

# CSSRP External Evaluation Report

NSW Office of Finance and Services  
June 2015



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# 1. Executive Summary

## Introduction

The NSW Government has been seeking to improve the provision of Corporate and Shared Services (CSS) for many years. In July 2010, the Government issued its *'Blueprint for Corporate and Shared Services in the NSW Government'* ("the Blueprint") following the release of the Better Services and Value Plan (2009-10 State Budget). A central CSS Reform Program (CSSRP) was established to help lead and drive the Blueprint's implementation.

At the time of the CSSRP's inception, general government sector agencies were in the midst of implementing a range of machinery of government changes to create nine consolidated 'clusters', each headed by a Principal Department (originally thirteen clusters, now nine). A key focus of the CSSRP was therefore supporting and leveraging this consolidation process to achieve a corresponding consolidation of CSS functions, introduce new shared service arrangements within clusters, and standardise supporting IT systems and business processes wherever possible.

The primary purpose of the Blueprint was to provide a whole of government framework that would enable Principal Departments to achieve benefits from the consolidation of CSS. In support of this purpose, the Blueprint also established parameters for departments to make decisions and sought to 'hardwire' key decisions to minimise or prevent the loss of benefits across departments.

Consistent with this purpose, the Blueprint mandated that each cluster develop a CSS strategy and business case/s, in line with the Government's overarching CSS reform objectives which were:

- ▶ A more streamlined and standardised CSS framework and service delivery across the sector
- ▶ More efficient and low cost service and redirection of effort to front line services
- ▶ A focus on customer service and improving the CSS experience<sup>1</sup>

To achieve these high-level CSSRP objectives, the Blueprint contained a set of critical design principles and supporting guiding principles which were focused on informing the development of cluster-specific CSS reform strategies, and on driving and governing the sector-wide reform program from the centre.

A CSSRP Steering Committee was established to oversee the implementation process, as well as a Central CSSRP Team. The Central CSSRP Team was established to deliver four specific work streams:

- ▶ Establish and operate a central CSSRP Program Management Office (PMO)
- ▶ Implement a CSS benchmarking and performance management program
- ▶ Implement a whole of government process standards and capability program
- ▶ Implementation support for clusters

The 'future state operating model' proposed in the Blueprint intended that agencies would access services from five in-house CSS providers and one multi-tenanted provider, all supported by a single ICT wholesale operator. Under this concept it was envisaged that all clusters would eventually outsource their ICT as a managed service to one provider.

There have been a range of factors since inception, which have influenced the Program's scope and objectives. These factors include:

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<sup>1</sup> Blueprint for Corporate and Shared Services in the NSW Government, 15 July 2010, p, 4.

- ▶ Shifts in Government policy, especially with respect to the future strategic direction of ServiceFirst, as well as broader service delivery reforms to agency frontline services and a shift to a more devolved approach to government which resulted in a changed role for central agencies (2012)
- ▶ Machinery of government changes following the March 2011 NSW State election and more recently which have altered the original composition of clusters
- ▶ The establishment of the Fiscal Effectiveness Office in NSW Treasury (January 2012) which became the primary point within central Government for monitoring the achievement of cluster and agency efficiency savings, including those resulting from CSS reform
- ▶ The launch of the NSW Government's new ICT Strategy (May 2012), as well as advancements in new CSS platforms and service delivery approaches, including an increasing move to software as a service, as well as IT and business process outsourcing services
- ▶ Clusters deciding to pursue alternative CSS reform strategies to those envisaged in the Blueprint, especially with respect to moving their shared services to a common multi-tenanted shared service provider and opting instead to implement their own internal, cluster-based solutions

In light of these and other changes, and following the transfer of the central CSSRP to the Department of Finance and Services in 2011, a Program Review was undertaken in July 2012. This review concluded that the CSSRP had operated within a challenging and changing environment and that as a result some of the key objectives of the CSSRP business case had not been delivered or were not delivered in full in response to the new requirements emerging from Government. As a result, by the end of 2012 (close to the commencement of the evaluation period), the Expenditure Review Committee (ERC) made the decision to refocus the Program, resulting in the abandonment of some of the original scope items and objectives from the 2010 Blueprint, as well as a decreased scope and role for the central CSSRP team. Specifically:

- ▶ The central CSSR PMO was discontinued
- ▶ Resources within the NSW government process standards and capability program were realigned to better support standards implementation within clusters and agencies
- ▶ The CSS benchmarking and performance management program was discontinued on the basis that agencies could continue to opt in to benchmarking where they saw value in supporting their reforms<sup>2</sup>

These changes saw the central CSSRP team move away from driving and governing the Program to being focused on providing support to clusters pursuing their respective CSS strategies and business case/s. This shift was reflected in a revised set of central CSSRP team objectives endorsed by the CSS Steering Committee in December 2012. These revised objectives form the starting point of this evaluation which is focused on the period between December 2012 and December 2014.

### **Purpose of this evaluation**

The terms of reference for this evaluation were issued by OFS in January 2015 and are based on using the evaluation principles and approach outlined in NSW Government's Evaluation Framework (August 2013). EY was engaged by the Office of Finance and Services (OFS) to undertake an external evaluation of the CSSRP, with a focus on progress against objectives and uptake between December 2012 and December 2014. It is important to note, that the Evaluation report comments on observations post the evaluation period, particularly where there has been evidence to suggest

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<sup>2</sup> Discussion Paper - Corporate and Shared Services Strategy presented to CSSRP Steering Committee, 22 May 2014

significant progress against objectives up to the period of the evaluation. We have noted throughout the report, observations and points of evidence that have been gathered post the evaluation period.

OFS has completed a number of evaluations over the last five years since the CSSRP was initiated. The most recent of these was an internal summative evaluation completed by the central CSSRP team in December 2014. This internal evaluation was presented to the Central CSSRP Team's program sponsor and Chair of the CSSRP Steering Committee, and focussed on evaluating whether the Central CSSRP Team had achieved its scope of activities, which are referred to in the 2014 OFS evaluation as "steering committee objectives".

The purpose of this external evaluation is to:

- ▶ Gauge progress of cluster activity and noting progress against their CSS Strategy and Business Case/s, in line with the CSSRP Blueprint objectives<sup>3</sup> as defined by the CSSRP Steering Committee in December 2012
- ▶ Enquire and document findings regarding the activities, services, products and functions of the Central CSSRP Team in relation to its objectives<sup>4</sup>, as set by the CSSRP Steering Committee, mainly in supporting clusters to uptake the Program's objectives.
- ▶ The evaluation will also enquire about the support required, as noted by the clusters, going forward and document lessons learned from the evaluation period

## Key Findings

In summary there are a number of themes and observations that have emerged from this evaluation. These themes fall into five key areas:

### Cluster CSSRP Progress

The original Blueprint principles stated that each cluster should have its own CSS Strategy and supporting Business Case. The evaluation found that whilst each of the clusters was (and still are) at differing levels of progress and maturity in terms of their CSSR Programs, all had progressed their programs during the evaluation period. Reasons vary widely for this disparity across the sector. Not the least of these is that at the beginning of the evaluation period the 13 pre-existing clusters were significantly disaggregated and re-assembled, many with differing individual agency participants into nine clusters. This had an impact on inflight CSS projects/plans and corporate operating models. Some clusters, for example, NSW Health, had already commenced and successfully advanced their CSS journey. The resultant disparity of cluster progress and maturity has resulted in disparate and individual needs being expressed by each of the clusters to the Central CSSRP Team. These have ranged from requiring a "close guidance" approach the less developed cluster models, to requiring advice on "continuous improvement" or having a "little or no need" approach for those clusters with more mature CSS operating models.

Therefore, in terms of the first aspect of the evaluation, that is the take up of the Blueprint objectives by clusters across the sector, it is evident from a qualitative perspective that this objective has been met, albeit with different levels of progress and maturity across clusters.

From a lessons learned perspective, until very recently, actual sharing of knowledge and experience and re-use of core assets (e.g. the NSW Government Standard Business Processes) has been impacted, meaning that the sector was not able to realise their full benefits or share the capability as readily as they can now.

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<sup>3</sup> The Blueprint Principles refer to the 2010 CSS Blueprint, which suggests that as a principle each cluster must develop its own CSS Strategy and Business Case for endorsement by the CSSRP Steering Committee

<sup>4</sup> The Steering Committee objectives, of which there are 50, were obtained from the OFS December 2014 Evaluation Report, which was approved and endorsed by the Deputy Secretary Government Services, OFS

It has also taken considerably more time than originally envisaged to reach a stage where clusters were ready to take advantage of scale, common experience and common assets. In that time there has also been a shift in the IT environment and deployment models, which have left clusters seeking alternative solutions and delivery models to those originally envisaged in the Blueprint. The NSW Government's ICT Strategy reflected and likely guided this change over time.

As the IT landscape evolved around it and machinery of government changes took place, the relevance of the Blueprint as a guide to clusters on their individual reform journeys has diminished over time. The Progress and Maturity sections of our Evaluation provide some insights such as:

- ▶ Maintaining agility and flexibility to adapt to rapidly changing technology capabilities is critical to maintaining relevance and delivering value in a Corporate and Shared Services reform context.
- ▶ Maintaining an asset that is relevant across deployment alternatives (whether ERP/Post ERP/Multi-tenant/Utility/Outsource), as evidenced at the "Postmodern ERP industry event" hosted by OFS, delivers access to benefits of scale, cross-government consistency and individual flexibility.
- ▶ It is clear from the current CSSRP Central Team Roadmap, which is effectively the Team's pipeline of work with the sector, that the sector is generally more aware and prepared to work with the Central CSSRP Team on whole-of-government initiatives than they were at the beginning of the evaluation period.

Below is a brief summary of each cluster's progress, with the focus period being December 2012 to December 2014.

- ▶ **NSW Health:** commenced implementation of its cluster specific CSSR strategy and program before the release of the Blueprint in 2010. This has meant that their direct engagement with the Central CSSRP Team and CSSRP Steering Committee has been limited, other than providing periodic status reports. Their shared services strategy and operating model was already relatively mature at the start of the evaluation period, meaning that its primary focus is on continuous improvement, rather than implementation.
- ▶ **Department of Education and Communities (DEC):** the cluster's engagement with the Central CSSRP Team has progressively increased during 2013-14 to include drawing upon the Standards to inform their Learning Management Business Reform (LMBR) solution requirements and more recently to provide independent advice and assurance on its implementation strategy. The LMBR program is now entering its third and final stage with the third business case to progress to the final stage and deploy LMBR across all schools, now pending.
- ▶ **Transport for NSW (TfNSW):** the cluster is now mid-way through its four year CSSR strategy, which commenced in July 2012. TfNSW's strategy is founded on the original Blueprint design principles and has included establishing a centralised and consolidated Business Services Division and implementing a new single on-site ERP solution underpinned by the NSW Government business process standards which it has greatly benefited from.
- ▶ **Department of Trade & Investment:** the cluster's preferred CSSR strategy option outlined in the Blueprint to join ServiceFirst did not proceed. Instead, Trade and Investment pursued an alternative strategy to migrate its enabling corporate and shared services technology onto a hybrid cloud based software as a service ERP solution. In doing this they adopted SAP's standard business processes, rather than using an on-premise ERP solution based on cluster-specific requirements or the NSW Government business process standards. Trade & Investment's implementation was completed within the evaluation period and has now entered the 'business as usual' stage.
- ▶ **Department of Justice:** the cluster did not adopt the preferred CSSR strategy option originally outlined in the Blueprint. Instead, it developed a strategy to establish its own in-house shared corporate services model based on using distributed functional centres of excellence and is yet to move to a common cluster-wide technology platform. This is planned to commence in 2015 by piloting a cloud based ERP solution leveraging the NSW Government business process standards

initially focused on the Principal Department sub-cluster (excluding NSW Police and the Emergency Services sub-cluster, which have their own ERPs and internal shared service structures).

- ▶ **Family & Community Services (FACS):** FACS' CSS Reform Program Business Case was designed to support the consolidation of FACS agencies into a single cluster. The full implementation commenced in 2011. The reform included the implementation of a Single ERP project, which aimed to get all FACS entities on one instance of SAP. FACS used to outsource its transactional shared services to BusinessLink Pty Ltd (now a branch of FACS, Business Services). FACS's operating model is currently being reviewed and redesigned (post the evaluation period).
- ▶ **Department of Premier & Cabinet (DPC):** Prior to the machinery of government changes which occurred in 2011, DPC had been a longstanding foundation client of ServiceFirst. With the creation of the expanded DPC cluster which included NSW Planning & Infrastructure (P&I) and the Office of Environment & Heritage (OEH), DPC developed a new CSSR strategy, which involved restructuring OEH and P&I's existing CSS functions with a view of transitioning their shared services to ServiceFirst. OEH and P&I have since been removed from the DPC cluster. As a result, DPC's CSSR strategy changed again in late 2014 and is now focused on leveraging the proposed ServiceFirst business process outsourcing program and move to a cloud based SAP solution.
- ▶ **Treasury & Finance:** NSW Treasury and the Office of Finance and Services (OFS) do not have a unified CSS strategy and reform program, however each employ the services of ServiceFirst, the government's only multi-tenanted shared service provider, for transactional shared services. OFS has developed and is implementing a new corporate operating model for all of its retained corporate service functions and has already achieved further significant savings through this process. Whilst not part of the cluster specific CSS Strategy, NSW Treasury's Financial Management Transformation Program team worked closely with the Central CSSRP Team to develop end-to-end processes in ARIS for each major Treasury Circular, in preparation for the deployment of the new sector-wide financial management framework.

#### Central CSSRP Team Uptake of the Objectives

Following the 2012 review of the Program, the scope and role of the central CSSRP team was refocused, as decided by the ERC. The focus of the Central CSSRP Team to support activity gradually moved from Blueprint objectives towards Steering Committee defined objectives as the IT landscape changed and the impact of significant budgetary changes and a decreasing relevance of some of the original Blueprint objectives took effect. The impact of significant budgetary change was to constrain the activities of the Central team. On external advice, a decision was taken to constrain the expense by limiting the "areas" of activity rather than the depth of activity. For example, a number of areas including Benchmarking were simply removed from the Central team Service Catalogue.

The evaluation provides evidence and shows a high degree of achievement against the objectives set by the CSSRP Steering Committee (of which there are 50). The interview evidence shows an appreciation of the Central CSSRP Team's role at the operational and implementation level within Cluster programs

In summary, with respect to the second aspect of the evaluation terms of reference, the Central CSSRP Team largely met the Steering Committee objectives within the evaluation period. Of the 50 specific objectives determined by the CSSRP Steering Committee, 37 had been achieved (marked as "complete"), 13 were partially achieved with evidence of them being significantly progressed as a work-in-progress. Some of these partially achieved objectives have been fully achieved since the evaluation period, for example, the development of the CSSRP website.

There was also substantial evidence to indicate that the Central CSSRP Team had supported clusters with the implementation of their CSS reform programs and the uptake of the NSW whole of government business process standards (including the transfer of knowledge), however the breadth of the Team's sector reach was limited - this is discussed in section 5 of this report. Also, whilst there was evidence of the Central CSSRP Team supporting the reform program at a whole-of-government level and aligning it with other public sector reform initiatives (for example, the establishment of Category Q and supporting the sector's uptake of PCards), the Central CSSRP Team

was not as strategic in its approach to supporting and coordinating the reform program at a whole-of-government level as it could have been.

