Australian Government
Digital Transformation Agency

Independent GovERP Reuse Assessment

28 June 2024

Digital Transformation Agency

Contents

1. Executive Summary

In 2019, the Australian Public Services' (APS) Secretaries Board agreed to prototype a whole-of-government Enterprise Resource Planning (ERP) template, with the Department of Finance (Finance) leading prototype development. In 2021–22, the project moved to Services Australia. Services Australia was tasked with building and delivering a common corporate technology platform (GovERP) for use by APS entities.

On 28 November 2023, the Finance Minister announced a new ERP approach for the APS that includes GovERP being repurposed for use by Services Australia (as Services Australia ERP), and any entities that choose to use it.[1] The Minister also announced an independent reuse assessment of GovERP to support Commonwealth entities to implement future cost effective ERP uplifts. This report outlines the outcomes of the independent Reuse Assessment.

1.1 Summary of recommendations

This Reuse Assessment has made 5 key observations relating to GovERP's delivery to date, remaining work to complete, reusability and alternate designs or delivery pathways. These are summarised in Table 1 below.

Insights suggest that for the government's investment in GovERP to date:

- GovERP's functional capabilities cannot be reused by entities as they currently stand. It should be noted that for larger entities with complex ERP requirements and substantial in-house functional and technical digital skills, building on existing GovERP capabilities may be desirable to help minimise the effort and financial investment required to develop or update their ERP capabilities

- system integration or user acceptance testing has not yet occurred for any of the functional capabilities identified, and

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[1]   Senator the Hon Katy Gallagher, Media release *A new approach for back-office functions in the Australian Public Service*, 28 November 2023.

- a significant number of business process maps, designs, patterns, and related documentation have been identified that, if made available to other entities, could act as an accelerator for future ERP uplifts.

Against these key observations, the Reuse Assessment has made 5 recommendations for next steps.

Table 1 Summary of recommendations

#	Key observation	Recommendation	Report reference
1	The shifts in GovERP's scope, changes in ownership, and limited stakeholder consistency (as evidenced by multiple changes to the entities identified for initial onboarding) have culminated in a program that has not delivered as originally intended. The volatility, and ambiguity in ownership and accountability, has resulted in an under-delivering project. The need for well-functioning ERP capabilities across government has not abated.	a) As core underpinning capability of all government entities, ERP uplifts need clear ownership and accountability mechanisms established at both the COO Committee and Secretaries Data and Digital Committee (SDDC) levels, to ensure considered uplift sequencing and to promote common approaches with limited customisations. b) To ensure equitable access to market resources across entities, overarching SDDC governance is needed to support successful ERP uplifts and implementation across government.	Section 2.3 GovERP project history
2	GovERP has not achieved the aim of a standardised common transactional corporate service across the APS. 30 functional GovERP capabilities have been developed to date with 18 of these having completed functional testing, but none have progressed beyond functional testing into system integration testing, user acceptance testing or production. The ERP solution in its current form is not suitable to meet whole-of-government or Services Australia's operational requirements. The objective of a standardised, common transactional corporate service will not be achieved by GovERP, even if the remaining work to complete the MVP1.1 is progressed.	Given the objective of a standardised, common transactional corporate service will not be achieved by GovERP, further direct investment in GovERP for whole-of-government use is not recommended.	Section 3.3 Remaining work to complete GovERP
3	Considering the current state of ERP capabilities, Tier 1 reuse opportunities (use of what has already been built) are limited. Building on existing GovERP capabilities with a separate ERP instance (a Tier 2 reuse opportunity) may be desirable for larger entities with complex ERP requirements and substantial in-house functional and technical digital skills. In such a case, GovERP could serve as a potential accelerator as it can help minimise the effort and financial investment required to develop capabilities based on the current build and test status.	Any entity intending to progress ERP upgrades must have a robust business case for investment. The government needs to enforce, via policy, a strong incentive to ensure entities actively consider reuse of existing capabilities, as well as leveraging current arrangements with commercial vendors for licences and hosting costs where applicable.	Section 4.1 Reusability by tier

#	Key observation	Recommendation	Report reference
4	There is strong demand for GovERP's business process maps, designs, patterns and related documentation to be made available for reuse by other government entities (a Tier 3 reuse opportunity). While the Digital Transformation Agency's Australian Government Architecture (AGA) provides a centralised site to make reusable designs available, there may be merit in a secure sharing facility to disseminate sensitive materials that are not suitable for publication on the AGA website.	The Digital Transformation Agency to provide a centralised site to make confirmed reusable designs available, including secure sharing facility to disseminate sensitive materials that are not suitable for publication on the AGA website.	Section 4.1 Reusability by tier
5	GovERP was envisaged as a single, whole-of-government technology hub. Componentisation of each capability for potential reuse is possible but has limited commercial effectiveness. Grouping of like entities may help to achieve economies of scale without the complexity of pursuing a whole-of-government, one-size-fits-all approach. Further, focussing on smaller-scale projects over shorter time limits may help minimise ERP uplift delivery risks. The new ERP Category under the Software Marketplace Panel, coupled with the Department of Finance's work to support a small-entity solution, may help to identify next steps for a collective or group-based approach.	Where possible, future ERP uplifts should group entities of similar complexity and scale (not necessarily aligned to portfolio, organisation, or other corporate service provision arrangements), to help achieve economies of scale and re-use without the challenge of pursuing a whole-of-government approach.	Section 5 Alternate designs or delivery pathways

2. Background

2.1 Assessment terms of reference

To support Commonwealth entities to implement future cost effective ERP uplifts, the independent reuse assessment has focused on:

- leveraging work already completed

- drawing out lessons learned, and

- uncovering opportunities for reuse of Service Australia's ERP to support the new APS ERP approach.

The Assessment's terms of reference, as detailed at **Appendix A**, sought to:

1. Evaluate and understand what has been delivered to date.

2. Evaluate and understand what has been spent to date against what has been delivered.

3. Evaluate and understand the suitability of delivered outputs for reuse across the Commonwealth.

4. Contribute standard designs, patterns, and other related guidance to the Australian Government Architecture.

5. Articulate recommendations and guidance for reuse including information that will support entities to plan future ERP uplifts.

6. Advise on potential costs, risks, and associated benefits, to carry out any remaining work envisaged by Services Australia to complete GovERP.

7. Advise on potential ongoing costs to entities from reusing GovERP, if reuse can be supported.

8. Identify alternative designs and pathways that might provide more cost-effective options for any remaining work.

9. Identify any existing 'readymade' deployment configurations deemed suitable to allow direct onboarding of entities.

2.2　Assessment approach

The Assessment was led by a 4-person independent Panel of Eminent People (the Panel). The Panel brings together a unique set of independent, informed, and different perspectives from across government and the private sector. The Panel has extensive experience in leading complex transformation programs, including ERP systems.

The Panel consists of:

- **Ms Maile Carnegie**. Ms Carnegie is Group Executive Australia Retail, ANZ's largest business, which serves five million retail customers through its network of branches, ATMs, and online and mobile banking applications and digital solutions. Since joining ANZ, Ms Carnegie has developed enterprise-wide digital capabilities within the organisation, including rolling out ERP systems.

- **Ms Catherine D'Elia**. Ms D'Elia is a Deputy Secretary, Corporate Services, in the NSW's Department of Communities and Justice. Ms D'Elia has an excellent track record in leading people-centred, innovative and service-oriented solutions that leverage technology. Ms D'Elia was responsible for delivering an ERP solution across 38 NSW government agencies (consisting of 30,000 employees), which is to be reused by other NSW government portfolios.

- **Mr Chris Cawood**. Mr Cawood is the Chief Information Officer, IXOM. Mr Cawood has over 30 years' leadership and technical experience across heavy industry sectors including manufacturing, oil and gas, and mining and transport. Mr Cawood was heavily involved in a large ERP rollout at BHP.

- **Mr Chris Fechner**. Mr Fechner is the Chief Executive Officer at the Digital Transformation Agency (DTA). In addition to his current role advising the Australian Government on large scale digital and ICT reform and transformation programs, Mr Fechner has extensive experience in delivering large scale state government digital and ICT services, including ERP systems. Mr Fechner is also the Head of the Digital Profession.

Biographies of members of the Panel of Eminent People are at **Appendix B**.

