major transformation programmes and ongoing improvements to its digital services.

The Department is working with the DTA in relation to whole-of-government ICT procurement and is supporting the use of the DTA's Digital Marketplace.

4.6 Workforce Capability

Over the past five years, the Department has established a highly skilled workforce capable of maintaining and transforming its digital services. For example, the Department now has a large in-house ICT capability that is proficient across a large range of technologies. This includes both infrastructure related skills and in software development and maintenance.

There are recognised ongoing challenges in maintaining a skilled workforce, including:

- retaining staff with the right skills sets
- attracting and retaining staff with skills in emerging technologies
- managing an ageing workforce
- dealing with a highly competitive labour market, and
- managing the balance of APS and non-APS expertise.

The Department has a substantial Science, Technology, Engineering and Mathematics (STEM) Graduate programme which has seen the recruitment of over 230 technologists into the Department. The Department also has a large training programme to ensure its staff are trained in the latest technologies. For example the Department has one of the largest SAP trained workforces in the Asia-Pacific region with almost 500 APS staff now certified in this platform.

4.7 Managing Complexity

Services are delivered as prescribed by numerous Acts of legislation that describe how benefits and payments must be calculated and delivered.

As the Government introduces new services and changes or ceases existing services, the Department needs to amend its systems, procedures and resources to maintain their integrity.

The Department works closely with other departments and agencies on the development and implementation of new government policies and legislation.

The Department faces several challenges when implementing new or changed government policies. These include:

- policy initiatives that involve legislative uncertainty and/or rapid implementation
- ageing legacy systems that provide day-to-day critical services yet are costly to maintain, are at end-of-life and prevent rapid and/or agile policy implementation, and
- high demand on technical, programme and project management capabilities, skills and resources.

The Department's ICT systems reflect the history of the legislation underpinning the services being delivered.

The Department's legacy ICT systems supporting service delivery operations are over 30 years old and were originally built to operate on a different scale.

The current systems contain layers of complex business rules and processes. For example, a typical student claim currently has around 1,004 legislative rules from claim to payment and a single eligibility criterion can be underpinned by around 100 business rules.

The Department faces several key challenges in this area:

- the core ICT systems were not designed for modern digital services

- any changes to these systems brings the risk of unforeseen impacts, and

- rules and processes are not standardised across payments, and complex rules cannot be easily changed.

While the Department is delivering on a number of transformation programmes to redevelop and simplify its systems, it needs to manage the associated risks in order to continue to deliver services to the public through maintaining the existing legacy systems.

The Technology Innovation Centre

The Department's Technology Innovation Centre was opened on 16 November 2016.

The Centre comprises of a User Experience area, a Prototyping Lab and a Showcase area, all of which are designed to focus on innovation and user experience, through design sessions, live user engagement and immersion. The Showcase area particularly provides government representatives, business partners, staff and recipients, as well as international delegates the opportunity to have a hands-on experience with cutting edge technologies that will inspire future design.

Around 3,200 guests have been through the Centre to date, including guests from 24 Commonwealth and State agencies. Three international delegations have also visited. 180 design sessions have been held and 48 technology innovations have been displayed from various vendors.
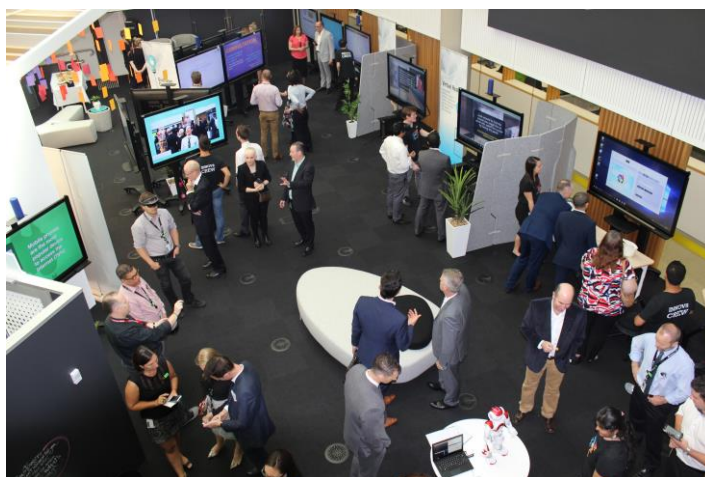

Image: Photo of the Technology Innovation Centre

4.8 In Summary

The Department's ability to successfully maintain and transform its digital services will require an ongoing focus on the user experience, privacy and security, effective governance and risk management, strong change management and a highly skilled workforce.

Getting this right will enable the Department to continue to improve its services to Australians and support the implementation of the Government's Digital Transformation Agenda.