

Component	Implementation description
	The majority of legacy screen access has been replaced by the use of a standardised SAP CRM web user interface using SAP Guided Procedures (refer to 3.1 Customer First Component below). However, there are still a small and reducing number of legacy (3270 and Janus Web) screens still in use.
2.3 Single User Workspace (SUW)- being decommissioned	<p>A current presentation component similar in concept to a web-based portal. SUW is a complex and bespoke framework, developed within the department, that provides a web-based interface to the Income Security Integrated System screens including Janus Web, '3270' and static web content from the department's web content servers.</p> <p>The majority of legacy screen access has been replaced by the use of a standardised SAP CRM web user interface using SAP Guided Procedures (refer to 3.1 Customer First Component below). However, there are still a small and reducing number of legacy (3270 and Janus Web) screens still in use.</p>
2.4 Staff Assisted Claims (SAC)	<p>A current staff-facing presentation component that provides staff with a data collection tool for conducting interactive interviews with Customers over the phone or in person. The SAC system has over 300 screens and uses a rules engine approach to guide staff members in their interview of Customers. SAC is a bespoke application that is developed using Oracle Policy Automation (business rule engine), Java Enterprise Edition, Java applications, Common Object Request Broker Architecture (CORBA) integration technology, IBM DB2 database and Web Service (SOAP over HTTP) integration with the Income Security Integrated System clusters.</p> <p>Most legacy screen access has been replaced by the use of a standardised SAP CRM web user interface using SAP Guided Procedures (refer to 3.1 Customer First Component below). However, there are still a small and reducing number of legacy SAC screens still in use.</p>
M204 Applications (2.5 to 2.10)	<p>The Income Security Integrated System is a bespoke, department developed, system comprised of a large number of modules, and clusters with complex integrations required to deliver day-to-day welfare functionality.</p> <p>At its core, the current Welfare Payment System is a bespoke CRM and Payments system.</p> <p>Income Security Integrated System is organised using a modular architecture-based on the concept of application clusters. An application cluster represents the encapsulation of related data, interfaces, business processes, and User Interfaces. The Income Security Integrated System has over 500 clusters covering both welfare Payment specific functions as well as a wide range of common functions.</p>
2.11 M204 web services	A web service (SOAP over HTTP) interface to allow external systems to interoperate with the Income Security Integrated System.
2.12 External data exchange	Various technologies for the extraction and transmission of data from the Income Security Integrated System. Include MQ based XML and File base data transfer.
Additional Welfare Payment System Components	
3.1 Customer First	An internal staff access point that provides a unified interface to departmental staff to the core business systems used to support day-to-day operations. 'Customer First' has been implemented using the SAP CRM product using the CRM web user interface as the foundation for access to business systems. Use of guided procedures facilitates consistent staff use of the systems. Use of an inbox provides a facility to search for work and a consistent approach to workload management. This component has incrementally replaced the majority of legacy (2.1 to 2.3) user interfaces for staff access.
3.2 Online claims	Provides an internet-facing secure online claiming application to allow Customers to register for welfare related Payments. Implemented on the SAP WCEM platform.
3.3 Customer Relationship Management (CRM)	Functionality implemented on the SAP CRM System. This also includes SAP Investigative Case Management (ICM) to support fraud management functions.
3.4 Enterprise Resource Planning (ERP)	Functionality including Payment processing, collections and disbursement functions.

Component	Implementation description
3.5 Process Management	Provides process orchestration and integration functionality implemented on the SAP Process Integration (PI).

Table 3 - High level technology Components

14.4 System interfaces

As a business critical system, the system has a number of significant interface points both within the department and with external organisations. These interfaces are:

- a) essential to the day-to-day operation of both the department and external stakeholders;
- b) implemented using a wide variety of technologies, protocols and standards; and
- c) dependent on external stakeholder capability to adapt to any changes in interface(s).

Over 3,200 distinct system interface instances (e.g. web services, messaging exchanges and file transfers) are in place linking the legacy system to other Welfare Payment System Components, other systems internal to the department, and other Government agencies and third party organisations. This does not include access to the department Welfare Payment System by staff, agents, employers, social workers and medical professionals and third party organisations via web portal components.

Over 2,700 interfaces link the legacy system application clusters with the midrange environments including the various web portals and gateways. These interfaces are internal to the Welfare Payment System. The majority of these are web services, some of which are consumed by more than 100 subscriber systems or Components.

Over 100 system interfaces link the Welfare Payment System with Medicare, Child Support, and Aged Care. The majority of these are via sequential file data exchanges, reflecting the historical separation of these systems in distinct agencies.

System interfaces, external to the department, exceed 300 and include data exchanges with:

- a) Australian Business Register;
- b) Australian Taxation Office;
- c) Department of Education and Training;
- d) Department of Employment;
- e) Department of Immigration and Border Protection;
- f) Department of the Prime Minister and Cabinet;
- g) Department of Social Services;
- h) Department of Veterans' Affairs;
- i) Department of Housing and Community Services; and
- j) Reserve Bank of Australia.

In addition, there are data exchanges with authorised business organisations, state Government organisations and other approved bodies using a variety of point-to-point data exchange mechanisms such as web services, secure file transfer, MQ, web portal and others.

14.5 Summary of current technology infrastructure

At the enterprise level, the department aims to rationalise and consolidate technology systems to reduce technical diversity, increase efficiency and reduce the need for custom integration. The purpose of this section is to provide a high-level overview of the technology landscape that supports the delivery of welfare Payments and services.

Table 4 is a high level summary of key technology infrastructure Components that comprise the current technology landscape. Where possible existing technology investments will be retained and re-used by the Welfare Payment System solution. However, the specific technology system details cannot be finalised until both the COTS product and the required infrastructure systems to meet the department's performance, availability and security are determined.

Capability	Product	Current status ¹⁷	Description
End user computing	Microsoft Windows 7 based Standard Operating Environment (SOE)	Deployed on desktops and tablets in the department.	End user access to business and corporate applications and productivity tools.
	Microsoft Windows tablets	Deployed to front of house and executive staff. Currently being rolled out to staff.	Executive staff to provide highly mobile access to email and documents.
	Apple iPad	Deployed to front of house and executive staff. This technology is slowly being replaced by the Windows tablets.	Front of house to manage Customer queues. Executive staff to provide highly mobile access to email and documents.
	Apple iPhone	Deployed to outreach, emergency, support and executive staff.	Provides mobile communication and 24/7 contact for outreach staff, on call support staff and executive officers.
Data Centre	Vendor-managed data centre service	Two data centres located in Canberra.	Service provided by Canberra data centres includes rack space, power, cooling, cabling and installation management.
Infrastructure	Diverse range of vendor hardware and software	Transition of master programs into department, now undergoing transformation to consolidate and rationalise hardware and software.	IBM, Oracle, Microsoft, Hitachi Data Systems (HDS), EMC Corp, Cisco, Intra Government Communication Network (ICON) hardware and software providing a hosting system made up of computer storage and data centre network.
Telecommunications	Telstra managed services contract	Transition of all services to Telstra completed.	<ul style="list-style-type: none"> • Telephones (fixed line VOIP and mobile); • Call centre (IVR, routing, queue and integration); • Data communications (Internet, LAN, WAN and mobile); and • Video conferencing.

Table 4 - Current technology infrastructure summary

¹⁷ Documented as at December 2014

15. Information and data management

15.1 Overview

The following section provides an overview of the data holdings associated with the current Welfare Payment System. Of specific importance will be the data managed by the current Payment System, as this represents the significant majority of Customer and welfare Payment data. This system contains substantial volumes of data going back over thirty years.

15.2 Data holdings

The majority of welfare Payment data is contained within and processed by the Income Security Integrated System. The Income Security Integrated System has been collecting data since 1984. All data collected is still available within the system today.

15.3 Data organisation and structure

The Income Security Integrated System is a large and complex Ecosystem of M204 interlinked applications and databases:

- a) the majority of data is stored in the non-relational M204 database management system. This means the process of identifying and creating Customer records is more complex than when compared to working with relational databases. This is because relationships between data entities are not integrated into the physical database and require access to multiple sources such as the department's repository tool, the 'Repository', positional data references and, in some cases, source-code analysis;
- b) the data stored in these databases is not fully normalised, as the focus of the Income Security Integrated System is on performance optimisation in favour of fully formed physical models. This means some information is repeated and could potentially require normalisation prior to loading into the target environments;
- c) the data contained across the landscape can be fully duplicated, partially duplicated or not duplicated. This duplication scenario complexity is significantly increased when a programme lens is applied. Overall this means specific analysis will be required to understand, detail and quantify the impact on the potential data migration requirements; and
- d) the current system comprises of 12 database instances that each contain a subset of Customer records based on Customer location. This distribution of Customer records facilitated the need to meet high levels of system performance not easily achievable with a single large database instance. The process of identifying where a Customer is located requires the Customer to be looked up in the National Index and the instance, where the Customer records are stored is being established.

The current Welfare Payment System core is built on the M204 technology platform which is a technology which uses a non-relational database structure. Data is organised into files which, in turn, are decomposed in Records, Field Groups and Fields respectively.

The Income Security Integrated System stores data across approximately:

- a) 635 files (containers in which M204 stores data);
- b) 1,879 records (collections of M204 field groups);

- c) 7,090 field groups (groups of M204 fields that are logically related); and
- d) 52,327 fields (individual M204 data elements).

The Income Security Integrated System is supported by 12 'processing environments' which are linked together by a National Index, as shown in Figure 6. By splitting the current Welfare Payment System into a series of processing environments, or 'instances', system resources were better positioned to balance the overall processing workload and were better positioned to meet the increasing business workload and data volumes over the last plus 20+ years.

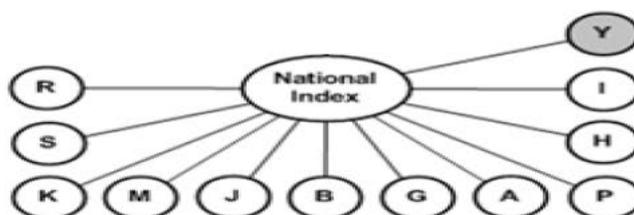


Figure 6 - Current Welfare Payment System – processing environments

With the exception of the Y (Figure 6) processing environment, which consists solely of inactive records, each processing environment is letter-coded according to a particular geographical area where each area contains a subset of the total Customer records. To determine which processing environment a Customer record is in, the National Index (NI) was created. In addition to environment information the NI contains limited, but heavily accessed core Customer data to facilitate rapid retrieval.

15.4 Critical data

The current Welfare Payment System contains data that is critical to the timely and accurate determination of Eligibility, the accurate calculation of Entitlements and the delivery of welfare Payments and services. Key data held in the system includes, but not limited to:

- **Customer Core Data** – the relatively static information such as name, date of birth and gender. Addresses and contact information (e.g. phone numbers, email addresses) are considered Core Data but may change frequently;
- **Customer Circumstance data** – the data that relates to the events that have or will occur in a Customer's life, as disclosed to the department by the Customer or authorised third party, for the purpose of determining Eligibility and Entitlement and then receiving benefits or services. This may include citizenship or residency, family relationships, earnings, income and assets, and many other aspects of the Customer's life;
- **Payment-specific data** – the transactions resulting in the disbursement of funds to Customers offsetting the consolidation of multiple Payments as part of a single transaction, and the recovery of Payments through debts and deductions;
- **Participation data** – the obligations Customers have to remain eligible to receive Payments. This includes the evidence captured and/or notes recorded by Jobactive providers about a recipient's efforts to seek employment; and
- **Service delivery data** – encompasses reference data (code sets), case notes and unstructured data such as scanned documents and images.

The majority of Customer welfare data including, but not limited to, Circumstances, appeals, case and Payment data, is mastered within the Income Security Integrated System. This ensures consistency in the

representation of Customers across the Welfare Payment System. Customers are identified using Customer Reference Numbers (CRNs), covering both the individuals, children and organisations that consume Payments or services from the department's welfare programmes, or participate in determining Eligibility or Entitlement.

Customer Circumstance data is used to determine Customer Eligibility for Payments and services, and the amount of Payments and/or periods of services they are entitled to. Due to the highly complex business rules, the system is required to hold a large range of Circumstance data, including data that is similar yet different due to minor rule differences; for example, there are multiple definitions of income.

A major defining feature of the Income Security Integrated System's management of Circumstance data is the temporal nature of each Circumstance. As a Customer moves through their life, their Circumstances (such as marriage and other relationships, residence, employment, birth, death and disability status) change and in turn these changes affect the Customer's Eligibility and Entitlement. Circumstance changes can potentially impact the Entitlements of related entities (e.g. family members) as well.

