

Delivering Services to Citizens and Consumers via Devices of Personal Choice: Phase 2



VICTORIA

Victorian
Auditor-General

Delivering Services to Citizens and Consumers via Devices of Personal Choice: Phase 2

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The Hon Bruce Atkinson MLC
President
Legislative Council
Parliament House
Melbourne

The Hon Telmo Languiller MP
Speaker
Legislative Assembly
Parliament House
Melbourne

Dear Presiding Officers

Under the provisions of section 16AB of the *Audit Act 1994*, I transmit the report on the audit *Delivering Services to Citizens and Consumers via Devices of Personal Choice: Phase 2*.

This audit examined the approaches departments and agencies use to determine which services will be, or have already been, delivered online via digital devices and examined the ongoing monitoring of the effectiveness of digital service delivery.

We found successes in digital service delivery. While a whole-of-public-sector approach to digital service delivery has yet to be fully realised, audited departments and agencies are continuing to transition to digital service delivery. However, the transition is being hindered by pertinent issues such as proof of identity verification requirements, legacy and existing inefficient information technology systems and back-office processes.

There is a need for the Victorian public sector to continuously improve the public usability and utilisation of digital service delivery, and further strengthen monitoring and reporting systems and processes to effectively measure and realise the overall benefits of digital service delivery.

Seven recommendations have been made to help address the issues identified in this audit and increase the effectiveness and efficiency of government service delivery for citizens and consumers.

We will continue to examine the information, communications and technology portfolio across the public sector.

Yours faithfully



Dr Peter Frost
Acting Auditor-General

7 October 2015

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Auditor-General's comments

VAGO's June 2015 audit *Delivering Services to Citizens and Consumers via Devices of Personal Choice: Phase 1 – Interim Report*, focused on the whole-of-public-sector approach to digital service delivery, and highlighted a need for vital information and communications technology (ICT) governance and strategic leadership reforms, together with embedded ICT coordination, guidance and assurance processes across the public sector.

In Phase 2 of this audit, we examined the approaches departments and agencies use to determine which services will be, or have already been, delivered online and examined the ongoing monitoring of the effectiveness and public utilisation of digital service delivery.

It is encouraging to find current successes in digital service delivery in the departments and agencies included in this audit. We commend these agencies on their digital transformation journeys and urge other departments and agencies to follow suit.

However, if fundamental issues—such as inefficient proof of identity verifications, legacy and existing inefficient information technology systems, and inefficient back-office processes—are not adequately addressed, the ability for departments and agencies to move towards effective and efficient end-to-end digital service delivery will be hindered.

Consistent with other audits highlighting weaknesses in performance measurement across the Victorian public sector, we found there are still improvements to be made in digital service delivery performance monitoring and reporting. In particular, baseline performance targets need to be set, with rigorous monitoring and reporting systems and processes in place, to provide assurance that digital service delivery performance is effectively measured and its benefits are fully realised.

Overall, government digital service delivery has yet to become the preferred channel, even though the audit highlighted this to be significantly important and desired by citizens and consumers.

With Service Victoria currently in the early planning stages of developing an integrated whole-of-government service capability, this is now the right opportunity and time for the Victorian public sector to collaborate on improving the public usability and utilisation of digital service delivery.

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We intend to monitor the implementation of the audit recommendations and the ongoing development of public sector digital service delivery for citizens and consumers.

The recommendations from this audit can apply to all departments and agencies in the Victorian public sector, not just the five that were assessed in this report. We therefore expect all non-audited departments and agencies to consider and implement them where applicable.

Thank you to the staff at the Department of Premier & Cabinet, the Department of Health & Human Services, the Department of Justice & Regulation, Public Transport Victoria, the State Revenue Office and VicRoads for their constructive engagement throughout the audit process.

A handwritten signature in black ink, appearing to be 'P. Frost', with a long horizontal stroke extending to the right.

Dr Peter Frost
Acting Auditor-General

October 2015

Audit summary

Digital devices of personal choice fall into two main types—devices like desktop personal computers, and mobile computing devices such as tablets and smartphones. Digital devices access a wide range of applications via the internet, using communication links such as Wi-Fi or other mobile data networks.

Victorian citizens and consumers expect that government services and information will be accessible online anytime, anywhere and on any device.

Digital service delivery has the potential to increase public sector efficiency, cut lengthy wait times at traditional ‘bricks and mortar’ locations, and reduce costs associated with traditional service delivery approaches.

This audit examined the approaches that the five audited departments and agencies use to determine which services will be, or have already been, delivered online, and examined the ongoing monitoring of the effectiveness and public utilisation of digital service delivery. This audit also considered the Department of Premier & Cabinet’s (DPC) whole-of-government strategy on transactions reform.

Conclusions

The audited departments and agencies are currently delivering, or have already delivered, digital services. However, a whole-of-public-sector approach to digital service delivery has yet to be fully realised, and a successful transition by departments and agencies is being hindered by pertinent issues.

The performance of digital service delivery has yet to be effectively measured and reported on. Improving public usability and utilisation of digital service delivery continues to be an ongoing effort for departments and agencies and at whole-of-public-sector level. Effective performance measurement and reporting will provide assurance that the overall benefits are fully realised.

Findings

Digital service transaction identification and costs

Only three of the five audited departments and agencies that provide services to citizens and consumers have a complete list of service transactions and the costs attributable to delivering each transaction.

Not all audited departments and agencies have clearly identified and prioritised within their service transaction lists which transactions should be transitioned to digital service delivery.

Successes in digital service delivery

We found current successes in digital service delivery within the audited departments and agencies, specifically:

- **The Department of Justice & Regulation**—implemented the Working with Children Check digital service known as MyCheck recognising the need to increase operational efficiencies, and improve customer service and security.
- **VicRoads**—registration and licensing division implemented a digital service platform which is used across different types of devices. The division also established effective systems and processes to monitor and report its digital service delivery performance.
- The **State Revenue Office**—developed and launched the online application, Duties Online, to increase efficiencies and enhance customer experience for duties service transactions.

Digital service delivery challenges and issues

Audited departments and agencies faced common challenges and issues which are impacting successful transition.

Proof of identity verification requirements

There is no integrated digital proof of identity (POI) verification solution to efficiently and effectively authenticate a customer's identity. Citizens and consumers must complete a POI verification for each new service transaction, which is generally a manual process.

This has limited the audited departments and agencies' ability to transition fully to digital service delivery.

The POI verification process can be improved to enable citizens and consumers to access government services without the need to repeatedly authenticate their identities.

Legacy and existing information technology systems and back-office processes

Legacy and existing information technology (IT) systems and inefficient back-office processes continue to be used to support department and agency service delivery. Though still reliable, they do not provide or facilitate efficient and seamless end-to-end digital service delivery.

Efficiencies initially gained through front-end service delivery are hindered by audited departments and agencies maintaining legacy or inefficient existing IT systems or inefficient back-office processes.

Monitoring and reporting of digital service delivery performance

We focused on three key stages of monitoring and reporting on digital service delivery performance:

- establish baseline digital service delivery performance targets
- obtain and analyse digital service delivery performance data
- report on digital service delivery performance.

Not all departments and agencies had baseline digital service delivery performance targets. They also displayed different approaches and levels of maturity in implementing monitoring and reporting approaches to measure their digital service delivery performance.

Improving public usability and utilisation of digital service delivery

To ensure that the overall benefits of government digital service delivery are fully realised, there needs to be a continuous effort by departments and agencies and at a whole-of-public-sector level, to improve the public usability and utilisation of digital service delivery.

This can be achieved by promoting the benefits of digital service delivery:

- to citizens and consumers through improved 'ease-of-use' and by using social media platforms
- to department and agency staff through digital engagement initiatives
- through an integrated digital engagement approach at a whole-of-public-sector level.

Recommendations

All non-audited departments and agencies are expected to consider and implement Recommendations 2, 3, 5, 6 and 7 where applicable.

Number	Recommendation	Page
	That the Department of Premier & Cabinet, through Service Victoria, works with departments and agencies to implement:	
4.	an integrated service delivery model that increases public usability and utilisation of digital service delivery across different digital devices	44
1.	an integrated proof of identity verification process for digital service delivery (including a common identity assurance framework) that is secure, takes into account legal and privacy requirements and manages the risk of identity fraud.	27

Recommendations – *continued*

Number	Recommendation	Page
That the Department of Health & Human Services, Department of Justice & Regulation, Public Transport Victoria, State Revenue Office and VicRoads:		
2.	identify and prioritise which service transactions should be transitioned to digital service delivery while also considering alternative, non-digital service delivery channels	27
3.	enhance the end-to-end digital service delivery by: <ul style="list-style-type: none"> resolving any legacy system issues and/or integrating supporting information technology systems with front-end digital technologies streamlining back-office processes to minimise manual processing interventions 	27
5.	develop baseline performance data targets for digital service delivery	44
6.	develop digital service delivery performance monitoring and reporting systems and processes	44
7.	identify and implement strategies, including using existing social media platforms, to promote digital service delivery.	44

Submissions and comments received

Throughout the course of the audit, we have professionally engaged with the:

- Department of Premier & Cabinet
- Department of Health & Human Services
- Department of Justice & Regulation
- Public Transport Victoria
- State Revenue Office
- VicRoads.

In accordance with section 16(3) of the *Audit Act 1994* we provided a copy of this report to those departments/agencies and requested their submissions or comments.

We have considered those views in reaching our audit conclusions and have represented them to the extent relevant and warranted. Their full section 16(3) submissions and comments are included in Appendix C.

1 Background

1.1 Introduction

Victorian citizens and consumers expect government services and information to be accessible online ‘anytime, anywhere and on any device’.

Digital devices of personal choice fall into two main types—computing devices including desktop personal computers, and mobile computing devices such as tablets and smartphones. Digital devices access a wide range of applications via the internet, using communication links such as Wi-Fi or other mobile data networks.

The Australian Communications and Media Authority’s (ACMA) March 2015 *Report 1—Australians’ Digital Lives* estimated that in the six months to May 2014, 12.5 million adult Australians used a mobile phone to access the internet for personal use, and 50 per cent of Australians used a tablet to go online. Both these figures were up 8 per cent on the previous year, signifying the increasing use of portable smart devices to go online in Australia.

1.2 Public sector digital service delivery

Digital service delivery in the public sector has the potential to increase efficiency, cut lengthy wait times at traditional ‘bricks and mortar’ locations, and reduce costs associated with traditional service delivery approaches.

1.2.1 Whole-of-public-sector digital service delivery

VAGO’s June 2015 *Delivering Services to Citizens and Consumers via Devices of Personal Choice: Phase 1 – Interim Report* (Phase 1 report), examined the Victorian Government’s information and communications technology (ICT) governance arrangements and delivery of the *Victorian Government Digital Strategy* (Digital Strategy), along with digital engagement approach and the status of transitioning service transactions online. The Phase 1 report noted the *Victorian Government ICT Strategy 2014 to 2015* (ICT Strategy) contained three actions related to transitioning service transactions online, as shown in Figure 1A.

Figure 1A
ICT Strategy actions related to transitioning service transactions online

Number	Title
8.	Agencies commence transition of key services online.
9.	Agencies complete transition of frequent transaction services online.
56.	Develop and commence delivery of a strategy to identify and improve the highest volume interactions between government and citizens—in consultation with the Victorian community.

Source: Victorian Auditor-General's Office based on the ICT Strategy.

Following the change in government in November 2014, the ICT Strategy and Digital Strategy are no longer current. However ICT Strategy actions 8, 9 and 56 are still being implemented at a whole-of-public-sector level through the recently launched Service Victoria. Service Victoria was formerly known as the Victorian Transaction Reform Project.

In May 2015, the Department of Premier & Cabinet (DPC) launched Service Victoria with the aim of delivering a new whole-of-government service capability and enhancing government transactional service delivery with a more effective customer experience.

With funding of \$15 million for 2015–16, planning has commenced for Service Victoria to develop an implementation plan for enabling changes to systems, processes and information as part of setting a new customer service standard in Victoria.

Summary of Phase 1 findings

The Phase 1 Report found that a coordinated and effective whole-of-public-sector approach to digital service delivery has yet to be achieved, due to:

- weak strategic leadership and ownership of the whole-of-public-sector ICT governance
- ineffective coordination and implementation of the Digital Strategy
- weak monitoring and reporting mechanisms resulting in departments and agencies not being held accountable for progress in delivering the Digital Strategy
- ineffective digital engagement to drive digital readiness
- challenges and difficulties faced by departments and agencies in mapping and estimating the types, volumes and costs of service transactions, as part of efforts to transition them online.

The Phase 1 Report recommended that, as part of its wider public sector reform agenda, DPC develops and implements:

- fit-for-purpose governance structures, in line with industry better practice that incorporate:
 - strategic leadership and effective guidance to establish and deliver a whole-of-public-sector ICT approach—including defined roles and responsibilities—as part of a whole-of-public-sector service delivery strategy
 - robust and effective monitoring and accountability mechanisms to regularly report on the development, adoption and benefit of ICT across the whole of the public sector
- a cost attribution methodology, to be used across the public sector, for determining the costs components of delivering services for a more effective and efficient transition of service transactions to online
- an integrated whole-of-public-sector digital engagement approach with effective engagement, coordination and assurance processes to drive digital readiness and service delivery using digital devices across departments and agencies.

DPC accepted all the recommendations.

1.2.2 Digital service delivery at department and agency level

Despite the limited progress at a whole-of-public-sector level, some departments and agencies are pushing ahead with delivering services to citizens and consumers via digital devices (or digital service delivery). Phase 2 of this audit examines the status of digital service delivery approaches and implementation by the following departments and agencies.

Department of Health & Human Services

As a result of the January 2015 machinery-of-government changes, the former Department of Human Services merged with the Department of Health to become the Department of Health & Human Services. This audit focused on the digital service delivery of the former Department of Human Services and this report therefore just discusses Human Services.

Human Services delivers services to support and manage clients' needs in housing, disability, child protection and youth justice.

Department of Justice & Regulation

As part of its justice-related responsibilities to ensure a safe, just, innovative and thriving Victorian community, the Department of Justice & Regulation (DJR) issues licences and certificates for business and personal use. This includes certificates and registries for births, deaths and marriages and checks for people engaged in paid or voluntary work involving children.

State Revenue Office

The State Revenue Office (SRO) is the Victorian Government's major tax collection agency and an independent service agency which administers Victoria's taxation legislation and collects a range of taxes, duties and levies. In 2013–14 the SRO collected in excess of \$13 billion in revenue for the Victoria Government.