Commonly accepted lessons learned and where stakeholders see benefit from having a central 'capability' include:

- ▶ Having a single, shared 'repository' that clusters and agencies can access, which holds the collective lessons learned and knowledge base about corporate and shared services reform across the NSW public sector.
- ▶ Having a set of NSW Whole of Government business process standards as a reference point for clusters to draw upon, supported by business process SMEs who understand the standards.
- ▶ Having access to a common set of performance management metrics built into their Process Standards, which people can refer to in helping them understand how their existing operations compare with 'better practice'.
- ▶ Having a sector-wide Heads of Corporate Services forum which does not currently exist which can be used for knowledge management, sharing expertise and informing the development of sector-wide CSSR strategy and policy.
- ▶ Having access to people with relevant public sector policy and process expertise.

The interview evidence shows an appreciation of the Central CSSRP Team role at the operational and implementation level within cluster programs. However feedback provided from different levels within clusters varied. Some clusters had limited opinions, which was a reflection of the minimal interaction they had with the Central CSSRP Team throughout the evaluation period. There are also varying opinions about the optimal role of the Central CSSRP Team in future outside of its asset maintenance and central repository role about which all clusters appear to agree. This variation of opinion appears to be largely a function of the level of engagement clusters had during the evaluation period, the emerging changes to the original strategy envisaged by the Blueprint, and the level of progress of individual cluster CSSRP programs. Some of this feedback from senior cluster representatives, included:

- ▶ A level of dissatisfaction with the Central CSSRP Team in terms of its perceived relevance to their individual cluster CSS reform programs.
- ▶ A perceived focus on the "high-use" clients e.g. Transport, rather than smaller clusters and agencies.
- ▶ A lack of clarity at the project level on the role and services that were provided by the Central CSSRP Team.
- ▶ "Un-met" demand for those central programs and services that were discontinued early in the Evaluation period.
- ▶ A more challenging environment to support whole of government initiatives such as benefits realisation and performance management.

Towards the end of the evaluation period (2 December 2014), the Central CSSRP Team had its strategy and roadmap approved by the Steering Committee, which articulates a more strategic and measured approach to supporting the clusters based on priority and the stage of their individual reform journeys (including establishing a CSS Community of Practice). The strategy also presents a more structured approach to the sector's engagement with industry. Whilst outside our evaluation period, there was also some evidence to suggest that the Central CSSRP Team's new strategy and roadmap was being put into action, for example, Industry Engagement capability – evidenced by the successful launch of and utilisation and sign-up to Category Q and the Postmodern ERP Industry event hosted by OFS (April 2015).

### Other key observations

A number of emerging themes regarding program governance and the Central CSSRP Team's strategy going forward were observed through interviewing key program stakeholders across the sector. Whilst beyond the scope for this evaluation, below are some critical insights and lessons to be learned about governing the sector-wide CSS program going forward.

## Governance

The CSSRP Steering Committee, to a large degree, directed the activities of the Central CSSRP Team during the evaluation period. From a sector-wide strategy perspective, going forward, as the IT landscape continues to change and Government responds, a sufficiently senior governance group needs to be in place to capture strategic inputs and determine appropriate sector-wide policy responses.

Consideration should be given to how effectively the broader interests that are now consolidated and form part of the current central program are used to best deliver measurable value at a sector wide level. To illustrate this point, Industry Engagement has become a key focus point of the ongoing Central CSSRP Team's capability - reflected within the Central Team strategy and the successful launch of Category Q and more recent Industry events. Future governance arrangements for the Program should therefore consider this expanded remit and focus.

Looking forward, if it is taken that the policy initiation is provided and oversighted by another forum, for example, the already initiated Agency Showcase meetings that occur quarterly, or a senior CSS Cluster representative council, then the Steering Committee can re-focus its energies on the translation of strategy and policy into CSS service delivery across sector.

## 2. Introduction

### 2.1 Evaluation background and purpose

#### 2.1.1 What is the CSSRP

##### *Background to the CSSRP*

The core focus of this evaluation is the whole-of-government Corporate and Shared Services Reform Program ("CSSRP" or "the Program").

In July 2010, the NSW Government issued its '*Blueprint for Corporate and Shared Services in the NSW Government*' ("the Blueprint") following the release of the Better Services and Value Plan (2009-10 State Budget). The key focus of the Blueprint was the need to unify separate CSS activities across the general government sector to achieve improved CSS service provision at a lower cost. To help implement the Blueprint, a central CSS Reform Program (CSSRP) and team were established to assist both central and line agencies in achieving the Government's CSS reform objectives.

At the time of the CSSRP's inception, general government sector agencies were in the midst of implementing a range of machinery of government changes to create 'Clusters', each headed by a Principal Department. A key focus at the time was therefore supporting and leveraging this consolidation process to achieve a corresponding consolidation of corporate and shared service functions. The underlying objective of doing this was to realise savings through the aggregation and standardisation of CSS operating models, business processes and technology platforms within and across clusters. There was also a strong focus on establishing economies of scale by getting larger clusters to establish consolidated CSS functions and transitioning smaller clusters to a shared 'multi-tenanted' Government CSS service provider. This review acknowledges the disruption as a result of machinery of government changes on the Program, which has witnessed the sector go from thirteen to nine clusters. This meant a disaggregation and re-aggregation of different agencies (many with different corporate and shared services structures and strategies and at a different stages of organizational maturity), which resulted in a net nine clusters.

Given the different levels of maturity between clusters and agencies at the time, a strong initial focus of the CSSRP was to set minimum design principles, benchmarks and standards to guide the design of cluster specific CSS reform strategies and operating models. This resulted in the central development of whole-of-government process standards, as well as a rationalisation of ERP system instances. It is important to note that use of the Central Program Team and the whole of government process standards was optional not mandatory - recognising the fact that some clusters had already established shared service arrangements and capabilities.

Prior to the evaluation period, the CSS Blueprint had provided an agenda for both clusters and the Central CSSRP Team. By the commencement of the evaluation period (December 2012) a number of significant changes had eventuated:

- ▶ The advent of cloud computing and "as a service" concepts.
- ▶ A rising demand at a cluster level for deployment choice, for example, multi-tenant, single-tenant, on premise, cloud and platform based services.
- ▶ Significant budget changes as a result of enforced savings measures and machinery of government changes, as mentioned above.
- ▶ Significant Central CSSRP Team scope changes, for example the cessation of benchmarking and benefits realization.

Over time, the initial focus has varied in response to cloud based 'software as a service' solutions, a growing business process outsourcing market, and further machinery of government changes within and between clusters. As clusters have become increasingly mature, the type and level of support from the Central CSSRP Team has also changed to reflect a stronger emphasis on decentralised accountability for CSS reform by clusters. As a result, the Central CSSRP Team has increasingly

operated as an enabler and facilitator, rather than a driver of CSS reform. This has reflected an increasing move away from a centrally mandated and coordinated reform program focused on sector-wide consolidation, aggregation and standardisation, to a reform approach which is cluster-led. It has also reflected a move away from using only internal government CSS providers, to an increasingly mixed market in which CSS service delivery and enabling technology solutions are being sourced from non-government providers.

It should be noted that as of December 2014, the Central CSSRP Team had a Steering Committee supported strategy and roadmap in place. This new strategy aims to set the direction of the Central CSSRP Team and its role in supporting clusters at different stages of reform, including those who are embarking on continuous improvement. The strategy also contains a structured client and industry engagement approach.

### **CSSRP governance**

When it was originally conceived, the CSSRP had an overarching governance framework which included reporting lines and accountability to the Expenditure Review Committee of Cabinet (ERC) through the NSW Government's Better Services and Value Taskforce (BSVT), as well as reporting to Cabinet through the Director-General's Executive Committee. A CSSRP Steering Committee was established as the primary body to oversee and coordinate the sector-wide reform program, supported by a Central CSSR Government Reform Office and PMO.

The primary role envisaged for the CSSRP Steering Committee in the Blueprint was to:

- ▶ Provide advice and direction for the overall reform co-ordination of Departmental reform programs across the sector.
- ▶ Directly govern the delivery of central reform programs, being managed at the time by the CSSR GRO and PMO within DPC.

The Blueprint also set out minimum requirements and principles for how each Principal Department would govern and manage its own cluster CSS reform strategy and program. These included establishing an internal Corporate Services Office to drive the development of a cluster CSS reform strategy and business case.

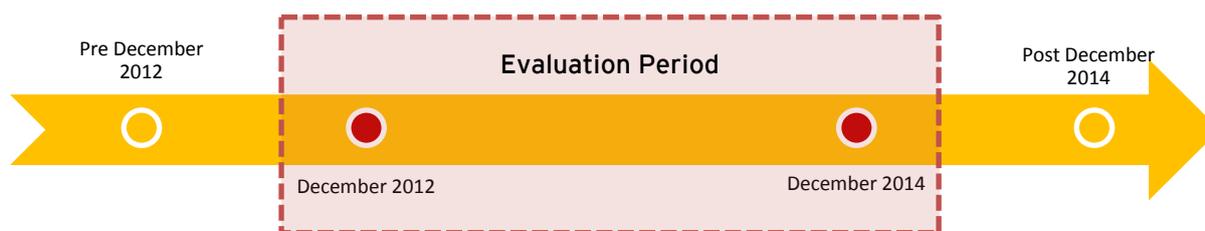
Changes that have occurred since 2012 have resulted in a corresponding sector-wide governance framework evolving over time, resulting in a shift of governance responsibility to the CSSRP Steering Committee. The BSVT was also disbanded, however the primary line of accountability for implementing the Blueprint's objectives within clusters and agencies has remained through the Clusters and portfolio Ministers to ERC.

The CSSRP Steering Committee has also remained throughout this period as the peak sector-wide coordinating body with responsibility for overseeing the Central CSSRP Team.

### **2.1.2 Evaluation purpose**

The conduct of this external evaluation coincides with the CSSRP reaching the end of its original Program timeframe and funding agreement. As shown in Figure 1 below, this evaluation is focused on a two year period between December 2012 and December 2014.

Figure 1 - Evaluation Period



The terms of reference for this evaluation were issued by NSW OFS in January 2015 and are based on using the evaluation principles and approach outlined in NSW Government's Evaluation Framework (August 2013).

OFS has completed a number of evaluations over the last five years since the CSSRP was initiated. The most recent of these was an internal summative evaluation completed by the central CSSRP team in December 2014. This internal evaluation was presented to the central CSSRP team's program sponsor and Chair of the CSSRP Steering Committee, and focussed on evaluating whether the Central CSSRP Team had achieved its scope of activities, which are referred to in the 2014 internal summative CSSRP evaluation as "steering committee objectives".

This evaluation has focused on two major sub-components of the overall CSSRP:

- ▶ The activities of the Central CSSRP Team in supporting the whole-of-government CCS reform Program. This has included the activities, services, products and functions of the central CSSRP Team (referred to herein as the Central Program Team) in relation to its objectives<sup>1</sup>, as determined by the CSSRP Steering Committee. This evaluation has also enquired about the nature and type of support required by clusters in future from the Central CSSRP team.
- ▶ The uptake of the CSSRP's overarching objectives, as defined in the original 2010 Blueprint and subsequently by the CSSRP Steering Committee, by the nine (9) NSW Government Principal Department clusters during the two year evaluation period.

In undertaking this evaluation, the terms of reference highlighted the importance of considering the environment and other considerations at the start of the Program, the changes to that environment since its inception and the role that the CSSRP Steering Committee has taken in guiding the Program as the environment has changed and some original Blueprint objectives which have become less important than others.<sup>5</sup>

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<sup>5</sup> Terms of Reference for CSSRP External Evaluation, OFS, January 2015

## 2.2 Evaluation scope and approach

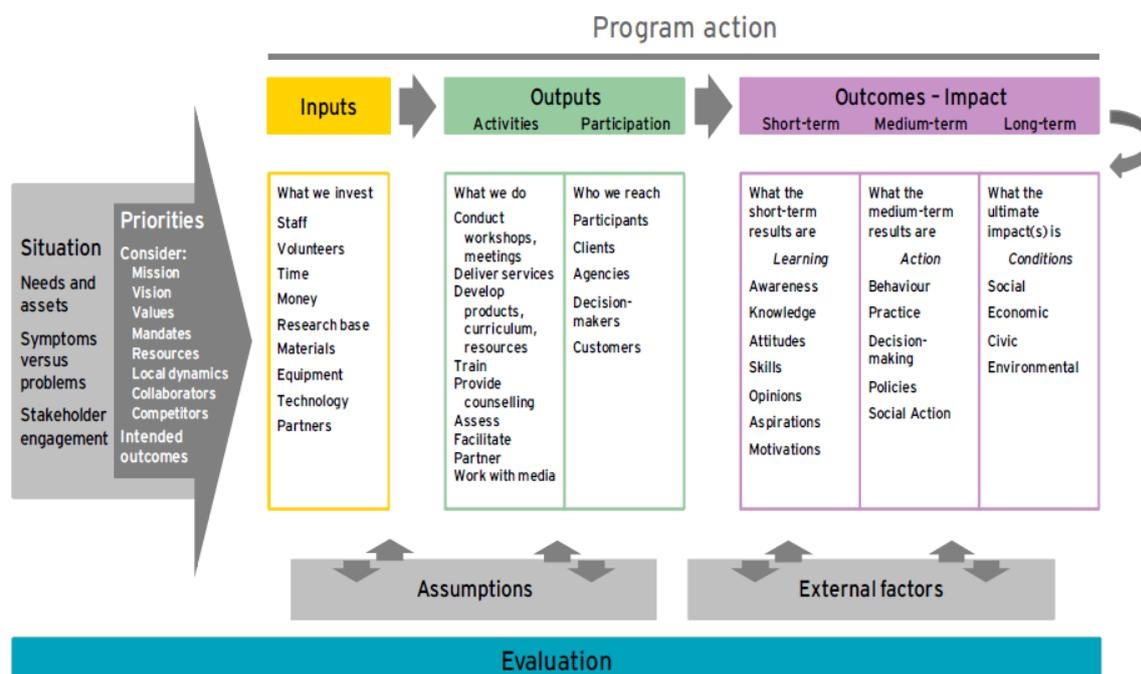
### Evaluation scope

As previously noted, the terms of reference for this evaluation included a requirement to use the NSW Government's Evaluation Framework (August 2013). This Framework is underpinned by an assumption that all government programs have a set of underlying objectives and a supporting program logic which maps these objectives to a series of underlying sub-objectives, performance measures and targets.

In developing the evaluation plan for this project, it was noted at the outset that the CSSRP does not have an underlying program logic. It was also agreed that in the absence of a defined program logic, it would not be possible to undertake an evaluation of the effectiveness or efficiency of the CSSRP as one would normally do in keeping with the NSW Government's Evaluation Framework.

A Program Logic typically articulates the links between inputs to activities and the expected outputs and outcomes, as demonstrated in Figure 2 below. It sets out the potential causal relationships between the program elements and the rest of the system and synthesises the key activities intended to achieve program goals. This is consistent with the summative evaluation approach outlined in the NSW Government Evaluation Framework.

Figure 2: Example Evaluation Framework:



A further complication was also noted with respect to the Program objectives endorsed by the CSSRP Steering Committee in December 2012. These objectives represent a collection of tasks and activities, rather than a set of inter-related objectives and supporting sub-objectives with performance measures and targets aligned to the original CSSRP Blueprint objectives.