The current system supports the retrospective processing associated with current and prior legislative requirements, (e.g. grandfathering of Entitlements). This has led to the creation and retention of historical data, allowing retrospective assessments to be applied and rolled forward to produce the same outcome as would have been achieved if the assessments and Payments had occurred at the time of Entitlement. The Income Security Integrated System applies the concept of idempotence – operations being applied multiple times without affecting the result – for retrospective, time-bound assessments to determine the Entitlement calculation.

Unstructured data

In addition to formally structured data, the Income Security Integrated System also contains and links to unstructured and semi-structured data including:

- a) case notes, referred to as DOCS, stored in the M204 database system. These contain case information as well as data used to drive system processing and/or staff interaction;
- b) documents and images stored in the IBM FileNet product indexed by the Customer Reference Number (CRN); and
- c) paper records managed using the HP Records Manager product.

Of the above only the M204 based Case Notes (DOCS) are within scope for replacement. The existing document and record management capabilities will be preserved and integrated into any new System.

Customer data holdings

Currently Customer data is mastered in the Income Security Integrated System and is replicated into the SAP CRM and ERP (Public Sector Collection and Disbursement (PSCD)) systems to support the additional Welfare Payment System Components developed on the SAP platform.

15.5 Data reporting and analytics

Enterprise Data Warehouse (EDW)

The current Welfare Payment System provides application clusters that allow M204 data to be extracted for transformation and loading into the department's EDW. The EDW is based on the Teradata platform. The existing EDW capability will be retained and integrated with any new System.

Business intelligence and reporting

The department has a wide range of business reporting and analytics solutions to support the reporting needs of the department such as IBM COGNOS, SAS, SAP, Informatica, M204 programs, PERL scripts, COBOL and others.

The existing capability does not fully support the evolving reporting, intelligence and analytical needs to effectively support the business objectives such as agile policy development, policy research, national statistics, compliance reporting and national economic planning. At present, there are information gaps in the areas of management and operational information.

15.6 Data challenges

The WPIT Programme will seek to address the following, non-exhaustive list of current data challenges, in order to help realise the WPIT Programme Outcomes:

- **Data volume** – the Income Security Integrated System holds approximately 32.2 million Customer records. The average Customer record contains approximately 32,000 data values;
- **Data gaps** – a key issue facing effective business intelligence and management information reporting is data gaps. The current Welfare Payment System is not collecting all data required to support the diverse and evolving reporting needs of the department;
- **Third party data integration** – there are challenges in ensuring the effective exchange of data between systems and organisations due to the lack of a defined welfare information taxonomy or common welfare data interchange standards;
- **Duplicate data** – data is duplicated for performance and can lead to problems in identifying master records for replication and/or extraction. Data duplication occurs across both operational and reference data;
- **Data variation** – complexity in business rules has driven complexity in data design where similar (but not identical) variations exist for common data such as the definition of income;
- **Data standards** – there is variable adoption of data standards (e.g. there is a proliferation of point-to-point integration using a variety of data formats and standards);
- **Historic data** – due to complex business rules, including the support for grandfathering provisions, the Income Security Integrated System keeps significant volumes of historical data including Customer Circumstance and transactional data. This is required to support the aforementioned retrospective processing. This has resulted in a complex data model to manage variations in data structure and values over time as business rules have evolved. The need to support both old and new policy has resulted in extensions being incrementally added to the data model, resulting in complex data processing logic; and
- **Data relationships** – as M204 is a non-relational database system, references between logical data entities are implemented through a wide variety of techniques such as, but not limited to positional data references, in-source-code logic, and specialised data fields to relate logical entities.

15.7 Current Welfare Payment System Metadata

The Repository, is a bespoke developed metadata repository that holds metadata on the majority of the system data definitions, transactions, reusable M204 software Components referred to as 'core Components', web services and environments. The information within the Repository is used to generate

code modules for Income Security Integrated System to reduce the degree of manual code development effort and enforce certain standards and integration points. For example, all update access to underlying data is code-generated off the Repository to create consistent data access Components for Customer Circumstance data, referred to as Data Modifiers. A web-based user interface can be used to interrogate the Repository to better understand the structure and relationships that exist between the current Welfare Payment System Components.

In addition to the data structure and Component relationships, the Repository also controls the Application Lifecycle Management (ALM) including software version management and is integrated with the department's release management processes.

15.8 Information management

In line with the principles of the Target Business Model, the department has recognised the need to mature its current information management capability in line with WPIT Programme and whole-of-Government objectives. It also recognises the need to leverage experience from previous cross-organisation data exchange efforts, such as Standard Business Reporting (SBR). This necessitates a change in focus from the current Welfare Payment System and technology-driven approach, to a Customer-centric approach in which the department provides services as part of a broader Ecosystem of Government and non-Government organisations, including federal and state agencies, financial institutions, educational institutions, child care centres, aged care centres, employers and Jobactive providers.

RFT for the procurement of a Systems Integrator Panel

Part 4 – Target State

16. Delivering the WPIT Programme Outcomes

This part of the Attachment sets out the core objectives of the WPIT Programme, and describes the proposed future state for the delivery of welfare payments and services by the Department.

By 2022, the Government will have the capability to deliver Payments and services to Customers in a streamlined and cost-effective manner through the use of the national infrastructure asset delivered by the WPIT Programme.

There are six key outcomes that will be achieved through the WPIT Programme:

- a) more agile, responsive and transparent policy implementation
- b) less red tape and better digital service delivery;
- c) capable and engaged people;
- d) increased opportunities for innovation in service delivery;
- e) better Real Time data and analytics; and
- f) greater technical integrity and compliance.

16.1 More agile, responsive and transparent policy implementation

From – Limitations today

Today, it can be costly to implement new policies or make simple changes to existing welfare policies. Business processes and rules are hard-coded into current systems that have been added incrementally over time, creating silos, additional workloads for staff, unnecessary duplication and inconsistencies. The design of new policy and Payments is highly customised and fragmented rather than being guided by standard re-usable templates and common definitions and business rules, resulting in unnecessary complexity and cost for Government.

To – Benefits in the future

In the future the department will be more agile and responsive to policy changes for welfare Payments and have greater transparency about the costs and time required to implement changes. Designing for policy agility, flexibility, and transparency has been a major factor in not only the design of the business transformation programme and proposed features of the solution, but also in the WPIT Programme implementation approach.

In addition, changes to policy design, such as incorporating amendments made during the passage of legislation, will be made quickly without resorting to costly manual processes. This will be achieved by the development of a modular and interoperable Payments System with standard definitions and business processes, common welfare data standards, and re-usable components and functions. New Payments and changes to existing policies will be made and rolled out quickly through configuration or parameter changes.

Policy agility will also be enabled through the use of a standardised template based approach to implementing policy, supported by changes in the way the Department collaborates and interacts with policy agencies. The Department will work with policy agencies to inform how specific requirements could be implemented in line with standard templates and patterns, providing policy agencies and Government with options and projected costs for addressing the necessary requirements.

16.2 Less red tape and better digital service delivery

From – Limitations today

The Department currently delivers welfare payments and services via face-to-face, smart centre, phone self-service and digital channels. A ‘no wrong door’ policy allows Customers to choose the access channel of their choice regardless of the cost and the time it takes staff to process individual requests.

With Customers continuing to use channels outside of the digital offering, and limited end-to-end digital offerings, there is still, in some instances, the requirement to complete lengthy forms and submit copies of many documents, sometimes multiple times, to get things done, much of which could be improved by use of the digital channel and process simplification.

To – Benefits in the future

The WPIT Programme will support broader Government priorities in deregulation through reducing red tape for individuals and businesses. Simplifying business processes and introducing a modern ICT Welfare Payment System will streamline activity enabling staff to focus more on meeting the needs of Customers with complex needs or circumstances.

The WPIT Programme will enable smarter, more effective use of information, including collecting information once and re-using data where possible to streamline Customer interactions (subject to privacy and other legal restrictions).

The WPIT Programme will also deliver enhanced digital service channels that are easier to use and more appealing for Customers. The WPIT Programme will deliver changes that allow Customers to start, complete, and manage ongoing transactions in the digital channel by making it possible for Customers to access online services quickly and easily, and to stay online.

16.3 Capable and engaged people

From – Limitations today

Current business processes rely heavily on manual work arising from checking eligibility for payments, managing ongoing payments or managing customer compliance. A significant amount of staff effort is spent preparing and checking paper and digital forms prior to claims being assessed. Similarly, significant staff effort is involved in the ongoing management of a customer including customer compliance activities.

To – Benefits in the future

By reducing red tape, enhancing digital service delivery and automating business processes, the WPIT Programme will reduce staff effort spent on low value processing tasks, allowing staff focus to shift towards supporting those customers with a high level of complexity or risk (of incorrect payment).

Migration towards digital channels will reduce demand for face-to-face support staff, while increasing demand for digital support. The Department's ability to manage fraud and increase compliance will be enhanced through better data and analytics and inbuilt tools, leading to less manual staff intervention and more skills required in data and analytics. Changes to the business model will be reflected in the transformation of staff roles to support the new way of operating.

16.4 Increased opportunities for innovation in service delivery

From – Limitations today

Welfare payments today are largely delivered through the default option of government owned and operated channels. This is partly due to complexities with current policy and technology that make it difficult for third parties to connect with the Department to support service delivery.

At present, the department is constrained by disparate and duplicated business processes that manage multiple instances of the same service. The current technology solution is also highly complex, requiring custom developed forms and data replication into the current system, increasing the cost and time of third party integration.

To – Benefits in the future

The WPIT Programme will develop a platform-based architecture, common utilities, standards, open protocols and patterns which will facilitate fast, easy and replicable connections between the department, other Government agencies, and third parties. This will increase opportunities for the department to work collaboratively with industry to deliver the required services in accordance with Government policy.

16.5 Better real-time data and analytics

From – Limitations today

The Department manages an enormous volume of Customer data, which is stored in a number of different systems. This makes it both difficult and time consuming to extract contextual and time sensitive Customer data for policy analysis or operational improvement. The current gaps in the collection of management and operational information also impede the Department's ability to perform effective analytics.

To – Benefits in the future

The WPIT Programme will enable smarter, more effective use of information, including collecting information once and re-using where possible to reduce rework (subject to privacy and other legal restrictions). In the future, data held in the Welfare Payment System will be available in Real-time through easy-to-use tools, allowing policy makers to model the implications of their choices.

This will be used to help achieve policy intent and monitor service delivery outcomes, maximising the value of data as a 'national asset' to be owned, managed and used across government and the Department.

The enhanced analytics capabilities will also drive efficiency as it enables resourcing levels to be monitored and adjusted based on shifting channel demands. Better access to data and enhanced analytic capabilities will also enable the Department to undertake detailed risk profiling and customer segmentation, tailoring service offers to achieve better outcomes for both government and customers.

Better Real-Time data and analytics will also be achieved through the implementation of:

- a) a scalable, secure, flexible and interoperable data System handling data in accordance with the *Privacy Act 1988* (Cth);
- b) seamless data exchange with third parties;
- c) an intuitive, accessible real-time data portal for policymakers;
- d) customer profiles and public view of service delivery data; and
- e) customer profiling, and monitoring to lower the risk for fraud and compliance control.

In implementing this enhanced capability, the department will create the foundation for trusted and secure data connections to be used with third parties to streamline processes (in line with the *Privacy Act 1988* (Cth)), improve monitoring and quality of data entering the System.

16.6 Greater technical integrity and compliance

From – Limitations today

In the current Welfare Payment System, Payments may be made incorrectly when claimants deliberately claim money to which they are not entitled, there may be Customer errors when claimants make mistakes, or administrative errors where errors can be attributed to the legislation, policy, system design, business practices, or simply human error on the part of staff.

Compliance associated with managing incorrect Payments is costly for the department today. The department has been developing the capability to intervene earlier in the cycle of non-compliance, including the ability to 'risk rate' transactions as they occur. New light touch interventions that prompt early self-correction are increasingly being influenced and informed by the department's research into Customer behaviour.

To – Benefits in the future

Payment integrity is core to the department's strategic priorities. To maintain the continued integrity of Government outlays, the department needs to continue to effectively manage the risks associated with achieving Government outcomes.