Public Transport Victoria

Public Transport Victoria (PTV) manages Victoria's train, tram and bus services. PTV is the single contact point for customers wanting information on public transport services, fares, tickets and initiatives.

VicRoads

VicRoads plans, develops and manages the arterial road network in Victoria and delivers road safety initiatives and registration and licensing services. Key VicRoads service transactions are in the areas of registration and licensing.

1.2.3 Digital service delivery in other jurisdictions

Governments in other jurisdictions have already implemented, or are in the process of implementing, an integrated approach to digital service delivery. For example, the New South Wales (NSW) state government has rolled out Service NSW with the aim of being a one-stop service, providing easier and more online access to government services.

Figure 1B
NSW Government: Service NSW



Source: <http://www.service.nsw.gov.au/>

The Australian Government implemented myGov with the aim of providing a fast and simple way to access Australian Government services online through one account with one username and password.

Figure 1C
Australian Government: myGov



Source: <https://my.gov.au/>

The Singapore Government has developed eCitizen, a similar one-stop government service portal that links to other essential online government services in one convenient place.

Figure 1D
Singapore Government: eCitizen



Source: <http://www.ecitizen.gov.sg/>

These examples of digital service delivery represent a concerted effort by contemporary governments to provide online services to citizens and consumers.

1.3 Audit objective and scope

The objective of this audit was to examine strategies for delivering services online via digital devices, how these strategies were being implemented, and the extent to which services were already being provided.

The audit examined:

- the implementation of underlying government strategies for migrating services online via digital devices
- approaches for determining which services would be delivered online via digital devices
- the ongoing monitoring of the effectiveness of digital service delivery.

The delivery of this audit has been split due to the January 2015 machinery-of-government changes and subsequent changes to ICT governance arrangements as well as reviews by DPC into how business services are to be delivered across the public sector.

1.3.1 Phase 1

The Phase 1 report was tabled on 10 June 2015 and focused on:

- reviewing ICT governance framework arrangements
- examining the delivery of the Digital Strategy.

Phase 1 also included better practice guidance on ICT governance arrangements and digital engagement.

1.3.2 Phase 2

Phase 2 examined department and agency approaches to determining which services will be, or have already been, delivered online via digital devices and examined the ongoing monitoring of the effectiveness of digital service delivery.

The examination of service delivery implementation included:

- an analysis of the existing end-to-end service transactions by audited agencies, including common challenges, issues and inefficiencies faced by agencies in designing and delivering services online via digital devices
- case studies of service delivery by different agencies to highlight positive service delivery approaches.

The examination of monitoring of the effectiveness of digital service delivery included:

- assessing department and agency ability to monitor and report on digital service delivery performance
- improving public usability and utilisation of government digital service delivery.

The audited departments and agencies included:

- Department of Health & Human Services (Human Services only)
- DJR
- SRO
- PTV
- VicRoads.

This audit also considered the DPC's whole-of-government strategy on transactions reform.

1.4 Audit method and cost

This audit included an examination of documents and interviews with staff at the audited departments and agencies. Other official documents and published research was also used.

The audit team attended and observed back-end support operations for processing transactions at selected agencies. The capability and functionality of the information technology systems currently used for delivering government services via digital devices were also analysed.

The audit was performed in accordance with the Australian Auditing and Assurance Standards. Pursuant to section 20(3) of the *Audit Act 1994*, unless otherwise indicated any persons named in this report are not the subject of adverse comment or opinion.

The cost of the audit was \$270 000.

1.5 Report structure

The report is structured as follows:

- Part 2 examines the successes in digital service delivery and the common challenges, issues and inefficiencies being faced by audited departments and agencies in designing and delivering services to be accessed via digital devices.
- Part 3 examines how audited departments and agencies monitor and improve their digital service delivery.
- Appendix A provides details on case studies of successes in digital service delivery.
- Appendix B provides a checklist of considerations for Victorian public sector entities when transitioning to digital service delivery.

2 Delivery of government transactional services

At a glance

Background

This Part examines existing digital service delivery by audited departments and agencies, including current successes, as well as the common challenges, issues and inefficiencies faced in designing and delivering services online.

Conclusion

Departments and agencies are currently implementing, or have already transitioned to, digital service delivery. However, they still face pertinent issues which are hindering the successful transition, and a whole-of-public-sector approach to digital service delivery has yet to be fully realised.

Findings

- There are current successes in digital service delivery.
- There is an incomplete list of government service transactions and the costs attributable to delivering these services. Service transactions to be transitioned online are not clearly identified and prioritised.
- Government service delivery has not yet fully transitioned online as:
 - proof of identity verification processes are inefficient and not yet integrated
 - legacy and inefficient information technology systems together with inefficient back-office processes do not facilitate efficient and seamless end-to-end digital service delivery.

Recommendations

- That the Department of Premier & Cabinet, through Service Victoria, works with departments and agencies to implement an integrated proof of identity verification process.
- That the Department of Health & Human Services, Department of Justice & Regulation, Public Transport Victoria, State Revenue Office and VicRoads:
 - identify and prioritise service transactions to be transitioned to digital service delivery while also considering alternative delivery channels
 - enhance the end-to-end digital service delivery.

2.1 Introduction

This audit focused specifically on the delivery of transactional services, or service transactions, to citizens and consumers. Examples of existing service transactions include:

- making a payment for a government service, such as purchasing or 'topping up' a myki card
- renewing or modifying a driver's licence
- completing and submitting an application form for public housing, a birth certificate or a Working with Children (WWC) Check.

This part examines the current successes in digital service delivery and common challenges, issues and inefficiencies being faced by audited departments and agencies in designing and delivering services to be accessed via digital devices.

2.2 Conclusion

Departments and agencies are currently at different stages of implementing services accessible to customers via digital devices, and there are some early success stories. However departments and agencies still face pertinent issues in their quest towards implementing end-to-end digital service delivery.

With the exception of information updates and application renewals, applying for government services still requires manual intervention and processing, meaning that service transactions are yet to be fully transitioned online.

Legacy and inefficient existing information technology (IT) systems, together with inefficient back-office processes, are being used to support service delivery operations and processes. This has limited the efficiency and seamlessness of end-to-end digital service delivery.

Proof of identity (POI) verification processes are inefficient and are not yet integrated for cross-validating customer identity across departments and agencies.

While these issues remain, a whole-of-public-sector approach to digital service delivery has yet to be fully realised.

2.3 Digital service delivery at department and agency level

While a whole-of-public-sector digital service delivery approach is currently being planned by Service Victoria, progress towards digital service delivery continues to be made at a department and agency level.

2.3.1 Strategies for digital service delivery

All the audited departments and agencies are planning to transition selected transactions to digital channels or have commenced doing so. The status of the development and implementation of digital strategies by the audited departments and agencies is at varying stages, as shown in Figure 2A.

Figure 2A
Status of audited department and agency digital strategies

	Digital strategy in place
Department of Health & Human Services (Human Services)	x
Department of Justice & Regulation (DJR)	✓
State Revenue Office (SRO)	In progress
Public Transport Victoria (PTV)	✓
VicRoads	✓

Source: Victorian Auditor-General's Office based on the audit fieldwork.

Department of Health & Human Services

Human Services does not have a digital strategy or an implementation plan for digital service delivery.

Human Services has however delivered new digital initiatives to meet citizen and consumer needs:

- housing services website
- social media services for the department
- services connect practice manual
- Sport and Recreation Victoria website.

In addition, a number of digital initiatives not related to this audit are in progress:

- vulnerable children and youth area partnerships website
- child protection mobile workforce and new mobile ready manual
- emergency relief and recovery website
- social media platforms for Human Services' informational services such as Twitter, LinkedIn and FaceBook
- digitalisation of ward records (children removed from their families and placed either in the direct care of the State of Victoria or private institutions).

Due to the recent merger of the former Department of Health and the former Department of Human Services, a review has been initiated to consolidate and reconcile strategic approaches to digital service delivery. Going forward, the Department of Health & Human Services will develop an overarching digital strategy to assist in the planning and implementation of new initiatives.

Department of Justice & Regulation

As part of a three-year digital strategy, covering 2013 to 2015, DJR developed 39 initiatives categorised into five thematic actions to assist with the digital migration process:

- **leadership and governance**—three initiatives
- **drive business engagement and digital adoption**—three initiatives
- **transform DJR services through digital delivery**—15 initiatives
- **deliver new digital capability and ways of working**—14 initiatives
- **support ongoing operations**—four initiatives.

Figure 2B
Delivery status of Department of Justice & Regulation
Digital Services Strategy 2013–15

Digital strategy actions	Initiatives completed and ongoing	Initiatives in progress	Initiatives not commenced
Leadership and governance	3	–	–
Drive business engagement and digital adoption	1	–	2
Transform DJR services through digital delivery	1	3	11
Deliver new digital capability and ways of working	2	2	10
Support ongoing operations	3	–	1

Source: Victorian Auditor-General's Office based on information and findings obtained from DJR.

Where initiatives had not yet commenced this was due to:

- no available funding or resources
- refinement of the digital strategy after reviewing the external environment and changing business unit needs and priorities.

Despite this, business units within DJR such as the Victorian Registry of Births, Deaths, and Marriages (BDM) and the WWC Check are implementing strategies for digital service delivery.

State Revenue Office

SRO's 2014–17 corporate strategic plan includes a strategic goal to 'make it easier for customers to do business with SRO' by continuing to enhance its suite of digital services, continuing to improve its website and eliminate the need for customers to attend the office in person etc. The Five Year Information Technology Strategy (2014–2019) was also developed to establish a work program that aligns with this strategic intent.

SRO is in the process of developing a digital strategy to provide a roadmap and a program of implementable initiatives to deliver additional services digitally over the next five years. SRO's Strategic Development division was recently created and its responsibilities include reviewing current and emerging technology and trends, and developing strategies and options for new ways of delivering services—including fee-for-service and self-service where appropriate.

Public Transport Victoria

PTV developed a three-year digital strategy with three key performance indicators to ensure it delivers industry-leading and customer-focused information via digital channels, as shown in Figure 2C.

Figure 2C
Delivery status of Public Transport Victoria's Digital Strategy 2015

Key performance indicator	Delivery status
Consistent trip planning and disruption messaging across all digital channels (due May 2015)	Completed and ongoing
Real time information for all transport modes in all major digital channels (due December 2015)	Not yet commenced
Seamless digital payments, touch on/off and top-up experience for myki ticketing (due December 2017)	Evaluating options for seamless payments applications being planned.

Source: Victorian Auditor-General's Office based on information and findings obtained from PTV.

VicRoads

In January 2015, VicRoads implemented its digital strategy which includes 26 initiatives categorised into five thematic actions. These initiatives aim to:

- **strengthen digital leadership and governance**—three initiatives
- **drive business engagement and digital adoption**—four initiatives
- **transform VicRoads services through digital delivery**—nine initiatives
- **deliver new digital capability and ways of working**—six initiatives
- **enable and support ongoing operations**—four initiatives.

Figure 2D
Delivery status of VicRoads' Digital Strategy 2015

Digital strategy actions	Initiatives completed and ongoing	Initiatives in progress	Initiatives not commenced
Strengthen digital leadership and governance	2	1	—
Drive business engagement and digital adoption	—	4	—
Transform VicRoads services through digital delivery	4	3	2
Deliver new digital capability and ways of working	2	4	—
Enable and support ongoing operations	2	2	—

Source: Victorian Auditor-General's Office based on information and findings obtained from VicRoads.

VicRoads is currently embarking on a Web Application and Remediation Program to further enhance its online registration and licensing (R&L) services. This program aims to refresh and remediate existing digital R&L transactions and develop new digital service offerings, such a single payment application and a customer portal.

2.4 Digital service transaction identification and costs

In order to understand current department and agency service transactions, a complete baseline list of service transaction types, volumes and costs is required. This is also needed to determine whether digital service delivery is measurably more effective and cost efficient and which transactions should be transitioned to digital delivery.

As reported in our June 2015 *Delivering Services to Citizens and Consumers via Devices of Personal Choice: Phase 1 – Interim Report* (Phase 1 report), as part of the Victorian Transaction Reform Project, a preliminary analysis was undertaken by the Department of Premier and Cabinet (DPC) to identify the key service transactions that should be delivered online. Critical to this process was the collection and analysis of service transaction data via different delivery channels—both non-digital and digital—from participating departments and agencies.

This service transaction data, collected in 2014, was, however, inaccurate and did not represent a full inventory of service transaction types, volumes and costs or delivery channels. Our Phase 1 report recommended the development and implementation of a cost attribution methodology, to be used across the public sector, for determining the cost components of delivering services.

Specific to this audit, only three out of the five audited departments and agencies that deliver services directly to citizens and consumers have a complete list of service transactions and the costs attributable to delivering each of the service transactions. However, not all audited departments and agencies have clearly identified and prioritised within their service transaction lists which transactions should be transitioned to digital service delivery.

A summary of the progress made by the five audited departments and agencies to identify and cost their service transactions is detailed in Figure 2E.

Figure 2E
Summary of audited department and agency service transaction data

	Human Services	DJR	SRO	PTV	VicRoads
Service transaction list developed	x	Partially	x	x	x
Total volume of service transactions (million)	Cannot be determined	18.5 ^(a)	4.5 ^(b)	42.1 ^(c)	22.7 ^(d)
Cost attributable to serving each service transaction	x	Partially	Partially	✓	x
Transactions to be transitioned to digital service delivery identified and prioritised	x	Partially	x	x	x

(a) Year ending June 2014—excludes small transaction types.

(b) Year ending June 2014—estimated.

(c) Year ending June 2014—myki card full fare and concession top-up transactions only.

(d) Year ending June 2014—VicRoads R&L transactions only.

Source: Victorian Auditor-General's Office based on the audit fieldwork.

To measure the effectiveness and cost efficiencies of digital service delivery compared to traditional service delivery channels, departments and agencies should develop a service transactions list, or continue to review their current one. The list should define the service transactions delivered, specify the volume of transactions processed and the costs attributable to delivering the service transactions using the relevant service delivery channels in use. Costs should be determined using the cost attribution methodology to be developed by DPC, as recommended in our Phase 1 report.

The service transaction list should also be used by departments and agencies to identify and prioritise which service transactions should be transitioned to digital service delivery.

Alternative access channels (other than digital) to government transactional service delivery should also be considered to take into account the expansive behaviour and preferences of citizens and consumers as well as the potential limitations and/or disadvantages some citizens and consumers may have in accessing digital devices.

2.4.1 Department of Health & Human Services

Human Services has yet to develop a complete baseline list of service transactions and associated volumes and costs.