The Assessment was supported by a DTA Secretariat.

The Panel was informed by:

- a technical assessment of potential reuse opportunities undertaken by ERP specialists, Reason Group Pty Ltd (at **Appendix C**). A draft of this technical assessment was

shared with key stakeholders (Services Australia, Finance, and the Attorney-General's Department (AGD)) for fact-checking purposes

- input from an ERP Consultative Committee (comprised of senior APS and ACT government executives) and its supporting working group

- key themes drawn from a series of 13 interviews the DTA Secretariat held with ERP Consultative Committee members (as ERP experts from across the APS and ACT government), and

- analysis undertaken by the DTA.

Entities represented in the Assessment's interviews, ERP Consultative Committee, and working group are specified at **Appendix D**.

The Assessment was also informed by additional consultation activities undertaken by the DTA Secretariat (and, where relevant, supporting technical experts from Reason Group Pty Ltd) as follows:

- four-day discovery workshops with Services Australia

- engagement with senior executives from Services Australia, Finance, AGD, and Defence

- meetings with select vendors and industry participants, SAP and 8Common, and

- collection and review of desktop evidence, with scrutiny of over 300 artifacts held by Finance, the DTA, Services Australia and other relevant stakeholders.

Regular updates were also provided to the Digital Leadership Committee, the APS ERP Approach Reference Group, and the DTA's Executive Board. On 20 May 2024, the DTA Chief Executive Officer shared preliminary findings and insights of the Assessment with of the Services Australia Chief Executive Officer (at **Appendix E**).

A draft of this report was shared with Services Australia and Finance stakeholders for fact-checking and comment on 6 June 2024. In addition, the draft report was shared with the Finance Minister's office. Key observations and draft recommendations were also tested with the Assessment's working group.

2.3   GovERP project history

The Shared Services Program, led by Finance, commenced in 2014 with approval from the Secretaries Board. In 2019 the Secretaries Board agreed that Finance prototype GovERP, the enabling technology for the program.

- The GovERP Program aimed to consolidate and standardise common transactional corporate APS processes and services aiming for cost-effectiveness, scalability, and advancing the one-APS vision, all while enhancing Australia's digital capability.

- The platform was to replace a wide range of disparate systems across government (including the ERP systems then in use by shared services hubs at Finance, the Department of Foreign Affairs and Trade, the Department of Home Affairs, Services Australia, and the Department of Industry, Science and Resources) with a single across-government platform.

On 14 September 2020, the Shared Services Steering Committee defined a suite of functional (and other) capabilities as the minimum necessary for a whole-of-government GovERP model. These 54 functional capabilities were grouped by 'value streams', notably: human resources (Hire to Retire), procurement (Procurement to Pay), financial (Budget to Report and Revenue to Bank), as well as travel and expense management. These are outlined at **Appendix F**.

2.3.1   GovERP in Services Australia

In July 2021, the GovERP Program moved to Services Australia. Services Australia's GovERP program was intended to comprise a SAP based core[2] with a series of software solutions able to be added to provide specific functionality.

The previously defined suite of 54 functional capabilities, considered to be the minimum necessary for a whole-of-government GovERP model, was revised in consultation between Services Australia and its nominated client for initial onboarding (AGD). This revised minimum viable product (MVP), also outlined at **Appendix F**, reflected a more targeted suite of 39 ERP functional capabilities.

For the purposes of this report, references to MVP1.0 reflect the original Shared Services Steering Committee-defined scope of 54 functional capabilities for whole-of-government purposes, and MVP1.1 refers to the revised scope of 39 functional capabilities intended for initial onboarding of AGD.

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[2]   That is, GovERP was premised on use of SAP as the fundamental technology building block for the program. The program then envisaged an additional series of software solutions to extended this basic or core functionality, if needed.

2.3.2 New APS ERP approach

In November 2023, the Minister for Finance announced the scaling back of the broader GovERP program, concurrently introducing an updated program titled "A new approach for back-office functions in the Australian Public Service."[3]

The new APS ERP approach replaces the Shared Services Transformation Program and sets the strategic direction for how the APS will manage its ERP corporate systems, underpinned by the principles of choice, market competition, and affordability.

The new APS ERP approach reflects a move away from highly aggregated demand for shared services (premised on a whole-of-government ERP system) to more distributed models with some areas to be a hub or provider, but in most cases letting entities directly use ERP capabilities themselves.

On 5 January 2024, AGD advised it no longer intended to proceed with onboarding to GovERP.[4]

In February 2024, the related GovERP governance committees were dissolved.[5] GovERP was also renamed to SA ERP to reflect the APS ERP approach no longer pursuing a whole-of-government build. It was intended that GovERP designs be repurposed for use by Services Australia, and any entities who choose to use it, pending the outcomes of this reusability assessment.[6] In subsequent correspondence of 26 April 2024, the Hon Bill Shorten MP advised, *Services Australia has refocussed efforts to determine the functional requirements of the ERP solution for Services Australia"…and "[t]he remaining [GovERP] budget [of $21.8m] will be used to continue sustainment of the current ERP solution"*[7]

The Panel recognises that multiple APS entities will likely be coming forward soon for ERP uplifts as the need for well-functioning ERP capabilities across government has not abated. These uplifts reflect core underpinning capability of all government entities. As such, formal cross-APS governance structures are needed to ensure common approaches and limit customisations as much as possible.

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[3]   Senator the Hon Katy Gallagher, Media release *A new approach for back-office functions in the Australian Public Service*, 28 November 2023.
[4]   Services Australia, *January 2024 DTA Approved Programs Collection (Wave 24) Project Collection Survey Form*, January 2024
[5]   Services Australia Chief Information and Digital Officer, email *Dissolution of GovERP Programme Board*, 5 February 2024
[6]   Senator the Hon Katy Gallagher, Media release *A new approach for back-office functions in the Australian Public Service*, 28 November 2023.
[7]   See **Appendix E**, letter from Minister of Government Services to Minister for Finance, 26 April 2024.

Guidance from senior executives, such as Secretaries Data and Digital Committee (SDDC), is particularly important in anticipation of removal of the government's existing investment moratorium on ERPs.

Eminent Panel Member Insight
Experience from the heavy industry sectors suggests ERP implementation requires a sustained commitment and continuity from the top, as they are hard to execute and stay the course through the ups and downs of what is usually a complex project.