By 2022, the department will, in line with the *Privacy Act 1988* (Cth) and Government policy, use advanced and real-time analytics to support risk-based processing and monitoring, with Real-time detection and interventions to improve assurance over outlay integrity. Payments under the new System will be more accurate, assisting with early intervention to assist Customers with reduced rates of under and over Payment. The System will:

- a) have embedded capability for real-time prompts to Customers to self-correct before processing;
- b) allow large amounts of data to be rapidly analysed for compliance and other purposes (compare against other data sources, run checks, etc.);
- c) have a tiered suite of responses, ranging from proactive automated prompts to directing Customers to staff assisted channels;
- d) allow for targeted and proactive management of compliance and fraud reduction of over Payments and Customer debt. The WPIT Programme will enhance capability to proactively target compliance and fraud management at an individual Customer and activity level, based on real-time analytics and Customer risk profiles that will be used to define tailored and targeted servicing models; and

- e) reduce manual Customer and department staff effort to provide greater integrity in Eligibility and Entitlement processes. The WPIT Programme will significantly reduce the volume of data provided directly by Customers, enabling real-time connections with Third Parties to populate Customer Profiles. Multi-sourced validation of the data held on Customers' Profiles limits scope for Customer fraud or error. Live data feeds will also enable the Department to rapidly respond to Customer life events or changes in circumstance that impact their eligibility or entitlement. The WPIT Programme will also deliver the capability to automate the processing of the majority of claims. A real-time integrity monitoring capability will be used to detect high-risk Customers or irregular claims, and stream the Customer to a staff assisted channel as appropriate.

17. Business design to enable WPIT Programme Outcomes

To achieve the WPIT Programme Outcomes the department recognises the need to truly transform its business and change the way it interacts, collaborates and co-designs an end-to-end welfare Ecosystem across a broad stakeholder group. This includes whole-of-Government, business and Delivery Partners, digital providers and state jurisdictions and non-Government organisations.

To enable this, the department has developed a business design methodology that:

- a) defines the linkages across the welfare Ecosystem to enable a transformed Customer experience through a naturally connected Customer circumstance based approach;
- b) applies a template-based design approach that supports policy simplification agenda and commonality across business capabilities, business processes and technology information design; and
- c) facilitates better partnerships with Policy Partners, Clients and Delivery Partners that establish a stronger support model for existing and potential welfare recipients and harnesses an environment for true innovation, collaboration and joint design.

The achievement of the WPIT Programme Outcomes will enable the delivery of a range of new outcomes which are summarised in Table 5 below. Each of these outcomes is described in a series of statements to highlight what this transformation will mean in practice for each dimension (e.g. Government, Customer, partnerships etc.):

- a) 'From' explains the limitations of the existing business and ICT systems; and
- b) 'To' articulates the intended benefits to be gained from achieving the WPIT Programme Outcomes.

Dimension	'From'	'To'
Government (federal, state and local)	<ul style="list-style-type: none"> • High-cost development, long lead times and workarounds; • Static, episodic, Payment driven data stores; • Highly customised policy and Payment design; • Targeted Payment architecture and business rules; and • Proprietary assets with only limited re-use potential. 	<ul style="list-style-type: none"> • Faster, cheaper, more flexible policy delivery based on enhanced data analytics for better policy outcomes; • Real-Time data and information for evidence-based policy delivery that better supports analysis and policy outcomes; • Pattern-and parameter-based design; • Increased targeting and outlay management through micro-segmentation; and

Dimension	'From'	'To'
		<ul style="list-style-type: none"> Common services available to Government and third parties.
Customer	<ul style="list-style-type: none"> Services mainly through 'proprietary' channels; Customers mainly provide data and documents; 'No wrong door' policy; and Choices regarding which channel to use. 	<ul style="list-style-type: none"> More services accessible via third parties; Naturally connected enabled by connections with the data source; Customer data collected from source and automatically populated enabling Customers to work with staff only as required; and Digital by default, other channels by exception.
Partnerships	<ul style="list-style-type: none"> The department is the only delivery option; Trusted data exchange limited to small number of agencies; and Ad hoc, small scale, custom interfaces with third parties. 	<ul style="list-style-type: none"> Flexibility for services to be delivered by Government or other parties quickly and easily; Expansive framework to share data with wide range of third parties; and Standard interfaces that are easily replicable.
Business processes	<ul style="list-style-type: none"> Claims-initiated Payment processing; Differences in business rules and definitions; Highly manual processing; Largely post-event compliance; and Risk of failed and incorrect Payments. 	<ul style="list-style-type: none"> Circumstance-based approach to managing Customers; Standard definitions for common elements; Automated and straight-through processing; Risk-based processing; Advanced real-time fraud detection analytics and intervention; and Better assurance and compliance ensuring Customer Payment integrity and outlays.
Digital services	<ul style="list-style-type: none"> ~100m online transactions; ~36m mobile transactions; New online claim forms and reporting; myGov portal; and Express Plus cohort apps. 	<ul style="list-style-type: none"> 85 percent of transactions online; 90 percent of online transactions on mobile devices; End-to-end digital services; Enhanced myGov services; and Interoperability with third-party apps and systems.
Smart Centre and Service Centre services ¹⁸	<ul style="list-style-type: none"> 367 Service Centres; 588 Agent and Access Points; Mix of department and myGov branding; Shop fronts and Smart Centres for digital streaming and add on technology; and 42 million calls. 	<ul style="list-style-type: none"> Thousands of 'access points'; myGov digital and physical sites and Smart Centres; Shared service one-stop shop Service Centres in high-needs locations; More third-party service providers in regional and remote areas; and Reduction in inbound and outbound calls with fewer calls requiring staff intervention.

Table 5 - New outcomes

¹⁸ Current 2015 statistics on Smart Centres and Service Centres see www.data.gov.au/dataset/location-of-centrelink-offices

18. The Target Business Model (TBM)

18.1 TBM overview and purpose

The department's business transformation will not be easy due to the scale, scope, complexity and timeframe of the WPIT Programme. The department has recognised the need to engage and collaborate with industry to form strategic relationships. This activity will see the department augment its own capability with industry based experience, skills, specialist technical resources, and capacity through the selection of suitable implementation Partners.

Although the department has commenced designing a TBM, the Partnership with the CSV and SI will inform the refinement of the TBM, its design principles and individual components.

In defining the TBM, the department has also considered how Customers will interact differently with the department in the future through components of the broader welfare Ecosystem or through specific channels. Some of the key features that will be delivered include:

- **Circumstance based approach to managing Customers** – the Circumstance based approach for Customer management will see the Department utilising data exchanges to populate customer profiles, ensuring they remain up to date with the latest information, reducing the risk of receiving under or over Payments, in line with relevant legislation and policy;
- **Customer segmentation and risk profiling to target service delivery** – this will enable the department to target service delivery based on an assessment of the individual risk, access needs and complexity of Customers, tailoring service offers to match customer circumstances;
- **Self-managed experience for Customers enabled through natural data connections** – the Circumstance based approach will help Customers self-manage their interactions where appropriate and will help Government automate processes to deliver a more efficient Welfare Payment System;
- **Whole-of-Government approach** – the department will be able to better connect across whole-of-Government and non-Government organisations, and work collaboratively with the DTO to uphold the Digital Transformation Agenda, Policy Partners (e.g. Department of Social Services) and Clients (e.g. DVA) to drive a consistent approach to service delivery;
- **Ease of servicing through the digital channel** – digital channels will be the primary channel for all Payments and services and the entry point to accessing welfare outcomes;
- **Automation of service and benefit processing** – this will maximise the number of transactions that will be processed without any staff intervention;
- **Real-Time debt prevention and compliance detection** – this will allow for over Payment and compliance management through Real-Time prevention, detection and risk assessments; and
- **Standardised template based approach to Payment and service design** – this will help achieve policy agility, and to identify and design opportunities for greater policy simplification across Payments.

The key features will be specifically achieved through a number of steps including:

- a) identifying Customer groups and how they will interact with the service channels available to them with a strong emphasis on digital being the channel of preference. The department will seek to deliver services to Customers with minimal manual staff intervention;
- b) standardising Payments and services, and developing supporting templates, to achieve policy agility when implementing new or changed policy, and to identify design opportunities for greater policy simplification;
- c) future state organisational design and a standard service delivery model to support the new way of doing business. This will include the way in which the department delivers services, the skills required in the future workforce, organisational structures, individual roles, responsibilities and performance metrics; and
- d) simplification, where possible, of legislation, policy and standardisation of enabling core and supporting business processes through consultation with our Policy Partners.

The Competitive Dialogue activity will define the iterations of the business model and supporting change artefacts. The change artefacts will be used to articulate how the department will transition from the existing business model to each of the defined release interim models throughout the change journey through to the TBM, by 2022.

For this Competitive Dialogue activity to be successful, the department will need to work collaboratively with industry partners to create the future way of working, supported by activity plans to progress the existing business model to the level of capability required at the end of each Tranche.

18.2 TBM design principles

The TBM design principles have been created to inform and test the individual components of the TBM and as such the design principles align to the TBM components. The principles provide the conceptual foundations for the TBM and are based on the strategic intent for the WPIT Programme. They underpin the model, and will act as the enabler for current and future business model design.

Figure 7 is an illustrative representation that shows the TBM components and design principle categories. The design principles will be used to:

- a) guide and govern design decisions throughout business design and subsequent releases;
- b) enable the sustainment and/or alignment to the department's strategic intent and priorities across stakeholder groups, and establish a clear and common understanding of the WPIT Programme for the department throughout the change journey;
- c) form the foundation of how the department will operate iteratively over the next seven years; and
- d) provide the baseline that drives strategic top-down design traceability.



Figure 7 - Target Business Model components

Table 6 below lists the design principles, aligned to the TBM components.

TBM Components	Design principles
Customer and Channel Management	<ul style="list-style-type: none"> • Customers receive payments based on assessment of their whole circumstances, rather than having to make detailed claims on a payment by payment basis • Customers will be actively guided towards touch-points that balance cost and effectiveness for their circumstances; however access is primarily via digital touch-points with some exceptions • Shopfronts and smart-centres continue to play a role in service delivery, but move to an appointment-based 'specialist services' model rather than 'retail' model • Some customers may access payments through third parties and their digital interfaces (e.g. aged pensions via financial advisers) • Service delivery is supported by data exchange with third parties eg. state govt, NGOs • Customers can opt out if they do not want their data shared, except where mandatory to meet risk and assurance standards
Policy Partner and Client Engagement	<ul style="list-style-type: none"> • Policy agencies are engaged in the detailed design of policy delivery • Policy and payment design is supported by configurable "templates" and consistent definitions, data and processes • Policy development, implementation, and ongoing changes are informed by transparent, efficiently developed cost estimates • Micro-segmentation and targeting of needs, strengthens the highly targeted payments system and ongoing management of outlays

TBM Components	Design principles
Service Delivery Design and Management	<ul style="list-style-type: none"> • Services are designed and managed to ensure efficient and effective standardised delivery and to enable ongoing improvement • Systems and infrastructure are designed to allow delivery of services on behalf of others (e.g. for state governments); services carry the relevant branding • Initial and ongoing oversight and design choices encourages customers to use the most effective and efficient touchpoints • Design of digital front-end touchpoints and back-end processes permits quick and low cost changes • Processes and systems encourage compliance, e.g. via proactive prompts and easy access to the right information • Compliance audits occur based on risk, policy, and customer behaviour • Detailed data helps monitor operations, e.g. daily updates on uptake rates and touch-point usage
Delivery Partner Management	<ul style="list-style-type: none"> • There must be flexibility for services to be delivered by either Government or third-parties • Government retains the authority to make a service or function contestable or keep it in-house • Digital portals, APIs, and other interfaces enable access by third party service providers • DHS supports the provision of the contestable services for which the Department is responsible
Service Delivery	<ul style="list-style-type: none"> • Payments may be triggered in response to applications by customers ("pull") OR automatically ("push") – and government policy determines which approach applies in what circumstances • Automated straight-through processing is the norm, minimising need for customer interactions • Changes in circumstances are automatically updated for most customers • Redesigned staff interfaces enable complete 'single view of customer' profiles and history • Connections to source data support automation and reduce under- and over-payment
Data, Analytics and Risk	<ul style="list-style-type: none"> • Information architecture is scalable, secure, flexible and interoperable • Common data definitions – e.g. of income and assets – and standards across government and partners enable exchange of information • Expanded ability to access and share data, both ingoing and outgoing • DHS takes full advantage of the increased data availability • Appropriate frameworks for privacy and consent promote and enable secure data sharing