Human Services is a service delivery organisation that supports vulnerable Victorians by providing targeted housing, community services and programs to individuals and families. This includes young people and families involved with child protection services, young people involved with youth justice service and people with disabilities.

Many of its service users require support across more than one service area due to their multiple and often complex needs. Social and demographic changes are increasing the complexity of the kind of support people need. This means that transactions with service users tend to be highly individualised.

While the department has taken some steps to move towards digital service delivery, the nature of its work means that face-to face approaches will remain its primary service delivery channel. On this basis, we found the large majority of these service transactions to be unsuitable for digital service delivery.

This audit focused on two Human Services' service transactions, public housing services and bond loan scheme applications. While these transactions are considered suitable for digital service delivery, they are yet to be transitioned online and delivering them remains manual and inefficient. The extent of the manual processing involved is detailed in Figure 2F.

Figure 2F
Case study: The Department of Health & Human Services'
public housing service and bond loan scheme

Public housing applications

Human Services is responsible for the management of public housing for low-income people in difficult circumstances, especially those who recently experienced homelessness or have other special needs. This housing is generally long-term rental accommodation that is government owned and managed.

There were a total of 64 886 household tenancies at 30 June 2014 in direct tenured public housing, with an additional estimated 33 933 applicants on the public housing waiting list in March 2015.

The public housing application is a predominantly manual process and is inefficient:

- applicants manually complete a 16-page housing application form and then submit the form including evidence of identification documents personally or by mail to Human Services offices
- completed forms are consolidated and transferred to a centralised Human Services contact centre for processing
- each application requires approximately 30 to 45 minutes for Human Services staff to manually review and process
- when processing the completed forms, Human Services staff manually enter the application details into the Housing Integrated Information Program (HiiP) system.

Bond loan scheme

A bond loan is an interest-free repayable loan for eligible households who intend to rent privately in Victoria but cannot afford to pay the rental bond. The bond loan is used as a security deposit on the property required by private landlords for private rental accommodation.

The bond loan application process is manual and inefficient:

- applicants manually complete a 30-page bond loan lodgement form and request landlords and/or real estate agents to complete specific sections on the form
 - completed forms together with evidence of identification documents are submitted personally or by mail to a local Human Services office for processing
 - each bond loan application requires approximately 30 to 45 minutes for Human Services staff to manually review and process
- after receiving the completed forms, Human Services housing staff manually enter the application details into the HiiP system and mail the completed forms to the Residential Tenancies Bond Authority for approval and release of the bond loan.

Source: Victorian Auditor-General's Office based on the audit fieldwork.

There is an opportunity for Human Services to maximise the efficiency and effectiveness of public housing services and bond loan scheme application transactions by transitioning these to digital service delivery.

Human Services recognises the client experience and efficiency benefits of transitioning to digital service delivery for public housing services. As a first step, an online housing application form is being developed and is due for completion in March 2016.

2.4.2 Department of Justice & Regulation

DJR's Services Portfolio Model (SPM) was developed to provide quantitative and qualitative information on service transactions. Quantitative information included the volume of transactions, the service delivery channel—such as staffed, telephone, digital—and the current cost to process the transaction (where available). Qualitative information includes a description of each service, identified constraints and potential future opportunities.

However, the SPM focused only on high-value and high-level transactions without costing all of DJR's transactions. The SPM therefore is an incomplete list. We also found gaps in the collation and analysis of its service transaction data—this is discussed in detail in Section 3.3.2.

This audit focused on two key DJR service transactions identified in the SPM, namely the WWC Check and BDM registrations and applications for certificates.

WWC Check service transactions have been successfully transitioned to digital service delivery and this is discussed further in Section 2.5 as a current success.

Service transactions relating to BDM registrations and applications for certificates are largely manual, particularly on the assessment of POI of the applicant, which hinders its transition to digital service delivery. Failure of the online payments systems require manual intensive follow up, reconciliations and processing at the back-office. The issues with transitioning these transactions online are outlined in Section 2.6.

2.4.3 State Revenue Office

SRO has developed a baseline transaction list for the year ending 30 June 2014 and is currently in the process of updating the list. The list is used as a basis to guide further analysis and develop business case options and recommendations for future digital service delivery offerings. SRO is also currently reviewing the unit costs—which currently capture only labour costs—and processing times to deliver each service transaction. SRO, as part of developing the Digital Strategy, will include details of service transactions to be identified and prioritised.

This audit focused on two SRO service transactions, land tax and land transfer duty. Both these transactions are recognised by SRO as critical business services and suitable for digital service delivery.

The transition of land transfer duty transactions to digital service delivery is further described in Section 2.5 as a current success.

2.4.4 Public Transport Victoria

PTV has developed a list of myki transactions, which details the costs attributable to delivering each transaction.

This audit focused on myki 'top-up' transactions, free travel pass and concession card application transactions for the myki card. While the free travel pass and concession card applications can be considered suitable for digital service delivery, PTV currently does not have any plans to transition them online. Delivering these service transactions remains manual and inefficient. The extent of manual processing is detailed in the case study in Figure 2G.

Figure 2G
Case study:

Public Transport Victoria's travel pass and concession applications

Application for free travel passes and travel concessions

Due to certain circumstances and needs, some individuals are entitled to apply for free travel passes or concessions, subject to verification.

In 2014, 11 158 new and replacement travel pass applications and 11 023 concession applications for asylum seekers were being processed at the PTV Pass Office. As of 20 July 2015, there were 70 328 active free travel and concession myki cards.

myki card application types	Group category	Active passes at 20 July 2015
Free travel pass	Former public transport employees—also known as retired employee travel pass holders—who meet the criteria in their award or contract	15 140
	Police and Protection Services Officers—PTV does not issue myki passes—police identification can be shown onsite to allow free travel	14 000
	Current public transport employees	12 263
	Vision impaired people	5 023
	People with a disability which prevents them from using myki	2 303
	People using wheelchairs or scooters	1 371
	Other groups	6 927
Concession pass	Asylum seekers	12 449
	War widows /War veterans	852

Figure 2G
Case study: Public Transport Victoria's travel pass and concession applications – *continued*

Application for student travel concessions		
PTV, as well as Metro Trains, processes myki concession card applications for primary, secondary and tertiary students. In 2014, there were 128 247 concession card applications.		
myki card application types	Group category	Applications (2014)
Student concession	Tertiary students (Australians and permanent residents only)	84 102
	Primary and secondary students	44 145
The above two application processes are inefficient for both the applicant and PTV Pass Office staff:		
<ul style="list-style-type: none"> • There are 10 different hard copy application forms of up to 15 pages long. • The application process requires applicants to complete the appropriate hard copy application forms and provide certified copies of identification documents for verification. • When submitted, the application forms have to be manually processed and entered into PTV systems at the PTV Pass Office. • Student concession applications are also processed manually at staffed V/Line stations and V/Line ticket agents or any of the 82 premium stations with a customer service centre around metropolitan Melbourne. 		

Source: Victorian Auditor-General's Office based on the audit fieldwork.

Transitioning free travel pass and concession card application transactions to digital service delivery would be both efficient and effective for consumers and PTV.

Although there is a range of ways to perform myki 'top-up' transactions, PTV has yet to encourage customers to 'top up' online via its myki website—www.mymyki.com.au—even though surveys conducted highlighted the need for PTV to improve its digital service offerings for myki card transactions. This is discussed further in Section 3.3.2. PTV instead believes that the customers should decide for themselves which delivery channel to use.

2.4.5 VicRoads

This audit focused specifically on service transactions undertaken by VicRoads' R&L division. This division has identified and developed a complete list of R&L service transactions including both non-digital and digital service transactions.

VicRoads' R&L division effectively utilised the service transactions list—together with the costs attributable to delivering the service transactions—to make strategic decisions relating to service delivery channel strategies. Appendix A provides further detail on how VicRoads successfully developed its R&L service transactions list.

In 2014, VicRoads identified a total of 16 million out of 22.7 million service transactions completed in the financial year 2013–14 that were either delivered, or had the potential to be delivered, online. Some service transactions cannot be fully transitioned online as they still require a component of the transaction to be administered and facilitated onsite at a VicRoads customer service centre. For example, applying for a new driver's licence requires a customer to visit a VicRoads customer service centre to undertake a driving assessment.

The transition to digital service delivery for VicRoads' R&L transactions is further described in Section 2.5 as a current success.

2.5 Successes in digital service delivery

We found current successes in digital service delivery within the audited departments and agencies.

2.5.1 Department of Justice & Regulation Working with Children Check 'MyCheck' website

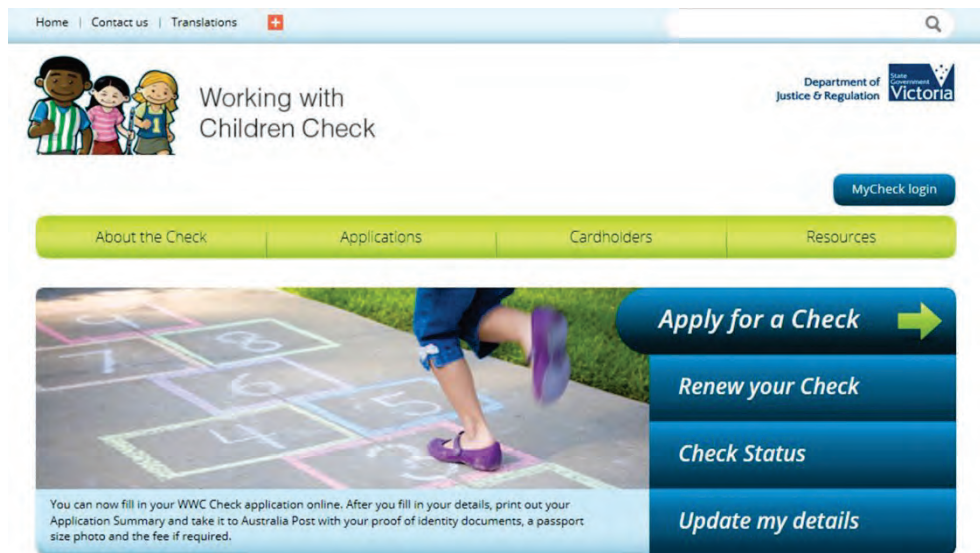
The WWC Check is designed to help protect children from sexual or physical harm by ensuring that people who work with, or care for, children are subject to a screening process.

When introduced in 2005, the WWC Check back-office operations were manually processed, with high volumes of transactions and high associated costs. In recognition of the need to increase operational efficiencies, and improve customer service and security for the WWC Check credential service, DJR commenced the digital transformation of the service.

In 2012, the WWC Check digital service known as MyCheck went live. Customers can utilise the following WWC Check service transactions online:

- request a WWC Check—applicants are, however, required to lodge the application via Australia Post, in order to confirm their POI
- update personal, contact and organisational details
- request a replacement WWC Check card where cards have been lost, stolen or damaged
- renew a WWC Check card
- change from a volunteer WWC Check to an employee WWC Check.

Figure 2H
Working with Children Check 'MyCheck' website



Source: <http://www.workingwithchildren.vic.gov.au/>

Appendix A provides further details of the WWC Check's digital transformation journey.

2.5.2 VicRoads registration and licencing

VicRoads' has two key service transactions:

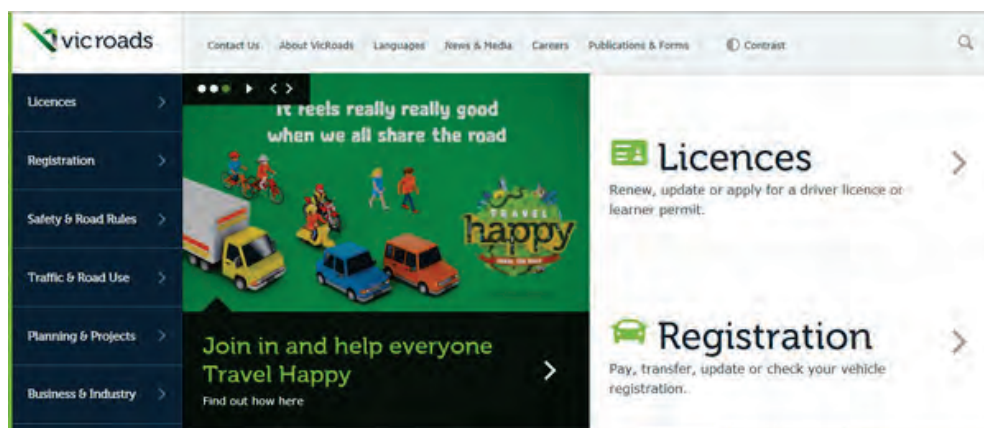
- **Vehicle registration**—registration is required for any light and heavy vehicle or vessel intended for use on public roads or waterways in Victoria. This includes cars, motorcycles, trailers/caravans, imported vehicles and boat/ship trailers.
- **Licensing**—to drive in Victoria you need a current driver licence or learner permit.

In 2014, VicRoads implemented a digital service delivery channel that linked to its core R&L systems. The digital platform was designed to be used across different digital devices as part of improving the overall customer experience when interacting online with VicRoads.

VicRoads has transitioned the following transactions online:

- change of address
- book, change or cancel licence or learner permit test
- order a Driver History report
- order a replacement licence or learner permit
- pay vehicle registration
- check vehicle registration
- order a replacement registration label/certificate for heavy vehicles or a replacement certificate for light vehicles
- order a custom plate
- apply for an unregistered vehicle permit.

Figure 2I
VicRoads website



Source: <https://www.vicroads.vic.gov.au/>

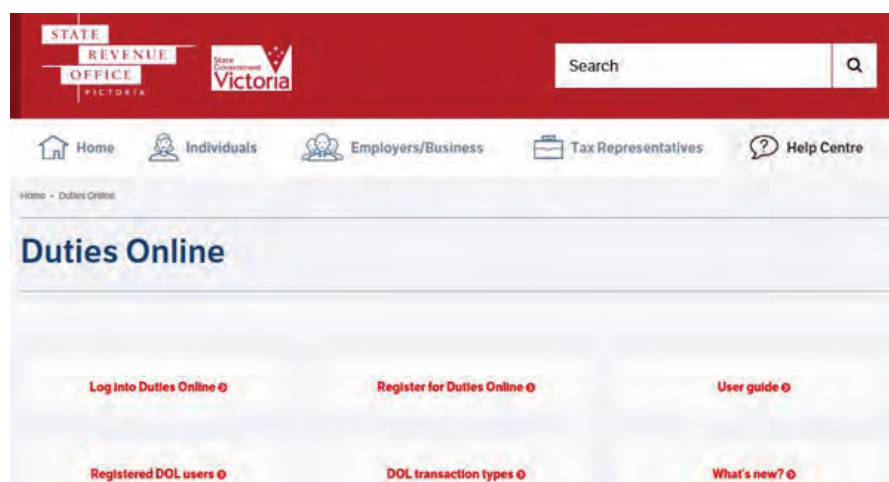
VicRoads estimated the digital service delivery costs to be 60 to 95 per cent cheaper than traditional channels for 'simple' service transactions, such as license and registration renewals.