As a result of these inherent limitations and constraints, it was necessary to develop a tailored evaluation scope and plan in consultation with OFS. Table 1 below sets out the agreed inclusions and exclusions for both parts of the evaluation scope.

Table 1 - Evaluation scope

Part 1 - Evaluation of to what extent the Program objectives as defined in the Blueprint objectives have been taken up across Clusters and Agencies from December 2012 to December 2014	
Inclusions and related comments	Exclusions and related comments
<p>The evaluation will cover all nine (9) Principal Department Clusters:</p> <ul style="list-style-type: none"> <li>• NSW Treasury</li> <li>• Department of Premier and Cabinet (DPC)</li> <li>• Department of Education and Communities (DEC)</li> <li>• Family and Community Services (FACS)</li> <li>• Department of Justice (DJ)</li> <li>• Transport for NSW (TfNSW)</li> <li>• NSW Health</li> <li>• Department of Planning and Environment (DPE)</li> <li>• Department of Trade and Investment, Regional Infrastructure and Services (Trade &amp; Investment)</li> </ul> <p>The evaluation methodology captures the requirement to interview key stakeholders from these 9 Clusters.</p>	<p>Although reference to particular agency progress and initiatives during the course of the review will be likely, the evaluation will not seek to review each agency within a Cluster individually. The evaluation will be focused and information gathered at the Cluster level.</p> <p>This Evaluation Plan acknowledges the machinery of government changes that took place during the evaluation period, which has impacted the composition and structure of some of the nine clusters, for example the creation of the Department of Planning and Environment (DPE). The interviews with cluster CSSR program managers will focus on the impact of this machinery of government changes on the progress of the uptake of CSSRP objectives.</p>
<p>The evaluation period is December 2012 to December 2014.</p>	<p>The period between CSSRP commencement in 2010 to December 2012 is out of scope, as is the period post December 2014. However EY has been requested to ask stakeholders at a high-level about the support required going forward</p>
<p>The primary focus of the evaluation will be to gauge the progress of Clusters in taking up the Program objectives, and the primary measure of uptake will be Cluster activity related to the Program objectives completed during the evaluation period (i.e., what they did).</p>	<p>Evaluation of agency progress against uptake of the original Blueprint objectives (2010) is out of scope. The evaluation will however acknowledge the original Blueprint objectives and note that these were subsequently refined and evolved by the Steering Committee over time, resulting in a revised set of objectives in December 2012 which we will use as our starting point.</p> <p>The evaluation will not include any assessment of Cluster or Agency program outcomes, performance, delivery, effectiveness, success, maturity, or appropriateness against the original Blueprint objectives and/or the Steering Committee endorsed objectives. The evaluation will acknowledge the impact of machinery of government changes on agency CSS maturity, but will not measure this impact or evaluate the adverse impact on achievement of outcomes/objectives as a result.</p> <p>Any evaluation of the financial return on investment or benefits obtained by Clusters or Agencies from the Program is also out of scope, and is the subject of a separate evaluation.</p>
<p>The specific processes within the CSSRP that are in scope are:</p> <ul style="list-style-type: none"> <li>• Finance</li> <li>• Human Resources</li> <li>• Procurement</li> </ul>	<p>We acknowledge that reference to other activities across other Corporate and Shared Services processes might be noted, however all other functions, including Enterprise Asset Management, Business Process Outsourcing, IT Service Management, Enterprise Service Management, are out of scope for the purposes of this evaluation.</p>

**Part 2 - Evaluation of the CSSRP Team's (Central Program Team within OFS) support in delivering to the Program objectives, as defined by the Steering Committee, between December 2012 and December 2014**

Inclusions and related comments	Exclusions and related comments
<p>The evaluation will be focused on the activities, services, products and functions of the Central Program Team in relation to supporting 6 of the 9 clusters to uptake the Program objectives as defined by the Program Steering Committee in December 2012.</p> <p>The evaluation will include a high-level summary of customer feedback on the support received from the CSSRP team</p> <p>The evaluation report will also acknowledge that the Central Program Team exists to support all nine (9) clusters, however during the majority of the evaluation period, six of the nine clusters actively sought the Central Program Team service offering. The Steering Committee objectives, of which there are 50, are contained in the December 2014 Evaluation Report.</p>	<p>Evaluation of CSSRP team progress against uptake of original Blueprint objectives (2010) is out of scope.</p> <p>The evaluation will not include any assessment of Program outcomes, performance, delivery, effectiveness, success, maturity, or appropriateness against the original blueprint objectives and/or the Steering Committee endorsed objectives.</p> <p>The evaluation will not include any formal assessment of cluster satisfaction with the support and services provided to them by the Central Program Team during the evaluation period, however the evaluation will ask clusters for high-level feedback on support received from the CSSRP Team.</p> <p>Any evaluation of the financial return on investment or benefits obtained by clusters or Agencies from the Central Program Team is also out of scope.</p>
<p>The evaluation period is December 2012 to December 2014.</p>	<p>The period between CSSRP commencement in 2010 to December 2012 is out of scope, as is the period post December 2014.</p>
<p>The specific processes within the CSSRP that are in scope are:</p> <ul style="list-style-type: none"> <li>• Finance</li> <li>• Human Resources</li> <li>• Procurement</li> </ul> <p>Note, during the evaluation period the Steering Committee was the embodiment of the Program and hence the proxy for the Program objectives during the evaluation period. We acknowledge that the Steering Committee objectives might not be limited to the three process areas in scope, and progress against objectives related to these areas will be noted.</p>	<p>We acknowledge that reference to other activities across other Corporate and Shared Services processes might be noted, however all other functions, including Enterprise Asset Management, Business Process Outsourcing, IT Service Management, Enterprise Service Management, are out of scope for the purposes of this evaluation.</p>

**Evaluation approach**

The evaluation scope has been designed to draw together data from a range of sources (“what’s so”), to draw conclusions (“so what”)<sup>6</sup>.

In the absence of a pre-defined and endorsed CSSRP program logic, a tailored evaluation approach and plan was developed to successfully fulfil the evaluation scope.

The framework for this evaluation comprises the following three key elements:

- ▶ A series of questions that the evaluation has sought to answer which have been designed to assess cluster uptake of the CSSRP, and the activities of the Central CSSRP Team, in line with the CSSRP Steering Committee’s objectives.

<sup>6</sup> Davidson EJ. 2010. *Evaluation Rubrics Professional Development*. March 2010.

- ▶ A series of data sources (these are mainly qualitative indicators of activity and output, such as progress reports and CSSRP Steering Committee updates), which have been used to perform a desktop review and inform the design of structured interviews with key CSSRP stakeholders.
- ▶ A program of CSSRP stakeholder interviews, both within and outside of OFS, to gather feedback on cluster CSS reform strategies and progress, as well as the activities of the Central CSSRP Team.

Underpinning the framework used for this evaluation is an approach that balances the need to make informed findings drawing on available information and working within agreed timeframe and scope constraints, while also managing the underlying risks and challenges in conducting an evaluation without an underlying program logic and without a range of key performance indicators or measures to assess the Program's performance against.

## **2.3 Limitations on report use**

This report has been prepared as outlined in the Introduction Section and the agreed Evaluation Plan. The services provided in connection with this engagement comprise an advisory engagement which is not subject to Australian Auditing Standards or Australian Standards on Review or Assurance Engagements, and consequently no opinions or conclusions intended to convey assurance have been expressed.

The findings in this report are based on a qualitative study and the reported results reflect formalised feedback in the way of status updates to the CSSRP Steering Committee and the opinions of the nominated CSSRP stakeholders interviewed.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by OFS and the personnel and stakeholders consulted as part of the process across the NSW Government.

EY has indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

EY is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

The findings in this report have been formed on the above basis.

## 3. Central CSSRP Team

### 3.1 Role of the Central CSSRP Team

To achieve the Government's high-level CSSRP objectives, the Blueprint contained a range of objectives and principles which were focused on driving and coordinating the sector-wide CSS reform process from the centre. To support this centre-led approach, the Blueprint also included a central CSS Government Reform Office and PMO.

This Central CSSRP Team was originally established to deliver three work streams:

- ▶ Establish and operate a central CSSRP Program Management Office (PMO)
  - ▶ The responsibilities of the Central CSSRP PMO included managing implementation and transition plans, and a benefits tracking and realisation program. They also included development of program management standards/implementation tools to standardise program management functions across government, as well as sector-wide coordination of reporting and oversight of reform program delivery within departments.
- ▶ Implement a CSS benchmarking and performance management program
  - ▶ Responsibilities included undertaking periodic whole of government benchmarking of CSS to establish transparency of performance, comparing departments with each other, and to select international and industry best practice. They also included development of a taxonomy for CSS to use for reporting and benchmarking, development of a performance management framework, and undertaking data collection from 2009-10 to 2011-12.
- ▶ Implement a whole of government process standards and capability program
  - ▶ Responsibilities included development of NSW whole of government process standards for finance, HR, procurement and ICT/service management, and establishment of a Standards Council for setting standards and overseeing their implementation. They also included establishing a common business process management platform to facilitate the automation and implementation of government standards in agencies, and establishing a centre of capability development to improve capability across government in shared services staff.

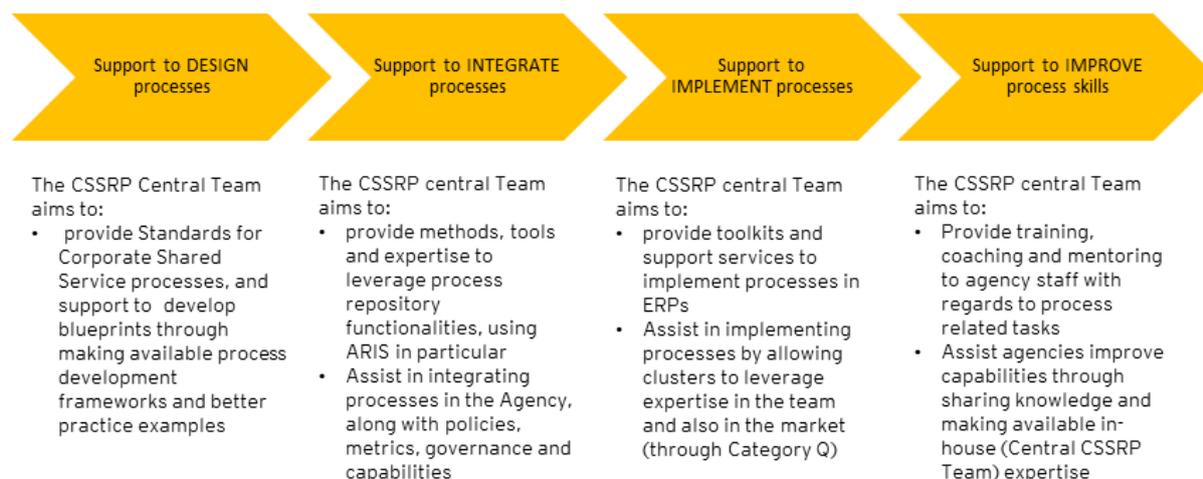
The Central CSSRP Team was also expected to provide implementation support to clusters in adapting, applying and operationalising the Blueprint objectives and design principles, establishing their own cluster CSS transition and reform programs, and using the NSW whole of government process standards.

Following the 2012 review of the Program, the scope and role of the central CSSRP team was refocused. As a result, the following changes occurred to the original four work streams:

- ▶ The central CSSRP PMO was discontinued on the basis that Principal Departments had established their own cluster-based program management offices and capabilities, therefore there was no need for a centralized PMO capability
- ▶ The CSS benchmarking and performance management program was discontinued because it was considered complete by September 2012, and agencies could opt to continue undertaking benchmarking where they saw value in doing so to support their own CSS reform programs
- ▶ The whole of government process standards and capability program was refocused to direct resources in the Central CSSRP Team to support implementation of the standards within clusters, and to use the standards as an accelerator for cluster based ERP solutions
- ▶ The Central Team moved away from centrally driving and governing the sector-wide CSSRP, to providing support to clusters pursuing their respective CSS strategies and business case/s. This resulted in a much stronger focus within the central CSSRP team on working with clusters.

These changes to the scope of work and focus of the central CSSRP team resulted in it being considerably downsized. Figure 3 below provides a high level summary of the types of support which the Central CSSRP Team has since looked to offer to the clusters.

Figure 3: High-level overview of Central CSSRP Team cluster support through program lifecycle



*\*Based on 2013 Deloitte Touche Tohmatsu - ICT Strategic Delivery: CSSRP Roadmap)*

Towards the end of the evaluation period (2 December 2014), the Central CSSRP Team had its strategy and roadmap approved by the Steering Committee, which articulates a more strategic and measured approach to supporting the clusters based on priority and stage of their individual reform journeys (including establishing a CSS Community of Practice). The strategy also presents a more structured approach to the sector's engagement with industry. Whilst outside our evaluation period, there was some evidence to suggest that the Central CSSRP Team's new strategy and roadmap was being put into action.

### 3.2 Objectives of the Central CSSRP Team

During the evaluation period, the work conducted by the Central CSSRP Team was directed by the objectives agreed with the CSSRP Steering Committee.

Our approach to structuring our evaluation findings has been to categorise the CSSRP Steering Committee's objectives (tasks and activities expected of the Central CSSRP Team) between December 2012 and December 2014, into five 'meta' categories.

The objectives as they are defined and presented in the December 2014 OFS summative evaluation report are components of a program of work for the Central CSSRP Team, and are largely consistent with the 2012 Program Review and re-baseline report<sup>7</sup>.

The five meta objective categories we have used capture the CSSRP Steering Committee's objectives and provide a logical structure to present our evaluation findings against are as follows:

1. Driving or facilitating reform at the whole-of-government level
2. Implementation, and program support at the cluster/agency level (the majority of the CSSRP Steering Committee objectives fall into this category)
3. Up-skilling staff and transfer of knowledge across the sector

<sup>7</sup> PWC Re-baseline Report 2012

4. Aligning the CSS reform with whole of government strategies and initiatives
5. Support benefits realisation, monitor, report and improve

Each of these meta categories includes a series of activities determined by the CSSRP Steering Committee. Section 3.3 provides a tabular summary of progress and activities undertaken by the Central CSSRP Team against each of these objectives.

### 3.3 Evaluation against the Steering Committee Objectives

The following tables provide a snapshot, based on the evidence gathered during our desktop analysis and interviews, of progress by the Central CSSRP team against the approved CSSRP Steering Committee objectives and activities. The status of each key activity is shown in the far right hand column using a green, amber or red colour coding.

The findings indicate that the Central CSSRP Team has made significant progress against the Steering Committee's objectives between December 2012-December 2014. Of the 50 specific objectives determined by the CSSRP Steering Committee, 37 had been achieved (marked as "complete"), 13 were partially achieved with evidence of them being a work-in-progress. Some of these partially achieved objectives have been fully achieved since the evaluation period, for example, the development of the CSSRP website.

There was also substantial evidence to indicate that the Central CSSRP Team had supported clusters with the implementation of their CSS reform programs and the uptake of the NSW whole of government business process standards (including the transfer of knowledge), however the breadth of the Team's sector reach was limited - this is discussed in section 5 of this report. Also, whilst there was evidence of the Central CSSRP Team supporting the reform program at a whole-of-government level and aligning it with other public sector reform initiatives (for example, the establishment of Category Q and supporting the sector's uptake of PCards), the Central CSSRP Team was not as strategic in its approach to supporting and coordinating the reform program at a whole-of-government level as it could have been.