Table 6 - TBM design principles

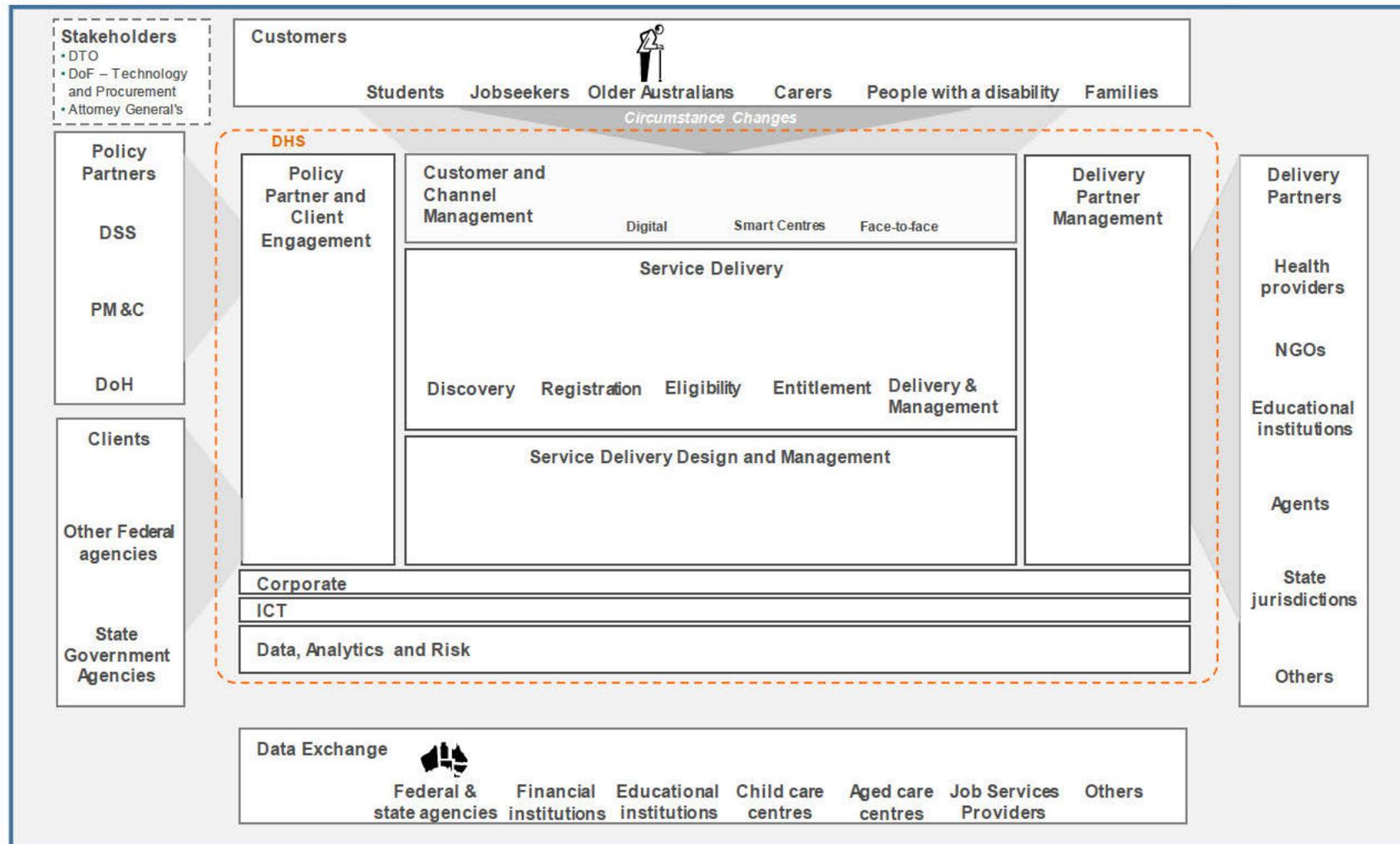


Figure 8 - Target Business Model including components

18.3 TBM components

The TBM is made up of components as in Figure 8 above, which provides a conceptual view of how the department could deliver Payments and services to Customers in the future. The definition, purpose and scope of each of the core TBM components are detailed in the Tables 7-12 below.

18.4 Policy Partner and Client Engagement

Policy Partner and Client Engagement aims to improve the way the department interacts and designs services with Policy Partners and Clients. It also manages policy demand and implementation to ensure appropriate standardisation, transparency and accountability across stakeholder groups.

Purpose	<ul style="list-style-type: none"> • Manage the relationship/interface between Policy Partners/Clients and service delivery; • Central contact point between Policy Partners/Clients and the department; • Coordinate the iterative process of configuring templates to meet requirements of Policy Partners, ensuring appropriate standardisation, transparency and accountability across stakeholder groups; and • Collaborate with Service Design and Management to implement new services and Payments into the department's business.
Scope	<ul style="list-style-type: none"> • Develop, manage and retain proactive and close relationships with Policy Partners and Clients (including Commonwealth, State and Territory Government departments); • Manage relationships with Policy Partners and Clients, including requests for services; • Coordinate the iterative process through which Policy Partners and the department will collaboratively configure templates to meet requirements; • Own, develop and manage business service design templates; • Support scoping, impact analysis and costing for Policy Partner and Client service provision, including Service Level Agreements and reporting agreements; • Agree on demand and delivery of future funding model accountability with Policy Partners (e.g. cost recovery); • Engage with Policy Partners around ongoing opportunities to realise benefits through simplification of legislation and policy (as required); • Support Service Design and Management in detailed business design and implementation of templates; and • Promote and ensure alignment with eGov strategy.

Table 7 - Policy Partner Engagement purpose and scope

18.5 Service Delivery

Service delivery delivers Payments and services to Customers, end-to-end, while tailored to their needs, Circumstances and Government expectations.

Purpose	To own and manage the Customer relationship which includes the delivery of end-to-end Payments and services aligned to Customer circumstances and Government expectations.
Scope	<ul style="list-style-type: none"> • Core functions include management of Customers across end-to-end services including enquiry to new Payment, updating Payment amounts, transitioning from one Payment to another, obligation management, participation and compliance; • Deliver indirect supporting Customer functions (supporting functions) including debt management, income management, review and appeals management, fraud management*, and Policy Partner obligations management; • Triage Customers into appropriate channels based on assessment of risk, access needs and complexity (performed by Data, Analytics and Risk function) and service requirements

	<p>(e.g., provide assistance to high-risk Customers across the end-to-end delivery of Payments and services);</p> <ul style="list-style-type: none"> • Manage Customer participation requirements across a digital channel where possible, and in person where necessary; • Perform targeted information requests and Payments and services matching; and • Staff-assisted application processing by exception based on Customer Circumstance (risk, need, preference, complexity) profiling and early fraud detection (information from Analytics function); <p>*Note: the detection of fraud and early intervention comes from Data, Analytics and Risk. This applies to the Customer intervention requirements.</p>
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Table 8 - Service delivery purpose and scope

18.6 Delivery Partner Management

Delivery Partner Management identifies opportunities to co-deliver and oversee the delivery of services or functions by Delivery Partners.

Purpose	To identify and execute opportunities to commission third-parties to deliver services on behalf of the Department (as directed by Government) and to source data across Government and from third-parties, and to monitor and manage their delivery of services
Scope	<ul style="list-style-type: none"> • Identify opportunities to co-deliver services; • Identify opportunities to source customer data from across Government and third parties; • Provide input into the design of services involving third party delivery (link to Service Design and Management); • Develop and execute sourcing and procurement strategies, including establishment and award of contracts, and on-boarding processes; • Manage and monitor Delivery Partners, including definition and compliance to Service Level Agreements and key performance indicators; and • Manage off-boarding of Partners.

Table 9 - Delivery Partner Management purpose and scope

18.7 Service Delivery Design and Management

Service Delivery Design and Management defines how services will be delivered ensuring efficient and effective standardised delivery, and management of ongoing improvements and optimisation to new and existing services.

Purpose	To manage end-to-end detailed design, implementation and optimisation of Payments and services, ensuring design consistency, efficient delivery, identification of continuous improvements and optimisation activities.
Scope	<ul style="list-style-type: none"> • Detailed design of the specific templates provided by Policy Partner Engagement ; • Support the iterative design process owned by Policy Partner Engagement, including impact analysis and opportunities for re-use; • Govern design for new Payments and services, enforcing principles of re-use, standardisation, modularity and simplification as much as templates allow; • Govern design for alignment with whole-of-Government standards and interoperability with third parties for purposes such as data sharing and white-labelled channels (i.e. AS4590, Digital Service Standard etc.) • Identify requirements and impact on service delivery (e.g. staff and Customer education requirements);

	<ul style="list-style-type: none"> • Work collaboratively with the broader department, oversee and support the build and deployment activities to implement; • Manage and evaluate service delivery, such as benchmarking service delivery (supported by analytics function); • Work with Data, Analytics and Risk function to provide a real-time portal for Policy Partners to view service delivery data; • Identify opportunities for continuous improvement; • Link to the Delivery Partner Management Component; and • Work with DTO to ensure consistency in digital standards.
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Table 10 - Service Design and Management purpose and scope

18.8 Data, Analytics and Risk

Data, Analytics and Risk provides complete and comprehensive data and analytics for the Department, Policy Partners, Clients and Delivery Partners to enable effective policy outcomes.

Purpose	To provide complete and comprehensive business intelligence capabilities across the Department, Policy Partners, Clients and Delivery Partners to enable effective Government, policy and Customer outcomes.
Scope	<ul style="list-style-type: none"> • Holistic business intelligence and information management services across the Department, Clients, Policy and Delivery Partners; • Provide other functions (such as Service Design and Management) and provide Policy Partners, clear data and analytics on policy outcomes, effectiveness and agreed metrics (e.g. update, outlay projections); • Provide data analytics to support assessments of service delivery efficiency and effectiveness, such as benchmarking service delivery costs against third party offerings (delivered by Service Design and Management function); • Undertake fraud detection and management, compliance, Customer profiling and management, early detection and intervention of under and over Payments; • Provide Customers clear data on what information is held (including meta data); • Provide publically available anonymised data sets for research and analysis purposes (e.g. to inform Government and future policy directions); • Perform predictive analytics to inform business optimisation (e.g. data on channel optimisation and usage); • Own Customer data including information about Customer segmentation and CRM; and • Define the framework for risk/segments.

Table 11 - Data, Analytics and Risk purpose and scope

18.9 Other components of the TBM

In addition to the core components of the TBM, there are other additional components which interact with the organisation to either deliver or receiver Payments and services.

Customers	<p>Definition</p> <ul style="list-style-type: none"> • Customers will continue to be at the heart of the business; and • Customers are individuals eligible for welfare or those authorised to act on their behalf.
Policy Partners and Clients	<ul style="list-style-type: none"> • Policy Partners will have greater visibility of service delivery; • Policy Partners are other organisations who own the policies the department delivers, while Clients are those who leverage the departments capabilities for their core business processing;

	<ul style="list-style-type: none"> • A modernised, modular System will see an increasing Client base as the benefits of the WPIT infrastructure asset are shared across Government and appropriate non-Governmental organisations.; • The TBM enables more collaborative Partnerships between the department and its Clients and Policy Partners.
Delivery Partners	<ul style="list-style-type: none"> • Delivery Partners will support a flexible service delivery model. Delivery Partners will work collaboratively with the department to deliver Payments and services to Customers; • Customer circumstances will be better known through naturally connected service delivery.
Influencers	<ul style="list-style-type: none"> • Influencers will inform whole-of-Government agenda and standards. The TBM enables collaborative partnerships by extending participation in policy planning and welfare delivery to include service planners and business planners across different levels of Government, business and community. Influencers include but are not limited to the Department of Finance, Attorney-General's Department and the DTO.
Channels	<ul style="list-style-type: none"> • Customers use channels to interact with the department to access Payments and services. Customers will be directed to certain channels based on their Circumstances including their complexity, needs and risk. A variety of channels will support the department in offering a more efficient and personalised experience spanning natural connections and digital channels, and managed and intensive channels, such as on the phone or face-to-face.

Table 12 - Other TBM components

18.10 Client leverage of department capabilities

The WPIT Programme will deliver a whole-of-government payment administration capability. DVA is considered to be an excellent opportunity to leverage the investment in WPIT to provide solutions to small agencies.

DVA is responsible for providing a range of programmes of care, compensation, income support and commemoration for the veteran and defence force communities and their families. It is also the primary service delivery agency responsible for developing and implementing programmes that assist the veteran and defence force communities and their families. The veteran and defence force communities include all past and present members of the Australian Defence Force.

This support is underpinned by three pieces of legislation, the *Veterans' Entitlements Act 1986* (VEA), the *Military Rehabilitation and Compensation Act 2004* (MRCA) and the *Safety, Rehabilitation and Compensation Act 1988* (SRCA).