2.5.3 State Revenue Office Duties Online

In 2011, SRO launched the online application, Duties Online (DOL), to increase efficiencies and enhance the customer experience for duties service transactions.

DOL enables customers and their representative agents to electronically submit details of the most common types of property transfers and Declarations of Trust for assessment to SRO. DOL guides users through the duties transaction process and automates duties assessment calculations.

Figure 2J
State Revenue Office's Duties Online website



Source: <http://www.sro.vic.gov.au/dutiesonline>

Appendix A provides further details of SRO's digital transformation journey of its duties transactions.

2.6 Digital service delivery challenges and issues

There are common challenges and issues being faced by audited departments and agencies which have resulted in a whole-of-public-sector approach to government digital service delivery that has yet to be fully realised. The challenges and issues found were:

- POI verification requirements
- legacy and existing IT systems and back-office processes.

2.6.1 Proof of identity verification requirements

As each government agency is responsible for delivering transactional services specific to its statutory mandate and programs, application processes still operate in isolation of the respective department and agency.

Traditionally the POI verification process is applied to every new service application. This requires the applicant to visit an agency customer service centre or its representative agent for authorised personnel to prove their identity through the physical/in-person sighting of appropriate photographs, and/or certified 'true copies' of relevant documentation.

Inefficient and non-integrated proof of identity verification process

There is no integrated digital POI verification solution to efficiently and effectively authenticate customers' identity. Citizens and consumers must complete the POI verification for each new service transaction, which is generally a manual process.

This has limited the ability of audited departments and agencies, which require the identity of citizens and consumers to be validated prior to undertaking or completing service transactions, to transition fully to digital service delivery.

As a result, departments and agencies still operate in isolation without an integrated approach to sharing or cross-verifying customers' identity and common background information to simplify the application process. Transactions that have been limited are detailed in Figure 2K.

Figure 2K
Proof of identity verification requirements by departments and agencies

Department / agency	POI verification requirements
DJR	<ul style="list-style-type: none"> • WWC Check—for new applications WWC Check currently requires the applicant to visit an Australia Post Office to provide a passport size photo and original identification documents for verification to satisfy a 100-point POI check. • BDM—for processing applications for BDM certificates and for the registration of relationships and change of name, BDM requires the applicant to prove his/her identity and have his/her identity documents certified by a sworn member of the police, a limited number of trained Justices of the Peace, a BDM or Justice Service Centre staff member. The federal <i>Marriage Act 1961</i> also requires the marriage celebrant to physically sight signatures.
Department of Health & Human Services	<ul style="list-style-type: none"> • Public housing and bond loan applications—for both public housing and bond loan applications, Human Services requires applicants to provide certified copies of identification documents. While Human Services does not require applicants to be physically present at a local Department of Health & Human Services office, copies of the documentation must be mailed to a centralised contact centre for processing.
SRO	<ul style="list-style-type: none"> • Duties lodgement transactions—SRO has an online evidentiary requirements manual to classify different documentary requirements depending on the circumstances of the transaction. For each transaction, the taxpayer is required to provide evidence of identification documents. It is the responsibility of the registered user—such as the conveyancer, solicitor or settlement agent acting on behalf of the taxpayer—to verify the taxpayer's identity prior to entering these details via Duties Online.
PTV	<ul style="list-style-type: none"> • myki travel passes and concessions—when applying for myki travel passes and concessions—except for Health Care and Pensioner concessions—PTV requires applicants to manually complete and submit an application form together with certified evidence of identification documents.
VicRoads	<ul style="list-style-type: none"> • New licences and registrations—when making an application for a new licence or registering a vehicle, applicants are required to produce original identification documents for verification at a customer service centre. Copies or certified copies are not accepted and identification documents in a language other than English are to be accompanied by an approved English translation. • New licences—for new licence applications, the applicant's photo must be taken at a VicRoads customer service centre.

Source: Victorian Auditor-General's Office based on the audit fieldwork.

Improving the proof of identity verification process

While each department and agency continues to improve its own service delivery process, there is an opportunity for DPC, with the launch of Service Victoria, to work with departments and agencies to integrate a POI verification process that is secure, takes into account legal and privacy requirements and manages the risk of identity fraud. Specifically, the integrated POI verification process should be supported by existing security policies, agreed identity management policy frameworks, standards and systems incorporating an information usage arrangement in accordance with the *Privacy and Data Protection Act 2014*.

This integrated POI verification process should also include a common identity assurance framework at a whole-of-public-sector level to enable departments and agencies to share and retain POI outcomes while minimising duplications across the public sector. This would enable citizens and consumers to access government services without having to repeatedly authenticate their identities.

2.6.2 Legacy and existing information technology systems and back-office processes

Efficiencies gained through front-end service delivery are being hindered by audited departments and agencies maintaining legacy or inefficient existing IT systems or inefficient back-office processes. While some audited departments and agencies have improved the legacy or existing IT systems and back-office processes, some continue to operate with legacy and inefficient existing IT systems and inefficient back-office processes.

Legacy or existing technologies, though still reliable in performing the operations, do not enhance or promote an efficient and seamless end-to-end digital service delivery solution. Inefficient back-office processes, like manual data verification of hardcopy forms, manual application processing into core systems, and reconciliation processes of applications and payments received, have impacted audited departments and agencies digital service delivery.

Business requirements for system use continue to evolve and require enhancements to continuously meet the ongoing needs of departments and agencies.

Figure 2L outlines examples of audited departments' and agencies' legacy or existing IT systems or back-office processes which are impacting the efficiency and effectiveness of digital service delivery.

Figure 2L
Legacy or existing IT systems / back-office processes and implications

Department / agency	Issues with legacy or existing IT systems / back-office processes	Implications
DJR	<ul style="list-style-type: none"> For applications for certificates, the core legacy IT system for the BDM supports digital submission of BDM certificate data but requires BDM staff to manually complete the registration of the event into the system. Registration of a relationship or change of name is a completely manual process. The core legacy IT system does not interface with the DJR's finance system (Oracle). 	<ul style="list-style-type: none"> BDM staff must manually reconcile and verify payment details. Once reconciled, the completed application forms are then manually processed. This process is time-consuming. BDM staff must manually reconcile online/electronic payments with the point of sale database in the core legacy IT system.
Department of Health & Human Services	<ul style="list-style-type: none"> Key electronic client record management systems are not integrated, such as the: <ul style="list-style-type: none"> HiiP system which supports housing services. Client Relationship Information System which supports disability, child protection, youth justice and Services Connect services. Human Services staff are only given access to their respective program's core business system, with clients' data information only updated within the specific program areas. 	<ul style="list-style-type: none"> Lack of system integration and cross data information exchange resulting in duplication of clients' data information records. Inefficiencies result in key non-sensitive client data not being updated automatically across all systems.
SRO	<ul style="list-style-type: none"> Customer take up rates for SRO's Land Tax Express (LTX Express) website portal were low due to: <ul style="list-style-type: none"> the onerous front-end registration process and manual data processing at the back-office into the core systems Land tax assessments are issued annually and only a small percentage of customers interact with SRO each year. 	<ul style="list-style-type: none"> Land tax customers and SRO staff do not benefit as: <ul style="list-style-type: none"> the online application portal does not match the customers' needs and preferences the lack of integration between the back-office and core systems creates inefficiencies.
PTV	<ul style="list-style-type: none"> The current back-office system which supports 'topping up' the value of a customer's myki card online, takes up to 24 hours to process the transaction. This is in contrast to 'topping up' at locations such as PTV hubs, metropolitan and V/Line train stations and on board a bus, which is instantaneous. The myki website is not optimised for use across different digital devices such as smart phones and tablets. 	<ul style="list-style-type: none"> The inefficient back-office system is inconvenient for customers who use the myki card 'top-up' option. 'Topping' up via the myki website that is not optimised for different digital devices reduces customer usability and discourages them from using online transactions.

Figure 2L
Legacy or existing IT systems / back-office processes and implications –
continued

Department / agency	Issues with legacy or existing IT systems / back-office processes	Implications
VicRoads	<ul style="list-style-type: none"> VicRoads currently has four core legacy IT systems to process R&L applications, namely Driver Licensing System, Vehicle Registration Information System, Corporate Payments Systems and Lotus Notes Database. The core IT systems are used concurrently at all VicRoads Customer Service Centres. The Driver Licensing System and Corporate Payments Systems are Microsoft Windows-based systems, while the Vehicle Registration Information System is a terminal-based mainframe system. These core systems do not automatically interface with each other. 	<ul style="list-style-type: none"> Limits VicRoads customer centre staff efficiency to complete service transactions due to cumbersome and inflexible data entry functionalities. VicRoads staff must be trained on how to concurrently use the system interfaces and maintain efficiency.

Source: Victorian Auditor-General's Office based on the audit fieldwork.

Recommendations

All non-audited departments and agencies are expected to consider and implement Recommendations 2 and 3 where applicable.

1. That the Department of Premier & Cabinet, through Service Victoria, works with departments and agencies to implement an integrated proof of identity verification process for digital service delivery (including a common identity assurance framework) that is secure, takes into account legal and privacy requirements and manages the risk of identity fraud.

That the Department of Health & Human Services, Department of Justice & Regulation, Public Transport Victoria, State Revenue Office and VicRoads:

2. identify and prioritise which service transactions should be transitioned to digital service delivery while also considering alternative, non-digital service delivery channels
3. enhance the end-to-end digital service delivery by:
 - resolving any legacy system issues and/or integrating supporting information technology systems with front-end digital technologies
 - streamlining back-office processes to minimise manual processing interventions.

3 Monitoring and improving digital service delivery

At a glance

Background

This Part examines the monitoring of the effectiveness of digital service delivery. This includes the monitoring and reporting systems and processes used to measure and improve digital service delivery performance.

Conclusion

Digital service delivery performance has yet to be effectively measured and reported on. Improving public usability and utilisation of digital service delivery is an ongoing effort for departments and agencies and at a whole-of-public-sector level to ensure that the overall benefits are fully realised.

Findings

- Not all audited departments and agencies have baseline digital service delivery performance targets.
- Audited departments and agencies are at different levels of maturity and have implemented different monitoring and reporting approaches to measure their digital service delivery performance.

Recommendations

- That the Department of Premier & Cabinet, through Service Victoria, works with departments and agencies to implement an integrated service delivery model that increases public usability and utilisation of digital service delivery.
- That the Department of Health & Human Services, Department of Justice & Regulation, Public Transport Victoria, State Revenue Office and VicRoads:
 - develop baseline performance data targets for digital service delivery
 - develop digital service delivery performance monitoring and reporting systems and processes
 - identify and implement strategies, including using existing social media platforms, to promote digital service delivery.

3.1 Introduction

Ongoing monitoring and reporting on the effectiveness and public utilisation of digital service delivery is crucial to ensuring that service delivery across government remains both effective and cost efficient.

This Part examines how audited departments and agencies monitor and improve their digital service delivery.

3.2 Conclusion

Digital service delivery performance has yet to be effectively measured and reported on.

Not all departments and agencies have baseline digital service delivery performance targets. Further, there were varying levels of monitoring and reporting systems and processes in place at audited departments and agencies.

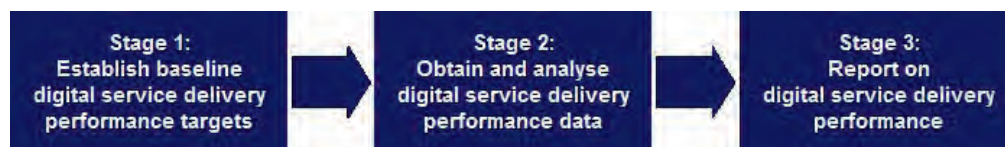
There needs to be a continuous effort by departments and agencies and at a whole-of-public-sector level, to improve the public usability and utilisation of digital service delivery through effective performance measurement. This will provide assurance that the overall benefits of digital service delivery are fully realised.

3.3 Monitoring and reporting of digital service delivery performance

To continuously improve the efficiency and effectiveness of digital service delivery, it is essential to have rigorous monitoring and reporting systems and processes in place. Audited departments and agencies displayed different approaches and levels of maturity in implementing monitoring and reporting approaches to measure their digital service delivery performance.

This audit focused on three key stages of digital service delivery performance monitoring and reporting, as shown in Figure 3A.

Figure 3A
Key stages of digital service delivery performance monitoring and reporting



Source: Victorian Auditor-General's Office.

3.3.1 Stage 1: Establish baseline digital service delivery performance targets

In order to monitor and report on the effectiveness and public utilisation of digital service delivery, baseline performance targets are required.

While the five audited departments and agencies that deliver services directly to citizens and consumers have plans to transition service transactions to digital service delivery, only VicRoads has clearly developed baseline performance targets to enable success to be measured, as shown in Figure 3B.

Figure 3B
Audited department and agency baseline digital service delivery performance targets

	Baseline digital service delivery performance targets developed
Department of Health & Human Services (Human Services)	x
Department of Justice & Regulation (DJR)	x
State Revenue Office (SRO)	x
Public Transport Victoria (PTV)	x
VicRoads	✓

Note: Excludes informational services such as information accessed through websites, smartphone applications and social media.

Source: Victorian Auditor-General's Office based on the audit fieldwork.

To improve the monitoring and reporting of the efficiency and effectiveness of digital service delivery, departments and agencies should set baseline digital service delivery performance targets.

3.3.2 Stage 2: Obtain and analyse digital service delivery performance data

Data related to the efficiency and effectiveness of digital service delivery at audited departments and agencies is in the form of market research and service transaction data. While only VicRoads has baseline digital service delivery performance targets defined, four out of the five have obtained and analysed market research and the available service transaction data. However, as shown in Figure 3C only VicRoads utilised market research data on a regular basis while DJR, SRO and PTV conducted market research on an ad hoc basis.

As part of monitoring customer behaviour usage of websites, all the audited departments and agencies used Google Analytics to obtain and analyse website-related data, including the number of web pages viewed, the most popular web pages and content viewed, average time spent on their web page, and which forms were being downloaded.