Mr Chris Cawood – 13 May 2024

Figure 1 GovERP timeline[8]
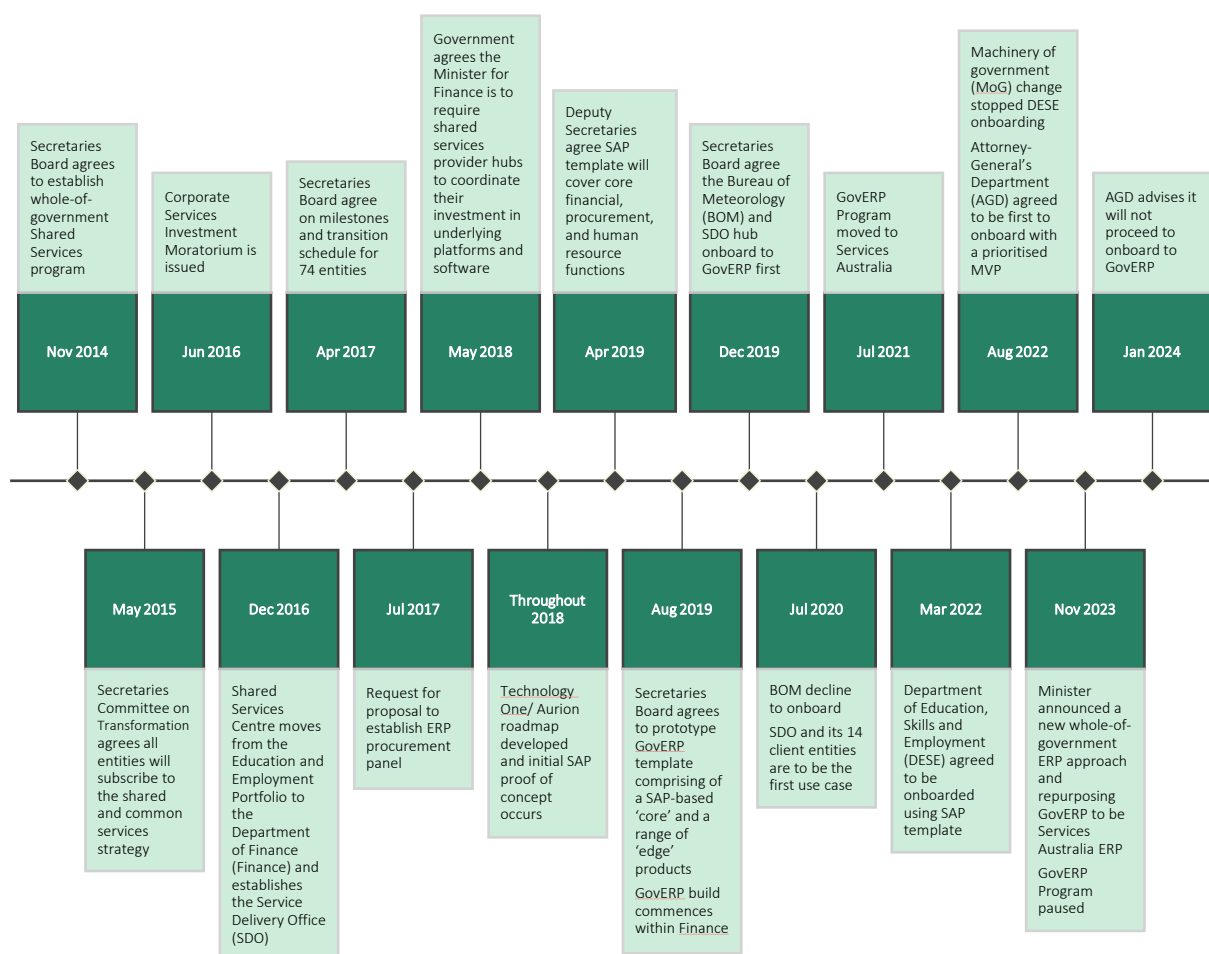
The above figure describes the timeline of GovERP at a high level from November 2014 to January 2024.

Key observation 1:

The shifts in GovERP's scope, changes in ownership, and limited stakeholder consistency (as evidenced by multiple changes to the entities identified for initial onboarding) have culminated in a program that has not delivered as originally intended.

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8   **Appendix C**, Reason Group technical assessment report

The volatility, and ambiguity in ownership and accountability, has resulted in an under-delivering project. The need for well-functioning ERP capabilities across government has not abated.

Recommendation 1:

a) As core underpinning capability of all government entities, ERP uplifts need clear ownership and accountability mechanisms established at both the COO Committee and Secretaries Data and Digital Committee (SDDC) levels, to ensure considered uplift sequencing and to promote common approaches with limited customisations.

b) To ensure equitable access to market resources across entities, overarching SDDC governance is needed to support successful ERP uplifts and implementation across government.

3. Delivery and expenditure

3.1 Expenditure to date

The Assessment has identified investments of $340.6 million since 2019-20 in development and transition to GovERP as outlined in Table 2.

Table 2 GovERP investment[9]

Source	Entity	Purpose	2019-20 $ m	2020-21 $ m	2021-22 $ m	2022-23 $ m	Total $m
2021-22 Budget (May 2021) [10]	Services Australia	To: [11] • **Build GovERP technology platform** • On-board entities to GovERP • Transition the SDO Provider Hubs • Program management			126.4	119.7	Services Australia total $246.1
	Department of Industry, Science Energy and Resources (DISER)	**Business case development** to develop Second-Pass Business Cases for further adoption of GovERP			2.0		DISER total $2.0

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[9]   Department of Finance, Additional Information Factsheet *Shared Services Overview (incl GovERP)*, 15 May 2024.

[10]   Not all of the figures presented in this table are readily identifiable in historical budget papers. Given the commercial sensitivities at the time, GovERP-related payment measures in the 2021-22 Budget (for example) were listed as "nfp" (not for publication) – refer 2021-22 Budget Paper 2, page 77.

[11]   This consisted of:
- **Build GovERP technology platform:** lead the design, build and operation of the SAP GovERP platform (including the SAP template and the technology hub) – $159.7 million over 2 years
- **On-board entities to GovERP:** on-board 14 of the Service Delivery Office's (SDO) client entities onto the GovERP platform, including roll out of the GovERP solution, cut over to business-as-usual and close-out issues to sustain – $20.3 million over 2 years
- **Transition the SDO Provider Hubs:** lead the SDO Provider Hub uplift, including build of the GovERP instance and onboarding cut-over activities – $11.1 million over 2 years
- **Program management:** lead whole-of-government program arrangements in line with client capability needs, including design and oversight functions – $55 million over 2 years.

Source	Entity	Purpose	2019-20 $ m	2020-21 $ m	2021-22 $ m	2022-23 $ m	Total $m
	Australian Taxation Office (ATO)	and the design of suitable standardised technologies for small and medium entities			3.3		ATO total $3.3
	Department of Finance				2.5		Department of Finance total $89.2
	Department of Finance	**Onboarding readiness and legacy systems** assist the SDO client entities to prepare for the transition to the GovERP platform, including the integration and decommission of legacy systems that result from onboarding to GovERP			19.6		
2020-21 Budget (October 2020)	Department of Finance	**To develop the GovERP model and Whole-of-government Business Case**		35.6			
Modernisation Fund (August 2019)	Department of Finance	**To progress a GovERP prototype**	31.5				
Total							$340.6

The table above describes the chronology of shared services including GovERP and financial investment.

Services Australia has advised that, of the $246.1 million allocated as its budget for GovERP, $198.15 million had been spent as of 31 December 2023.[12] The Minister for Government Services has subsequently advised[13] that the remaining budget will be used to continue sustainment of the current ERP solution, including ongoing licensing and hosting costs of the platform, see **Appendix D**.

3.2   Delivery to date

The Panel understand that 30 capabilities (out of 39 functional capabilities of the MVP 1.1) have been developed to date, with a subset of 18 of these capabilities having completed functional testing.

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[12] Services Australia, *January 2024 DTA Approved Programs Collection (Wave 24) Project Collection Survey Form*, January 2024
[13] The Hon Bill Shorten MP, letter to Senator the Hon Katy Gallagher *MS24-000015*, 26 April 2024

Development and functional testing have primarily focused on:

- human capability management-related capabilities (hire to retire), with 9 capabilities having completed functional testing to date;

- financial management-related capabilities (budget to report), with 8 capabilities having functional completed testing; and

- procurement-related capabilities (procure to pay), with one capability having completed functional testing.

The Panel could not confirm through evidence that travel and expense management-related capabilities completed GovERP functional testing. However, a key vendor (8common) has advised that all build elements for the travel and expense management tool (Expense8)[14] have been completed and functionally tested, albeit not explicitly integrated as part of the MVP 1.1 GovERP solution.

Figure 2 GovERP delivery to date (against MVP1.1)[15]

Figure 2 identifies 5 functional capabilities of GovERP MVP1.1, Hire to Retire, Budget to Report, Revenue to Bank, Procure to Pay, and Travel Expense.

Components built-to-date were prioritised around the functionality required to onboard AGD (i.e. MVP1.1). There are some positive foundational features, however, existing capabilities

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[14] Expense8 is a Software-as-a-Service (Saas), cloud-based travel and expense management solution. It has been operational in the Australian Government since 2011.
[15] DTA analysis based on **Appendix C**, Reason Group technical assessment report.

are not sufficiently developed to address the MVP1.0 capabilities necessary for broader use across government.

3.3   Remaining work

As part of its terms of reference, the Panel was asked to advise on any remaining work envisaged to complete GOVERP. The Panel understands the following functional capabilities have not yet been developed and would require progression to complete the MVP1.1 (refer **Appendix F**):

1. Budget to Report – 2 capabilities (18 per cent of 11 functional capabilities envisaged for this value stream under MPV1.1): Commonwealth Reporting, and Lease Accounting

2. Hire to Retire – 1 capability (8 per cent of 13 MPV1.1 functional capabilities): Employee Management

3. Procure to Pay[16] – 4 capabilities (44 per cent of 9 MPV1.1 functional capabilities): Accounts Payable, Report Procurement Activities, E-procurement, and Whole-of-government Purchasing

4. Travel and Expense[17] – 2 capabilities (50 per cent of 4 MPV1.1 functional capabilities): Credit Card Management and Travel Management.