*Key to understanding objective completion/fulfilment*

Objective largely completed during the evaluation period (in some cases ongoing support is being provided post evaluation period)	Objective partially complete and evidence of work in progress to complete/fulfil the objective	Not complete and/or minimal to no evidence of work in progress
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#### 1. Driving or facilitating reform at the whole-of-government level

Activities	Observations of progress	Status
<b>Category Q &amp; ICT Scheme:</b> Participate in the redesign of the ICT Services scheme to deliver Category Q	<ul style="list-style-type: none"> <li>▶ An agreement was reached by the Steering Committee to support the establishment of an unambiguous category for ERP and related Corporate and Shared Services on the ICT Services Scheme. The approach for using the new Q category and sub categories, the creation of new ERP products for the ICT Services Catalogue and the use of a Registration Process for viewing the Government Process Standards were approved (<i>Steering Committee meeting, 22 May 2014</i>).</li> <li>▶ The Communications and Engagement strategy had been developed with formats, messages and content created to ensure that key stakeholders were kept informed of progress and actions required for each release. Appropriate communications and documentation were made available on the ProcurePoint website, including Fact Sheets and Frequently Asked Questions, and emails which were targeted to specific stakeholders, such as those suppliers registered on M03 (<i>Steering Committee meeting, 22 October 2014</i>).</li> </ul>	<b>Complete</b>
<b>Category Q:</b> Have ERP and related corporate and shared services launched by 30 July 2014 and Ministerial/Media release announcement of the launch	<ul style="list-style-type: none"> <li>▶ The ERP Category Q has been released (<i>Steering Committee meeting, 29 July 2014</i>).</li> <li>▶ A press release from the Minister about NSW Government unveiled a new ERP supplier scheme, which appeared in a number of publications on 7 August 2014 (<i>Steering Committee meeting, 10 October 2014</i>).</li> </ul>	<b>Complete</b>

<p><b>Category Q:</b> Allows for industry vendors to engage with Government in the provision of ERP related services (after being certified)</p>	<ul style="list-style-type: none"> <li>▶ The ERP Category Q released the Professional Services sub category (Q01), the Access to NSW Government Standard Business Processes sub category (Q01PTa) and the Human Capital Management (HCM) and eRecruitment sub category (Q02PTR).</li> <li>▶ Approximately 96 companies have become approved suppliers in sub category Q01 on the ICT Services Scheme since it was released in July 2014 (<i>Steering Committee meeting, 1 December 2014</i>).</li> <li>▶ Note that the key milestones for the next period include incremental releases of other sub-categories including Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS) to follow. CSSR Steering Committee members noted commencement of work on the creation of Category Q05-Expense Management Systems (EMS) on the NSW ICT Services Scheme to provide a single location for Clusters to access prequalified vendors of expense management software.</li> </ul>	<p>Complete</p>
<p><b>Category Q:</b> Establish Publisher Portal to enable accredited industry vendors to access the NSW Government Standards</p>	<ul style="list-style-type: none"> <li>▶ The server is set up and running with testing undertaken in late July. Connectivity between LMS and Publisher Portal has been established to allow for Q01PTa-qualified suppliers to access the NSW Government Standards (<i>Steering Committee meeting, 10 October 2014</i>).</li> </ul>	<p>Complete</p>
<p><b>Category Q:</b> Participated in Industry get together and gathered information regarding industry engagement</p>	<ul style="list-style-type: none"> <li>▶ The Interim Report notes eight areas that need to be addressed in order to resolve questions raised by the Industry vendors to the Industry Engagement EOI. As such, consultation between several areas is required before the final report for endorsements by the Steering Committee is compiled (<i>Steering Committee meeting, 22 May 2014</i>).</li> </ul> <p>Note* Steering Committee papers suggest that there was consultation conducted with industry - the Steering Committee was provided with 'Industry Consultation Response - Interim Report' detailing the main findings, issues and questions noted in vendor responses to the EOI. A further joint session with industry is to be held on 4 September 2014 to bring product suppliers together for a tradeshow.</p>	<p>Complete</p>
<p>Designed and implemented an accreditation process for Industry suppliers on ICT Services Scheme category Q01</p>	<ul style="list-style-type: none"> <li>▶ Approximately 96 companies have become approved suppliers in sub category Q01 on the ICT Services Scheme since it was released in July. Following their registration as an approved supplier each company is contacted and invited to undertake the pre-requisite training to become an approved supplier in sub category Q01PTa: Services Aligned to the NSW Government Standard Business Processes (<i>Steering Committee meeting, 10 October 2014</i>).</li> <li>▶ Additionally, it was reported a review of the existing fit gap assessment methodology as an approach for vendor system self-assessment against the standards</li> </ul>	<p>Complete</p>
<p><b>General:</b> Design and establish a CSSRP Web site</p>	<ul style="list-style-type: none"> <li>▶ Work progressed on the development of the change management and communications capability, of which the CSSRP web site formed a part of. Work commenced on the web site in October 2014 and was incomplete up to December 2014. <i>Please note that the web site went live in April 2015 and includes social media capability.</i></li> </ul>	<p>In progress subsequent to the evaluation period</p>

## 2. Implementation and program support at an agency level

Activities	High-level observations of progress	Status
<p>Preparing for the release of Standards Business Processes Version 5.1, including: Review of Asset Management processes to validate inclusion of best practice; Best practice</p>	<ul style="list-style-type: none"> <li>▶ The CSSRP developed standard Enterprise Asset Management (EAM) business processes for NSW Government to assist all agencies to develop and build their business solutions to meet industry best practice, statutory compliance and Government policy requirements for Asset Management (<i>Steering Committee meeting, 10 October 2014</i>).</li> <li>▶ It was highlighted that asset processes will be released as Version 6 of the NSW Government Standards. This was originally planned to be complete by December 2014, however coincided with the holiday period. It was noted that this was completed in January 2015</li> </ul>	<p>Largely complete with some components being continuously</p>

<p>verified for GSE Act rules and regulations in the Standards; Assessment of Human Capital Management (HCM) processes and development of HCM catalogue.</p>	<ul style="list-style-type: none"> <li>▶ The Asset Management Council, which is the professional body for asset management professionals in Australia, has reviewed and endorsed the Asset Management processes and has advised that they find them to be of high quality and one of very few comprehensive process guides for asset management and perhaps the only one compliant with the new ISO5001. They are seeking to be able to endorse the Standards and recommend them to their members. OFS will meet with them to explore this concept.</li> <li>▶ The localisation of Human Resource processes for FACS as part of GSE policy changes is underway.</li> <li>▶ The HR process changes to assist the PSC with HCM solutions are being finalised.</li> <li>▶ Working on validation of policy elements and technical quality assurance of processes. Pre-released processes to Justice to aid with current work on localisations. Forward view is to release new version to all Clusters databases when finalized.</li> </ul>	<p><b>improved</b></p>
<p>FACS: OneSAP Business Case reviewed and feedback provided</p>	<ul style="list-style-type: none"> <li>▶ The OneSAP Project Board approved a procurement strategy that recognised OneSAP as a business transformation project of work rather than a systems integration project given its SaaS/cloud focus. The Business Case has an acceptable and manageable risk profile; minimises costs and provides outcomes that represent best value for money; supports FACS reform initiatives by taking into account the dynamic environment and change climate within FACS; considers lessons learned from other ERP implementations in NSW government, Federal government and private enterprise (<i>Steering Committee meeting, 1 December 2014</i>).</li> </ul>	<p><b>Complete</b></p>
<p>FACS: Planning Workshop held with OneFACS Program/One Corporate Services project team, responsible for architecting and designing the FACS Corporate Services Operating Model and the work plan to do so</p>	<ul style="list-style-type: none"> <li>▶ The CSSRP Team supported FACS Program/One Corporate Services project team, and Business Services and Corporate Services resources in end-to-end (level 2) process workshop (<i>Interview with FACS, 10 April 2015</i>).</li> </ul>	<p><b>Complete</b></p>
<p>FACS: Localisation modelling &amp; QA support following the Validation Process Workshops</p>	<ul style="list-style-type: none"> <li>▶ The Client Engagement Update presented to the Steering Committee in 2014 noted that FACS requested the V5 database (released 1/12/13) for workshops planned to commence early June 2014. FACS have own localisations once V5 is available. The work was divided into three phases: Deployment Planning, Impact Analysis and Deployment V5. As part of Phase 3, localisation modelling &amp; QA support is to continue following the Validation Process Workshops.</li> </ul>	<p><b>Complete and ongoing support being provided</b></p>
<p>DEC: Technical support with handover / synchronisation activities to SAP Support Group following Accenture being rolled off LMBR (Learning Management and Business Reform) project</p>	<ul style="list-style-type: none"> <li>▶ DEC is working on post go-live activities including performing exports from ARIS and imports to HP QC / ALMC (<i>Steering Committee meeting, 10 October 2014</i>).</li> <li>▶ LMBR program informed of the completion of ARIS Business Models at the start of October 2014.</li> <li>▶ Synchronisation activities are expected to recommence at the beginning of October. Final synchronisation is forecast to be completed by the end of October followed by reviews in November</li> <li>▶ In interviews with DEC stakeholders, it was noted that the technical support was provided, but not in the context suggested by the objective - the support was provided however not as a result of Accenture rolling off the LMBR program</li> </ul>	<p><b>Complete - however, not as a result of Accenture roll-off</b></p>
<p>DEC: Technical support with ARIS / SAP Solution Manager synchronisation activities. Facilitated a 'lessons learnt' session with DEC &amp; TfNSW regarding ARIS / SAP Solution Manager Synchronisation</p>	<ul style="list-style-type: none"> <li>▶ The CSSRP provided specialised support to enable mass uploads of process requirements to the ARIS repository. This saved DEC considerable effort in drawing 'as-is' processes for use in their process development work (<i>Steering Committee meeting, 18 April 2013</i>).</li> <li>▶ In December 2014, CSSRP provided technical support with handover/synchronisation activities to the SAP Support Group following Accenture being rolled off LMBR project.</li> <li>▶ Technical support with ARIS/SAP Solution Manager was also provided.</li> <li>▶ The CSSRP developed an integrated solution in ARIS, Solution Manager and HP Quality Centre for use in the ServiceFirst Client SAP system. Technical issues with set-up of Service First SOLMAN instance, SAP assisted with resolution but delay occurred. Project work had recommenced (<i>Steering Committee meeting, 6 November 2013</i>).</li> </ul>	<p><b>Complete</b></p>

	<ul style="list-style-type: none"> <li>Further on in December 2014, the CSSRP facilitated a 'lessons learnt' session with DEC and TfNSW regarding ARIS/SAP Solution Manager Synchronisation. This is one example of an instance of CSSRP facilitating knowledge sharing across clusters</li> </ul>	
DEC: LMBR Stage 3 Deployment Business Case review	<ul style="list-style-type: none"> <li>The Corporate Services directorate and a LMBR Program Office - central service delivery directorate, shared services were provided to Schools, TAFE, AMES and communities (<i>Steering Committee meeting, 6 March 2014</i>).</li> <li>The first stage delivered a new central finance system which is now completed.</li> <li>Included in the second stage is the deployment of the finance system to 229 schools as well as the Student Management and Learning Management (SALM) - achieved by the end of 2013.</li> <li>Further deliverables planned for Stage 2 in calendar 2014 include the deployment of the HR/Payroll and SALM to TAFE NSW. The HR/Payroll will also be rolled out to the initial 229 schools and the remaining 2000 plus schools are expected to on-board all three models Finance, SALM and HR/Payroll. The Program is planned to be finished by the end of 2014.</li> <li>On December 1 2014, the LMBR Program - Stage 3 - Business Case was forwarded to the CSSR Program for review with feedback provided to the DEC. Stage 3 Business Case is endorsed which estimates that an additional \$127m over four years is required to complete the two work streams. The costs of Stage 3 will be managed within the Department's existing recurrent and capital allocations.</li> </ul>	Partially completed - feedback provided through the Steering Committee and informally - not documented feedback
TfNSW: Supporting finalisation of Testing Strategy setup in HPQC and the use of ARIS process maps to support accelerated testing	<ul style="list-style-type: none"> <li>It was documented to the Steering Committee that the role of the CSSRP Team is to support Deloitte consortium and the EY team as they are on-boarded to the ERP program. ARIS training mentoring and acclimatisation is provided for those team members for them to commence working with the NSW Government Standards.</li> <li>Delivery of the first round of process workshops to prepare for engagement with the systems integrator and consultants for the ERP build</li> <li>Supported the Transport ERP project team through the creation of workshop approach and deliver. Capture of workshop information and support to BA team to validate changes to processes and mapping of localisations. <ul style="list-style-type: none"> <li>Intensive work with them to translate captured localisations into the ARIS processes for Transport</li> <li>SoIMan Synchronisation and HPQC support for the ERP team and its relationship with ARIS process Governance.</li> <li>Design and implemented automated Process Governance functionality in ARIS to work with the CHaRM Governance system being used for the build phase.</li> </ul> </li> <li>Worked with independent EAM project to align their process architecture design to the process architecture methodology used in the ERP program.</li> <li>Support preparation to transition to the ARIS 9.7 instance in GovDC (<i>Client Engagement Update 2013-14</i>).</li> </ul>	Complete
TfNSW: Planning with Transport for the next ERP Wave process design in ARIS. The design incorporates how to manage multiple wave process designs and a global design that can be synchronized	<ul style="list-style-type: none"> <li>The Central CSSRP Team assisted Transport with quality assurance, remediation modelling activities and final work on governance change process to finalise Wave 0 blueprint for ERP</li> <li>Wave X Blueprint phase will require further workshops with agencies to determine localisation of processes. Requirements and scope for the Central CSSRP Team are currently being scoped</li> <li>The Central CSSRP Team SMEs have prepared modelling guides and materials related to the next stage of modelling include the modelling of end-to-end scenarios, roles, risks and controls, and requirements (<i>Steering Committee meeting, 10 October 2014</i>).</li> <li>Design changes to ARIS process governance in line with the multiple wave approach for ERP design and build (<i>Client Engagement Update 2013-14</i>).</li> </ul>	In progress
TfNSW: Supporting Transport to design the SAP security roles to the processes that will align to process roles and	<ul style="list-style-type: none"> <li>ARIS Solution Design specific to Transport ERP requirements including additional objects capture and Blueprint document creation and ongoing process element capture advice and design (e.g. SAP security roles, RICEF objects, Requirement Traceability Matrix).</li> <li>Delivering ARIS capability and mentoring process modelling to capture ERP System security roles into the business processes.</li> </ul>	In progress