Figure 3C
Audited department and agency digital service delivery performance data

Department / agency	Service transaction data obtained and analysed	Market research data obtained and analysed
Human Services	No	No
DJR	Yes (annually)	Yes (ad hoc)
SRO	Yes (monthly)	Yes (ad hoc)
PTV	Yes (monthly)	Partial (ad hoc)
VicRoads	Yes (monthly)	Yes (annually)

Note: Market research data excludes website data collected from Google Analytics.

Source: Victorian Auditor-General's Office based on the audit fieldwork.

Department of Health & Human Services

As Human Services had yet to implement any digital service delivery, it did not have any formal processes to report on digital service delivery performance.

Human Services used Google Analytics to collate, track and analyse website-related data for its housing services website, www.housing.vic.gov.au, against set key performance indicators. Human Services also undertook a review with key stakeholders on a quarterly basis.

Department of Justice & Regulation

DJR developed the Services Portfolio Model (SPM) as part of collating initial service transaction data. The decision to use market research sits with the responsibility and requirements of DJR's business units rather than as a centralised process.

Service transaction data

Based on DJR's SPM which was last updated in 2014, 34 per cent of DJR service transactions were performed via a digital service delivery channel. However we found gaps in the collation and analysis of DJR's service transaction data, specifically:

- the SPM did not have any criteria set for data inclusion or exclusion and only captured high-value and high-level service transaction data, meaning not all the service transactions and associated costs were represented
- the data in the SPM was not effectively collated as it was manually compiled through individual requests for data sheets from business units with different assumptions, definitions and calculations to derive and collect the operational data.

While the SPM concept proved useful, the collected transaction data was assessed as not yet fully reliable.

Despite this, DJR continued to use the SPM as it provided a shared view of the provision of services and assisted in identifying common issues, opportunities and capabilities to help focus future resourcing and business decisions for digital service delivery.

Market research data

DJR last conducted an in-house user needs assessment of its website in 2012. Based on this assessment, public utilisation of DJR's digital service delivery at that time was low:

- 64 per cent of its users accessed the website for information on DJR's services
- 2 per cent of its users applied for a license or permit via the website.

In 2013, the Working with Children (WWC) Check unit conducted an online survey of 295 respondents to assess and analyse the effectiveness of its online services. The survey method was effective and the results showed:

- about 80 per cent of the respondents had a positive experience with the online service
- improvements were still required to the navigation and content of the WWC Check unit's online service.

In 2013, the Victorian Registry of Births, Deaths and Marriages (BDM) conducted an online feedback survey of 1 852 respondents to examine the views of its customers regarding the types of services BDM should offer. The survey method was effective and the results showed a strong preference for digital service delivery with 50.2 per cent of the respondents in support of applying for BDM services online, followed by 21.5 per cent in support of applying via email.

State Revenue Office

SRO uses business intelligence systems to collect service transaction data from relevant systems and collates the data in a data warehouse for analysis. SRO has also engaged consultants to undertake market research.

Service transaction data

As detailed in Figure 3D, the majority (92 per cent) of duties lodgement transactions were processed online. This was a result of SRO's implementation of Duties Online in October 2011.

Figure 3D
Duties lodgement and land tax digital service delivery usage, 2014

Transaction type	Transactions processed online (per cent)
Duties lodgement using Duties Online	92
Land tax assessment using Land Tax Express—where a customer has a need to respond or query a land tax assessment	6

Note: Land Tax Express is only used if a customer has a need to respond to or query land tax assessments. Approximately 10 per cent of total customers have a need to respond or query land tax assessments. The remaining 90 per cent of customers would receive correct assessments and only respond by making a payment.

Source: Victorian Auditor-General's Office based on information and findings obtained from SRO.

While only 6 per cent of land tax assessment transactions are currently processed online, SRO is developing plans to update the end-to-end process, including automating back-office systems, to increase usability and utilisation of its land tax digital service delivery.

Market research data

In 2014, market research consultants were engaged to understand:

- customer behaviour when using the SRO website.
- SRO's digital channel usage and customers experiences when using the digital services.

The survey to understand customer behaviour when using SRO website included 321 respondents and noted:

- respondents had difficulty navigating the website and interacting with its associated links and resources.
- respondents had difficulty understanding the website contents and information
- general information searches account for 58 per cent of the respondents' website tasks followed by online payments (24 per cent) and use of online tools (18 per cent).

The survey to understand SRO's digital channel usage and customers experiences when using the digital services included 409 respondents and 18 in-depth interviews. This research revealed:

- inconsistent levels of service experience across channels which required further improvement through integrating people, processes and technology
- the need to improve the navigation and search functionality of the website
- customers desired an online mobile application and online web-chat functionality.

Public Transport Victoria

PTV obtains service transaction data from its myki ticketing system for analysis. It also conducts market research in-house and through external consultants.

Service transaction data

On a monthly basis, PTV obtains and collates myki ticketing data about sales channels, card types, value and the proportion of revenue. However to date, PTV has not effectively used the data it has to implement channel strategies that increase digital service delivery offerings such as the ability to 'top up' myki cards online.

As shown in Figure 3E, on average 5.6 per cent of myki Money transactions and 21.8 per cent of myki Pass 'top up' transactions were made online during 2014.

Figure 3E
myki card value 'top up' service transactions

Transaction type	Period	Average percentage of transactions processed				
		Online	Retail	Metropolitan train stations	Automatic 'top up'	Commuter club
myki Money 'top up'	2013	6.1	20.2	58.0	7.1	N/A
	2014	5.6	17.0	53.9	8.1	N/A
myki Pass 'top up'	2013	24.5	11.3	54.8	N/A	6.1
	2014	21.8	11.7	53.2	N/A	8.1

Note: Not all service transaction channels have been included, therefore the average percentage of transactions does not add up to 100 per cent.

Source: Victorian Auditor-General's Office based on information and findings obtained from PTV.

Online 'top up' transactions declined in 2014 compared to 2013. For the same period, however, automatic 'top-ups' for myki money, and commuter club programmes for myki pass increased.

Market research data

In June 2014, PTV engaged a consultant to conduct market research to better understand customer needs and help it develop suitable products. The survey highlighted the need for PTV to improve its digital services for myki card transactions. Specifically, the 210 respondents rated the following features as having medium or high importance:

- instantaneous myki card 'top up' via phone and internet (83 per cent)
- myki card 'top up' on a smartphone via an app (68 per cent)
- the ability to view the myki card balance on a mobile phone (77 per cent).

VicRoads

VicRoads effectively used a business intelligence system to collect its service transaction data from three different business systems—Queue Management System (QMS), Contact Centre Systems and Corporate Payment Systems. Data from these systems were collated into a business intelligence system called SAP Business Objects and utilised to extract, collate and analyse transaction service data for analysis.

VicRoads also utilised market research to measure its digital service delivery performance.

Service transaction data

Public utilisation of VicRoads' registration and licensing (R&L) digital service delivery—based on VicRoads' R&L service transaction data between 1 July 2014 to 30 June 2015—is shown in Figure 3F.

Figure 3F
Public utilisation of VicRoads registration and licensing digital service delivery, 1 July 2014 to 30 June 2015

	Number of transactions	Digital service delivery	
		Target of transactions processed (%)	Average transactions processed (%)
Registration renewal (Full fee)	4 431 400	77	73
Registration renewal (Concession)	1 069 000	30	32
License renewal (Reused photo)	269 300	73	67
Change of address	916 000	49	38
License and learner permit appointment (including boats)	490 300	44	35
Driver license history report	104 000	36	33
Unregistered vehicle permit ^(a)	162 100	26	20

(a) The online unregistered vehicle permit service was launched in early January 2015.

Source: Victorian Auditor-General's Office from the VicRoads R&L Channel Management Report (2014–15).

Market research data

On an annual basis, VicRoads engages an external consultant to conduct a customer satisfaction survey for online R&L transactions and general website use. The 2015 survey had 706 respondents and found:

- customers rated the VicRoads R&L website with a mean satisfaction score of 7.7 out of 10
- 61 per cent of customers expressed interest in an R&L online account if available
- 76 per cent of customers had visited the VicRoads website
- 85 per cent of customers were aware of R&L services online
- 52 per cent of customers used the R&L website to search for general information
- 25 per cent of customers would prefer to do their registration, licencing or all transactions online
- 34 per cent of customers would expect an R&L service to be offered online.

3.3.3 Stage 3: Report on digital service delivery performance

Despite the lack of baseline digital service delivery performance targets, three out of five audited departments and agencies have developed a reporting process on digital service delivery performance.

Figure 3G
Audited department and agency reporting of digital service delivery performance

Department / agency	Reporting process for digital service delivery performance developed	Reporting frequency
Human Services	No	None
DJR	Yes	Monthly
SRO	Yes	Monthly
PTV	Partial	Monthly
VicRoads	Yes	Monthly

Source: Victorian Auditor-General's Office based on the audit fieldwork.

Department of Health & Human Services

As Human Services had yet to implement any digital service delivery, it did not have any formal processes to report on digital service delivery performance.

A department-wide Business Technology and Information Management governance sub-committee has been established as part of the department's governance arrangements and oversight of Human Services' future digital strategy and digital service delivery.

Department of Justice & Regulation

DJR established a senior-level Digital Governance Board that meets monthly to report on digital service delivery performance and to make decisions aimed at improving digital service delivery. Reporting includes:

- the delivery status of DJR's digital strategy
- performance updates on the SPM.

State Revenue Office

SRO has established a reporting process in which its digital service delivery performance is presented as part of a balanced scorecard. This is provided to the monthly senior management meeting to aid effective decision-making on improving digital service delivery, and includes updates on the:

- continuous performance and enhancements to Duties Online
- development of the SRO digital strategy
- land tax compliance program as part of developing digital service offerings for land tax customers involved in a formal audit.

Public Transport Victoria

PTV has established a weekly Customer Activity Snapshot – Digital Products report which is presented regularly to the senior management of PTV's Customer Service Delivery division. The report includes:

- customer usage behaviour and visits on the PTV website
- performance of PTV smartphone applications.

Myki card transaction data were captured separately but are not yet reported for the purposes of improving digital service delivery.

VicRoads

VicRoads has established an effective reporting process in the form of the R&L Channel Management Report—a reporting scorecard for digital service delivery performance targets and actuals. The report includes

- a comparison of digital service delivery performance targets with the actual take-up rate achieved to date
- progress status reporting on implementing key initiatives to stimulate digital growth.

The R&L Channel Management Report is presented to the monthly VicRoads senior management meeting and a senior-level Digital Committee to aid decision-making aimed at improving digital service delivery performance.

3.4 Improving the usability and utilisation of digital service delivery

Based on the results of current digital service delivery performance monitoring and reporting there is a need to improve the public usability and utilisation of digital service delivery to provide assurance that the overall benefits are fully realised. This is an ongoing effort for audited departments and agencies, and at a whole-of-public-sector level.

3.4.1 Improving digital service delivery

Despite different approaches and maturity levels of monitoring and reporting digital service delivery performance, audited departments and agencies continue to develop and implement improvement initiatives.

Department of Health & Human Services

Human Services plans to develop information websites for Child Protection services, Services Connect and the Vulnerable Children Reform unit.

An online housing application form is currently being considered to simplify the housing application process.

Department of Justice & Regulation

DJR plans to standardise its paper and online service application forms across its business units. It also intends to review the usability of SPM as part of ongoing efforts to prioritise digital transformation and service reform.

State Revenue Office

SRO redeveloped and launched its new website, www.sro.vic.gov.au, in June 2015. SRO is also currently:

- reviewing the unit costs—which currently capture only labour costs—and processing times for each service transaction as part of updating its service transactions list
- implementing a digital service delivery option for land tax assessments
- developing a digital strategy as part of identifying further opportunities and offerings to improve customers' experience using digital devices
- further enhancing Duties Online to support all duties transactions.

Public Transport Victoria

Although PTV plans to continuously improve and innovate its digital product offerings such as evaluating options for seamless payment applications, it has yet to develop any channel strategies to promote topping up myki card transactions via digital devices, particularly on smartphones and tablets as part of improving digital service delivery.

VicRoads

While VicRoads had already transitioned many transactions to online or other self-service channels, it is still planning for further improvements by developing new digital service offerings, channel shift strategies and channel performance targets to increase public usability and utilisation of its R&L digital service delivery.

VicRoads has implemented two initiatives to further improve the digital service delivery:

- in November 2014 it launched customer self-serve kiosks at two customer service centres to:
 - increase customers' awareness of online services
 - analyse customers' online behaviour
 - encourage customers to use online services for simple transactions
- in August 2014 the Web Application and Remediation Program commenced to enhance customers' online experience and improve efficiencies to back-of-office operations.

Appendix A provides further detail of VicRoads' established systems and processes, together with key lessons learned and success factors, for its monitoring and reporting of digital service delivery performance.

3.4.2 Promoting the benefits of digital service delivery to customers

Audited department and agency have promoted the transition and benefits of digital service delivery to customers by including messages on their websites, contact centre voice messages, brochures and social media platforms. This audit looked at the promotional efforts used on department and agency websites and the use of social media platforms.

Information on department and agency websites

Promoting digital service delivery to customers has predominantly been through information provided on government websites or in person through customer service centres. Audited department and agency websites provide primary information and contact details regarding the services they provide.

While overall content and layout on PTV, SRO, VicRoads, DJR and Human Services (for the housing website only) are better placed, a review of their websites revealed that content was still text-heavy and online service applications not easy to use from a customer's perspective. 'Ease of use' across all audited department and agency websites could be further improved by the following:

- Customers should be able to navigate easily through sections and links on the website to find the required information.
- Most online government service applications are best viewed via a personal desktop computer or laptop. These should be fully optimised across all digital devices, in particular smartphones and tablets.

An example of an audited department successfully redesigning their website to ensure ease of use is detailed in Figure 3H.