The WPIT solution has been identified as DVA's preferred mechanism for the delivery of its payments to customers. Detailed analysis will be undertaken to assess the suitability of these customer payments for delivery under the WPIT solution.

DVA Services that may be delivered through WPIT include:

- Service Pension
- Social Security Act Age Pension
- Disability Pension
- War Widow/er Pension
- Orphan Pension
- POW Supplement
- Permanent Impairment Payments
- Incapacity Benefit Payments

- Wholly Dependent Partner Payments
- Eligible Young Persons Payments
- Other Dependent payments
- Attendant Allowance
- Rent Assistance
- Income Support Supplement
- Funeral Benefit
- Death/ Bereavement Payment
- Remote Area Allowance
- Vehicle Assistance
- Loss of Earnings Allowance
- Temporary Incapacity Allowance
- Clothing Allowance
- Recreation Transport Allowance
- Decoration Allowance
- Victoria Cross Allowance
- Reimbursement for Financial Advice
- Veterans Children's Education Scheme
- MRCA Education & Training Scheme
- Veterans' Pharmaceutical Reimbursement Scheme
- Travel Assistance
- Essential Medical Equipment Payment
- Medical Expenses Privately Incurred
- Attendant Care and Household Services compensation payments
- Senior Health Cards
- Veterans' Health Cards
- Pensioner Concession Cards
- Commonwealth Seniors Health Cards.

Early analysis indicates that there is significant commonality between these Payments and the department's income support payments and add-ons, which would enable DVA to leverage the WPIT solution.

19. Capability framework

Over the years, the department has continued to mature the delivery of social welfare Payments and services, core business functions, and ICT systems. In doing this, significant progress has been made in reducing the cost to serve, implementing policy and legislation changes faster and delivering more digital services to Customers. To sustain this evolution and ongoing transformation of social welfare, the department has identified a consistent set of business functions and services to underpin its enterprise Business Capability Model.

The department will use the Business Capability Model to bring consistency to the design and development of the department's ICT services and Systems. It enables the department to manage ICT and business process complexity by identifying and reusing commonly used functions as a basis for new Systems and processes. It will also guide system enhancements to enable the department to respond quickly to changes in policy, legislation and business requirements.

This Business Capability Model will be a key design component of the business design methodology that will underpin the TBM and be used to anchor the design of business processes. An overview of the department's Business Capability Model is set out in Figure 9 below.



Figure 9 - Business Capability Model

- **Strategy** – represents the service delivery strategy, informed by analysis of the strategic environment. The strategy is designed around Government, Customer and business outcomes;
- **The department's Business** – represents the department's core service delivery business, outlining the way that services are delivered. This includes concept of service segmentation which separates services to Customers, with Partners and for clients – positioning the model to support future innovation and shared service options;
- **Supporting the department's Business** – represents the model of enabling and supporting services (e.g. ICT), and capability; and
- **Governance** – represents the governance framework that supports and provides assurance for the future direction.

20. The Customer and channel strategies

20.1 Purpose of the Customer Strategy

The Customer Strategy aligns to the broader *Department of Human Services (DHS) Strategic Plan 2015-2019*, Government policy and the DTO's Digital Transformation Agenda. It defines Customer cohorts based on their Circumstances and captures Customer's complexity and level of financial risk.

Key components of the Customer Strategy are:

- a) clearly defined Customer strategy for the WPIT Programme;
- b) conceptual segmentation framework that provides the mechanism to identify micro-segments based on an assessment of a Customer's complexity and level of financial risk; and
- c) Customer experience principles to guide design and deliver the future Customer experience under the WPIT Programme.

20.2 Value for Government and Customers

The WPIT Customer Strategy articulates the department's approach to connecting Australians quickly and easily to the services they need to improve social and economic outcomes.

The Customer Strategy provides a number of outcomes for Government and Customers:

- a) through a Circumstance based approach to service delivery, more of the Customers' Circumstances can be taken into account, including the customer's risk profile;
- b) reduced red tape as Customers are able to self-manage their experience through digital touch points and assistance is better targeted for those who need it most;
- c) automated services will enable more efficient service delivery by enabling straight through and light touch processing; and
- d) better connections across Government and non-Government organisations will enable a more collaborative approach to service delivery.

For the purposes of the Customer Strategy, Customers are defined as those individuals and/or organisations that use the department's services with the aim of receiving social welfare or services for themselves or those they are acting on behalf of (as an authorised representative).

20.3 The Channel Strategy

The Customer Strategy informs the Channel Strategy Customer characteristics and approach to delivering Circumstance based customer management.

The Department has delivered significant channel performance improvements across all channels over the past few years. The Channel Strategy will build upon these improvements and, align to the *DHS Strategic Plan 2015-2019*.

The Channel Strategy is intended to:

- a) set the strategic direction for how services are delivered to the Australian community through integrated touch points (channels);
- b) provide insight into the strategic considerations for designing and executing a future-fit channel experience, including guidance on how to transition Customers to a naturally connected and digital preferred model of service delivery;
- c) provide a holistic framework that puts Government policy and legislation at the centre of everything the department does; and
- d) enable decisions to be made with a clear understanding of the relationship between Customer obligations, the services and outcomes that the department offers and the touch points by which services are delivered efficiently and effectively.

The Channel Strategy will assist in building momentum toward the future state omni-channel experience supported by naturally connected and digital service delivery.

From	To
<ul style="list-style-type: none"> • Partially integrated multi-channel experiences; • Minimum Customisation for Customers; • Red tape and process inefficiencies; and • Reliance on high cost channels for simple transactions. 	<ul style="list-style-type: none"> • Naturally connected omni-channel experiences; • Circumstance based and proactive servicing and care, in line with government legislation and policy; • Reduced Customer/staff effort from digital integration and self-management; and • An empowered and informed workforce.

Table 13 - Channel strategy

20.4 The Customer Strategy

The Customer Strategy is summarised in Figure 10.

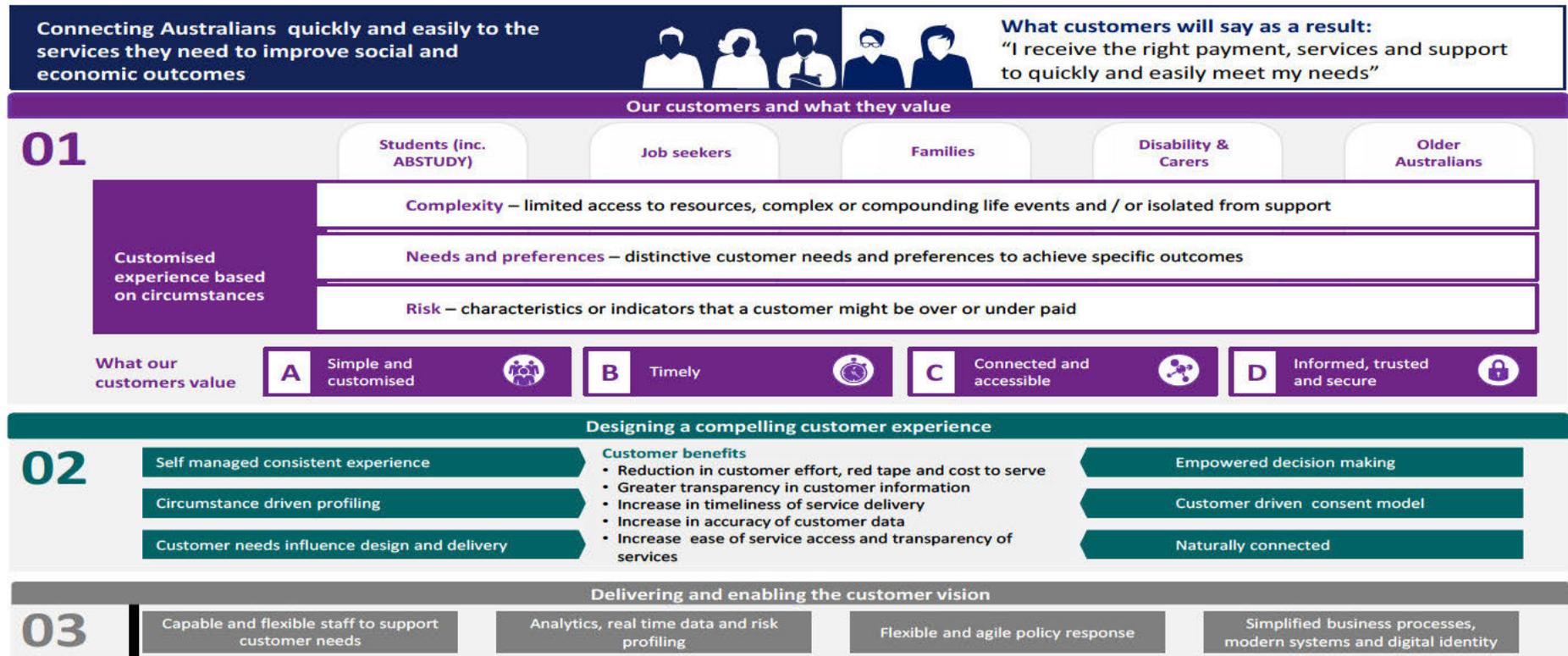


Figure 10 - Customer Strategy overview

20.5 The department's Customer approach

Tailored service delivery

Tailoring service delivery based on the individual risk, complexity and access needs of Customers will allow the department to leverage understanding of Customer circumstances to proactively target risk of payment inaccuracy, non-compliance and fraud in line with Government legislation and policy, reducing incidences of customer debt.

The department is focused on achieving the following four outcomes when delivering Payments and services to Customers, aligning with relevant legislation and policy, and enabling cost-effectiveness for Government:

- **Simple and customised** – the department aims to provide Customers with a simple and customised experience when interacting with the department. The future state will provide them with a customised service, tailored to their Circumstances;
- **Timely** – the department wants customers to be able to interact in a timely way; whether it be waiting to talk to a staff member, discovering the outcome of a Payment they have registered intent to receive, or receiving a Payment or service;
- **Connected and accessible** – future design will ensure Customers are able to easily access the services and Payments they are eligible for, and be effectively (and where possible, naturally) connected to enable their business with the department; and
- **Informed, trusted and secure** – The department wants to ensure Customers are kept informed and that they feel valued and that their circumstances are understood. They also want to ensure that each Customer is dealt with fairly and that Customers trust their information is secure.

Tailored experience based on Circumstances

Tailored service delivery is enabled through the Circumstance based approach to customer management, which relies on the exchange of data with third parties based on an appropriate consent model (in line with current legislation and policy). This approach triages Customers through early profiling based on their level of risk of payment inaccuracy, complexity and access needs, determining suitability for digital or other services offers, and straight-through processing.

The Customer Strategy provides the foundation for delivering the Circumstance based approach to Customer Management and performing Customer Segmentation and Risk Profiling to inform tailored service offers. In the future a Customer may inform the department about a change of Circumstances (either directly, or through a data exchange with a third party) and through undertaking discovery in the authenticated digital channel, be directed to the Payments and services that meet their needs. By undertaking discovery in the authenticated space, the department will be able to perform an Enhanced Eligibility Assessment, drawing on known customer data and confirming the Customer's Eligibility for certain Payments upfront, then automatically processing claims for Payments and services, in line with Government strategy, legislation and policy. In the future, the department will also utilise data from trusted Third Parties to process Circumstance changes such as changes in income, for example, through the ATO via implementation of the single touch payroll system. This information will also enable targeted management of mutual obligations in line with Government legislation and policy.

A high-level view of the Circumstance based Segmentation and Risk Profiling model is provided in Figure 11 below.