eventually organisational roles	<ul style="list-style-type: none"> <li>▶ Database QA support and ongoing mentoring of new modellers and business analysts.</li> <li>▶ Participated in a deep dive session with the Transport business areas to assist in localisation or deviation from the Standard process approval.</li> <li>▶ Worked with ERP team areas, giving advice on process architecture, information capture and interfacing between process areas (<i>Client Engagement Update 2013-14</i>).</li> </ul>	
TfNSW: Finalisation of ARIS Design for Wave 1 modelling to commence early January	<ul style="list-style-type: none"> <li>▶ It is planned that the Central CSSRP Team provide ongoing support regarding ARIS/SolMan synchronisation requirements to keep the system build and business processes relevant, including specific requirements of moving to the multiple wave folder design. <ul style="list-style-type: none"> <li>▶ Training of Transport BA team in ARIS modelling and BPM fundamentals. Modelling QA and Database QA services.</li> <li>▶ Implementation of ARIS multiple folder structure to support multiple wave ERP designs and support Transport ERP team to commence using the new structure (<i>Client Engagement Update 2013-14</i>).</li> </ul> </li> <li>▶ TfNSW are in the process of delivering the first wave of ERP process (<i>Interview with TfNSW program stakeholder, 27 March 2015</i>).</li> </ul>	Complete and ongoing support being provided
Treasury: Assisting Treasury implement the ARIS tool for their Financial Management Transformation Project Process Taxonomy has been updated, business requirements uploaded and ARIS process blueprint script specific to Treasury's requirements has been developed by the Central CSSRP Team	<ul style="list-style-type: none"> <li>▶ FMT program worked with Central CSSRP Team to document the whole of government resource management cycle processes and to define the requirements within ARIS to enable the capture of benefits, change impact assessments, relationship to PSC Capability Framework. The tangible benefit of this is to allow Treasury to specify roles and responsibilities that link and align to PSC Capability Framework It will also allow a higher level of integration of whole of government ERP process outputs <ul style="list-style-type: none"> <li>▶ This is being used to inform the solution design for FMT and the relevant whole of government budgeting and reporting requirements</li> </ul> </li> </ul>	Complete
Treasury: Produced from ARIS the Design Stage 1 documentation in 7 functional areas providing Treasury a baseline to commence working within ARIS Modelling training	<ul style="list-style-type: none"> <li>▶ FMT worked very closely with CSSRP to get the design and builds complete, with the translation into system down to the "level 3 process" in ARIS. (<i>FMT Program stakeholder, NSW Treasury, 17 April 2015</i>)</li> </ul>	Complete
Treasury: Work with FMT business analysts to mentor them in management of their project requirements and deliverables with the ARIS tool, including process governance	<ul style="list-style-type: none"> <li>▶ Conducted all the training within FMT Team - a few stages of training - get access to database and understand what ARIS is all about. The second stage is delivering training to TSY's FMT specifications</li> </ul>	Complete and ongoing support being provided
Treasury: With Treasury proposing to change Legislation and the Financial Management Framework, there is an opportunity to develop a joint project that can leverage and strengthen the integration between the policy and the NSW Government Standards. This would support Treasury in its work and also assist the sector to strengthen their capability in financial management.	<ul style="list-style-type: none"> <li>▶ Currently supporting Treasury's Financial Transformation Program with database deployment, training and development for Business Process Management. (<i>Steering Committee meeting, 10 October 2014</i>).</li> <li>▶ FMT will continue to work with the Central CSSRP Team to maintain the currency of the policy integration with ERP processes as the new Financial Management Framework is implemented. This tool should enable Treasury's ability to conduct impact assessments on where whole of government policies will have an impact on processes and related roles. (<i>FMT Program stakeholder, NSW Treasury, 17 April 2015</i>) <ul style="list-style-type: none"> <li>○ This is another example of the Central CSSRP Team supporting and committing to whole-of-government initiatives</li> </ul> </li> </ul>	Complete and ongoing support being provided

OFS: Compilation of specific PCard reports to assist OFS with the PCard acceleration and cheque reduction	<ul style="list-style-type: none"> <li>▶ The Central CSSRP Team had developed a compilation of specific PCard reports to assist OFS with the PCard acceleration and cheque reduction. A consolidated Targets Report on sector-wide status of PCards was submitted to Procurement Board on September 2014 (<i>Steering Committee meeting, December 2014</i>).</li> <li>▶ The OFS undertook a priority project to expand the use of PCards across its own operations. A cross-functional OFS Steering Committee has been formed with Anthony Lean, Deputy Secretary, Government Services as project and business sponsor.</li> </ul>	Complete
OFS: Support ServiceFirst in their implementation of SAP Cloud for Travel & Expense solution. Initial release is scheduled for 3rd December for Treasury and DPC clients to manage PCard expenses.	<ul style="list-style-type: none"> <li>▶ In February 2013, the Steering Committee agreed to conduct a post implementation review of the SAP By Design Standards against the V4 Standards, in conjunction with the pilot Cloud study. The final draft of the CSSRP Cloud paper was provided to the Steering Committee on 4 December 2013. The objective of the ICT policy Cloud Pilot Project was to test and understand the implications for the NSW public sector transitioning to cloud-based as-a-service solutions by examining the pilot implementations of five agencies. Implementations were of different services, one (Trade &amp; Investment) was an ERP cloud SaaS service. The final draft of the paper was to be presented to the ICT Leadership Group on Thursday 7th November and to the ICT Board during the week beginning 11 November.</li> </ul>	Ongoing support being provided

### 3. Up-skill agency staff and transfer knowledge

Activities	Observations of progress	Status
eLearning modules for the provision of training online on Standards processes and ARIS to Departments and Industry Vendors	<ul style="list-style-type: none"> <li>▶ The Central CSSRP Team undertook a pilot test of eLearning modules with a select group of industry participants to provide an understanding of the NSW Government Standard processes before they were made available to accredited suppliers. The modules have been loaded onto the Learning Management System (LMS) as Business Process Foundation Training. Government resources and qualified Industry Vendors have been provided with secure access to LMS to enable completion of training and access to NSW Government Standards Business Processes in ARIS Publisher. (<i>October 2014, Steering Committee Meeting Papers</i>)</li> </ul>	Complete
Established Learning Management System (LMS) for access to eTraining	<ul style="list-style-type: none"> <li>▶ Following the deployment of LMS for Business Process Foundation Training, testing of the system was undertaken with NSW Government employees and pilot group of industry participants. LMS has become operational from September 2014. Government resources and qualified Industry Vendors have been provided with secure access to LMS to enable completion of training and access to NSW Government Standards Business Processes in ARIS Publisher (<i>Steering Committee meeting, 10 October 2014</i>).</li> </ul>	Complete
Design and develop a range of Online help modules for agencies for modelling business processes using Captivate	<ul style="list-style-type: none"> <li>▶ Completed development, design, testing and pilot of eTraining modules with Standards and ARIS content. Modules loaded onto Learning Management System (LMS) as Business Process Foundation Training.</li> <li>▶ Personnel from the Central CSSRP Team were awarded a silver medal by LearnX for their contribution to promoting NSW process standards</li> </ul>	Complete
Designed and implemented new eLearning course NSW Government Standard Business Processes Foundation Course	<ul style="list-style-type: none"> <li>▶ Introduction of e-training capability through creation of an initial pilot and then development of wider curriculum - requirements and stakeholder mapping within the CSSRP team are progressing with the objective to pilot an initial training small course and then expanding to cover a wider range of existing training courses.</li> <li>▶ The course and the LMS were released as a pilot in early September and the course has now been made available all Q01 suppliers. There has been a very good response to our invitation to undertake the training, and to date over 100 staff representing 34 companies and 3 Government Agencies have enrolled in the training with 31 of those applicants now accredited.</li> <li>▶ Introduction of e-training capability through creation of an initial pilot and then development of wider curriculum - requirements and stakeholder mapping within the CSSRP team are progressing with the objective to pilot an initial training small course and then expanding to cover a wider range of existing training courses (<i>Steering Committee meeting, 22 May 2014</i>).</li> </ul>	Complete

Explore ways to commission 'Whole of Government' supply of training products e.g. Workplace Performance Builder via ICT services scheme	<ul style="list-style-type: none"> <li>▶ Currently exploring ways to commission whole-of-government supply of training products</li> <li>▶ Workplace Performance Builder currently being developed with the Department of Justice</li> </ul>	Progressed during evaluation period and continuing
Develop a quality management assessment/review process for CSSRP related training products	<ul style="list-style-type: none"> <li>▶ Based primarily on feedback (for LMS and face to face) with trainers and trainees (attendees), who complete forms on Survey Monkey once participants have completed training</li> <li>▶ It remains unclear how this feedback is then used to improve the quality of the training</li> </ul>	Well progressed
Delivered 11 courses in Modeller training (59 people)	<ul style="list-style-type: none"> <li>▶ Providing participants from Departments with an overview of the CSSRP and building their modelling capability. Existing training material has been reviewed and updated as part of strategy below. Have received very good feedback from Departments on revised material. Nine resources have been trained over 1.5 days with participants from Treasury, Justice and Transport (<i>Steering Committee meeting, 10 October 2014; and Treasury, Justice and Transport stakeholder interviews</i>)</li> </ul>	Complete - however it was observed that some clusters received more support than others
Established a suite of templates for Product Sheets, Procedures, Client Packs Work Instructions, Newsletters,	<ul style="list-style-type: none"> <li>▶ Product Sheets, Procedures, Client Pack Work Instructions and Newsletters all evidenced as developed and disseminated</li> </ul>	Complete
Quick Reference Guides Review LMS admin & Reporting Develop a plan to expand the utilisation of the LMS	<ul style="list-style-type: none"> <li>▶ In the second half of 2014, the Central CSSRP Team developed an LMS to provide industry with access to the process standards (implemented as part of Category Q - Prequalification Scheme). An accreditation requirement was developed as part of this - industry participants need to complete online training in the LMS. Accreditation and certification is provided online post successful completion of the training, which contributes towards accreditation to comply with Category Q requirements</li> <li>▶ Fact sheet developed for Category Q01 and for industry accessing the process standards</li> <li>▶ A standard inbox, which trainer manages , replies to applicants wanting to become accredited and requesting access to LMS</li> <li>▶ The LMS is used for pre-training for modellers assisting agencies with process modelling</li> <li>▶ LMS been operational since September 2014 and has generated reports based on feedback (statistics of approved suppliers, government staff who have been approved and accredited)</li> <li>▶ In talks with NSW Procurement to see if they would like to leverage LMS for some of their learning and accreditation processes. Looking at creating at help tools and self-directed learning tools, focussed on ARIS</li> </ul>	Complete
Foundation Course Enrolments	<ul style="list-style-type: none"> <li>▶ CSSRP successfully launched the Industry Engagement in conjunction with the release of Category Q: ERP and related corporate and shared services. The course and the LMS were released as a pilot in early September and the course has now been made available to all Q01 suppliers.</li> </ul>	Complete
Industry Suppliers Enrolments	<ul style="list-style-type: none"> <li>▶ <i>"There has been a very good response to our invitation to undertake the training, and to date over 100 staff representing 34 companies and 4 Government Agencies have enrolled in the training with 31 of those applicants now accredited."</i> (<i>Steering Committee meeting, 10 October 2014</i>).</li> <li>▶ CSSRP has successfully launched the Industry Engagement in conjunction with the release of Category Q: ERP and related corporate and shared services. 96 companies have become approved suppliers in sub category Q01 on the ICT Services Scheme since it was released in July.</li> </ul>	

Agencies Trained	<ul style="list-style-type: none"> <li>▶ Business Process Management (BPM) fundamentals Training for Departments and individual staff: Single session was held on 29 Nov 2013 (<i>Steering Committee meeting, 6 November 2013</i>)</li> <li>▶ Providing participants from Departments with an overview of the CSSRP and building their modelling capability. Existing training material has been reviewed and updated as part of strategy below. Have received very good feedback from Departments on revised material. Nine resources have been trained over 1.5 days with participants from Treasury, Justice and Transport (<i>Steering Committee meeting, 10 October 2014; and Treasury, Justice and Transport stakeholder interviews</i>)</li> </ul>	Complete
Individuals Trained		
Established system and requirements for access to purchase modeller training on the ICT Services Scheme in category Q01	<ul style="list-style-type: none"> <li>▶ Purchasing modeller training now and delivering it (it is outsourced) - this happened post the evaluation period</li> <li>▶ Currently free to access</li> <li>▶ Requirements established within the evaluation period</li> </ul>	Progress made during evaluation period
Work with NSW Procurement to define the way information is presented on the ICT Services Catalogue	<ul style="list-style-type: none"> <li>▶ Specifically done for Category Q01A, which gives industry access to process standards. Quite a bit of work done with NSW Procurement on the development and definition of LMS and Category Q01A</li> <li>▶ NSW Procurement receive copies of accreditations as suppliers become accredited, automatically</li> </ul>	Complete
Develop a plan to expand the utilisation of the LMS	<ul style="list-style-type: none"> <li>▶ In talks with NSW Procurement to see if they would like to leverage LMS for some of their learning and accreditation processes. Looking at creating at help tools and self-directed learning tools, focused on ARIS</li> </ul>	Complete
Commissioned and released customised Learning Management System	<ul style="list-style-type: none"> <li>▶ Commissioned and released LMS</li> <li>▶ Central CSSRP Team is now looking at how agencies can leverage the LMS infrastructure, for example the FMT Program is now looking at leveraging LMS to upload their courses and make available to agency participants.</li> </ul>	Complete

#### 4. Aligning CSS reform with other government strategic initiatives

Activities	Observations of progress	Status
PCards: Work with OFS on the sector-wide initiative to accelerate the adoption and use of PCards and Electronic Payments in order to realise savings across NSW Government	<ul style="list-style-type: none"> <li>▶ The Central CSSRP Team had developed a compilation of specific PCard reports to assist OFS with the PCard acceleration and cheque reduction. A consolidated Targets Report on sector-wide status of PCards was submitted to Procurement Board on September 2014 (<i>Steering Committee meeting, December 2014</i>).</li> <li>▶ CSSRP are supporting ServiceFirst in their implementation of SAP Cloud for Travel and Expense solution, Initial release was scheduled for 3rd December for Treasury and DPC clients to manage PCard expenses. The Central CSSRP Team has participated in policy and process advice workshops and supported change management function.</li> </ul>	Complete and ongoing support being provided
PCards: Work with the clusters to determine definitions, data standards and a consistent and comparable framework so a sector-wide view of targets and implementation plans are able to be compiled	<ul style="list-style-type: none"> <li>▶ Most clusters provided targets and milestones to the Procurement Board for review at their 17 September meeting. The Board determined that further work was needed before the draft report to the Cabinet Standing Committee on Expenditure Review (ERC) (due October 2014) could be finalised, including provision of targets for 2015-16 and 2016-17). Since that time, further targets and milestones have been provided and more clusters have provided a reduced timeframe for cheque reduction (<i>Steering Committee meeting, late 2014</i>).</li> <li>▶ Post the implementation period there was evidence of consistent and comparable view of cluster progress across the sector, as presented in the Hackett review 27 March 2015.</li> </ul>	Ongoing