The Panel notes that, while functional testing has been completed for some capabilities, no system integration testing[18] or user acceptance testing[19] appears to have occurred as part of activities to date. Such testing is critical to completion of trusted and operational ERP. Services Australia has stated:[20]

- *SIT* [system integration testing] *and UAT* [user acceptance testing] *were planned prior to the implementation of Attorney-General's Department (AGD) and were scheduled. SIT was to commence November 2023 and UAT early 2024*

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[16]   The Panel notes GovERP has not integrated with existing whole-of-government solutions such as ARC (the whole-of-government AusTender publishing integration tool), and Peppol (the whole-of-government e-invoicing solution). ARC and Peppol are already built and operational across a range of entities.

[17]   The vendor, 8common, advised all build elements were completed and tested, however, these were not integrated by Services Australia as part of the GovERP solution. See Table 4 of **Appendix C:** Reason Group technical assessment report.

[18]   System integration testing (SIT) is software testing that evaluates how individual components work together within a larger system.

[19]   User acceptance testing (UAT) is where end user tests systems to ensure the application or processes are fit-for purpose.

[20]   Services Australia, *Services Australia feedback – Review of Independent Reuse Assessment*, email to DTA CEO, 21 June 2024

- [System integration testing and user acceptance testing may] *have been completed if the programme was not ceased mid-flight.*

3.3.1   Potential costs, risks, and benefits of remaining work

The Panel is mindful that progressing development of the capabilities identified in Section 3.3 for AGD's deployment (i.e. MVP1.1) may not be sufficient to complete GovERP.

In correspondence of 26 April 2024, the Hon Bill Shorten MP advised, "*The development of the current ERP solution had primarily focussed on meeting the Attorney-General's Department's requirements, which in its current form are not suitable to meet the expansive operational requirements of Services Australia.*"[21]

Considering Minister Shorten's advice that the current ERP solution is not suitable to meeting Services Australia's requirements, the Panel notes the 18 functional capabilities completed to date falls short of both the MVP1.1 (of 39 functional capabilities) and the MVP1.0 for whole-of-government purposes (54 functional capabilities). In this context, the objective of a standardised, common transactional corporate service will not be achieved by GovERP, even if it is further developed to carry out the remaining work to complete the MVP1.1.

Additionally, the underlying technical stack is no-longer current for GovERP's financial and procurement-related capabilities, with a version change released in 2023. Updating to more current versions is necessary to ensure appropriate functionality, reduce ongoing out year maintenance, and to remain on the upgrade path.

Eminent Panel Member Insight
Fully managed ERP services across the Commonwealth do not have a good record of performance. Generally, over the previous decade, only minimum support upgrades have been applied, and versions of SAP across the Commonwealth are at elevated levels of risk due to falling behind in the currency of the software.

Mr Chris Fechner, 16 May 2024

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[21]   See **Appendix E**, letter from Minister of Government Services to Minister for Finance, 26 April 2024.

Key observation 2:

GovERP has not achieved the aim of a standardised common transactional corporate service across the APS. 30 functional GovERP capabilities have been developed to date with 18 of these having completed functional testing, but none have progressed beyond functional testing, system integration testing, user acceptance testing or into production.

The ERP solution in its current form is not suitable to meet whole-of-government or Services Australia's operational requirements. The objective of a standardised, common transactional corporate service will not be achieved by GovERP, even if the remaining work to complete the MVP1.1 is progressed.

Recommendation 2:

Given the objective of a standardised, common transactional corporate service will not be achieved by GovERP, further direct investment in GovERP for whole-of-government use is not recommended.

The above recommendation aligns with the new APS approach to shared services that is premised on principles of choice, market competition and affordability rather than focussing directly on GovERP.

4. Reuse assessment

4.1 Reusability by tier

The government's Digital and ICT Reuse Policy[22] is underpinned by three high-level requirements:

- Reuse whenever possible – your proposed investments must plan for and make use of any opportunities to reuse existing services or tools within your agency and across government

- Design and build for reuse – if your proposed investment cannot reuse an existing digital or ICT solution, you must ensure that the service you build, can be reused by other agencies

- Enable reuse by others – you must ensure anything you create is shared for others to reuse unless there's a good reason not to.

For the purposes of this Assessment, the concept of reuse has been applied broadly to capture as many reuse opportunities as possible. This includes consideration of opportunities to utilise existing technologies that have been built, all the way through to consideration of opportunities to leverage existing processes or patterns. As such, GovERP's technical reusability has been considered across three tiers.

1. Tier 1 use of what has already been built

2. Tier 2 building on something that exists, and

3. Tier 3 items for a whole-of-government repository.

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[22] Australian Government, *Digital and ICT Reuse Policy*, available at https://architecture.digital.gov.au/digital-and-ict-reuse-policy

Figure 3 Reuse hierarchy
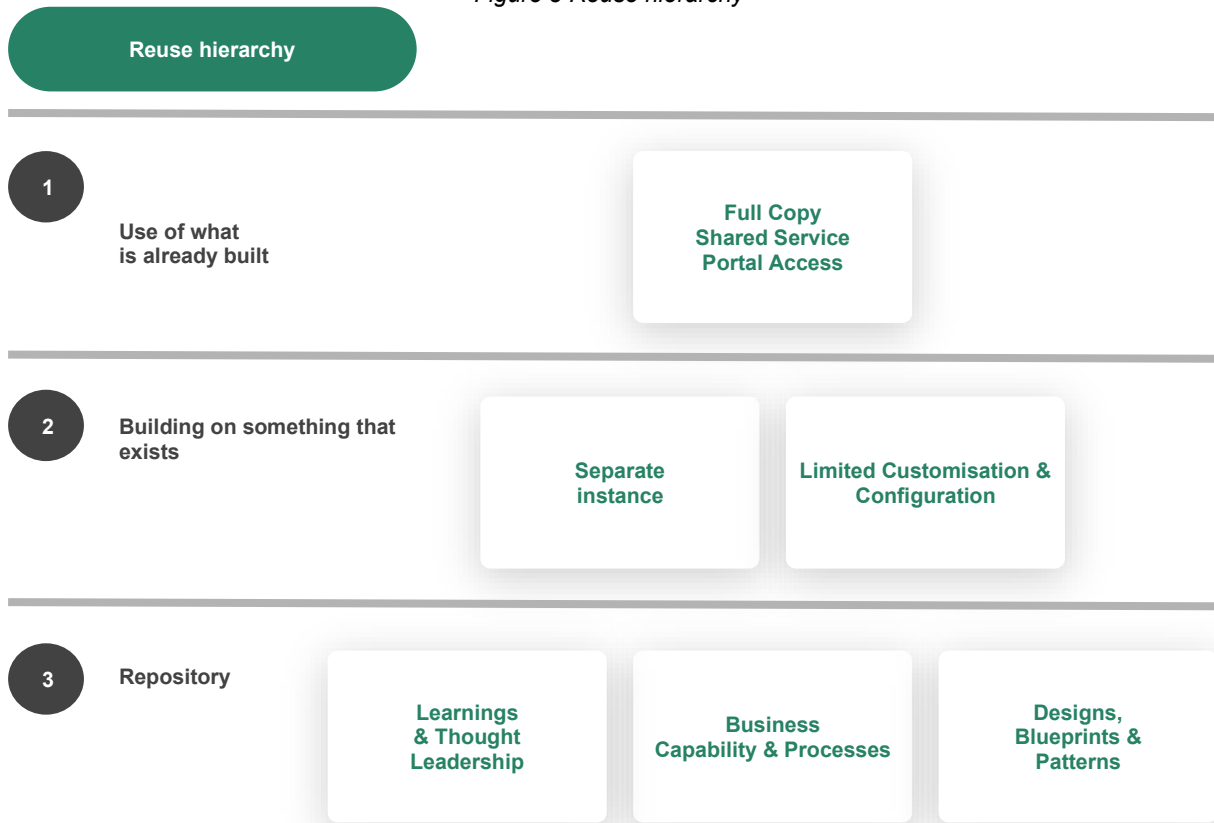
Figure 3 Reuse hierarchy. Use of what is already built (full copy, shared service, portal access). Building on something that exists (separate instance, limited customisation & configuration). Repository (learnings & thought leadership, business capability & processes, designs, blueprints & patterns).