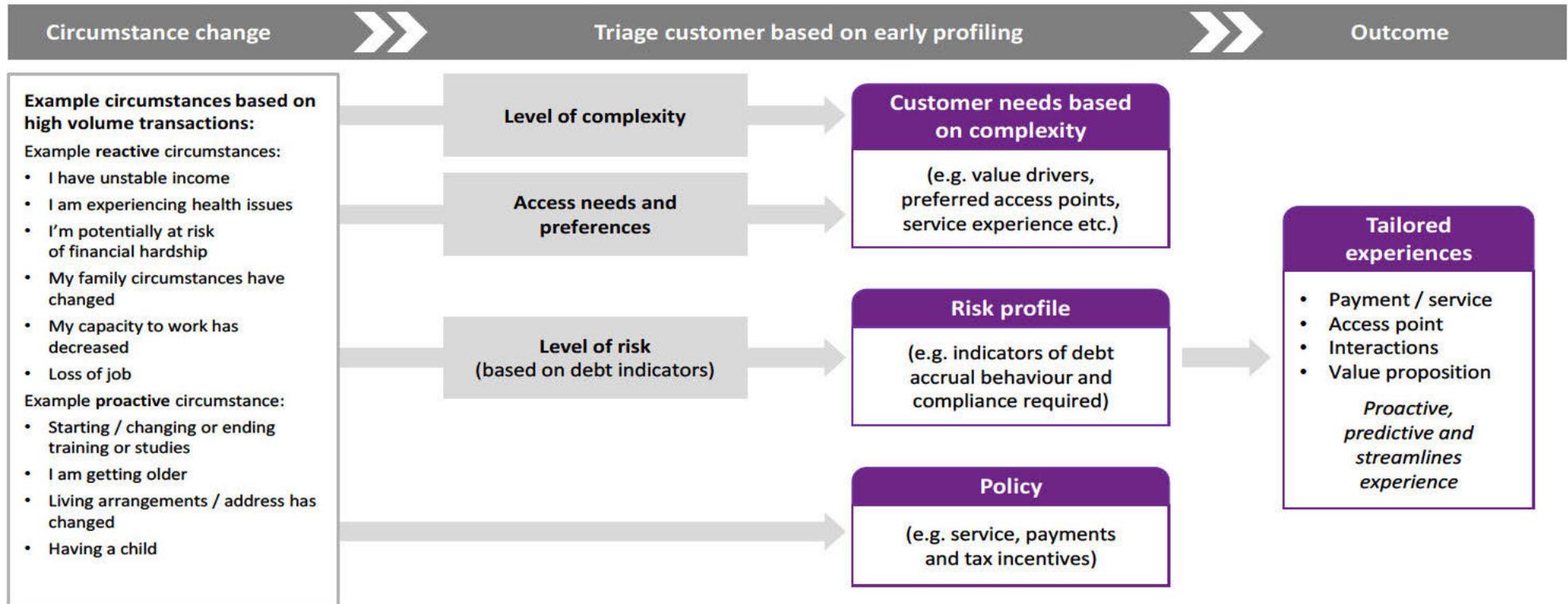


Figure 11 - Circumstance driven triage overview

The strategy describes how a Customer is identified as part of a micro-segment according to their level of complexity, access needs and preferences, and level of risk. This is measured through indicators and Circumstances (both reactive and proactive) that can be observed by the department.

Examples include:

- a) reactive Circumstances, such as:
 - having unstable income;
 - experiencing health issues;
 - risk of financial hardship;
 - changing family Circumstances;
 - lost capacity to work; and
 - loss of job.
- b) proactive Circumstances, such as:
 - starting/changing or ending study;
 - getting older;
 - living arrangements/address has changed; and
 - having a child.

A Customer is then provided a tailored experience based on the micro-segment they are attributed to and the relevant policy. Examples of tailored experience elements include:

- a) Payment/service types;
- b) access points;
- c) interactions; and
- d) value proposition.

Conceptual segmentation framework supports a Circumstance based view of the Customer. This framework includes understanding predictors of a Customer's risk, complexity and access needs ranging from urban versus regional or rural needs, access to services, Customers in receipt of one or multiple benefits to characteristics based on behavioural patterns through multiple service interactions.

This framework provides the definition of the Customer segment components – defining the level of risk, complexity and access needs. The three key definitions are:

- **Customers with complex needs** - refers to any Customer with complex needs, including vulnerable Customers including:
 - people who have (or are at risk of) limited access to resources (economic, financial or social);
 - people who are experiencing life events that they are not able to manage independently; and
 - those living in a community or context where they are isolated from formal or informal support;
- **Risk Profile** - refers to characteristics or indicators that a Customer may be over or under paid either unintentionally or as a result of deliberate fraudulent behaviours. This may be

from the type or combination of Payments or services received and the level of compliance that may be required to provide the right level of service in the right Circumstances; and

- **Needs and preferences** - refer to distinctive Customer needs and preferences to achieve specific outcomes (e.g. receiving timely Payment, accurate information, or minimising debt). This supports targeted value propositions for Customers across Payments, services or channels regardless of whether a Customer is on one or more different Payments.

20.6 Designing a compelling Customer experience

Circumstance driven approach means redefining the way the department delivers services to Customers.

The Customer Strategy outlines a set of six Customer experience design principles:

Overview		
Principle 1: Self-managed, consistent experience	Driver	The need to deliver Government and Customer services as efficiently and effectively as possible.
	What success looks like	Customers will self-manage their end-to-end service experience using digital channels. Customers who require staff interaction will be primarily appointment based.
	Detailed principle description	<p>Desired Customer experience:</p> <ul style="list-style-type: none"> ▪ Services to the vast majority of Customers will be delivered through reliable and easy to use digital touch points without the need to contact the department through other channels. ▪ Customer experience will be high quality, consistent across all touch points and enable most people to be self-sufficient in managing their own affairs. <p>Customer experience design:</p> <ul style="list-style-type: none"> ▪ End-to-end digital processes – Payments can be accessed and managed digitally from start to finish and Customers have access to intuitive touch-points for automatic updates on the status of their applications. ▪ Support for self-management – shopfronts and smart centres will have better Customer information to provide support for digital touch points. Online Customer support will be used to keep Customers in digital channels. ▪ Appointment-based interactions – access to face-to-face support in service centres will become largely appointment based and support will also be offered in different ways, such as click-to-chat, telephone and video call.
Principle 2: Circumstance-driven profiling	Driver	Balancing cost, effort and effectiveness of service delivery to a Customer's Circumstances.
	What success looks like	Not all Customers will be serviced in the same way. Customers will be streamed to the most suitable service and delivery channel based on sophisticated profiling of their Circumstances, access needs and preferences, level of complexity and Risk Profile informed by their previous engagements with the department.
	Detailed principle description	<p>Desired Customer experience:</p> <ul style="list-style-type: none"> ▪ The department understands, anticipates and manages Customers' needs and expectations based on their Circumstances and provide proactive and tailored support for complex needs. <p>Customer experience design:</p> <ul style="list-style-type: none"> ▪ Minimising Customer and service delivery effort – Customers will be actively guided towards touch points that balance cost, effort and effectiveness for their Circumstances. ▪ Digital preferred with some exceptions – access to services will be primarily via digital touch-points with some exceptions (such as exceptions due to policy reasons, Customer or event Risk Profile and/or specific Customer needs).

		<ul style="list-style-type: none"> Proactive and pre-emptive – Payments may be triggered in response to applications by Customers ('pull') or made automatically ('push'). Government policy determines which approach applies in what Circumstances. Automated straight-through processing is the norm – minimising need for Customer interactions.
Principle 3: Customer needs influence design and delivery	Driver	The need to make service delivery more integrated, increase efficiency and enhance the Customer experience.
	What success looks like	Customer-centric approach, informed by Real-Time Customer feedback, will be taken to designing and delivering the Customer experience across all touch points.
	Detailed principle description	<p>Desired Customer experience:</p> <ul style="list-style-type: none"> Service experiences build Customer trust and confidence and are responsive to Customer needs. This includes a digital user experience that is customised to the user. Real-Time Customer feedback to drive continuous improvement of the Customer experience and service delivery efficiency. Ongoing Innovation in service delivery to address changing Customer needs. <p>Customer experience design:</p> <ul style="list-style-type: none"> Single view of the Customer – across services and Payment types. Redesigned staff interfaces enable complete 'single view of Customer' Profiles and history (e.g. recent contacts, relationships, support received, third party interactions). Early Eligibility – Customers who are ineligible for a Payment type will be determined up front based on Circumstance qualifying questions and third party information and will not be progressed.
Principle 4: Empowered decision making	Driver	The need to simplify processes and information so that Customers can more easily self-manage.
	What success looks like	Customers feel empowered because they can easily find and understand the information they need to make decisions about their Entitlements and obligations. They also understand why a decision or outcome has been reached.
	Detailed principle description	<p>Desired Customer experience:</p> <ul style="list-style-type: none"> Customers can easily find and understand the information they need to make decisions and receive the services they need. Digital information is easy to navigate and in simple language. Customers receive satisfactory resolution at first point of contact through reliable, responsive and connected Systems. Better linking Customers to the right services, even when those services are provided by others. <p>Customer experience design:</p> <ul style="list-style-type: none"> Staff familiar with the tools and interfaces Customers user – includes ability for staff to 'see what the Customer sees', i.e. view interfaces from Customer perspective. Encourage compliance – processes and Systems encourage compliance, (e.g. via proactive prompts and easy access to the right information). User-centred design – we ask Customers what they need and test with Customers.
Principle 5: Customer driven consent	Driver	The need to reform data sharing and privacy legislation based on Customer demand.
	What success looks like	Customer information and Circumstances will be validated prior to third party information automatically being applied to the Customer record.
	Detailed principle description	<p>Desired Customer experience:</p> <ul style="list-style-type: none"> Secure, connected experience. Mutually understood rights and obligations. <p>Customer experience design:</p>

		<ul style="list-style-type: none"> ▪ 'Opt out' of data being shared – Customers have to choose to opt out if they do not want their data shared. In some instances, opting out will not be an option such as where data sharing is mandatory to meet risk and assurance standards. Levels of consent might be introduced to protect different layers of sensitive information.
Principle 6: Naturally connected	Driver	The need for an efficient and connected Customer experience.
	What success looks like	Customer information from other providers will be used to enable natural connection and Straight Through Processing based on Customer driven consent.
	Detailed principle description	<p>Desired Customer experience:</p> <ul style="list-style-type: none"> ▪ A comprehensive picture of a Customer's needs, from a range of data sources that reduces requests for information. ▪ Connections to NGOs, other Government agencies and third parties ensure more streamlined services. ▪ Know our Customers and offer proactive engagement to meet current and future needs. <p>Customer experience design:</p> <ul style="list-style-type: none"> ▪ Service delivery is supported by Real-Time data exchange with third parties – such as state Government, educational institutions, financial institutions, child care centres, aged care centres and job service providers. ▪ Services delivered by third parties – some Customers may access Payments and services through third parties and their digital interfaces. ▪ Changes in Circumstances are automatically updated for most Customers – Customers are alerted of updates; some changes will be checked before confirming, based on Customer Profiles.

Table 14 - Customer Design Principles

20.7 Delivering and enabling Customer's needs

There are a number of key enablers to implement the Customer strategy throughout the duration of the WPIT Programme, these include:

- a) capable and flexible staff to support Customer needs and how Customer experience improvement should be measured:
 - the department needs to maintain a well-trained, digitally-savvy workforce with improved access to information to deliver better Customer outcomes; and
 - better data, Systems and automation that enable staff to spend more time solving complex problems and helping Customers who need the most support;
- b) analytics, Real-Time data and Risk Profiling:
 - creating a single view of the Customer, taking their entire situation into account and using Circumstance-driven modelling to deliver better and more efficient services; and
 - analysis needs to be automated and Real-Time data used to identify and simulate Customer and Government impacts. Rich data on Payments should be used to inform policy;
- c) flexible and agile policy response:
 - the department will need to be able to quickly respond to changes in Government policy so that they can be implemented quickly and at a lower cost; and
 - close alignment is required to the Government's Digital Transformation Agenda to create a connected Customer experience across all of Government;

- d) simplified business processes, modern Systems and digital identity:
- processes need to be simplified and designed for digital so that Customers are able to easily and quickly complete end-to-end processes using digital touch points;
 - Systems need to be easy to use and flexible to allow for innovation and changing Government and Customer needs; and
 - leveraging whole-of-Government digital transformation initiatives such as myGov and digital Customer identity management and standards for data sharing.

21. The value chain and business process model

The current state business process model poses a number of key challenges in the current environment for Customers and staff, including significant amounts of red tape and an interrupted digital offering that is not end-to-end, forcing Customers into the call and face-to-face channels and not considering their level of financial risk, complexity or access needs.

How does it work today?



Figure 12 - Current value chain

To support the TBM a new business process model is under development that will:

- enable proactive Customer Circumstance management and naturally connected welfare services through stronger linkages to Third Party data sources;
- provide greater ability for Customers to confirm changes in their Circumstances that enable faster and more efficient welfare Payments and services; and
- provide Customers with more opportunities to connect with welfare service Delivery Partners (such as employment opportunities).

A redefined value chain, illustrated in Figure 13 below, is conceptual and illustrative only, but outlines some of the elements that may inform a revised business process model to deliver the WPIT Programme Outcomes, in particular reduced red tape and better end-to-end digital service delivery, through application of the Circumstance based approach to Customer management.

What changes in the future?