<p>PCards: Provide guidance and templates on applicable spend categories</p>	<ul style="list-style-type: none"> <li>▶ The Central Team has developed guidelines and fact sheets and support of PCard acceleration. Consolidated Targets Report on sector-wide status of PCards submitted to Procurement Board (<i>Steering Committee meeting, 10 October 2014</i>).</li> </ul>	<p>Complete</p>
<p>PCards: Work with clusters to gather and share best practice tools and lessons learned</p>	<ul style="list-style-type: none"> <li>▶ Cluster implementation plans has been extended until end December 2014, this will allow more time for OFS to work with and provide guidance to clusters on benefits realisation and other implementation planning arrangements (<i>Steering Committee meeting, 1 December 2014</i>).</li> <li>▶ Leveraged GovDex, a federal government knowledge sharing portal, to create a knowledge base of information related to Electronic Payment reform (<i>Steering Committee meeting, 10 October 2014</i>).</li> <li>▶ Version 5.1 (process product status) was released on 27 October 2014 which incorporated GSE Rules and Regulations, a new 'Manage Superannuation Annual Review' process, eight NSW Procurement Board Directions and the consolidation of Purchasing Card Administration processes. Preparation for Release 6.0 to include Asset Management processes, best practice and policy into NSW Government Standards (<i>Steering Committee meeting, 1 December 2014</i>).</li> </ul>	<p>Complete</p>
<p>General: Support the refresh of the Corporate and Shared Services Blueprint to align with Government strategies</p>	<p><b>PCards</b></p> <ul style="list-style-type: none"> <li>▶ Evidence in Steering Committee papers of Central Program Team working to assist and guide principal departments to accelerate the adoption of PCards and other electronic payment methods: <ul style="list-style-type: none"> <li>▶ Supported ServiceFirst in their implementation of SAP Cloud for Travel and Expense solution, Initial release was scheduled for 3rd December for Treasury and DPC clients to manage PCard expenses.</li> <li>▶ Participated in policy and process advice workshops and supported change management function.</li> <li>▶ The Central Team has developed guidelines and fact sheets and support of PCard acceleration.</li> </ul> </li> </ul> <p><b>General</b></p> <ul style="list-style-type: none"> <li>▶ The Central CSSRP Team has developed a roadmap that is underpinned and driven by the NSW Government's priorities detailed in the NSW 2021 plan, NSW Government ICT Strategy 2012 and DFS Corporate Plan. The "refresh" strategy mentioned here refers to refreshing the Blueprint Strategy 2010. It is not to be confused the Central CSSRP Team's Strategy and Roadmap, which refers to product and service capabilities, client and industry engagement strategies, change management and communication strategies etc.</li> <li>▶ The Corporate and Shared Services Blueprint contained assumptions that are no longer valid and a refreshed strategy to the Steering Committee's review was requested. Preliminary consultations with Clusters and Departments for the Blueprint refresh are now complete (<i>Steering Committee meeting, 5 March 2014</i>).</li> <li>▶ Draft discussion paper on the progress of 'refreshed' Government Strategy for CSS (2010) provided to Steering Committee (<i>Steering Committee meeting, 22 May 2014</i>).</li> <li>▶ Steering Committee provided with brief verbal update on the refresh. CSS Strategy document to be finalized for endorsement at the next CSSR Steering Committee (<i>Steering Committee meeting, 10 October 2014</i>).</li> <li>▶ CSS Steering document to be finalized at the next CSSR Steering Committee. Sector Wide Report on the status of CSS reform across Clusters, as a companion to the CSS Strategy Refresh, to be commenced after revised strategy tabled (<i>Steering Committee meeting, 1 December 2014</i>).</li> </ul>	<p>In progress (ongoing)</p>

## 5. Support benefits realisation, monitor, report and improve

Activities	Observations of progress	Status
<ul style="list-style-type: none"> <li>Define CSS methodology for communication, evaluation and reporting</li> </ul>	<ul style="list-style-type: none"> <li>It was agreed in December 2013 that DFS (CSSRP Team) would be responsible for conducting an evaluation of the Central CSSRP Team, while Clusters will be responsible for conducting evaluations of their individual reform programs. It was also agreed that DFS would propose a date for the next review for CSSRP in second half of 2014.               <ul style="list-style-type: none"> <li>The evaluation was led by the CSSRP Strategy Lead and completed in December 2014.</li> </ul> </li> <li>The Steering Committee in May 2014 identified the need for a comprehensive plan for sector-wide engagement and communications required to support the successful deployment of the updated Standards into Departments.               <ul style="list-style-type: none"> <li>The Central CSSRP Team has developed a comprehensive communications training, client and industry engagement plan, which is currently underway. The events in that plan make up the roadmap (attached in the appendix). This forms part of the Central CSSRP Team's Strategy and Roadmap, which was presented to the Steering Committee December 2, 2014</li> </ul> </li> <li>In October 2014, the Steering Committee agreed to create a sector-wide report for general publication that highlights the progress that has been made on Corporate and Shared Services Reform across the sector. The objective of this is to communicate achievements and good news stories.</li> <li>In late 2014, the Central CSSRP Team was identifying communication and training needs for internal and external stakeholders.</li> </ul>	Complete and Central CSSRP Team's strategy & roadmap being enacted
<ul style="list-style-type: none"> <li>Establish and maintain a master stakeholder matrix</li> </ul>	<ul style="list-style-type: none"> <li>A stakeholder matrix is not in place, however there is a client engagement approach in place, led by three client engagement managers covering the breadth of the sector. Each CSSRP client engagement manager needs to have in place an account plan covering their clusters and supplemented by an engagement plan. The CSSRP roadmap is a summary of what needs to be done across the sector</li> </ul>	Incomplete, but evidence of progress
<ul style="list-style-type: none"> <li>Developing KPIs: Creation of a sector-wide working group to develop key performance indicators to measure the efficiencies derived from shared services initiatives (meeting reporting requirements set by NSW Auditor-General)</li> </ul>	<p><b>Developing KPIs - creation of a sector-wide working group</b></p> <p>Evidence in Steering Committee documentation</p> <ul style="list-style-type: none"> <li>Engaged with each cluster to obtain opinions and suggestions to the development of cross-sector shared services Working Party, strategy and KPIs for the measurement of shared services efficiencies.</li> <li>CSSR Steering Committee members were provided with 'Performance Management Paper' setting out the elements required to commence work on a Performance Management Framework (PMF) for NSW Government.</li> <li>Draft approach for the development of a sector-wide Performance Management model: Project Manager engaged by CSSR Program to facilitate this work across the sector.</li> <li>Cluster Working Party shared services heads / representatives identified.</li> <li>Working Party Launch meeting was scheduled in October 2014 (this was delayed due to work on PCard program)</li> </ul> <p><b>General</b></p> <ul style="list-style-type: none"> <li>Upon re-baselining the Program, performance measurement and centralised benefits tracking and management was discontinued from the Program. It has been reintroduced post the evaluation period</li> </ul>	Completed
<ul style="list-style-type: none"> <li>Develop and define the delivery schedule, Product Sheets, Procedures, Client packs, Work Instructions, Newsletters, Quick reference Guides, Case Studies, Reference Materials</li> </ul>	<ul style="list-style-type: none"> <li>Communications from the Central CSSRP Team (i.e. standards template, communicating releases etc.) were noted as having improved over the evaluation period, but still requiring improvement in breadth (reach) and depth.</li> <li>Product Sheets, Procedures, Client Pack Work Instructions and Newsletters have been evidenced</li> </ul>	Complete

### 3.4 Key observations and findings

This section provides a summary of the key evaluation findings and observations with respect to the Central CSSRP Team. These were largely informed by stakeholder consultations across the sector as well as Steering Committee documentation between December 2012 and December 2014.

- ▶ In summary, there was evidence to suggest that the Central CSSRP Team had supported clusters with the implementation of their reform programs and uptake of the NSW whole of government process standards (including knowledge transfer). As the evidence against the objectives present, the Central CSSRP Team had provided support to FACS, TfNSW, DEC and NSW Treasury in particular.
- ▶ During the evaluation period, some clusters benefited more than others from the Central CSSRP Team's support. It was noted through cluster stakeholder interviews that the level of contact and ongoing engagement with the Central CSSRP Team varied (it is however noted that towards the end of the evaluation period, the Central CSSRP Team developed a structured cluster relationship management model). Cluster representatives suggested that this might have been due to a number of factors, including perceptions:
  - ▶ The team not building awareness across the sector as a whole of the nature and type of support they could provide through proactive client focused relationship management.
  - ▶ For the majority of the evaluation period, there was a lack of a systematic approach to prioritising the Central CSSRP Team's effort, communicating these priorities across the sector and proactively managing the team's pipeline of work against changing sector priorities. It is important to note that as part of the new Central CSSRP Strategy and Roadmap, a new relationship management model and client engagement approach was introduced.
  - ▶ The re-scoping of the Program in 2012 meant that the Central CSSRP Team was considerably downsized and might have impacted the capacity to provide sector-wide coverage and PMO support. For example, it was noted that the TfNSW CSS reform program absorbed a lot of the Central CSSRP Team's resources.
  - ▶ Some clusters not being at a mature enough state with their CSS reform programs to leverage the support of the Central CSSRP Team.
  - ▶ Some clusters having already substantially completed their CSSR reform programs, and therefore not feeling the need to engage with the Central CSSRP Team.
- ▶ The development of the whole of government business process standards ("the Standards") is the most significant asset and legacy created by the Central CSSRP Team.
- ▶ The support provided by the Central CSSRP Team offered subject matter experts in a one-stop-shop who had a technical understanding of the Standards, as well as the impacts of relevant policy and legislation. Furthermore, the Central CSSRP Team was able to leverage the Standards and tailor them to individual cluster needs.
- ▶ The Central CSSRP Team was able to support some clusters with the take-up of ARIS, by assisting them to document and model their CSS processes in-line with the Standards and acting as a reference point. Training was also provided to cluster individuals. One cluster was however left frustrated that its access to ARIS came at too late a stage in the Program, however it is unclear whether this was due to a lack of awareness of the capability of the Central CSSRP Team's support and provision of ARIS.
- ▶ Whilst there was evidence of the Central CSSRP Team supporting the reform program at the whole-of-government level and aligning it with other sector-wide reform initiatives (for example, the establishment of Category Q and supporting the sector's uptake of PCards), it was found that during the evaluation period the Central CSSRP Team was more reactive and not as strategic in its approach to supporting and coordinating sector-wide reform as it could have been:

- ▶ The Central CSSRP Team released the ERP Category Q on 29 July 2014. Over 100 companies have become approved suppliers in sub category Q01 on the ICT Services Scheme since it was released in July 2014. This will make it easier for buyers (agencies) to shortlist suppliers who have the specific ERP skills, products and services they require to progress their CSS programs without going through a bottom-up tender process. Furthermore, it will reduce the ambiguity and duplication of ERP products and services scattered through multiple categories.
- ▶ The Central CSSRP Team has developed guidelines and fact sheets in support of accelerating PCard reform. They have also provided consolidated sector-wide PCard implementation status and target reporting to the NSW Procurement Board.
- ▶ The Central CSSRP Team developed a proposed future strategy and roadmap at the end of the evaluation period which was presented to the Steering Committee and approved in December 2014). In doing this, they have attempted to align this roadmap and strategy to the NSW Government's priorities detailed in the NSW 2021 State Plan, NSW Government ICT Strategy 2012 and DFS Corporate Plan.

This future strategy and roadmap articulates a more strategic and measured approach to supporting clusters, based on priority and the status and maturity of their individual CSS reform journeys (including establishing a CSS Community of Practice). The strategy also presents a more structured approach to the sector's engagement with industry. Whilst outside our evaluation period, there was evidence to suggest that the Central CSSRP Team's new strategy and roadmap was being put into action - for example, the EY team were present at the "Post-Modern ERP" Industry event hosted by OFS in April, which brought industry and buyers together to network and to present and workshop ideas.

- ▶ There was no centralised performance management mandate or capability within the Central CSSRP Team during the evaluation period as a result of the Government deciding to devolve greater accountability to clusters and agencies and refocus the role of central agencies.
- ▶ The Central CSSRP Team however engaged with clusters to obtain opinions and suggestions regarding the development of a cross-sector shared services Working Party, strategy and KPIs for the measurement of shared services efficiencies
- ▶ A draft approach for the development of a sector-wide Performance Management model was also developed towards the end of the evaluation period, to coincide with a benefits realisation and performance reporting capability being reintroduced to the Central CSSRP Team.

## 4. Cluster Reform Progress: Uptake of High-Level Blueprint Objectives and Principles

The primary focus of this section is to report on the progress of clusters in taking up the overarching Blueprint and Program objectives. It is not an evaluation of each cluster's reform success or performance. The primary measure of uptake has been cluster activity related to their CSS strategy and approved business case/s during the evaluation period (December 2012 - December 2014).

The Blueprint mandated that each cluster develop a CSS strategy and business case/s to reform the delivery of their corporate and shared services in-line with the Government's overarching CSS reform objectives. The overarching CSS reform objectives outlined in the Blueprint are still core to the CSSRP, even though the Program's scope and approach has evolved over time as the needs and requirements of Government and agencies have changed.

With the exception of clusters that did not exist in their current form, mainly the Department of Planning and Environment, the majority of clusters made progress in developing and implementing their cluster-specific CSSR strategies during the evaluation period. It is important to note that clusters were at different stages of maturity with regards to their operating models and CSS programs, for example, both NSW Health and the Department of Education & Communities commenced implementation of their cluster-specific CSSR strategies before the release of the Blueprint in 2010. As a result, some aspects of their implementation preceded the evaluation period.

- ▶ **NSW Health:** commenced implementation of its cluster specific CSSR strategy and program before the release of the Blueprint in 2010. This has meant that their direct engagement with the Central CSSRP Team and CSSRP Steering Committee has been limited, other than providing periodic status reports. Their shared services strategy and operating model was already relatively mature at the start of the evaluation period, meaning that its primary focus is on continuous improvement, rather than implementation.
- ▶ **Department of Education and Communities (DEC):** the cluster's engagement with the Central CSSRP Team has progressively increased during 2013-14 to include drawing upon the Standards to inform their Learning Management Business Reform (LMBR) solution requirements and more recently to provide independent advice and assurance on its implementation strategy. The LMBR program is now entering its third and final stage with the third business case to progress to the final stage and deploy LMBR across all schools, now pending.
- ▶ **Transport for NSW (TfNSW):** the cluster is now mid-way through its four year CSSR strategy, which commenced in July 2012. TfNSW's strategy is founded on the original Blueprint design principles and has included establishing a centralised and consolidated Business Services Division and implementing a new single on-site ERP solution underpinned by the NSW Government business process standards which it has greatly benefited from.
- ▶ **Department of Trade & Investment:** the cluster's preferred CSSR strategy option outlined in the Blueprint to join ServiceFirst did not proceed. Instead, Trade and Investment pursued an alternative strategy to migrate its enabling corporate and shared services technology onto a hybrid cloud based software as a service ERP solution. In doing this they adopted SAP's standard business processes, rather than using an on-premise ERP solution based on cluster-specific requirements or the NSW Government business process standards. Trade & Investment's implementation was completed within the evaluation period and has now entered the 'business as usual' stage.
- ▶ **Department of Justice:** the cluster did not adopt the preferred CSSR strategy option originally outlined in the Blueprint. Instead, it developed a strategy to establish its own in-house shared corporate services model based on using distributed functional centres of excellence and is yet to move to a common cluster-wide technology platform. This is planned to commence in 2015 by piloting a cloud based ERP solution leveraging the NSW Government business process standards

initially focused on the Principal Department sub-cluster (excluding NSW Police and the Emergency Services sub-cluster, which have their own ERPs and internal shared service structures).