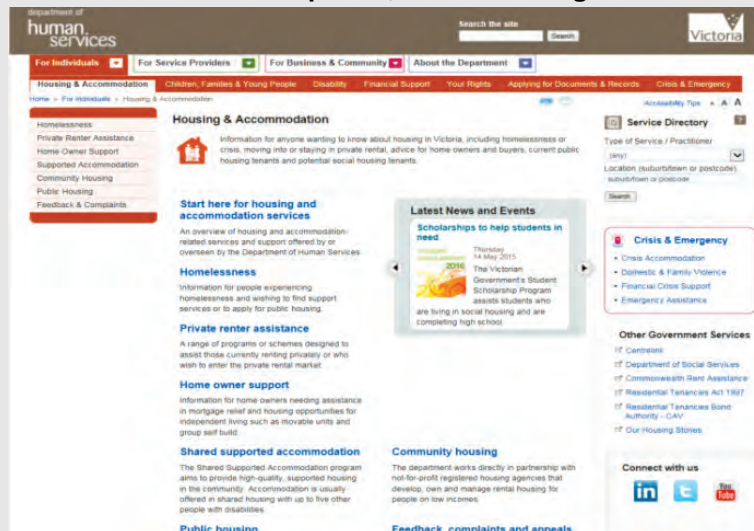
Figure 3H
Case study:
Department of Health & Human Services housing services website

Human Services recently redeveloped its housing services website to allow both departmental staff and potential housing clients to easily navigate the website and find the required information.

The website layout was designed to be accessible on all digital devices and the content was developed with the client in mind. Human Services also used Google Analytics to monitor customer behaviour and usage.

One particular feature of the housing services website was its housing options finder. This feature has the ability to intuitively guide a potential housing client through housing options, including bond loan schemes, depending on individual circumstances.

Before redevelopment, www.dhs.vic.gov.au:



Now, www.housing.vic.gov.au:



Source: Victorian Auditor-General's Office.

Use of social media platforms

The Australian Communications and Media Authority (ACMA) *Communications Report 2013–14* highlighted that about 69 per cent of Australians use social media.

Before the January 2015 machinery-of-government changes, the former Digital Government Branch—now known as the Enterprise Solutions Branch—of the Department of Premier & Cabinet (DPC) was responsible for developing a whole-of-government social media policy/strategy to better engage with citizens and consumers online. The future of this work currently remains unclear.

Despite this, audited departments and agencies used social media platforms to increase awareness about their activities, providing the latest information on events and/or educating citizens and consumers as part of promoting department and agency profiles. However, as shown in Figure 3I, not all departments and agencies fully or actively utilised these social media platforms to promote digital service delivery.

Figure 3I
Use of social media platforms by audited departments and agencies

Department / agency	YouTube	Facebook	Webinars	Twitter	LinkedIn
Human Services	•	•	×	•	•
DJR	•	•	×	•	•
SRO	• ♦	×	• ♦	×	•
PTV	•	•	×	• ♦	•
VicRoads	• ♦	• ♦	×	• ♦	•

Note: • Social media platform used to promote events and/or educate citizens and consumers as part of promoting department and agency profiles.

Note: ♦ Social media platform used to promote digital service delivery.

Note: × Social media platform not used.

Source: Victorian Auditor-General's Office based on the audit fieldwork.

There is an opportunity for departments and agencies to better leverage social media platforms as a form of engaging citizens and consumers. They should further examine how they can use existing social media platforms to promote the benefits and use of digital service delivery.

3.4.3 Promoting the benefits of digital service delivery to department and agency staff

In order to improve the usability and utilisation of digital service delivery, audited department and agency staff first had to fully understand and support its benefits. Promoting the benefits and use of digital service delivery was primarily driven by the business divisions, more specifically staff with a marketing and/or strategy communications background, also known as the digital engagement team. These teams were responsible for coordinating and engaging both the business and information technology divisions to enhance digital service delivery.

Human Services, DJR, PTV and VicRoads had a dedicated digital engagement team that actively promoted the use and benefits of digital service delivery. Digital committees comprising senior representatives were set up and met monthly to increase accountability for digital initiatives across the organisations. These initiatives are shown in Figure 3J.

Figure 3J
Promoting digital service delivery to audited department and agency staff

Department / agency	Train and disseminate information to staff to improve knowledge of digital services	Create and deliver communication plans to staff about digital services	Develop digital service standards	Digital committees (or equivalent) set up
Human Services	In progress	In progress	In progress	In progress
DJR	✓	✓	✓	✓
SRO	In progress	In progress	In progress	✓
PTV	✓	✓	✓	✓
VicRoads	✓	✓	In progress	✓

Source: Victorian Auditor-General's Office based on the audit fieldwork.

While SRO did not have a dedicated digital engagement team to promote the use of digital devices for service delivery, it recently created a strategic development division to work with other business divisions to develop strategies and options for innovative ways of delivering services including through digital channels. SRO is also currently developing a digital strategy.

With the creation of the Department of Health & Human Services in 2015, the former Department of Human Services online engagement and web and design services team began working with the former Department of Health equivalent, to organise and resource the digital engagement team and to consolidate and reconcile their approaches. A Business Technology and Information Committee subcommittee is being planned, comprising senior representatives from relevant client programs and information technology divisions. The Department of Health & Human Services intends to use this subcommittee to enhance its governance structure including oversight on the whole-of-department digital strategy.

3.4.4 Promoting the benefits of digital service delivery at whole-of-public-sector level

There has yet to be an integrated approach at a whole-of-public-sector level to promoting the use of digital service delivery.

With the launch of Service Victoria, there is an opportunity for DPC, which is currently in charge of information, communications and technology for the whole public sector, to take the lead in working with departments and agencies to develop and implement an integrated digital engagement approach to increasing public usability and utilisation of digital service delivery.

Recommendations

All non-audited departments and agencies are expected to consider and implement Recommendations 5, 6 and 7 where applicable.

4. That the Department of Premier & Cabinet, through Service Victoria, works with departments and agencies to implement an integrated service delivery model that increases public usability and utilisation of digital service delivery across different digital devices.

That the Department of Health & Human Services, Department of Justice & Regulation, Public Transport Victoria, State Revenue Office and VicRoads:

5. develop baseline performance data targets for digital service delivery
 6. develop digital service delivery performance monitoring and reporting systems and processes
 7. identify and implement strategies, including using existing social media platforms, to promote digital service delivery.
-

Appendix A.

Case studies of digital service delivery

State Revenue Office – Duties Online

Background

The State Revenue Office (SRO) is the Victorian Government's major tax collection agency and an independent service agency which acts under a framework agreement between the Victorian Treasurer, the Secretary of the Department of Treasury & Finance and the Commissioner of State Revenue.

The SRO administers Victoria's taxation legislation and collects a range of taxes, duties and levies. In 2013–14 the SRO collected in excess of \$13 billion in revenue for the Victoria Government.

History

Duty is imposed in Victoria by the *Duties Act 2000* and collected by SRO. Historically duties transactions required the manual preparation and submission of forms and statutory declarations regarding the dutiable value of a property, the date of transfer and any applicable exemptions and concessions—such as pensioner or first home buyer concessions. Each relevant document needed to be lodged for review, calculation and assessment of duty and payment.

Prior to migrating duties transaction processes online in 2011, just over half of the annual 228 000 land transfer transactions in Victoria were being processed manually by SRO and the remainder processed by authorised agents acting on behalf of SRO.

Processes for collection of duty on transfers of land occurred in three ways:

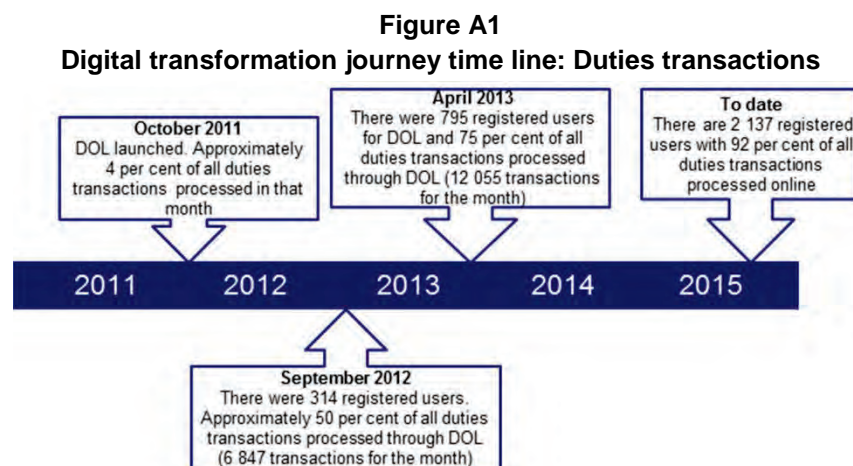
- **In person at the SRO Customer Service Centre in Melbourne**—This was a mostly manual paper-based process and required customers to physically attend the SRO to have duty documents assessed and to make payment. Customers regularly lodging documents incurred travel costs, experienced queuing time and were forced to wait for extended periods to have their documents processed. In some cases the wait could be several hours because high volume lodging agents would also be attended to by SRO staff.

- **By mail to the SRO**—Customers could lodge duty documents with the SRO and make payment of duty by cheque, by mail. The SRO would manually process these documents and payments and return the stamped documents by mail to the lodging party or to a nominated representative. Due to the large volumes of paper documents being processed the risk of lost documents was high, with parties incurring document replacement costs and administrative rework. Cheque payments required manual processing and reconciliation which was time-consuming.
- **Via Authorised Agent using the Document Return System**—Customers could use an authorised agent under the SRO's Document Return System (DRS) regime. The DRS was established to manage the large volume of land transfer documents presented for processing by the major banks and larger conveyancers. DRS required agents to install and use SRO software, which did not have any 'smarts' to calculate dutiable value and was unable to feed into SRO systems. DRS agents were issued with manual stamping devices and were required to lodge weekly electronic files as well as paper returns with manual payment at the SRO. The system required a high degree of back-end reconciliation. This was decommissioned in early 2013 when all DRS agents transitioned onto Duties Online (DOL).

Digital transformation journey

To increase efficiencies and enhance the customer experience, SRO developed DOL for customers to electronically submit details of the most common types of property transfers and Declarations of Trust for assessment.

DOL allows for the majority of land transfer duty transactions to be lodged and processed online. DOL guides users through the duties transaction process and automates the duties assessment calculation. DOL also removes the need to endorse documents with a physical impression or stamp, and instead allows for the immediate electronic verification of duty payments. Figure A1 shows the time line of the digital transformation journey for SRO's duties transactions.



Source: Victorian Auditor-General's Office based on information from SRO.

Based on an SRO-commissioned 2013 Regulatory Change Measurement analysis, the benefits gained from DOL include:

- regulatory savings of approximately \$1.072 million per year to authorised and lodging agents on behalf of customers
- increased efficiency and convenience by reducing the need to travel to the SRO customer service centre
- increased self-service which allows for same-day duty processing service, including outside of the SRO's business hours
- replacement of a physical stamp by an electronic duty verification mechanism, allowing a broader user group to process stamp duty online
- enhanced reporting capabilities for agents, customers and SRO
- reduced risk of lost documents and associated costs
- streamlined and enhanced duties data collection process
- a platform for integration with the national electronic conveyance system.

Going forward and future development

SRO is currently integrating DOL with the national electronic conveyancing system to establish an electronic business environment. This will enable completion of all property transactions online including payment of settlement monies, land transfer duty and lodgement of a title for registration.

Currently about 90 per cent of duties transactions are processed online. SRO plans to have the remaining 10 per cent of complex transactions able to be processed by DOL by the end of 2015.

SRO plans to release a 'DOL Lite' version in November 2015 where citizens and consumers can process their duties transactions without the use of any agents.

VicRoads – Monitoring and reporting transaction service delivery performance

Background

VicRoads is a statutory corporation within the State of Victoria and is responsible for managing the state's road network. This includes maintenance and construction of freeways, arterial roads and driver licensing and vehicle registration.

Registration and Licensing (R&L) is a key division of VicRoads, with 88 per cent of its estimated 800 full-time (EFT) staff dedicated to customer service delivery. The customer services area delivered over a third of the total 22.7 million vehicle registration and driver licence transactions processed in 2013–14.

Through capturing and leveraging data across various corporate and operational systems, VicRoads has successfully reviewed, developed and implemented an effective activity based costing methodology as part of identifying service transaction types, volumes and costs.

History

VicRoads provides vehicle registration and driver licensing services via a multi-channel service delivery model including online, interactive voice response self-service, face-to-face, telephone, electronic (email, social media) and mail. For the year ending 30 June 2014, approximately 84 per cent of the face-to-face and telephone services were provided by the customer services area.

To improve customers' experience and operational effectiveness while also managing costs, VicRoads considered it essential to understand demand for services by transaction type, channel and processing time.

The total volume of services provided was collected from a number of sources ranging from the R&L and Corporate Payments System, and Lotus Notes databases to extraction of manually recorded transaction data in some areas.

VicRoads initially used a manual process to capture and measure its call processing times. While this process helped to gain some understanding of call handling times, it had significant limitations such as:

- call handling times were captured only as a proxy for a transaction
- it was unable to identify the transaction type—customer services provides over 80 services of varying complexity
- it failed to identify multiple transactions within a single call—this is a common occurrence
- it was resource intensive and ad hoc.

Digital transformation journey

Recognising the weakness of its manual-intensive process but also the importance of activity-based costing, VicRoads enhanced its Queue Management System (QMS) at customer service centres to capture transaction types served by ticket, operator and duration. It has also set up its new contact centre technology to similarly capture transaction types by call and handling time.

To ensure reporting consistency, VicRoads defined what constituted a service transaction and the various types of service transactions. As a result they were able to identify each service transaction's individual components (units) and associated costs (fixed and variable).

Armed with information out of QMS, contact centre systems, the Corporate Payments System and the count of the transactions manually recorded, VicRoads effectively conducted an activity-based costing for each service transaction.

The data collection process was streamlined and used for service delivery performance reporting. SAP Business Objects is a business intelligence solution used to aid and enhance performance management, planning, reporting, query and analysis, and enterprise information management. A dedicated team of VicRoads R&L performance monitoring staff with finance, accounting and business data intelligence backgrounds were trained in the use of SAP Business Objects, which they used to obtain and analyse data from the various data bases.

VicRoads leveraged information out of the QMS and the new contact centre systems to plan its operational resourcing, identify staff training opportunities, manage individual productivity and improve customers' experiences by meeting, and in several cases exceeding, its service level targets.

This in turn further lowered the individual transaction service cost and assisted with developing channel management strategies aimed at creating more accessible services for customers as well as generating operational savings for VicRoads.

The key success factors for developing and implementing VicRoads' process for obtaining and analysing its service delivery performance—both digital and non-digital—are:

- a focus in the business operations area on capturing detailed and consistent operational information such as transaction times and transaction volume
- a well-managed and consistent approach to capturing input costs, for example, contract payments are itemised
- strong endorsement and support by VicRoads senior management to use the service transaction data as part of key decision-making efforts aimed at improving digital service offerings
- dedicated resources with subject matter knowledge in finance, accounting and business data intelligence for the establishment and maintenance of the model.