4.1.1   Tier 1 reuse opportunities

Considering the current state of ERP capabilities, as outlined in section 3.2, APS entities have expressed hesitation regarding Tier 1 reuse.[23]

Eminent Panel Member Insight
One of the greatest hurdles in the delivery of the ERP system in NSW has been changing mindsets to overcome past negative experiences of poor project delivery or outcomes that do not sufficiently meet users' needs. Even where there are entities willing to invest to adapt and reuse the system, broader ongoing adoption can see resistance from users unless these negative perceptions are addressed.

Ms Catherine D'Elia, 12 May 2024

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[23]   Consultative Committee Bilateral Engagement notes, ATO, 17 May 2024

4.1.2　Tier 2 reuse opportunities

The Panel considers there is greater potential for Tier 2 or Tier 3 reusability. Building on existing GovERP capabilities with a separate ERP instance may be desirable for larger entities grappling with complex ERP requirements and integrations, particularly where those agencies have substantial in-house functional and technical skills in their digital and ICT workforces (such as Services Australia). In such a case, GovERP could serve as a potential accelerator.

- The GovERP build to date had 167 customisations to workflows, reports, interfaces, conversions, enhancements, or forms (WRICEFs). Given the size of the GovERP program, development beyond standard configuration and customisation to meet the needs of government is to be expected.

- That said, the Panel considers that larger, highly skilled entities with complex ERP requirements are best placed to make use of, and maintain, the existing GovERP capabilities and their related customisations.

Most notable from the Assessment's engagements with the Consultative Committee, is the Department of Health and Aged Care stakeholders' interest in leveraging GovERP's reusable architectural patterns/architectural documents and architectural decisions. The Department of Health and Aged Care's currently proposed approach to its own ERP upgrade is to reuse GovERP's capabilities wherever they are assessed as being fit for purpose.

The cost of reusing GovERP capabilities to support ERP delivery in smaller entities with less complex requirements may be a challenge, particularly given the need for strong in-house functional and technical skills to support delivery and operations. Ensuring that any commercial arrangements already in place are leveraged to their full effect (where applicable) may help offset ERP delivery and operating costs.

An entity intending to reuse any aspect of the GovERP product as an accelerator must assess the effort and financial investment required to develop capabilities based on the current build and test status. The Panel heard that any potential opportunity to save effort in implementing a process would have to be balanced against the effort to modify an existing entity's business process to fit the GovERP implementation (or added effort to modify).[24]

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[24]　Ibid.

The following decision-making principles may provide a useful basis for entities considering Tier 2 reuse opportunities:

1. first preference is to consider other SaaS or out-of-the-box solutions (SAP or alternatives)

2. if not appropriate, then build on existing GovERP capabilities, and leverage any commercial arrangements already in place, or

3. if SaaS or out-of-the-box solutions or building on existing GovERP capabilities are not appropriate, customised configuration will only be considered where assessed as necessary.

The Panel notes any on-premises specific solutions will likely have limited reusability.

Eminent Panel Member Insight
Private cloud or on-premises, self-managed, and highly customised ERP implementations were the dominant pattern for large enterprises in the previous decade. Contemporary ERP providers are increasingly progressing to cloud-based Software as a Service (SaaS) models. Over time, there may be opportunity costs associated with GovERP's private-cloud implementation as entities may not get access to features and services related to cloud/SaaS-only technology advancements.

Mr Chris Fechner, 16 May 2024

4.1.3   Tier 3 reuse opportunities

There is strong demand from government entities for GovERP's existing business process maps, designs, patterns, and related documentation to be made available for reuse by other entities (a Tier 3 reuse opportunity). Reason Group's technical analysis indicates that all existing process mapping work should be reuseable by many entities with some basic validation. Most of the work in Signavio™ [25] should be a quick pick-up for many government entities to implement future cost effective GOVERP uplifts. Entities such as the Department of Infrastructure, Department of Health and Aged Care, Australian Taxation Office, AGD and the Department of Foreign Affairs and Trade have raised interest in accessing GovERP's different artifacts, designs, architecture, and Infosec Register Assessors Program (IRAP) Assessments as Tier 3 reuse opportunities.

The DTA's Digital Marketplace provides a response to concerns from some stakeholders regarding APS wide management of larger commercial agreements and licensing arrangements. The DTA's Australian Government Architecture (AGA) provides an existing

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[25] Signavio™ is a web-based modelling tool for creating, managing, and optimising business process maps.

centralised site for this purpose, as well as providing centralised access to reusable products. Preliminary proposed contributions to the AGA identified though this Assessment include a significant number of reusable business process maps, designs, patterns, and related documentation. There may also be merit in a secure sharing facility, internal to government, to disseminate sensitive GovERP materials that are not suitable for publication on the AGA website. Care will need to be taken to ensure the integrity of original documentation versus subsequent entity-specific modifications and customisations.

Key observation 3:

Considering the current state of ERP capabilities, Tier 1 reuse opportunities (use of what has already been built) are limited.

Building on existing GovERP capabilities with a separate ERP instance (a Tier 2 reuse opportunity) may be desirable for larger entities with complex ERP requirements and substantial in-house functional and technical digital skills. In such a case, GovERP could serve as a potential accelerator as it can help minimise the effort and financial investment required to develop capabilities based on the current build and test status.

Recommendation 3:

Any entity intending to progress ERP upgrades must have a robust business case for investment. The government needs to enforce, via policy, a strong incentive to ensure entities actively consider reuse of existing capabilities, as well as leveraging current arrangements with commercial vendors for subscription, licences, and hosting costs where applicable.

Key observation 4:

There is strong demand for GovERP's business process maps, designs, patterns, and related documentation to be made available for reuse by other government entities (a Tier 3 reuse opportunity). While the Digital Transformation Agency's Australian Government Architecture (AGA) provides a centralised site to make reusable designs available, there may be merit in a secure sharing facility to disseminate sensitive materials that are not suitable for publication on the AGA website.

Recommendation 4:

The Digital Transformation Agency to provide a centralised site to make confirmed reusable designs available, including secure sharing facility to disseminate sensitive materials that are not suitable for publication on the AGA website.

4.1.4　Other reuse opportunities

Table 3 outlines an assessment of possible reusability, by tier and by value stream.

Table 3 Value stream and/or technology reusability summary

Value stream	Technology	Tier 1	Tier 2	Tier 3
Finance, including Revenue to Bank (R2B) and Budget to Report (B2R)	SAP S/4 HANA	✖	✔	✔
Hire to Retire (H2R)	SAP Success Factors	✖	✔	✔
Procure-to-pay (P2P)	SAP S/4 HANA	✖	✖	✔
Travel and expense management (TEMS)	Expense8	✔[26]	✖	✔

Many of the ancillary components necessary in delivering an ERP (such as platforms, gateway services, reporting, and application interfaces (APIs)) have been well defined and, to some capacity, built. These ancillary components represent an additional potential reuse opportunity beyond GovERP capabilities themselves. Where they are incomplete, ancillary components could be built out to a standard that allows for them to be incorporated into other ERP implementations. If this progresses, care should be taken to minimise the technical complexity of ERP-supporting capabilities.

4.2　Potential ongoing reuse costs to entities

As the current state of GovERP diverges significantly from its initial whole-of-government vision, entities will likely need to invest additional resources to customise and configure the

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[26]　While the development and testing of TEMS is not completed, this relates to the integration of Expense8 to S/4 HANA. In isolation, Expense8 is reusable and has been integrated into several other technologies, including SAP ECC6 and TechnologyOne.

templates to some degree to ensure they are fit for purpose (while adhering to the data standards currently built into the GovERP solution).

In this context, even if capitalising on the reuse opportunities identified in Chapter 4, the resources required to cater to the diverse complexities and requirements of different entities across the APS appears to be prohibitive for many entities, particularly if each entity was to pursue its own uplift. The Panel notes that while there are many opportunities to re-use components, licences, environments, and documentation from GovERP, only large and complex entities with sufficient capability could implement one or more instances of GovERP as proposed, and have it represented as reasonable value for money.