Figure 13 - Future value chain

Further work is required to iterate, refine and develop the future state value chain and will be done in collaboration with the CSV and the SI(s). Table 15 below shows the current state and the department's proposed future state value chain:

From the current state value chain	To a future state value chain
<p>The current state value chain is broken down into five key stages.</p> <p>Discovery</p> <ul style="list-style-type: none"> Customers are able to choose their preferred channel to access services; and Not all services are available on all channels, preventing an end-to-end experience. <p>Registration</p> <ul style="list-style-type: none"> Onus is on Customers to provide required documentation and to prove identity in person; and Complex and repetitive services protract the registration process. <p>Eligibility</p> <ul style="list-style-type: none"> Separate claims are required for every Payment and each require manual data entry by Customers; and Lags in information updates create delays and risk Payment accuracy. <p>Entitlement</p> <ul style="list-style-type: none"> Entitlement assessment is a highly manual process resulting in a high potential for errors and a high cost to the department; and This also causes downstream failures. <p>Manage and Deliver</p> <ul style="list-style-type: none"> Communications delivered through mail or call centres is costly; and Staff are engaged in low value transactions (e.g. checking status/updating info). 	<p>The proposed future state value chain provides a more integrated end-to-end process:</p> <ul style="list-style-type: none"> proactive and reactive discovery; registration; confirmation; receipt; and management across end-to-end process. <p>Key principles influence service delivery across each component of this value chain:</p> <ul style="list-style-type: none"> self-managed Customer experience – rules are harmonised across programmes and management is shifted to digital channels; Circumstance driven tailoring – predictive 'service discovery' models clarify Eligibility criteria, steer Customers to relevant Payments and simplify Customer applications; empowered decision making – Customers can access end-to-end services across a range of third parties based on their level of needs and preferences; Customer driven processing – increased data availability for data sharing supports proactive obligations management; naturally connected – automated processing accelerates assessments and Real-Time interventions target high risk Customers to minimise Eligibility features; and Customer needs influence design and delivery – Interfaces are simple and information is tailored to support Customer needs. Customers can proactively find the information they need but are also proactively notified of relevant information as required.

Table 15 - Current state and the department's proposed future state value chain

22. Business Scenarios

As a key enabler of the department's ongoing business transformation, the platform, in addition to its technical and architectural qualities, must be capable of supporting the core business of the department within the scope of the WPIT Programme as defined in the TBM. This support is required for the current core business and as it may develop in the future. The Tenderer will need to show the ability to be able to incorporate all principles and components of the TBM and the Customer value chain for the example business scenarios within this Attachment.

22.1 Business Scenarios

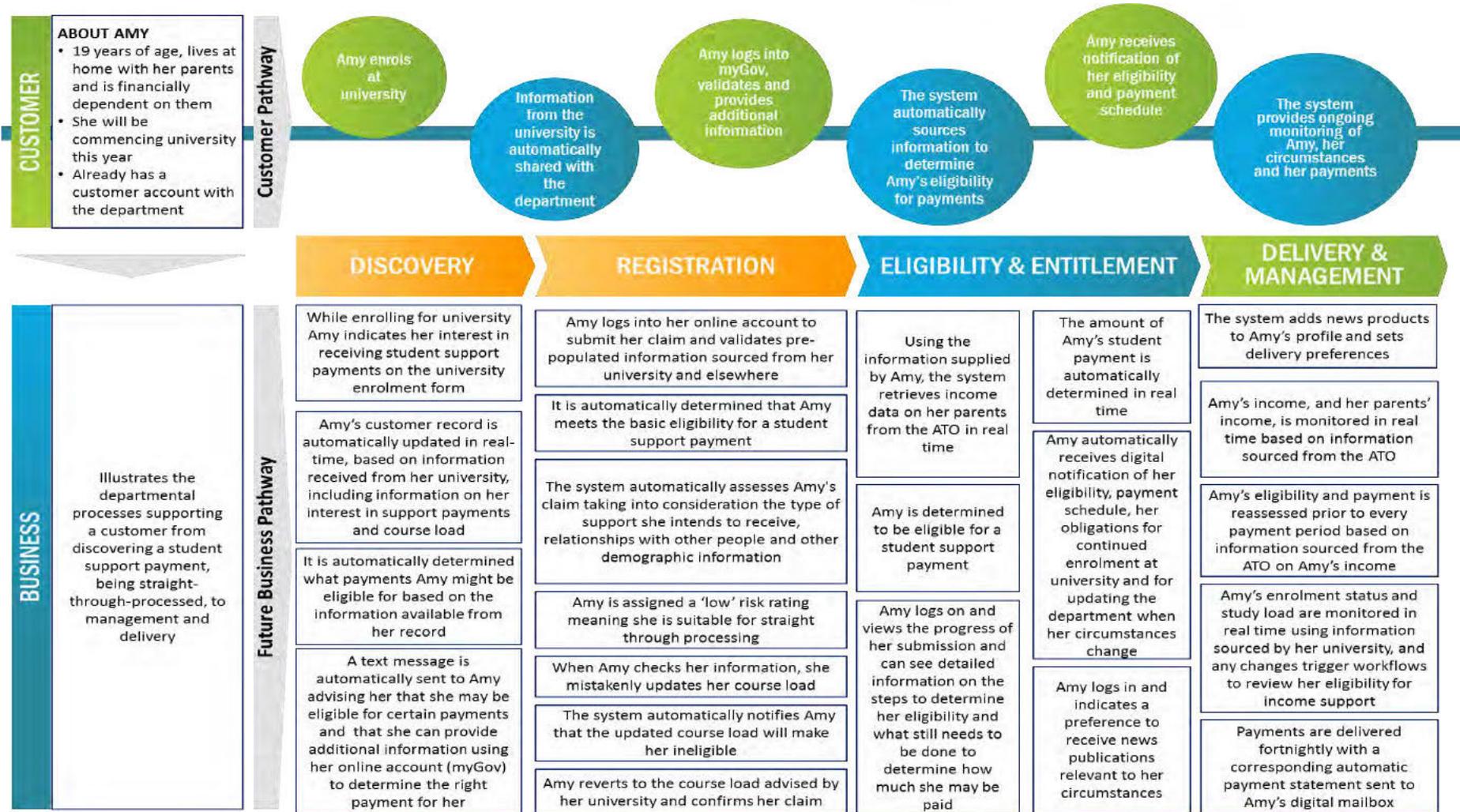
The following twelve business scenarios have been created to show the capabilities the department believes are required from the System as part of its business transformation and detail how they might be used in day-to-day operations. The scenarios are intended to bring the TBM and Customer Strategy and Channel Strategy changes to life by showing how service design, service delivery, Delivery Partners and data analytics combine to produce outcomes for Customers and Policy and Delivery Partners. These scenarios are intended as representative illustrations of expected business situations that change the way the department does business.

Below is the list of business scenarios that are detailed on the following pages.

- **Discovery to Delivery** – the end-to-end journey for a typical Customer (Amy) receiving Youth Allowance, describing the potential for straight-through processing and to management and delivery.
- **A Regional Customer** – illustrated the process for a remote Customer (Nigel) with complex needs discovering a student support Payment via a remote service to being triaged in a Smart Centre based on complex needs.
- **Transition Between Payments** – illustrated the process (for Amy) who has completed university studies and now transitions from student support Payments to job seeker Payments based on naturally sourced information from third parties.
- **Complex, Inter-linked Assessments** – Customers (Xavier and Neve) are receiving Income Support and Family Assistance and additional supplements. They have complex Circumstances and are being assessed against a complex rules set. This scenario illustrates information sourced from third parties via a preference framework and 'grandfathered' and 'cross-dependent' rule sets.
- **Retrospective Assessments** – illustrates the process of assessing a Customers' (Ted and Jess) Family Tax Benefit (FTB) and Child Care Benefit (CCB) Entitlement retrospectively including automated determinations based on historical Customer information and older rule sets.
- **Customer Debt** – illustrates an end-to-end debt management process from identifying a FTB Customer debt (Sam), automatically determining how (and if) the debt will be recovered, to conclusion.
- **Fraud Management** – illustrates a situation where the department has detected and intervenes on a potential instance of Customer fraud (Frank).
- **Providing a Social Services Platform** – a state Government agency is planning to use the department's welfare Payment Platform to support delivery of an income support Payment. This scenario illustrates the end-to-end service delivery process for

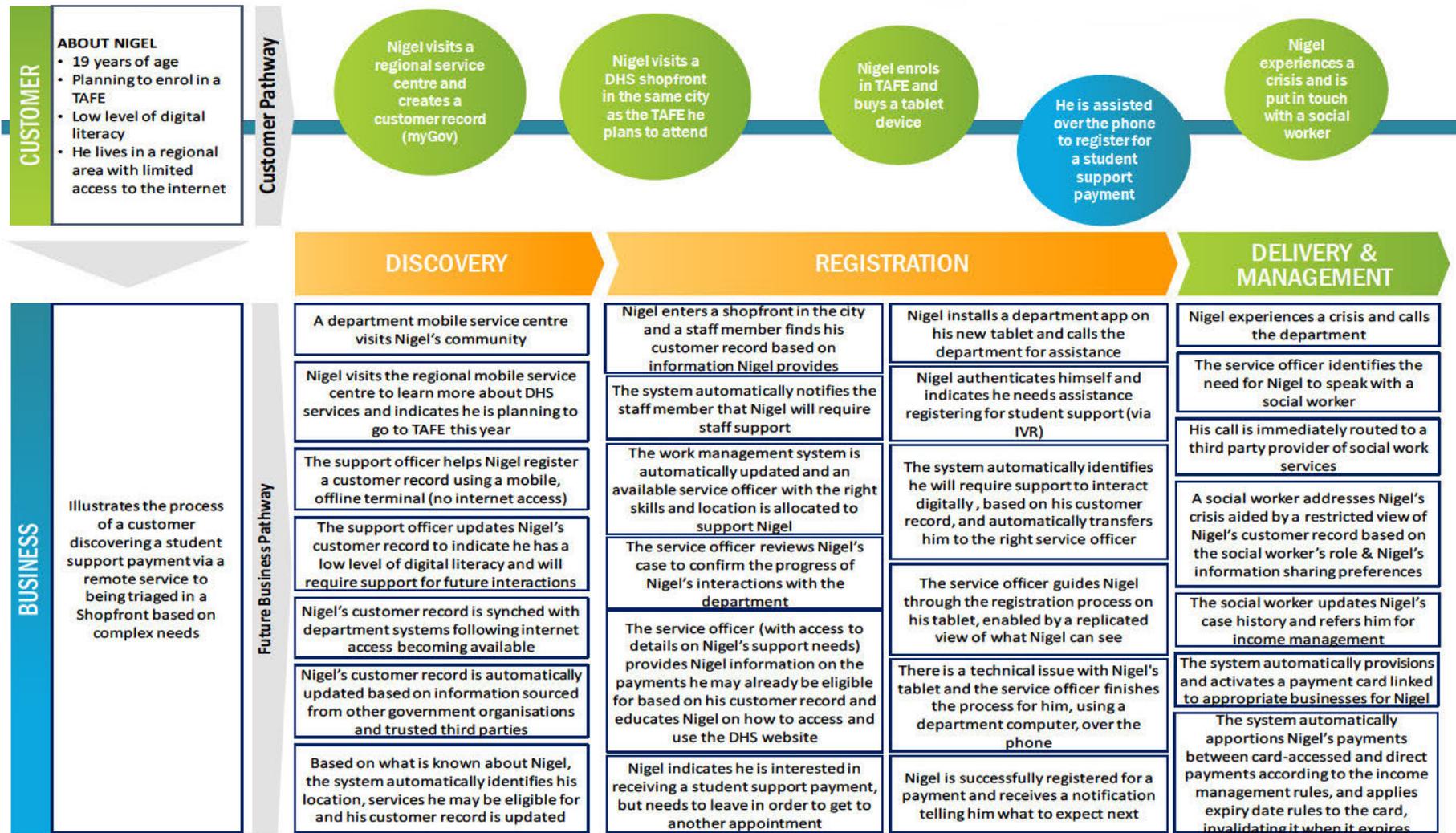
Customer Payments from identifying the Customer needs, reusing business functions, to off-boarding.

- **Delivering with a Client** – illustrates how the department will manage and monitor Customer service delivery on behalf of another agency through a Platform supplied by the department. This includes performance and compliance in service delivery against service level agreements.
- **Policy Agility** – illustrates the process for the department to implement a policy change including the use of standard templates to execute the change and analytics to model the impact to Customers and outlays.
- **Case Management and role security** – illustrates how the department will use role based security on a Customer Profile and case management through a Delivery Partner organisation.
- **Multilingual** – illustrates the process of managing a multi-lingual Customer with cultural barriers.