Going forward and future development

VicRoads has made significant and positive progress in establishing a structured and effective process for obtaining and analysing digital service delivery performance. Its strategic use by senior management has resulted in VicRoads being able to achieve a range of efficiencies, particularly lowering operational costs through delivering high demand and/ or low complexity transactions online.

There is a commitment to continuously look for opportunities for improvement in obtaining and analysing transaction service delivery performance.

Department of Justice & Regulation – Working with Children Check

Background

The purpose of the Working with Children (WWC) Check is to assist in protecting children from sexual or physical harm by ensuring that people who work with, or care for, them are subject to a screening process. This is achieved by assessing applicant's criminal records and professional conduct. Unless an individual is exempted, they must obtain a WWC Check to do child-related work. The processing and assessment of WWC Check is undertaken by the Department of Justice & Regulation (DJR).

History

Originally, WWC Check applicants were required to complete a four page paper-based form and attend an interview for identity and photo verification checks. The identity verification process was outsourced to a third party engaged specifically to capture applications. The completed documentation was then sent to an external subcontractor to be digitised via optical character recognition technology and transferred electronically back to the WWC Check unit at DJR for processing. WWC Check staff manually verified the information on the paper application form with the data received from the application capture service.

On the successful completion of all required due diligence checks, a WWC Check photo identification card was produced and issued to the applicant.

When renewing a WWC Check, the WWC Check staff physically mailed out a notification of expiry with a pre-populated renewal form, six weeks prior to the WWC Check expiry date.

If the cardholder's personal details had changed, he/she would be required to manually complete and submit a separate change of details form, or contact the WWC Check Customer Support Team, for amendments. This process required cardholders to physically attend the application capture service provider with their existing WWC Check photo ID card for an interview, for identity and photo verification. On successful completion, the WWC Check renewal was processed.

Delivering the WWC Check service in this way was fundamentally inefficient, costly and time consuming.

Digital transformation journey

Recognising the need to increase efficiencies and security, as well as improve the customer experience, the WWC Check commenced a digital transformation of its service delivery in 2011.

In 2012, the WWC Check online service called MyCheck went live. Through this web-based application, applicants and cardholders were now able to update personal, contact and organisational details online rather than completing manual forms or calling the Customer Support line. WWC Check Services were expanded in 2013 to include new WWC Check applications and WWC Check card replacements.

With new applications, applicants are required to complete the online form and subsequently lodge the application with the application capture service provider with a printed application summary and receipt. Applicants also need to provide a passport size photo and original identity documents to undergo a 100-point proof of identification check. The card replacement process, including payment for employee replacement cards, can be performed by cardholders completely online.

In 2014, online services were introduced for WWC Check renewals and changing from a volunteer to an employee WWC Check.

To ensure that appropriate and robust practices are followed for the management of sensitive and key cardholder identifiers, information such as a cardholder's name, date of birth and country of birth cannot be changed via the online portal.

Based on a 2014 Regulatory Change Measurement analysis, commissioned by DJR, the benefits gained from migrating WWC Check services to online include:

- back-office application processing is more efficient and faster
- red tape savings of approximately \$2.2 million per year:
 - cost savings of approximately \$0.8 million per year from labour, printing and form completion costs
 - total travel time and cost savings of approximately \$1.4 million per year for applicants
- reduced time taken to complete a new application online compared to completing a hard copy application—approximately 5.5 minutes
- faster and simpler renewal and volunteer to employee application process with the ability to complete a number of services fully online at a time and place suitable to the applicant.

Going forward and future development

By 30 June 2014 over 1.1 million people had passed the WWC Check and over 1 800 had received a Negative Notice. The WWC Check has made considerable progress in reengineering their business processes, and implementing digital service delivery. The WWC Check unit is currently exploring options to:

- further enhance and simplify the proof of identity verification process
- improve the WWC Check process for employers.

Appendix B.

Digital service delivery checklist

Figure B1 provides a checklist of key considerations for Victorian public sector entities to use when transitioning service transactions to digital service delivery.

Figure B1
Digital service delivery checklist

Key considerations	
1.	Develop a service transaction list that defines: <ul style="list-style-type: none">the types of service transactions and the current delivery channels usedthe total volume of service transactions—by delivery channel where possiblethe total costs attributable to delivering each transaction—by delivery channel where possible.
2.	Identify and prioritise service transactions to transition to digital service delivery . This process should: <ul style="list-style-type: none">focus on high-volume transaction services where digital delivery will benefit a lot of citizens and consumers and will be cost effectiverecognise where there is a need to retain alternative delivery channels to ensure service transactions remain accessible for all citizens and consumers.
3.	Ensure digital service delivery is optimised for all digital devices such as tablets, smartphones and personal computers.
4.	Ensure proof of identity verification processes are secure, take into account legal and privacy requirements, and manage the risk of identity fraud.
5.	Ensure supporting information technology systems are integrated with front-end digital technologies and back-office processes are streamlined to minimise manual processing interventions and enhance end-to-end digital service delivery.
6.	Monitor and report on digital service delivery performance , including: <ul style="list-style-type: none">developing baseline digital service delivery performance targetsimplementing monitoring systems and processes to capture and analyse service transaction performance data on a regular basisimplementing reporting systems and processes to monitor the effectiveness and public usability and utilisation of digital service deliveryutilising performance reporting to make decisions with the aim to:<ul style="list-style-type: none">improve digital service deliveryidentify the need to increase the usability and utilisation of digital service delivery.

Source: Victorian Auditor-General's Office based on the audit fieldwork.

Appendix C.

Audit Act 1994 section 16— submissions and comments

Introduction

In accordance with section 16(3) of the *Audit Act 1994*, a copy of this report, or part of this report, was provided to the Department of Premier & Cabinet, Department of Health & Human Services, Department of Justice & Regulation, Public Transport Victoria, State Revenue Office and VicRoads.

The submissions and comments provided are not subject to audit nor the evidentiary standards required to reach an audit conclusion. Responsibility for the accuracy, fairness and balance of those comments rests solely with the agency head.

Responses were received as follows:

Department of Premier & Cabinet	56
Department of Health & Human Services	58
Department of Justice & Regulation.....	61
Public Transport Victoria	64
State Revenue Office	67
VicRoads	71

RESPONSE provided by the Acting Secretary, Department of Premier & Cabinet



Department of
Premier & Cabinet

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B15/4257

Dear Mr Doyle,

Thank you for the opportunity to consider your proposed report, *Delivering Services to Citizens and Consumers via Devices of Personal Choice (Phase 2)*. As the report highlights, citizens increasingly expect government services to be available online and accessible from the digital device of their choice. Delivering well-designed digital services enables simpler and faster services for citizens, and more efficient government operations.

Thank you for highlighting examples of good practice in your report, together with opportunities to continue improve the delivery of digital service delivery. My department accepts the recommendations you have made and will work with departments and agencies to progress these in 2015-16, together with recommendations from your Phase 1 report.

The 2015-16 Victorian Budget provides \$15 million to commence planning and development of Service Victoria, a project to improve access to government transactional services. Service Victoria will start the process of modernising the delivery of the highest volume government transactions in order to improve the quality and ease of interactions between government and citizens.

My department looks forward to working with departments and agencies to transition more services online to enable efficient, seamless end-to-end digital service delivery and enhance customer experience for the Victorian community.

Yours sincerely

Rebecca Falkingham
Acting Secretary

Your details will be dealt with in accordance with the Public Records Act 1973 and the Privacy and Data Protection Act 2014. Should you have any queries or wish to gain access to your personal information held by this department please contact our Privacy Officer at the above address.



RESPONSE provided by the Acting Secretary, Department of Premier & Cabinet –continued



Department of Premier and Cabinet response to recommendations of Victorian Auditor-General proposed performance audit report: *Delivering Services to Citizens and Consumers via Devices of Personal Choice (Phase 2)*

No.	Recommendation	Response	Timing
4.	That the Department of Premier and Cabinet, through Service Victoria, works with departments and agencies to implement: <ul style="list-style-type: none"> An integrated service delivery model that increases public usability and utilisation of digital service delivery across different digital devices. 	Accept	Service Victoria to undertake planning during 2015-16. Implementation timeframes will be subject to decisions of Government.
1.	That the Department of Premier and Cabinet, through Service Victoria, works with departments and agencies to implement: <ul style="list-style-type: none"> An integrated proof of identity verification process for digital service delivery (including a common identity assurance framework) that is secure, takes into account legal and privacy requirements and manages the risk of identity fraud. 	Accept	Service Victoria to undertake planning during 2015-16. Implementation timeframes will be subject to decisions of Government.

RESPONSE provided by the Acting Secretary, Department of Health & Human Services



Secretary

Department of Health & Human Services



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e3959281

Dr Peter Frost
Acting Victorian Auditor-General
Victorian Auditor-General's Office
Level 24, 35 Collins Street
MELBOURNE VIC 3000

Dear Dr Frost

Thank you for your letter of 8 September 2015, enclosing your proposed performance audit report on *Delivering services to citizens and consumers via devices of personal choice*. I appreciate you providing me with the opportunity to comment.

I accept and welcome your recommendations as a sound basis for building our digital capability. Please find enclosed the actions my department will take to address the report's recommendations.

The department recognises the client experience and efficiency benefits of transitioning to digital service delivery and has made some progress towards this end. For example, the redeveloped housing services website enables a potential housing client to more easily access information about housing options. A number of other digital initiatives are also in development including on-line payment for rent and other housing services and an online housing application.

While face to face transactions will remain our primary service delivery channel given the often complex needs of our clients, I acknowledge that broader thinking is required to prioritise a digital approach to more of our services. The department will develop an overarching digital strategy to drive the planning and implementation of new initiatives.

I thank your staff for their work and the professional manner in which they engaged with my department on this audit.

I look forward to using your report to further improve our digital service delivery performance.

Yours sincerely

Kym Peake
Acting Secretary
Enc

23/9/2015



RESPONSE provided by the Acting Secretary, Department of Health & Human Services – continued

Department of Health and Human Services' response to the recommendations in the proposed report				
No	Recommendation	DHHS action	Proposed start date	Proposed end date
2	Identify and prioritise service transactions to be transitioned to digital service delivery whilst also considering alternative service delivery channels (other than digital)	<p>The department ACCEPTS this recommendation.</p> <p>The department's digital strategy (see response to recommendation seven) will:</p> <ul style="list-style-type: none"> • set baseline digital service delivery targets • establish a process and criteria for identifying and prioritising service transactions to be transitioned to digital service delivery using existing baseline service transaction data • establish systems and processes for monitoring the effectiveness and public usability and utilisation of digital initiatives. <p>Relevant public housing transactions (for example, public housing application and other application forms) will be considered for prioritisation for digital service delivery as a first step to applying the new process and criteria.</p>	Sept-15	Jun-16
3	Enhance the end-to-end digital service delivery by: 3a) resolving any legacy system issues and/or integrating supporting information technology systems with front-end digital technologies	<p>The department ACCEPTS this recommendation.</p> <p>See response to recommendation 2.</p> <p>The department will also work with Services Victoria in its implementation of an integrated proof of identity verification process for digital service delivery.</p>	Sept-15	Dec-17
3	3b) streamline back-office processes to minimise manual processing interventions	<p>The department ACCEPTS this recommendation.</p> <p>See response to recommendation 2.</p> <p>The department will choose and establish an Application Programming Interface (API) gateway capability to create the foundation infrastructure to integrate legacy information technology systems with new front-end digital technologies as they are developed.</p>	Sept-15 Oct-15	Dec-17 Dec-16

RESPONSE provided by the Acting Secretary, Department of Health & Human Services – continued

Department of Health and Human Services' response to the recommendations in the proposed report				
No	Recommendation	DHHS action	Proposed start date	Proposed end date
5	Develop baseline performance data targets for digital service delivery	The department ACCEPTS this recommendation. See response to recommendation 2.	Sept-15	Jun-16
6	Develop digital service delivery performance monitoring and reporting systems and processes	The department ACCEPTS this recommendation. Progress against implementation of the department's digital strategy (see response to recommendation seven) will be reported at each meeting of the department's Digital and Mobile Reference Group. Reporting will include progress status updates on: <ul style="list-style-type: none"> - development of the department's digital strategy - implementation of digital strategy initiatives. A 'digital report card' will be provided bi-annually to the department's business technology and information management governance committee, and published on the department's intranet.	Sept-15	Dec-17
7	Identify and implement strategies, including using existing social media platforms, to promote digital service delivery	The department ACCEPTS this recommendation. The department will develop an overarching digital strategy, which includes the application of social media services, and a digital roadmap to assist in the planning and implementation of new initiatives. The strategy will be developed in consultation with key stakeholders to ensure approaches align with community expectations for new and easier access to the department's services. Implementation governance will be through the department's business technology and information management governance committee, supported by a Digital and Mobile Reference Group.	Sept-15	Dec-17

RESPONSE provided by the Secretary, Department of Justice & Regulation



Department of
Justice & Regulation

Secretary



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Our ref: CD/15/423089

Mr John Doyle
Auditor-General
Victorian Auditor-General's Office
Level 24, 35 Collins Street
MELBOURNE VIC 3000

Dear Mr Doyle

Proposed Report: Delivering Services to Citizens and Consumers via Devices of Personal Choice (Phase 2)

Thank you for your letter of 8 September 2015 enclosing the proposed audit report of *Delivering Services to Citizens and Consumers via Devices of Personal Choice (Phase 2)*, and the invitation to provide a formal response.

The Department of Justice & Regulation (the department) recognises the importance of digital service delivery and that Victorian citizens and consumers expect government services and information to be accessible online.

The department welcomes the findings and recommendations detailed in the report and accepts all recommendations. A proposed action plan for the implementation of these recommendations is provided at Attachment 1.

Completion of the actions addressing the recommendations will be monitored by the department's Audit Tracking Register, which is updated and attested to by Deputy Secretaries of the department and reviewed by the department's Audit and Risk Management Committee, on a quarterly basis.

Thank you for the opportunity to comment on the report.