In an individual entity-based ERP scenario, the ongoing maintenance costs are also likely to have a substantial impost posing an increasing challenge in an environment with scarce financial resources and available skills. For example, any bespoke customisations or WRICEFs would need to be maintained in a re-use scenario, with an associated resourcing impact. Of the 167 WRICEFs potentially applicable to whole-of-government needs, 58 (35 per cent) are considered medium-high effort to maintain.

The Panel also considers there needs to more challenge against entity-specific customisations seeing to address "complex" requirements. Instead, the Panel considers that a greater focus on adoption of SaaS / "out of the box" capabilities, and avoiding designing in legacy process, could help to reduced costs.

With no single value stream completely built or viable for adoption as-is, clarity is required regarding what work arounds would be needed for any reuse opportunities.

Eminent Panel Member Insight
From a banking industry perspective, previous experience suggests reuse is most successful where "out of the box" capabilities have been adopted, rather than having to customise and adapt to legacy processes and such processes related complexity.
Ms Maile Carnegie – 11 May 2024

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5. Alternate designs or delivery pathways

Noting the new APS ERP approach is underpinned by the principles of choice, market competition, and affordability, the Panel recognises the cost of ERP upgrades (as a core underpinning capability of all government entities) can be prohibitive for some entities.

As a mechanism for reducing ERP development and maintenance costs, alternate designs and pathways could include:

- Componentisation of ERP capabilities.
  - o While the GovERP solution was not originally conceived with componentisation in mind, there was consideration given to implementing an iterative go-live approach, indicating that some level of modularisation may be feasible.
  - o In considering a modular approach to ERP delivery, the Panel considers maintaining a clean or common core solution across entities would help maximise ERP uplift success. This approach still provides opportunities for greater complexity and entity-specific customisation as solution add-ons at the ERP edge (i.e. the development of unique or customised requirements using integration techniques that leave the ERP itself unmodified.)
  - o The Panel notes substantial work needs to be completed to achieve true modularisation, such as establishing commercial agreements, hosting solutions, completing components, and adhering to data standards. As such, while treating each capability as a separate reusable component is possible, the cost-effectiveness of this has not been confirmed.
- Considering the sequencing of ERP uplifts to focus on like-entities.
  - o Given the scarcity of resources available for ERP uplifts, there is still merit in pursuing economies of scale from grouping ERP services. Rather than pursuing a whole-of-government, one-size-fits-all approach (or conversely if the divergent requirements of the different agencies make instances for each entity critical), the Panel considers the grouping of entity cohorts with like needs warrants consideration and support.

- o This grouping could be pursued based on portfolio, entity size, purpose, ERP needs, or other similar characteristics.

- o The Department of Finance's work to support a small-entity solution, may help to identify next steps for a collective or group-based approach.

- Considering the scope and scale of ERP uplift projects to focus on smaller initiatives with lower delivery risks and faster onboarding.

  - o DTA analysis through its Assurance Framework[27] highlights that larger-scale, higher complexity digital and ICT projects present a heightened delivery risk. Scoping ERP uplift projects into smaller staged initiatives delivered over shorter timeframes may help to reduce the risk of large-scale digital failures.

Key observation 5:

GovERP was envisaged as a single, whole-of-government technology hub. Componentisation of each capability for potential reuse is possible but has limited commercial effectiveness. Grouping of like entities may help to achieve economies of scale without the complexity of pursuing a whole-of-government, one-size-fits-all approach. Further, focussing on smaller-scale projects over shorter timeframes may help minimise ERP uplift delivery risks.

The new ERP Category under the Software Marketplace Panel, coupled with the Department of Finance's work to support a small-entity solution, may help to identify next steps for a collective or group-based approach.

Recommendation 5:

Where possible, future ERP uplifts should group entities of similar complexity and scale (not necessarily aligned to portfolio, organisation or other corporate service provision arrangements), to help achieve economies of scale without the challenge of pursuing a whole-of-government approach.

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[27] The DTA is currently tracking 103 in-flight projects across 35 agencies. Of the 13 digital and ICT projects escalated for Ministerial attention over the period August – October 2023, nine were large-scale, flagship investments that represented some 43.1 per cent of the total value of all in-flight digital investments.

Appendix A: Terms of reference

Context

New APS ERP approach

On 28 November 2023, the Finance Minister, Senator the Hon Katy Gallagher, announced the new Enterprise Resource Planning (ERP) approach for the Australian Public Service (APS) that replaces the Shared Services Transformation Program. This new approach sets the strategic direction for APS ERP system management, which is underpinned by the principles of choice, market competition, and affordability. As part of the announcement, an independent assessment (the Assessment) will evaluate the suitability of Services Australia ERP (GovERP) use by Services Australia, and reuse by Commonwealth entities to support Commonwealth entities to implement future cost-effective ERP uplifts.

Independent Reuse Assessment

The Assessment will be led by an independent eminent person(s), with support from a Secretariat with expertise drawn from the DTA, and experts from across the APS and the private sector, to evaluate work undertaken to date to deliver GOVERP.

Term

The Assessment will be completed by **30 June 2024**.

Objectives

The Assessment will focus on the following areas to leverage work already completed, draw out lessons learned, and uncover opportunities for reuse of GOVERP to support the new APS ERP approach. The objectives of the Assessment are to:

1. Evaluate and understand what has been delivered to date.

2. Evaluate and understand what has been spent to date against what has been delivered.

3. Evaluate and understand the suitability of delivered outputs for reuse across the Commonwealth.

4. Contribute standard designs, patterns and other related guidance to the Australian Government Architecture.

5. Articulate recommendations and guidance for reuse including information that will support entities to plan future ERP uplifts.

6. Advise on potential costs, risks, and associated benefits, to carry out any remaining work envisaged by Services Australia to complete GovERP.

7. Advise on potential ongoing costs to entities from reusing GovERP, if reuse can be supported.

8. Identify alternative designs and pathways that might provide more cost-effective options for any remaining work.

9. Identify any existing 'readymade' deployment configurations deemed suitable to allow direct onboarding of entities.

Deliverables

The Assessment will produce a report, and where relevant, industry standard reference materials that will be made available through the Australian Government Architecture. A draft report will be provided to the Minister by **31 May 2024** with the final report provided by **30 June 2024**. Secretaries Data and Digital, and the Digital Leaders, Committees will be provided progressive updates on the Assessment.

Summary of how terms of reference have been addressed in this report

TOR		Related Report Section
1.	Evaluate and understand what has been delivered to date.	Section 3.2 Delivery to date
2.	Evaluate and understand what has been spent to date against what has been delivered.	Section 3.1 Expenditure to date
3.	Evaluate and understand the suitability of delivered outputs for reuse across the Commonwealth.	Section 4 Reuse assessment
4.	Contribute standard designs, patterns and other related guidance to the Australian Government Architecture.	Reusable business process maps, designs, patterns, and related documentation have been identified as potential Australia Government Architecture contributions.
5.	Articulate recommendations and guidance for reuse including information that will support entities to plan future ERP uplifts.	Section 1.1 Summary of recommendations
6.	Advise on potential costs, risks, and associated benefits, to carry out any remaining work envisaged by Services Australia to complete GovERP.	Section 3.3 Remaining work to complete GovERP
7.	Advise on potential ongoing costs to entities from reusing GovERP, if reuse can be supported.	Section 4.2 Potential ongoing reuse costs to entities
8.	Identify alternative designs and pathways that might provide more cost-effective options for any remaining work.	Section 5 Alternate designs or delivery pathways
9.	Identify any existing 'readymade' deployment configurations deemed suitable to allow direct onboarding of entities.	Section 4.1 Reusability by tier (4.1.1 Tier 1 reuse opportunities)

Appendix B: Eminent Panel biographies

Ms Maile Carnegie

Maile is Group Executive Australia Retail, ANZ's largest business which serves around five million retail customers through an extensive network of branches, ATMs and leading online and mobile banking applications and digital solutions. Since joining ANZ, she has been developing enterprise-wide digital capability, including the transformation of the Australia Business which aims to improve the financial wellbeing of ANZ customers. Maile also holds Group accountability for design and marketing which includes ANZ's brand, advertising and sponsorships. She is a Non-Executive Director on the Board of ANZ Bank New Zealand Limited.