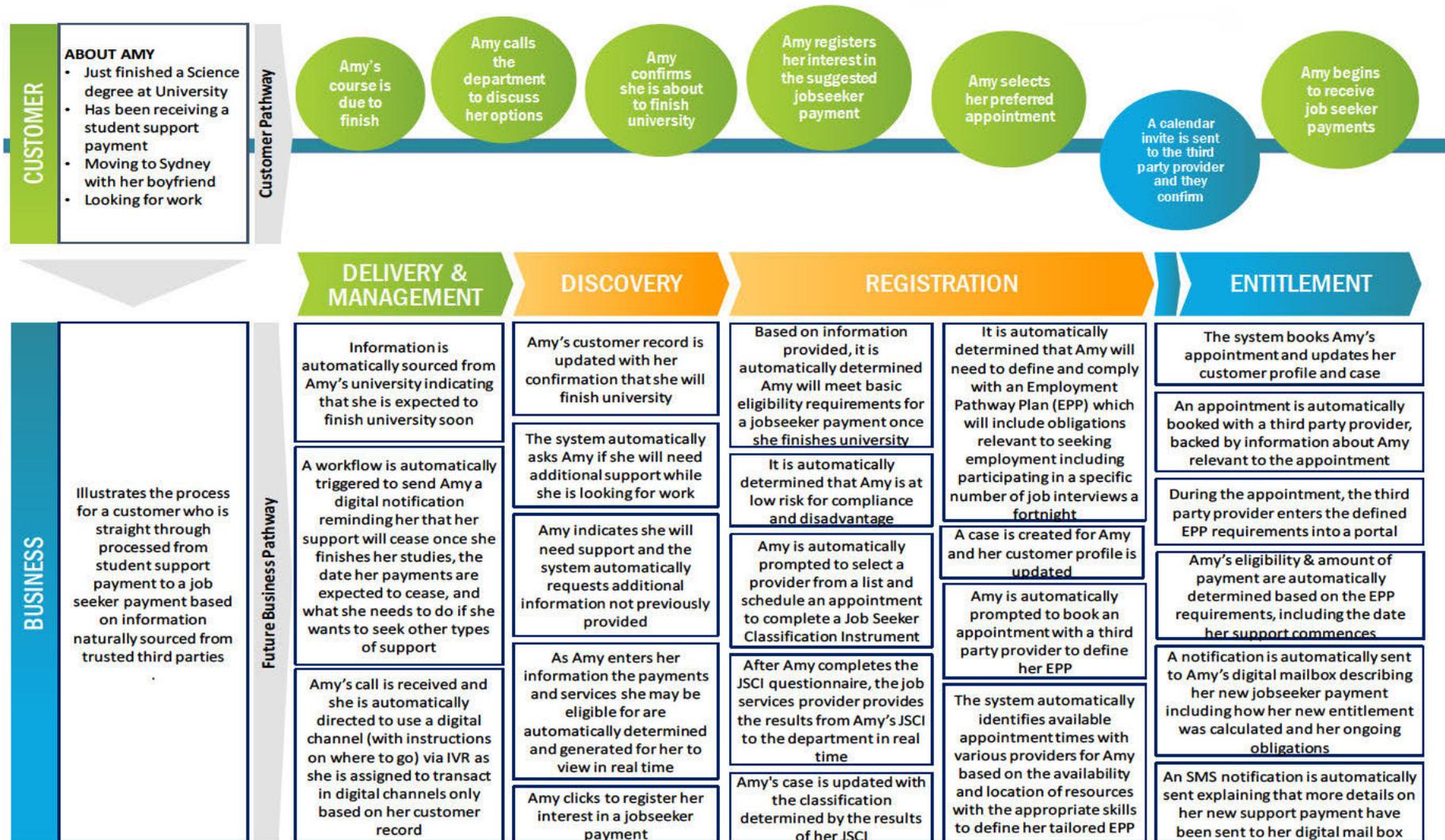
This scenario is a purely hypothetical statement for the purpose of evaluating potential future needs, and is not intended to reflect either current or future legislation or policy.

Figure 14 - Scenario 1 – Discovery to Delivery



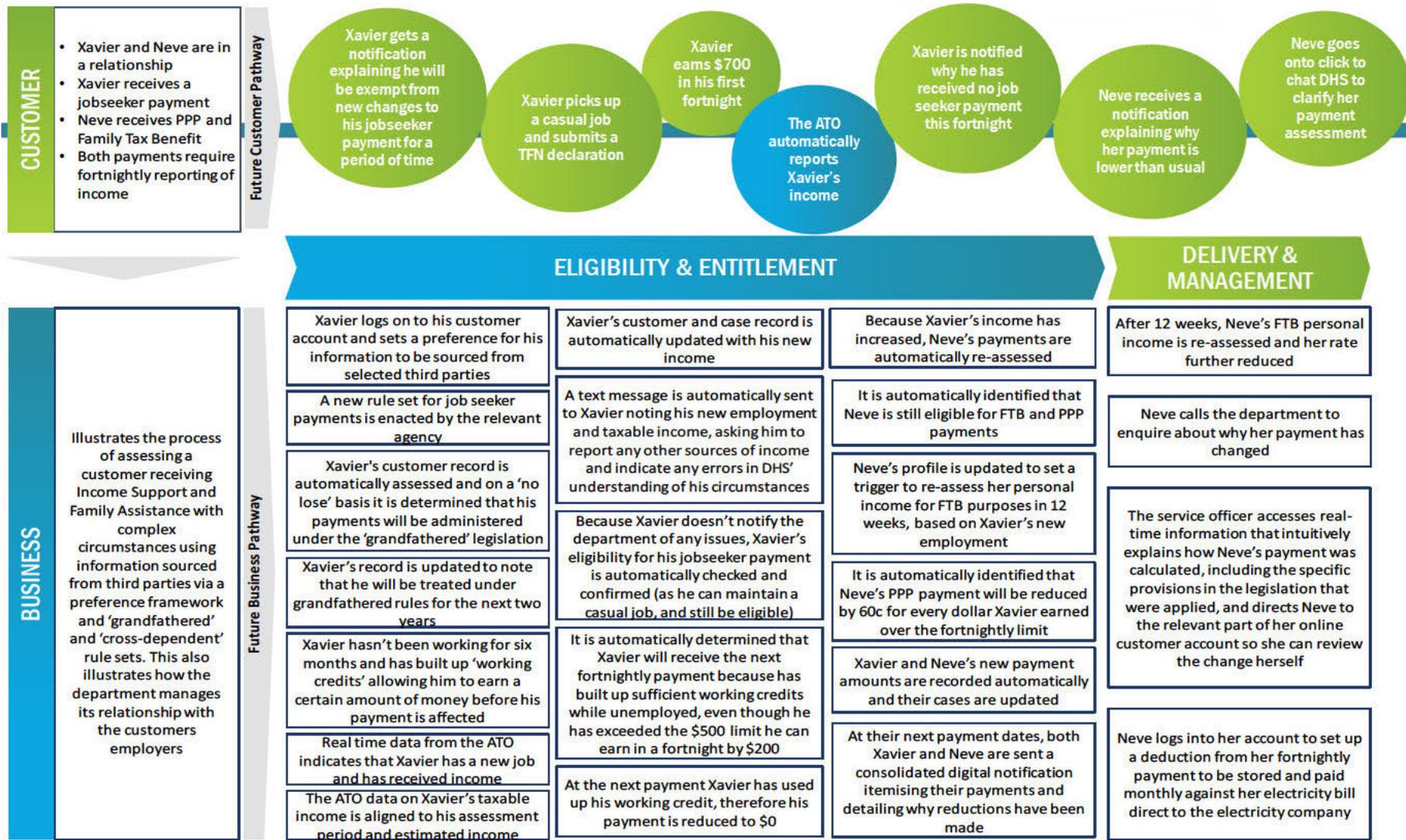
This scenario is a purely hypothetical statement for the purpose of evaluating potential future needs, and is not intended to reflect either current or future legislation or policy.

Figure 15 - Scenario 2 – A Regional Customer



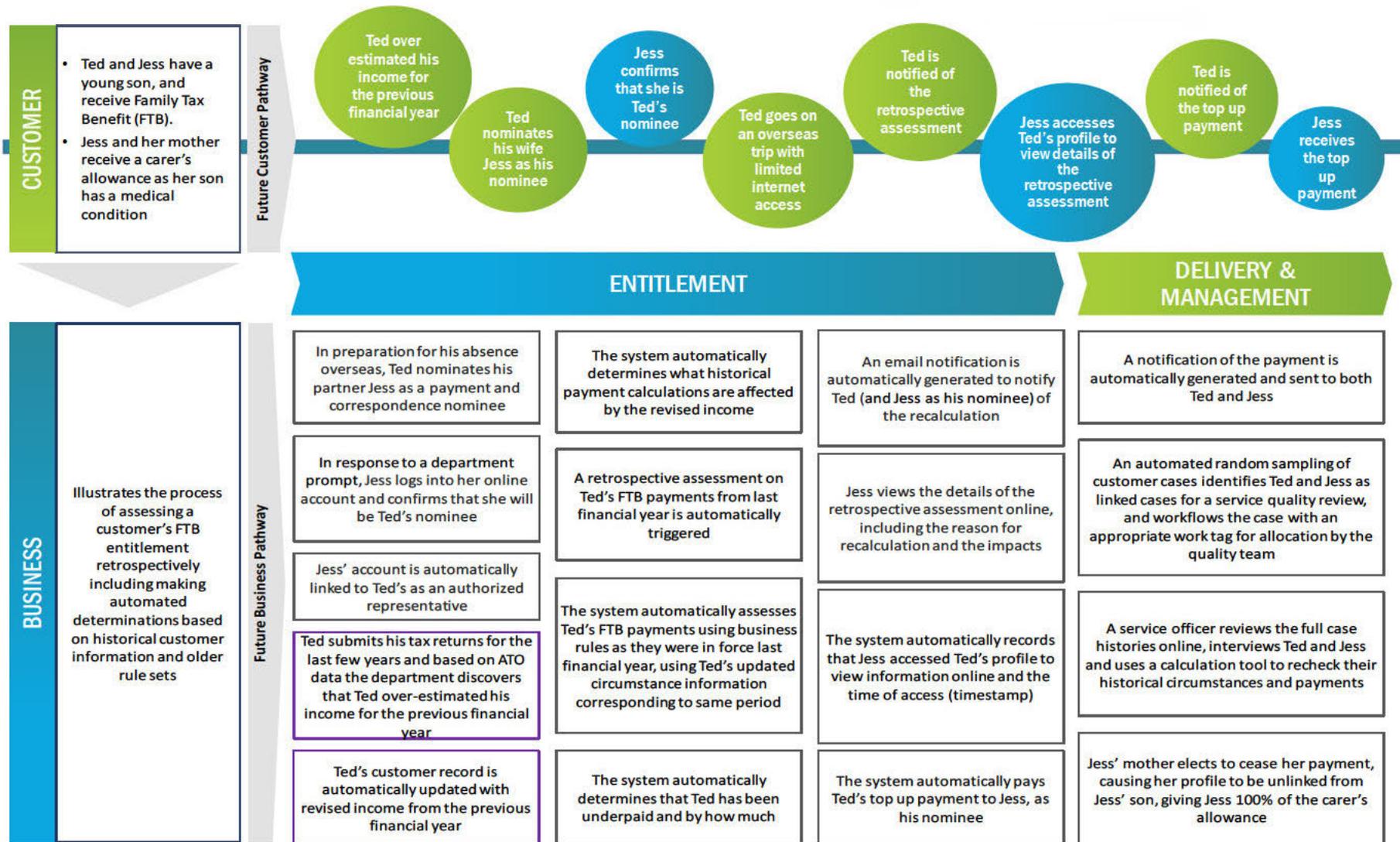
This scenario is a purely hypothetical statement for the purpose of evaluating potential future needs, and is not intended to reflect either current or future legislation or policy.

Figure 16 - Scenario 3 – Transition between Payments



This scenario is a purely hypothetical statement for the purpose of evaluating potential future needs, and is not intended to reflect either current or future legislation or policy.

Figure 17 - Scenario 4 – Complex, inter-linked Assessments



This scenario is a purely hypothetical statement for the purpose of evaluating potential future needs, and is not intended to reflect either current or future legislation or policy.

Figure 18 - Scenario 5 – Retrospective Assessments