- ▶ **Family & Community Services (FACS):** FACS' CSS Reform Program Business Case was designed to support the consolidation of FACS agencies into a single cluster. The full implementation commenced in 2011. The reform included the implementation of a Single ERP project, which aimed to get all FACS entities on one instance of SAP. FACS used to outsource its transactional shared services to BusinessLink Pty Ltd (now a branch of FACS, Business Services). FACS's operating model, is currently being reviewed and redesigned (post the evaluation period).
- ▶ **Department of Premier & Cabinet (DPC):** Prior to the machinery of government changes which occurred in 2011, DPC had been a longstanding foundation client of ServiceFirst. With the creation of the expanded DPC cluster which included NSW Planning & Infrastructure (P&I) and the Office of Environment & Heritage (OEH), DPC developed a new CSSR strategy, which involved restructuring OEH and P&I's existing CSS functions with a view of transitioning their shared services to ServiceFirst. OEH and P&I have since been removed from the DPC cluster. As a result, DPC's CSSR strategy changed again in late 2014 and is now focused on leveraging the proposed ServiceFirst business process outsourcing program and move to a cloud based SAP solution.
- ▶ **Treasury & Finance:** NSW Treasury and the Office of Finance and Services (OFS) do not have a unified CSS strategy and reform program, however each employ the services of ServiceFirst, the government's only multi-tenanted shared service provider, for transactional shared services. OFS has developed and is implementing a new corporate operating model for all of its retained corporate service functions and has already achieved further significant savings through this process. Whilst not part of the cluster specific CSS Strategy, NSW Treasury's Financial Management Transformation Program team worked closely with the Central CSSRP Team to develop end-to-end processes in ARIS for each major Treasury Circular, in preparation for the deployment of the new sector-wide financial management framework.

A more detailed summary of each cluster's CSS strategy, reform program, progress to date and overall status is provided in the sub-sections that follow.

## 4.1 Transport for NSW (TfNSW)

### Overview of cluster CSS Strategy and reform program

The table below presents the evaluation findings against the original Blueprint principles, which mandated that every cluster develop a CSS strategy and business case/s.

Activities	Observations of progress	Status
CSS Strategy in place	<ul style="list-style-type: none"> <li>▶ TfNSW's CSS Strategy is in place and is still in the process of being implemented. Its current major focus is the continued implementation of its single ERP solution. It is important to note that TfNSW's program is mature in the context of the sector-wide CSSRP, because the TfNSW cluster was created in 2011. TfNSW was therefore at a point where it had determined its preferred CSS strategy, operating model and organisational structure prior to the evaluation period commencing.</li> </ul>	Complete (prior to evaluation period)
CSS Business Case approved by ERC	<ul style="list-style-type: none"> <li>▶ CSS business case was developed in 2011/12 and approved by ERC in July 2012.</li> <li>▶ Following structural changes to the Transport for NSW (TfNSW) cluster in 2011, a TfNSW CSS reform program business case was developed. In July 2012, this business case for a four year \$150m CSS reform program was approved. The CSS reform program is estimated to "deliver the equivalent of 528 FTE savings by 2016" (mainly across TfNSW's shared Procurement, Finance and HR functions) through the consolidation and standardisation of TfNSW's two Business Services divisions into one division servicing the corporate and operating arms of TfNSW; and one standard ERP solution underpinning the cluster's business processes.</li> </ul>	Complete (prior to evaluation period)

### Reform Program - Progress December 2012 - December 2014

The table below presents the evaluation findings regarding TfNSW's progress against its CSS reform strategy and approved business case. In summary, by December 2014, TfNSW was half way through its four year transformation program to establish a centralised and consolidated Business Services Division and implement a new single on-site ERP solution (underpinned by the whole of Government business process standards). The TfNSW cluster has demonstrated very strong alignment to the design and guiding principles and objectives in the original 2010 Blueprint in comparison with some of the other clusters.

Strategy component	Observations of progress	Status
CSS Operating Model & Organisational Structure	<ul style="list-style-type: none"> <li>▶ Implementation of TfNSW's CSS reform program commenced in mid-2012. The first phase of the implementation focused on consolidating and restructuring CSS functions including HR and Legal Services. This was made easier because the TfNSW cluster had its own enabling legislation which allowed it to restructure and change reporting lines for CSS staff with relative ease.</li> <li>▶ Business Services, the new corporate support division of TfNSW, provides CSS to the corporate and operating arms of the cluster. The Executive Director HR&amp;BS is responsible for leading the TfNSW CSS Reform Program and is also responsible for the operations of all CSS with the exception of Finance, Audit and Strategy, which report to the TfNSW CFO and Human Resources and Business Services (HR &amp; BS) which reports to the Executive Director HR&amp;BS. The Executive Director HR&amp;BS is responsible for leading the TfNSW CSS Reform program.</li> </ul>	Complete
Adoption of the NSW Government endorsed process standards	<ul style="list-style-type: none"> <li>▶ TfNSW leveraged the original Blueprint principles to develop the design of its new Business Services division (in 2011) and has employed the CSSRP process standards (version 5) for the design and build of their ERP program.</li> <li>▶ The Steering Committee reported in April 2013 that TfNSW's program had moved into the implementation phase over December 2012 and January 2013 and had commenced work on developing processes, by leveraging the NSW Government Standards for their HR, Finance and Procurement processes. Whilst not part of the NSW Government endorsed standard processes at the time, TfNSW also leveraged the process design framework and standards for the development of its Enterprise Asset Management (EAM) processes. This was in preparation for going to market for an ERP Systems Integrator.</li> <li>▶ A TfNSW program stakeholder was quoted as saying "TfNSW has totally adapted the Government endorsed standards for its new ERP. The design of its HR, Finance and Procurement processes are complete."</li> </ul>	Complete
Enabling Technology	<ul style="list-style-type: none"> <li>▶ The ERP implementation program commenced in the first half of 2014. TfNSW, with the support of the CSSRP team, delivered the first round of process workshops to prepare for engagement with the systems integration partner (Deloitte) and Business Transformation and Change consultant (Ernst &amp; Young), for the ERP build.</li> <li>▶ A verbal update provided to the CSSRP Steering Committee by TfNSW in February 2013 suggested that key Department deployment activities were underway. The Program moved from design and development into delivery and (was) actively engaged in implementation of the critical program deliverables in January 2013". This mainly involved the design and build of a single ERP and business process across Finance, HR, Procurement (where 85% of back office spend is).</li> <li>▶ It was reported to the Steering Committee in May 2014 that TfNSW was moving towards consolidating its ERP systems across the cluster and that the Department had approached a number of systems integrators for proposals on the ERP project in July 2013 and was in the process of finalising contract negotiations in December 2013 for work to begin in early 2014 when the last update was provided to the Steering Committee.</li> <li>▶ Enterprise Asset Management (EAM), whilst not one of the CSS functions covered by the NSW Government's whole of government standards at the time, was being pursued by TfNSW during the evaluation period (this function requires a separate business case).</li> <li>▶ In the future, it is understood that TfNSW wishes to leverage the new whole of government EAM process design framework and standard processes for its logistics process design and ERP solution. The TfNSW EAM model will cater for both corporate and operational assets.</li> </ul>	Partially complete with implementation of the ERP Program ongoing
PCard and EFT implementation	<ul style="list-style-type: none"> <li>▶ The CSSRP Steering Committee meeting on 10 July 2014 had The NSW Auditor General Report on use of PCards and electronic payment methods, tabled and</li> </ul>	Partially complete, with

	<p>noted that TfNSW had a PCard target in place, as well as an EFT target</p> <ul style="list-style-type: none"> <li>The most recent report by the Hackett Group in March 2015 noted that TfNSW was continuing its expansion of current PCard usage being driven (incl. across RailCorp and RTA) and that it was on target for December 2014.</li> </ul>	<b>implementation ongoing</b>
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### TfNSW's engagement experience with the Central CSSRP Team

TfNSW stakeholder feedback regarding the Central CSSRP Team was positive. In summary:

- ▶ Whilst there has been turnover of staff in the Central CSSRP Team, TfNSW is pleased with the continuity of core team members and their commitment to the TfNSW CSS reform program
- ▶ The NSW Government business process standards developed by the Central CSSRP Team have accelerated the progress of TfNSW's CSS reform program and the support provided by the Central CSSRP Team has been very valuable in:
  - ▶ Alleviating the burden on TfNSW staff.
  - ▶ Helping to accelerate the development of TfNSW's future ERP and business requirements, thereby reducing the overall timeframe required to implement the ERP solution.
  - ▶ The process design which has been completed for the HR, Finance and Procurement functions is being leveraged for the design and build of the single ERP across the entire cluster.
  - ▶ The standardised processes and the process design framework are also being leveraged by TfNSW for the development of other CSS areas, such as EAM and Logistics.
  - ▶ Assisting TfNSW with its ERP testing and quality assurance program by supporting them with finalising their Test Strategy setup in HPQC and the use of ARIS process maps to support accelerated ERP solution testing.
- ▶ Training and knowledge transfer - the Central CSSRP Team are also sharing learnings with TfNSW staff and have assisted in the transfer of knowledge to TfNSW staff around process design

## 4.2 Family and Community Services (FACS)

### Overview of cluster CSS Strategy and reform program

The table below presents the evaluation findings against the original Blueprint principles, which mandated that every cluster develop a CSS reform strategy and business case(s).

Activities	Observations of progress	Status
CSS Strategy in place	<ul style="list-style-type: none"> <li>FACS CSS strategy was developed based on the original Blueprint. However, it was noted during stakeholder interviews that FACS reform activities are ongoing as part of their continuous improvement process. The CSSR Program was completed and a closure report was submitted on March 2013.</li> </ul>	Complete (prior to evaluation period)
CSS Business Case approved by ERC	<ul style="list-style-type: none"> <li>The FACS' CSS Reform Program Business Case was approved in May 2011 and was designed to support the consolidation of FACS agencies into a single cluster.</li> <li>The Steering Committee reported in July 2012 that FACS submitted a business case for their corporate and shared services reform in accordance with the NSW Blueprint. FACS also received funding from ERC and completed the design phase of their program.</li> <li>FACS leveraged the original Blueprint principles to develop their Business Case. The FACS' CSS Reform Program Business Case was designed to support the consolidation of FACS agencies into a single cluster. The full implementation commenced in 2011 targeting \$238 million in CSS efficiency savings over five years. The reform included eight programs of work, those relevant to the CSS reform program include:           <ul style="list-style-type: none"> <li>▶ the implementation of a Single ERP project which aimed to get all FACS entities on one instance of SAP;</li> </ul> </li> </ul>	Complete (prior to evaluation period)

	<ul style="list-style-type: none"> <li>▶ information management improvements to support CSS (did not start within the evaluation period)</li> <li>▶ improve the quality and reduce the cost of BusinessLink's service management capability; and</li> <li>▶ functional decomposition using the CSS process standards</li> </ul>	
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## Reform Program - Progress December 2012 - December 2014

The table below presents the evaluation findings regarding FACS's progress against its CSS strategy and approved business cases. In summary, by December 2014, FACS' operating model was in the process of being reviewed and updated. In late 2014, FACS had developed a business case to consolidate ERP instances across the cluster and pursue a OneSAP cloud solution.

Strategy component	Observations of progress	Status
CSS Operating Model & Organisational Structure	<ul style="list-style-type: none"> <li>▶ The FACS cluster was formed in 2011 through the amalgamation of the following agencies - Ageing Disability and Home Care (ADHC); Office for Women's Policy; Community Services; Housing NSW (including Aboriginal Housing Office); and BusinessLink (now Business Services) - the shared service provider to FACS</li> <li>▶ The FACS CSS reform program was largely completed in 2012, however ongoing program of work continues</li> <li>▶ In early 2014, FACS and BusinessLink jointly reviewed what corporate services were required to support the changing needs of FACS and how best to provide them. The outcome of this review was <ul style="list-style-type: none"> <li>▶ a decision to merge BusinessLink into FACS, now Business Services (a branch of FACS) largely because of the change in scope of the organization (ADHC now largely NDIS)</li> <li>▶ Reduce the management team by 50% and headcount by 30%, whilst maintaining service levels</li> </ul> </li> <li>▶ In late 2014, the FACS operating model was in the process of being reviewed and updated. A review of corporate functions, including the CSS provider, was undertaken by FACS following the establishment of the NDIS, which saw FACS reduced to mainly Housing and Community Services programs. The most recent business case was reduced to \$70m from \$90m (ICT reinvestment pool - \$49m, and internal funding) and focused on consolidating SAP to OneSAP across FACS. A preferred option aimed to consolidate and transition to a single, vendor-managed SAP instance, hosted by the vendor within the NSW Government data centre.</li> </ul>	Complete - Cluster consolidation complete, ongoing improvement of operating model
Adoption of the NSW Government endorsed process standards	<ul style="list-style-type: none"> <li>▶ FACS was the pilot site, which validated the initial version of the Business Process Standards, to develop Version 3. The validation of the initial version of the Standards involved more than 35 workshops across Finance, HR and Procurement streams and considerable collaboration with CSSRP.</li> <li>▶ FACS worked closely with the Central CSSRP Team in developing the NSW Government Standards and has demonstrated commitment to the NSW Government Standards.</li> <li>▶ The Steering Committee reported in October 2014 that the NSW Government Standards Version 5 had been deployed to FACS.</li> </ul>	Complete
Enabling Technology	<ul style="list-style-type: none"> <li>▶ The Steering Committee reported in February 2013, the FACS CSSR Program moved from design and development into delivery and implementation.</li> <li>▶ Up until December 2014, FACS operated three separate SAP environments, the architecture was based upon outdated and obsolete business structures</li> <li>▶ In late 2014, FACS developed the OneSAP business case, which was reviewed by CSSRP team. The feedback confirmed FACS's approach and selection process for Option B (Consolidated SAP-as-a-Service), in line with the Government's ICT Strategy</li> <li>▶ The cluster progressively migrated its Microsoft suite of desktop products to the latest versions</li> <li>▶ FACS utilised (and continues to utilise) the Government's data centres</li> </ul>	ERP consolidation - In progress and aligned to principles
PCard and EFT implementation	<ul style="list-style-type: none"> <li>▶ The Steering Committee meeting on 10 July 2014 had the NSW Auditor General Report on use of PCards and electronic payment methods, tabled and noted that FACS did not currently have a PCard implementation target, but did have an EFT target.</li> <li>▶ Feedback from FACS stakeholders interviewed indicated that FACS currently</li> </ul>	Well progressed and still a work-in-progress

	<p>generates approximately 80,000 PCard transactions annually, which is forecast to increase to 90,000 transactions by 2017. That amounts to 11% of all transactions, compared to 80-90% of transactions which use EFT, and 6% of transactions which use cheques</p> <ul style="list-style-type: none"> <li>▶ The OneSAP SaaS solution will include a PCard management system - Promaster. The implementation of this is expected to improve the uptake of the cluster's PCard rollout</li> </ul>	
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### FACS's engagement experience with the Central CSSRP Team

Interviews with FACS stakeholders found that FACS's experience in dealing with the Central CSSRP Team was generally positive. In summary:

- ▶ The CSSRP Team worked closely with FACS in supporting its CSS Program/One Corporate Services project team, and Business Services and Corporate Services resources in the end-to-end (level 2) process workshops which was greatly valued.
- ▶ The NSW Government Standards have been valuable for FACS as they allow them to compare vendors and use them as a reference point.
- ▶ While the Central CSSRP Team was perceived as knowledgeable and supportive, it has been problematic for FACS to access tools held by the Central CSSRP Team. For example, VISIO, the legacy system which FACS has used to document its business processes, needs to be continually updated, but it took approximately 12 months for FACS to be able to access and use the CSSRP ARIS toolkit for their business modelling. It unclear whether this was due to a lack of awareness of the capability of the Central CSSRP Team's support and provision of ARIS. This has delayed FACS's ability to implement its ongoing business process improvement program.
- ▶ The Central CSSRP Team can provide greater knowledge transfer and learnings across the sector by facilitating improved connectivity between clusters.
- ▶ The Central CSSRP Team can add greater value in future by providing monitoring and regulatory advice, knowledge sharing in technology solutions and benchmarking, creating a central repository, providing more hands on support, and providing better role clarity.