Maile is keenly focused on customer centric innovation and design. She joined ANZ in 2016 from Google where she was Managing Director Australia and New Zealand. She also spent over 20 years with Proctor and Gamble in roles including Managing Director Australia and New Zealand, General Manager for Asia Strategy, Marketing and Design based in Singapore and a number of senior commercial roles in the United States.

With a passion for helping future generations, Maile contributed as one of six members on the independent review of the Australian Public Service, was previously Vice-Chair of the ASIC External Advisory Panel and a board member of Innovation and Science Australia. She is currently a member of the Board at University of Technology, Sydney and a Trustee of the Australian Museum.

Maile holds a degree in Business Administration in Finance, Economics and Marketing from the University of Technology Sydney.

Ms Catherine D'Elia

Catherine is a senior executive with an excellent track record in leading people centred, innovative, strategic, service-oriented solutions, leveraging technology, transforming culture and streamlining processes across geographies.

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With a strong background in strategic leadership, large scale change management, executive level collaboration, Catherine has a proven track record in fostering a positive work environment, complex problem resolution, and internal and external relationship management.

Catherine has held senior positions in the NSW public service for the last 16 years, including as a Deputy Secretary in the Department of Communities and Justice Department. Prior to joining the public service, Catherine held senior positions in the banking sector at NAB and Citizens Bank in the US.

Catherine holds a Masters in Education, Human Resource Development from Boston University, as well as a Bachelor of Arts in International Relations from the University of New Hampshire.

Mr Chris Cawood

Chris has over 30 years' leadership and technical experience across heavy industry sectors including manufacturing, oil and gas, mining and transport.

Chris joined Ixom in late 2021 and was previously the Chief Information Officer of OceanaGold for eight years. Prior to this he had an extensive career with BHP, where he held CIO roles in various business units.

Chris developed a passion for technology transformation and change in his early career in the BHP Steel (now BlueScope) marketing team. From there, he progressed into leadership roles with the BHP Petroleum division in Western Australia and for five years was involved in the expansion of its oil and gas assets. He was appointed to CIO roles in the coal and marketing divisions of BHP and was responsible for large technology transformation projects as well as a number of M&A integrations and divestments.

Chris has significant experience working in multicultural environments and with diverse teams. He has lived in Europe and worked closely with colleagues and external stakeholders in Pakistan, Japan, China, Africa, Singapore, The Philippines and North America.

Chris holds a Bachelor of Science and Education degree from Melbourne University.

Mr Chris Fechner

Chris Fechner was appointed the Chief Executive Officer at the Digital Transformation Agency on 13 October 2021.

Chris is also the Head of the Digital Profession; he started his two-year term in January 2023.

Chris has extensive experience in state government services, focusing on large scale digital and ICT reform and transformation programs as well as implementing contemporary investment, contestability, and governance frameworks.

Before joining the Australian Public Service, Chris was the Queensland Government Chief Customer and Digital Officer throughout 2020 and 2021. Chris was previously the Chief Digital and Product Officer at Service NSW. Prior to that, Chris held a number of senior positions across the NSW and Queensland governments as well as in freight and rail organisations.

Chris holds an Executive Masters of Business Administration and a Bachelor of Applied Science and Computing, both from the Queensland University of Technology.

As CEO, Chris is responsible for leading the agency to ensure we deliver on the government's digital transformation agenda, in accordance with our agency's executive order and the *Public Governance, Performance and Accountability Act 2013*.

Appendix C: Technical assessment report

Appendix C can be found on digital.gov.au together with this Eminent Panel report.

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Appendix D: Stakeholders engaged

ERP Consultative Committee member entities:[28]

- ACT Government

- Attorney-General's Department

- Australian Bureau of Statistics

- Australian Taxation Office

- Department of Defence

- Department of Employment and Workplace Relations

- Department of Finance

- Department of Foreign Affairs and Trade

- Department of Health and Aged Care

- Department of Home Affairs

- Services Australia.

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[28] These entities were also represented in the Assessment's interviews and working group.

Appendix E: Key reuse assessment-related correspondence

Correspondence from DTA CEO to Services Australia CEO, 20 May 2024 sharing preliminary observations and insights of the Assessment

Australian Government
Digital Transformation Agency

dta

Chief Executive Officer
PO Box 457
CANBERRA ACT 2601
dta.gov.au

David Hazlehurst
Chief Executive Officer
Services Australia
Doris Blackburn Building
18 Canberra Avenue
Forrest ACT 2603

Dear Mr Hazlehurst

RE: Services Australia ERP (formerly GovERP) Reuse Assessment

I am writing to provide an update on progress and preliminary observations of the Reuse Assessment currently being undertaken by the Digital Transformation Agency (DTA).

Reason Group Pty Ltd has been engaged as ERP specialists to develop a technical assessment of potential reuse opportunities. The draft technical assessment has been shared with Services Australia to ensure its accuracy, prior to consideration by the independent Panel of Eminent People. While the technical assessment is still in draft form, I would like to share preliminary observations and insights to keep you informed of progress.

The technical assessment considers potential reuse opportunities across three tiers:

1. reuse of what Services Australia has already built by fully adopting all components
2. building on something that exists by adapting a copy of the project as an accelerator for individual agencies' use
3. a repository, such as learning and business processes.

The initial observations suggest substantial components of GovERP have been developed, however sufficient testing has not been undertaken on many of the components to enable confidence of reuse as 'Tier 1' opportunities. Further, it appears many GovERP components prioritised requirements of the Attorney General's Department (AGD) and, at the time of the program pause, were understandably not progressed to the level required for broader whole-of-government use.

Observations, as at 15 May 2024, indicate:

Page 1 of 2

- of the 39 ERP functional capabilities scoped as a minimum viable product for AGD, 30 capabilities have been developed with a subset of these capabilities (18, or 46%) having completed functional testing.
- 69% of human capability management and 62% of financial management related capabilities have completed testing.
- limited to no procurement-related and travel and expense management-related capabilities have been developed or tested (noting assessment is ongoing for these).

Initial analysis suggests cross-government Tier 1 reuse opportunities may be further limited from a commercial perspective for smaller agencies with less complex needs, particularly when considering 'choice' under the new APS ERP arrangements. Reusability could be appropriate for a specific implementation, or for a larger agency with more complex ERP needs such as Services Australia; I understand consideration of this is ongoing.

The assessment is likely to establish some reuse opportunities as potential accelerators or learnings for agencies ('Tier 2' and 'Tier 3' opportunities). Ideally, any reusable content from the Services Australia ERP can also be leveraged through the Australian Government Architecture. Examples of potential 'Tier 2' and 'Tier 3' reuse opportunities include:

- the Travel and Expense Management tool, Expense8, which is currently used by approximately 40 entities
- SAP Signavio, which houses a range of process maps and may be able to be utilised for other entity ERP developments.

Finally, it is fair to say that the evolving view will indicate that Tier 1 use of GovERP would be most likely to relate to implementation within your agency and possibly (but not confidently yet) to your connected agencies to which you currently provide services.

In this context, I look forward to continuing collaboration with you and your staff to support the new APS ERP approach. I would be happy to discuss the Reuse Assessment's observations and insights at your convenience, including the Eminent Panel's potential findings and recommendations.

Kind regards

Chris Fechner
20 May 2024

Correspondence from the Minister for Government Services to the Minister for Finance, 26 April 2024 providing an update on the GovERP program

THE HON BILL SHORTEN MP
MINISTER FOR THE NATIONAL DISABILITY INSURANCE SCHEME
MINISTER FOR GOVERNMENT SERVICES
MEMBER FOR MARIBYRNONG

MS24-000015

Senator the Hon Katy Gallagher
Minister for Finance
Minister for Women
Minister for the Public Service
Senator for the Australia Capital Territory
Parliament House
CANBERRA ACT 2600

Dear Minister

I am writing to provide an update on the Government Enterprise Resource Planning (GovERP) Programme, now known as Services Australia ERP (SA ERP).

Since your announcement on 28 November 2023, the Attorney-General's Department, the only agency that agreed to onboard to the ERP solution in 2024, advised it no longer intends to onboard and requested any system-related activities cease. The Attorney-General's Department is exploring alternative solutions to meet its requirements and budget.

