Service Victoria—Digital Delivery of Government Services

Tabled 18 March 2021

VAGO
Victorian Auditor-General's Office

Objective

This audit looked at whether digital delivery of government services has improved customer experience and reduced costs.

What we looked at

We looked at the Department of Premier and Cabinet (DPC) and its administrative office, Service Victoria.

Conclusion

We found that while Service Victoria has improved customer experience through the digital services it delivers, it has not reduced transaction costs as intended.

Service Victoria has delivered a repeatable and scalable digital platform and technology solution. However, with the exception of recent COVID 19 related transactions, Service Victoria has not onboarded the volume or type of services that DPC expected.

State government agencies are not required to use Service Victoria. This has contributed to the low uptake of its services.

DPC and Service Victoria have missed several opportunities to address these issues.

Background

In 2014–15, only 1 per cent of Victorian Government transactions were fully digital. At the time, most transactions were face to face, via phone or mail. These methods are costly to the government and are often not preferred by customers.

Recognising the need for change, DPC developed a business case recommending a new agency to drive reform and digitise transactions. This agency is now known as Service Victoria.

Conclusion

Issue 1: The Digital reform Business case

However, the business case was flawed. It did not explore other options for reform, such as using a market solution to deliver transactions. It also did not include key documentation, such as a funding model or procurement strategy.

The business case also included benefits that were optimistic and based on risky assumptions.

Despite significant changes in the program's scope and benefits, DPC and Service Victoria did not update the business case to account for this.

Issue 2: Delivering benefits

DPC anticipated that Service Victoria would deliver approximately 11 million transactions per year and a net annual financial benefit of $61 million by the end of its third year, 2018.
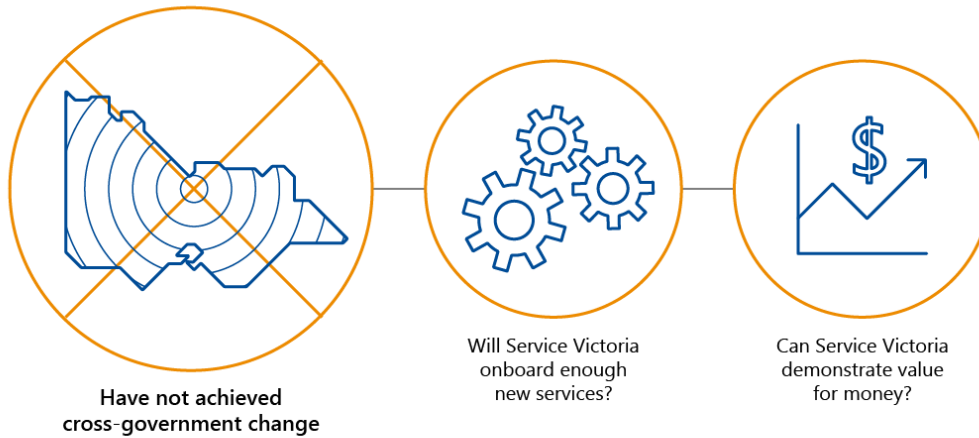
In 2019–20, Service Victoria delivered just over three quarters of a million transactions and achieved $6 million in transactional benefits, which was well short of its target.

However, between 1 July and 31 December 2020, Service Victoria started delivering new COVID-19 related transactions, which has increased its transaction volume. These transactions may only be temporary though.

Issue 2: Delivering benefits

Many state government agencies, including some that use Service Victoria, still run their own digital transactions and systems. This has meant that the Victorian Government has not fully realised the potential benefits from having one centralised platform.

What these issues mean

Have not achieved cross-government change

Will Service Victoria onboard enough new services?

Can Service Victoria demonstrate value for money?

Issue 3: Implementation and oversight

Service Victoria's only public performance indicator is customer satisfaction. It does not publicly report on the volume or cost of the services it delivers.

DPC also does not have a clear picture of how many transactions the government and its agencies deliver, what they cost and if they are digital.

What these issues mean

As a result, Service Victoria and DPC have not yet achieved the cross-government change expected from transaction reform. Service Victoria's achievement of this goal in the long term relies on its ability to onboard new services and demonstrate value for money

Recommendations

We made five recommendations to DPC:

•   four about improving its reporting and guidance on transactional services
•   and one to introduce a stakeholder engagement strategy.

We also made 5 recommendations to Service Victoria:

•   four about improving its transaction baselines and benefits reporting
•   and one about Service Victoria's data collection to enable it to understand agency feedback.