Yours sincerely

Greg Wilson
Secretary

Encl. Proposed Action Plan - *Delivering Services to Citizens and Consumers via Devices of Personal Choice (Phase 2)*



RESPONSE provided by the Secretary, Department of Justice & Regulation
– continued

Attachment 1

Proposed Action Plan – Delivering Services to Citizens and Consumers via Devices of Personal Choice: Phase 2

Department of Justice & Regulation's response to VAGO recommendations

Recommendation	Proposed Action	Completion Date
<p><u>Recommendation 2</u></p> <p>That the Department of Health and Human Services, Department of Justice and Regulation, Public Transport Victoria, State Revenue Office and VicRoads identify and prioritise which service transactions should be transitioned to digital service delivery while also considering alternative, non-digital service delivery channels.</p>	<p>Accept Recommendation.</p> <p>The department has already migrated high volume transactions online. It will continue to add to its service catalogue to identify and prioritise future digitisation work.</p> <p>The department will also utilise internal business improvement capability to identify those processes, both internal and external, that are suitable for migration to digital channels. Selected processes will be those that represent significant administrative burden and/or have the potential to streamline citizen-facing services.</p>	June 2016
<p><u>Recommendation 3</u></p> <p>That the Department of Health and Human Services, Department of Justice and Regulation, Public Transport Victoria, State Revenue Office and VicRoads enhance the end-to-end digital service delivery by:</p> <ul style="list-style-type: none"> • resolving any legacy system issues and/or integrating supporting information technology systems with front-end digital technologies • streamlining back-office processes to minimise manual processing interventions. 	<p>Accept Recommendation.</p> <p>The department will continue to upgrade its Justice Online Transaction Engine which enables its legacy platforms to transact online.</p> <p>The department will also identify internal processes that involve significant manual intervention and offline processes with a view to streamlining and simplifying them and to use electronic workflows to improve accuracy, timeliness and minimise risk.</p>	June 2016
<p><u>Recommendation 5</u></p> <p>That the Department of Health and Human Services, Department of Justice and Regulation, Public Transport Victoria, State Revenue Office and VicRoads develop baseline performance data targets for digital service delivery.</p>	<p>Accept Recommendation.</p> <p>The department will develop baseline performance data targets for digital service delivery and use the Services Portfolio to capture these.</p>	September 2016

RESPONSE provided by the Secretary, Department of Justice & Regulation
– continued

Recommendation	Proposed Action	Completion Date
<u>Recommendation 6</u> That the Department of Health and Human Services, Department of Justice and Regulation, Public Transport Victoria, State Revenue Office and VicRoads develop digital service delivery performance monitoring and reporting systems and processes.	Accept Recommendation. The department will assess the suitability of current performance monitoring of digital services (building on the activities related to Recommendation 5) and identify improvements when reporting is not fit for purpose.	September 2016
<u>Recommendation 7</u> That the Department of Health and Human Services, Department of Justice and Regulation, Public Transport Victoria, State Revenue Office and VicRoads identify and implement strategies, including using existing social media platforms, to promote digital service delivery.	Accept Recommendation. The department will develop a guide for promoting digital services delivery.	September 2016

TRIM ID: CD/15/410479

RESPONSE provided by the Acting Chief Executive Officer, Public Transport Victoria

VAGO file no:
Our ref: DOC/15/401450

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Dear Mr Doyle

Proposed Performance Audit Report on Delivering Services to Citizens and Customers via Devices of Personal Choice (Phase 2)

Thank you for your letter dated 8 September 2015 and the opportunity to provide comment on the proposed audit report on *Delivering Services to Citizens and Customers via Devices of Personal Choice (Phase 2)*.

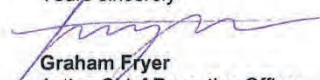
PTV notes your conclusions and accepts all the recommendations. PTV's responses to your recommendations are outlined in Attachment 1.

The report highlights a number of significant points on which PTV would like to provide some further comments.

- > PTV acknowledges the service delivery checklist that has been included in the report and confirms that this will be considered when transitioning service transactions to digital service delivery;
- > PTV's three year digital strategy to ensure it delivers industry-leading and customer-focused information via digital channels is well progressed. As part of that strategy, we confirm that exploration of seamless payments applications is being undertaken. We also note PTV's ongoing commitment to increasing auto top-up as part of this strategy;
- > Although PTV agrees that electronic processing of travel passes should be explored, we are cognisant of privacy implications and concur with the view that proof of identity (POI) verification processing should be supported by existing security policies and agreed identity management policy frameworks;
- > PTV supports the prioritising of service transactions and the integration of supporting technology systems with front-end digital technologies. Like you, we agree that alternative access channels (other than digital) to government transactional service delivery should also be considered to take into account preferences as well as the potential limitations and/or disadvantages some citizens and consumers may have in accessing digital devices. PTV proposes to do this.

Should you require any further information, Gary Johns, Manager, Audit and Assurance (Tel: 03 9027 4606), would be pleased to assist.

Yours sincerely


Graham Fryer
Acting Chief Executive Officer
Public Transport Victoria

21/9/15

RESPONSE provided by the Acting Chief Executive Officer, Public Transport Victoria – continued

ATTACHMENT 1

No.	VAGO Recommendation – That PTV:	PTV's Response
2.	<p>identify and prioritise which service transactions should be transitioned to digital service delivery while also considering alternative, non-digital service delivery channels.</p>	<p><i>PTV accepts the recommendation</i></p> <p>Whilst PTV supports the prioritising of service transactions and integration of supporting technology systems with front-end digital technologies, we are also cognisant of not disadvantaging segments of customers without access to digital devices.</p> <p>Action Date: 30 June 2016</p>
3.	<p>enhance the end-to-end digital service delivery by:</p> <ul style="list-style-type: none"> • resolving any legacy system issues and/or integrating supporting information technology systems with front-end digital technologies • streamlining back-office processes to minimise manual processing interventions. 	<p><i>PTV accepts the recommendation</i></p> <p>As noted above, whilst PTV supports the prioritising of service transactions and integration of supporting technology systems with front-end digital technologies, we are also cognisant of not disadvantaging segments of customers without access to digital devices.</p> <p>Action Date: 30 June 2016</p>
5.	<p>develop baseline performance data targets for digital service delivery.</p>	<p><i>PTV accepts the recommendation</i></p> <p>Although baseline performance data targets for digital service delivery have not been set to-date on the basis that growth has been consistent across all channels, such targets will be developed as part of PTV's overall digital strategy. We note PTV's ongoing commitment to increasing auto top-up as part of this strategy.</p> <p>Action Date: 30 June 2016</p>

RESPONSE provided by the Acting Chief Executive Officer, Public Transport Victoria – continued

6.	develop digital service delivery performance monitoring and reporting systems and processes.	<p><i>PTV accepts the recommendation</i></p> <p>Although the performance of the website and apps are monitored to ensure that agreed thresholds are not breached, digital service delivery performance monitoring and reporting systems and processes will be assessed with a view to providing improved analysis. This will also form part of PTV's overall digital strategy.</p> <p>Action Date: 30 June 2016</p>
7.	identify and implement strategies, including using existing social media platforms, to promote digital service delivery.	<p><i>PTV accepts the recommendation</i></p> <p>Consideration will be given to identifying and implementing strategies, including using existing social media platforms, to promote digital service delivery as part of PTV's overall digital strategy.</p> <p>Action Date: 30 June 2016</p>

RESPONSE provided by the Acting Commissioner of State Revenue, State Revenue Office

16 September 2015

Mr John Doyle
Auditor-General
Victorian Auditor-General's Office
Level 24, 35 Collins Street
Melbourne VIC 3000



Dear Mr Doyle

Delivering services to citizens and consumers via devices of personal choice – Phase 2 - State Revenue Office Response

Thank you for the opportunity to comment on this report. The State Revenue Office (SRO) accepts the reports overall recommendations. A response to each of those relevant to the SRO including proposed actions is attached in appendix 1.

The SRO commenced its digital journey well over a decade ago with the implementation of Payroll Tax Express. Since then a number of other services have been delivered digitally including our Duties on Line system which has successfully transitioned a heavily reliant paper based revenue line into a fully automated one.

The SRO continues to liaise and engage with its large and diverse customer base to understand how best to provide information and services effectively and efficiently, at the times and on devices that best suit our customers. We also understand the mutual benefits that can be realised for both our customers and the SRO with well-designed services provided digitally.

In June of this year we launched our new device responsive website which included customer input throughout the design and development phases. More recently we have developed a comprehensive digital strategy which provides a roadmap and a program of implementable initiatives for the delivery of additional digital services over the next 5 plus years.

Should you require any further information please contact Cameron Aughterson, Executive Director Corporate Services on 9628 0256 or by email cameron.aughterson@sro.vic.gove.au.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Darren Joyce'.

Darren Joyce
Acting Commissioner of State Revenue

RESPONSE provided by the Acting Commissioner of State Revenue, State Revenue Office – continued

Appendix 1 – Management Response and Action Plan

Recommendation	Management response and action plan	Implementation date
<p>1. Identify and prioritise which service transactions should be transitioned to digital service delivery while also considering alternative, non-digital service delivery channels</p>	<p>A comprehensive digital strategy was recently developed which includes 76 recommendations including identifying and prioritising transactions suitable for digital transitions as well as those more suitable to non-digital delivery.</p> <p>This report is now being reviewed by our Strategic Development Division to develop an implementation plan including prioritisation, governance arrangements and funding sources.</p>	<p>31 January 2016 – Implementation plan including funding options</p>
<p>2. Enhance the end-to-end digital service delivery by:</p> <ul style="list-style-type: none"> resolving any legacy system issues and/or integrating supporting information technologies streamlining back-office processes to minimise manual processing interventions 	<p>In addition to the digital strategy the SRO also has a long running Sustainable Revenue Management System program supported by ERSC funding through to 30 June 2019.</p> <p>The primary aim of this program is to sustain our core revenue management systems through to 2020 and beyond through a series of incremental upgrades as opposed to a high risk full systems replacement.</p> <p>There are a number of projects planned for delivery over the next 4 years including taxline specific renovations whose scope will include the streamlining of back end processes, increased automation of routine tasks as well as supporting integration with front end digital technologies.</p> <p>A Land Tax renovation project is currently in flight. This project will streamline and automate a number of back end processes associated with land ownership and usage. It will also include a customer self-service portal to allow customers to better interact and transact with us digitally.</p>	<p>There are a number of projects planned for delivery over the next 4 years with the primary focus on Land Tax renovation over the next 2 years.</p> <p>The first major Land Tax release (NOA matching) is scheduled to be implemented by 30 June 2016.</p>

RESPONSE provided by the Acting Commissioner of State Revenue, State Revenue Office – continued

Recommendation	Management response and action plan	Implementation date
<p>3. Develop baseline performance data targets for digital service delivery</p>	<p>As noted in Section 2.4 of the audit report, the SRO has already developed a Transactions Catalogue which contains some baseline data relevant to digital service delivery.</p> <p>This data includes information on transactional volumes, processing times and costs which is updated regularly.</p> <p>Performance targets will be set during the initiation stages of relevant projects.</p>	<p>Annually – Baseline performance data will be updated by 31 December each year</p>
<p>4. Develop digital service delivery performance monitoring and reporting systems and processes</p>	<p>As recommended in Section 2.4 of the audit report the Transactions Catalogue will be maintained in order to track progress with respect to further improving the digital delivery of the associated services. Also as recommended, the transactions catalogue has been used to inform and prioritise items for implementation in the recently developed Digital Strategy for the SRO. The implementation of this strategy is subject to funding being made available over the next several years.</p> <p>The annual update of the Transaction Catalogue will include analysis comparing prior year's data as well as assessing the impacts of implemented projects and initiatives.</p>	<p>31 December 2015</p>

RESPONSE provided by the Acting Commissioner of State Revenue, State Revenue Office – continued

Recommendation	Management response and action plan	Implementation date
<p>5. Identify and implement strategies, including using existing social media platforms, to promote digital service delivery.</p>	<p>The SRO already has a number of existing strategies to promote digital service delivery. These include social media and digital platforms including YouTube, webinars and the website as well as monitoring social media chatter. It also uses stakeholder and liaison groups, seminars, speaking engagement and subscription lists and more recently SMS messaging to promote its digital services.</p> <p>When launching any new digital services, specific strategies are developed and implemented which would include some or all of the above.</p> <p>As part of the implementation of the digital strategy we will consider and evaluate existing and additional platforms including social media.</p>	<p>Ongoing</p>

RESPONSE provided by the Acting Chief Executive, VicRoads

Dr Peter Frost
Acting Auditor General
Victorian Auditor-General's Office
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Dear Dr Frost,

Proposed Performance Audit Report Delivering Services to Citizens and Consumers via Devices of Personal Choice (Phase 2)

With regard to the report on *Delivering Services to Citizens and Consumers via Devices of Personal Choice (Phase 2)* VicRoads wishes to acknowledge receipt of the report.

We are confident that the facts are correct and that the context has been represented fairly.

Our proposed actions to deliver the recommendations in the report are listed on the table below:

Recommendation	VicRoads action
Identify and prioritise which service transactions should be transitioned to digital service delivery while also considering alternative, non-digital service delivery channels enhance the end-to-end digital service delivery by: <ul style="list-style-type: none"> - resolving any legacy system issues and/or integrating supporting information technology systems with front-end digital technologies - streamlining back-office processes to minimise manual processing interventions 	<p>VicRoads has an existing modernisation program that identifies key transactions to be transitioned to our online platforms.</p> <p>Through this program, VicRoads assesses and prioritises funding to replace/ enhance legacy systems.</p> <p>Back office processes are also considered as part of this program.</p>
Develop baseline performance data targets for digital service delivery.	VicRoads already has baseline performance data targets and will continue to report against these.
Develop digital service delivery performance monitoring and reporting systems and processes.	VicRoads has regular monitoring and reporting of the utilisation of digital service channels and system availability. VicRoads will look to enhance reporting and intelligence around customer experience with digital channels.
Identify and implement strategies, including using existing social media platforms, to promote digital service delivery.	VicRoads has marketing and communication strategies in development to encourage take-up of digital services and will implement and report on these over the next twelve months.

We understand that under the *Audit Act 1994*, we are responsible for protecting the confidentiality and security of this information and any breach may attract a penalty under the *Audit Act 1994*.

Yours sincerely
Peter Todd
Acting Chief Executive, VicRoads

28/09/15



VicRoads ABN 61 760 960 480

PSL 7

Auditor-General's reports

Reports tabled during 2015–16

Report title	Date tabled
Follow up of Collections Management in Cultural Agencies (2015–16:1)	August 2015
Follow up of Managing Major Project (2015–16:2)	August 2015
Follow up of Management of Staff Occupational Health and Safety in Public Schools (2015–16:3)	August 2015
Biosecurity: Livestock (2015–16:4)	August 2015
Applying the High Value High Risk Process to Unsolicited Proposals (2015–16:5)	August 2015
Unconventional Gas: Managing Risks and Impacts (2015–16:6)	August 2015
Regional Growth Fund: Outcomes and Learnings (2015–16:7)	September 2015
Realising the Benefits of Smart Meters (2015–16:8)	September 2015

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