The ERP solution was originally conceived and costed to service the Australian Government's first of six shared services hubs which provided economies of scale that are no longer applicable. The establishment and onboarding of Services Australia's shared services hub was not scheduled until a later phase of the project. The development of the current ERP solution had primarily focussed on meeting the Attorney-General's Department's requirements, which in its current form are not suitable to meet the expansive operational requirements of Services Australia.

The 2023–24 Mid-Year Economic and Fiscal Outlook (MYEFO) process agreed that the Digital Transformation Agency would undertake an independent re-use assessment of the ERP solution, with any future requirements to be considered as part of the 2024–25 MYEFO process.

On this basis, Services Australia has refocussed efforts to determine the functional requirements of the ERP solution for Services Australia.

Parliament House CANBERRA ACT 2600

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In February 2023, you agreed to reprofile $60 million of Services Australia's original GovERP budget allocation to the 2023–24 financial year. As at 31 March 2024, the Programme has spent $38.2 million of the Agency's 2023-24 budget. The remaining budget will be used to continue sustainment of the current ERP solution, including ongoing licencing and hosting costs of the platform.

Yours sincerely

Bill Shorten

26 April 2024

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Appendix F: MVP capabilities for GovERP

Shared Services Steering Committee-agreed MVP 1.0 capabilities for whole-of-government purposes

SERVICE

User Interaction

Self Service	Portal	Mobile
Service Desk	Accessibility Technology	

Service Hub

Charge Back & Billing Mgmt	Onboarding / Off-boarding	Relationship Management
Hub Service Management	Change Management	

IT Service Management

Request Management	Incident / Problem Management	Service Level Management
Change & Release Management	Configuration Management	End User Support

FUNCTIONAL

Human Resources

Manager Self-Service	Organisational Management	On-boarding	Recruitment
Employee Self-Service	Employee Management	Off-boarding	Performance & Goals
Leave and Absence Management	Payroll Services	Learning Management	Work Time & Attendance
Time Sheet Recording & Management			

Finance

Accounts Receivable	Lease Accounting	Asset Accounting	Commonwealth Reporting
Banking and Cash Management	General Ledger	Project Accounting	Statutory Reporting
Accounts Payable	Budgeting & Planning	Tax Management	Management Reporting
Cost Management	Funds Management		

Procurement

Purchasing	Contract Management	Services Procurement ★
Report Procurement Activities	Supplier Management ★	Sourcing ★
Contractor Management	Whole of gov Central Purchasing	
e-Procurement	Receipting	

Expense

Expense Management	Auditing and Compliance	Credit Card Management

Travel

Travel Management

GOVERNANCE

Governance, Risk and Compliance

Audit Management	Enterprise Risk Management	Controls & Compliance Management	Information Governance	Enterprise Architecture	Fraud Management	Policy Lifestyle Management	Data Privacy Governance	Security Risk Management	Consultation

ENABLING

Reporting, Analytics and Data

Statutory Reporting	Operational Reporting	Data Visualisation
Master Data Management	Document Management	Data Migration
Legacy Data Management	Self Service Analytics	

Intelligence

Enterprise Automation	Data driven insights

Security

User Identity and Access Management	Authentication
Access monitoring	Security Audit & Compliance
Data Security	Data Protection
Cyber Security Operations	Security Incident & Event Mgmt

Application, Platform and Infrastructure

Application Lifecycle Management	Integration Management	IT Infrastructure Management	Logging	Accessibility
Process Management	Extensibility	Print and Interactive Forms	Monitoring	Database Management Systems
Developer Support	Portals	Secure Access Gateway	Disaster Recovery	Backup and Redundancy
Mobility Support	Testing Services	Notification Services		

Legend

Developed and functionally tested	Developed, but functional testing not yet
Not developed/ Partially developed	Target capability built ★

The above table is a list of capabilities grouped by value stream.

Within this set of capabilities, a scope for initial delivery (MVP) and target state were both defined, as reflected in the blue and purple respectively. Capabilities marked with a star are those Extended Capabilities that were to be considered for inclusion in the scope of Shared Services.

Services Australia-developed MVP1.1 functional capabilities

5 functional capabilities of GovERP MVP1.1, Hire to Retire, Budget to Report, Revenue to Bank, Procure to Pay, and Travel Expense.

A brief description of each of the MVP1.1 functional capabilities is below.

Capability	Description
Hire to Retire (H2R)	
Learning management	This capability relates to administration, documentation, tracking, reporting, and delivery of educational courses, training programs, or learning and development initiatives within an entity
Leave and absence management	Processes and systems used by an entity to manage employee time off, including vacation, sick leave, and other types of absences
Organisational management	Process of planning, coordinating, and overseeing the various functions and operations within an entity
Performance and goals management	Setting, tracking, and evaluating employee performance against established goals and objectives
Recruitment	Process of identifying and attracting candidates to fill job vacancies within the entity including the entire hiring process, from inception to the individual recruit's integration into the entity
On-boarding	Integration of new employees into an entity
Off-boarding	The process of managing the departure of an employee from an entity
Work time and attendance	Systems used by entities of all sizes, across the APS, to ensure accuracy of employee's time and attendance, pay and absence requests
Time sheet recording and management	Tracking and managing employee work hours and attendance

Capability	Description
Manager self service	Enables managers to access personnel data for their direct reports, such as leave, time-off, performance, and learning information.
Employee self service	System that supports employees to access and manage their own personal and employment-related information
Payroll services	Administration of an entity's employee's financial records including salaries, wages, bonuses, deductions, and net pay
Employee management	Processes, systems, and practices used by an entity to manage its workforce
Budget to Report (B2R)	
Asset accounting	Sub-ledger that records the financial transactions related to an entities' assets
Cost management	Planning, estimating, budgeting, and controlling costs in a project or business operation
Funds management	Managing and overseeing the financial resources of an entity
General ledger	Complete record of all financial transactions over the life of an entity
Project accounting	Financial transactions related to managing a project including costs, billing, and revenue
Tax management	Management of an entity's tax obligations to ensure Australian tax laws and regulations compliance
Statutory reporting	The mandatory submission of financial and non-financial information by an entity to the australian government or regulatory bodies
Management reporting	Provision of information to managers, to assist with informed decisions including tracking progress or KPI's, identifying trends, and highlighting areas that may require attention or improvement
Budgeting and planning	The process of creating a detailed financial plan for an entities' future expenses and revenues
Commonwealth reporting	Mandatory reporting requirements for Australian Government entities to prepare and submit financial statements, performance reports, and other information to the government in accordance with relevant legislation and accounting standards
Lease accounting	The accounting treatment of leases, which are contractual agreements between a lessee and a lessor for the use of an asset
Revenue to Bank (R2B)	
Accounts receivable	Funds that customers owe for products or services that have been invoiced
Banking and cash management	The operational and banking processes associated with the collection, aggregation, holding and disbursement of cash
Procure to Pay (P2)	
Service procurement	The process of acquiring services from vendors including preparing RFTs/RFQs, managing purchasing and contract lifecycles, sourcing, requisition, order processing, payments and reporting
Purchasing	Purchase of goods and/or services by an entity

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OFFICIAL

Capability	Description
Receipting	The process of recording and acknowledging the receipt of goods, services, or payments
Contractor management	Management of the relationship between an entity and its contractors
Contract management	Process of managing legally binding agreements including creation and negotiation, contract execution, contract compliance monitoring and renewal or close out
Accounts payable	Money owed by the entity to its vendors
Report procurement activities	Reports showing procurement activities, costings and purchasing information regarding goods and/or services
e-Procurement	Use of electronic methods to conduct transactions between buyers and suppliers
Whole-of-government central purchasing	Whole-of-government procurement designed for permission-based services as permits, accreditations, licenses, and registrations
Supplier management	Task ensuring suppliers meet the expectations of their contract
Sourcing	Process of locating products or services outside the entity
Travel and Expense Management (TEMs)	
Expense management	Bookkeeping system for controlling, tracking, and processing employee expense reimbursements
Auditing and compliance management	Measurement of an entity's adherence to rules and regulations, standards, and any relevant internal bylaws and codes of conduct
Credit card management	Employee-related corporate credit card transactions
Travel management	System used by entities to oversee and facilitate business travel