## 4.3 Department of Justice (DJ)

### Overview of cluster CSS Strategy and reform program

The table below presents the evaluation findings against the original Blueprint principles, which mandated that every cluster develop a CSS strategy and business case/s.

Activities	Observations of progress	Status
CSS Strategy in place	<ul style="list-style-type: none"> <li>▶ The Justice cluster is not pursuing a complete consolidation of CSS, however the Justice Shared Corporate Services Reform (JSCSR) strategy is to have three shared service operations across the main Justice sub-clusters - NSW Police, Emergency Services, and the Department of Justice and remaining entities (mainly Corrective Services, Courts &amp; Tribunal Services, Juvenile Justice, Attorney General's).</li> <li>▶ The Emergency Services and NSW Police sub-cluster CSS model is already operating (Emergency Services recently implemented their ERP program). The focus of the DJ CSSRP Program is to consolidate functions, standardise processes and implement a single ERP across the Principal Department of Justice and its sub-cluster entities</li> <li>▶ The Justice Shared Corporate Services Reform (JSCSR) program seeks to implement functional "centres of excellence". The JSCSR Program develops a centre of excellence approach to improve business practices and services cluster-wide (across HR, Finance, Procurement, IT and Asset Management). The CoE approach means that areas of best practice in HR, Finance, Procurement, Asset Management and ICT will be identified and leveraged.</li> </ul>	Complete

CSS Business Case approved by ERC	<ul style="list-style-type: none"> <li>The five-year Justice Shared Corporate Services Reform (JCSR) program business case was approved by ERC in March 2013, with an approved investment of \$150m (over five years). The five-year transformation program is estimated to deliver the equivalent of \$33.5m benefits at maturity.</li> </ul>	Complete
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### Reform Program – Progress December 2012 – December 2014

In summary the Principal Department's sub-cluster reform program involves establishing:

- a sub-cluster Business Services division as the corporate and shared services provider to the operating agencies within the sub-cluster; and
- a new single ERP solution, underpinned by standardised business processes across Procurement, Finance, HR and ICT managed services.

There are a number of key challenges facing the Department as part of its renewed CSSR strategy. There has been a significant historical under-investment in corporate services and asset management, for example, it was estimated by senior cluster stakeholders that there is about a \$400m backlog in asset related capital works. It was also noted that there is a lack of strategic capability breadth in the Department in key corporate services areas. While the benchmark cost of Justice's corporate and shared services relative to their overall operating costs appears efficient (9.1%) compared to other clusters and agencies, this belies the fact that it needs to invest in building up some of their corporate service functions.

The table below presents the evaluation findings regarding the Department's CSS reform progress during the evaluation period. In summary, by December 2014, the Department (and its sub-cluster) was still in the initial stages of its transformation program.

Strategy component	Observations of progress	Status
CSS Operating Model & Organisational Structure	<ul style="list-style-type: none"> <li>The Department of Justice has only recently revisited its CSS reform strategy and is about to initiate a new CSSR Transformation Program. The new strategy is based on an initial accelerated implementation of an SAP software as a service solution for 800 staff in the Principal Department and related entities, excluding NSW Police and the Emergency Services sub-cluster of agencies. The strategy is to have this solution implemented in 2015, and then see whether other Justice cluster entities want to take up the SaaS solution. <ul style="list-style-type: none"> <li>The Justice cluster developed a CSSRP business case in response to the Blueprint, but it was not supported by the CSSRP Steering Committee when it was originally presented. This was because the strategy differed from the strategy proposed by the Blueprint which was to transition its shared services to ServiceFirst. Rather than pursue this strategy, Justice opted to propose an alternative CSSR strategy, which aimed to keep the provision of shared services in-house (i.e., within the Justice cluster) and to set-up functional centres of excellence (COE) under which different Justice cluster entities would take on a lead role in providing services to the other Justice cluster agencies.</li> </ul> </li> <li>Ultimately implementation of this COE strategy did not progress as far as originally planned. Stakeholder feedback suggested that the success of the COE model was limited, but is still in practice and if it is to continue some stakeholders suggested that the COE model could be improved, but is heavily contingent on a strong central mandate and drive in order to have an impact throughout the Cluster. The Justice Cluster has ended up with shared service models focused on the three major sub-clusters: <ul style="list-style-type: none"> <li>NSW Police</li> <li>Emergency Services (RFS, SES and Fire &amp; Rescue NSW); and</li> <li>The Principal Department of Justice and remaining cluster entities (mainly Corrective Services, Courts &amp; Tribunal Services, Juvenile Justice, Attorney General Department, and Births, Deaths and Marriages)</li> </ul> </li> </ul>	In progress – note that the cluster is not pursuing a complete consolidation, but rather taking a sub-cluster approach to its CSS reform
Adoption of the NSW Government endorsed process standards	<ul style="list-style-type: none"> <li>Two legacy SAP ERP instances, NSW Police and Emergency Services (led by Fire and Rescue NSW) have made minimal use of CSSR standards. The JCSR Program (Principal Department sub-cluster) has leveraged version 6 of the CSSR standards. JCSR has also developed Cluster Asset Management processes, which will be incorporated into the Standards and potentially be made available for other sub-clusters to use (22 May 2014 Steering Committee).</li> </ul>	Adopted, however not throughout the cluster as a whole, i.e., not across two of its

	<ul style="list-style-type: none"> <li>▶ The CSSRP Central Team was engaged by the Department for the purposes of developing processes (based on Government endorsed standards) between July and September 2014. The process standards (version 6) were leveraged across procurement, finance and HR functions and starting to leverage the support of the Central CSSRP Team for the development of processes for IT managed services. This was done in preparation of developing the ERP architecture design and costing and going to market for an ERP solution and systems integrator (still ongoing).</li> </ul>	three sub-clusters
Enabling Technology	<ul style="list-style-type: none"> <li>▶ As part of this sub-cluster based strategy, the Emergency Services group of entities have worked to migrate onto a single on-premise version of SAP hosted by Fire and Rescue NSW, while NSW Police has remained on its own instance of SAP</li> <li>▶ The Principal Department and its sub-cluster (including Corrective Services, Attorney General, Courts and Tribunal Services and Juvenile Justice) is now in the process (post the evaluation period) of working with a systems integrator to implement a single instance ERP using a software as a service model. During the evaluation period the Department developed the ERP architecture design, as well as going out to market for a proof of concept, with assistance from the Central CSSRP Team. The Department leveraged the Category Q (module 10 "ERP as a Service") to procure its ERP solution</li> </ul>	In progress - note that the cluster is not pursuing a complete consolidation, but rather taking a sub-cluster approach to ERP consolidation
PCard and EFT implementation	<ul style="list-style-type: none"> <li>▶ The Hackett Group report "Procurement Card Reform Status Update" published in March 2015, found that each agency within the Justice cluster had specified PCard implementation milestones and will report quarterly on the rollout of PCards and progress against targets. No summary status report at the cluster level was provided</li> </ul>	In progress

### Justice's engagement experience with the Central CSSRP Team

Separate interviews held with Justice cluster stakeholders found that the Department's experience with the Central CSSRP Team was mixed. In summary, there was positive feedback regarding the following areas of support provided by the Central CSSRP Team:

- ▶ The Central CSSRP Team was "absolutely critical" to the successful development of the end-to-end processes underpinning the new ERP design and build and the support from the Central CSSRP Team accelerated the Department's CSS reform program.
- ▶ The Central CSSRP Team provided technical support across the breadth and depth of processes, filling a capability gap amongst the Department's business analysts. The technical areas, which were of particular value to the Department included areas related to the implication of Government Sector Employment (GSE) Act and other government policy areas, for example procurement accreditation, on the standardised processes.
- ▶ The Central CSSRP Team also provided support to the Department by facilitating Business Process Modelling (BPM) workshops and ARIS modelling workshops for the Department's Business Analysts and modellers. This information sharing was particularly useful to the Department in validating business processes, identifying critical gaps and upskilling the Department's program team.
- ▶ In the immediate term, the Central CSSRP Team will provide support to the ongoing transformation, including building new maps for IT service management (for example, help desk workflow and processes), construction procurement accreditation (contingent on legislation and policy being finalised), designing roles in ARIS maps to support SAP's compliance module (GRC).
- ▶ The support provided by the Central CSSRP Team offered great value (saving the Department money) by providing a whole-of-sector perspective, i.e., subject matter experts in a one-stop-shop who understood government standardised processes and the impacts of relevant policy and legislation. Furthermore, the Central CSSRP Team was able to leverage the standards and tailor them to the Department's needs.

Areas where the engagement with the Central CSSRP Team could be further improved included:

- ▶ There is a lack of clarity around the engagement with the Central CSSRP Team going forward and the support required by the Justice cluster in the medium to longer term.
- ▶ The Department is not aware of how they can efficiently leverage the benefits of a potential step change in the NSW Government standardised business processes, for example in migrating from version 6 to version 7 of the standards.
- ▶ From a central government perspective, there needs to be a rethink about the:
  - ▶ mandate that the Central CSSRP Team has in driving or supporting the CSSRP, particularly as the Program moves into a new phase - ultimately it comes down to what the Government's intention is for the ongoing program.
  - ▶ the need for forums to share critical information across the sector, including lessons learned regarding CSS integration, strategic commissioning and contestability, customer service and digital channels.

## 4.4 Department of Education & Communities (DEC)

### Overview of cluster CSS Strategy and reform program

The table below presents the evaluation findings against the original Blueprint principles, which mandated that every cluster develop a CSS strategy and business case/s.

Activities	Observations of progress	Status
CSS Strategy in place	<ul style="list-style-type: none"> <li>▶ DEC's CSS strategy changed from the original business case (2006) due to changes within the cluster, however the principle objective to consolidate shared services across the cluster and develop an effective operating model was still core to the reform strategy</li> <li>▶ This reform program commenced before the CSSRP (5 March 2014 Steering Committee Papers: Internal - Learning Management and Business Reform (LMBR) program update)</li> </ul>	Complete
CSS Business Case approved by ERC	<ul style="list-style-type: none"> <li>▶ DEC embarked on corporate transformation programs prior to the Blueprint - the Cluster's original LMBR business case was approved before the evaluation period and prior to the establishment of the CSSRP Steering Committee</li> <li>▶ The LMBR program has had three business cases that align to each stage of the reform program. Stage 2 involved the development and implementation of Student Administration and Learning Management and HR Payroll for all TAFE NSW institutes; and the development and pilot of Student Wellbeing, Student Administration and Learning Management, and SAP Finance for NSW public schools. The pilot was conducted in 229 schools across the state. Stage 2 will be completed by 30 June 2015. In December 2014 the Stage 3 Business Case, developed by the Department, which requested funding for Stage 3 underwent a Gateway Review. Stage 3 is the Deployment of Student Wellbeing, Student Administration and Learning Management and SAP finance for all remaining schools and completion of the build and deployment of the HR/Payroll solution for schools and DEC corporate. Stage 3 is expected to be complete at the end of 2017.</li> </ul>	Complete

### Reform Program - Progress December 2012 - December 2014

The LMBR program was expected to be completed by December 2014. DEC has submitted its third business case requesting funding for the continuation of the reform program. The Department expects that the LMBR program be extended to at least the 30 June 2015, however, as the Auditor General reported in December 2014, it is likely that the program will still not have been fully implemented.

*"The Department needs to allocate significant additional funding from its budget to implement the HR/payroll system to corporate areas and the 229 pilot schools, and fully implement LMBR to the remaining 2,000 schools (across Finance, HR/payroll and*

*SALM). The major causes of the cost increases and delays have been changes in business requirements and scope, high level of uncertainty in business cases, weaknesses in governance and insufficient program and contract management.” Auditor-General, 16 December 2014.*

The consequence of not proceeding with Stage 3 includes long term cost implications and additional risk for the Department as it will be forced to run obsolete legacy and parallel systems and support structures. This would also result in a significant reduction of potential benefits and a loss of confidence. Recommended options create the opportunity to move to a cloud based solution in the future (*Agenda Paper 3.0, 1 December 2014*).

The table below presents the evaluation findings regarding the Department’s CSS reform progress during the evaluation period.

Strategy component	Observations of progress	Status
CSS Operating Model & Organisational Structure	<ul style="list-style-type: none"> <li>▶ The Cluster’s CSS Strategy, which continues to be rolled-out and implemented, involves:               <ul style="list-style-type: none"> <li>▶ a Corporate services directorate - providing a range of demand planning, and customer engagement and delivery supporting systems to DEC business directorates; and</li> <li>▶ the Learning Management Business Reform (LMBR) program - involving the implementation of a central service delivery directorate, with shared services provided across the cluster. In summary the LMBR is DEC’s shared services and learning administration transformation program. The LMBR program aims to replace various legacy systems with a modern, integrated system to manage student administration and learning management (SALM), and introduce a single human resources, payroll and finance system across the Department, including implementation in 2,000+ schools and ten TAFE Institutes.</li> </ul> </li> </ul>	In progress - anticipated completion in 2015
Adoption of the NSW Government endorsed process standards	<ul style="list-style-type: none"> <li>▶ DEC did not initially use the process standards to develop the processes underpinning the Finance and HR/Payroll functions - DEC’s program commenced before CSSRP</li> <li>▶ LMBR leveraged the Standards Version 4.1 during the business blueprint and design phase and leveraged the use of the CSSRP repository and toolkit</li> <li>▶ DEC’s program sponsor sees value in the standards, and constantly considers whether DEC’s CSS approach is appropriate, hence the standards provide a good reference point</li> <li>▶ In 2014, DEC’s CSSRP Client Engagement Manager noted that there had been analysis performed to consider the most efficient approach of aligning DEC’s processes with CSSRP standards version 6.</li> </ul>	Complete - whilst the standards weren’t leveraged to develop the processes, they have been used as a reference point and for alignment purposes
Enabling Technology	<ul style="list-style-type: none"> <li>▶ The LMBR program aims to replace various legacy systems with a modern, integrated system to manage student administration and learning management (SALM), and introduce a single SAP HR/payroll and finance system across the Department. During the evaluation period, the following key items were achieved:               <ul style="list-style-type: none"> <li>▶ Corporate systems upgrade and consolidation of 2 SAP instances (HR/Payroll and Finance) onto one enterprise platform. This allowed the initial finance instance, introduced in early stages of the program, to be on-boarded onto the new SAP HR/Payroll platform, which will allow balance sheet reporting for TAFE institutes as required for the upcoming commercial model for TAFE. In addition, interim revenue functionality was introduced for TAFE.</li> <li>▶ TAFE SALM implementation to all institutes. This involves migrating data from legacy systems, 800 million data items, and connecting over 60 applications to a new hub and linking it with Revenue recognition functionality, introduced in the earlier July implementation.</li> </ul> </li> </ul>	In progress - some level of completion, however the next phase in 2015 will involve
PCard and EFT implementation	<ul style="list-style-type: none"> <li>▶ DEC is the largest issuer of cheques in NSW Government (driven by volumes of transactions across 2000+ schools). Therefore, the implementation and benefit of PCards has been flagged by the DEC program sponsor as an ongoing priority.</li> <li>▶ PCard reform has commenced, however, during the evaluation period progress was limited. DEC has recently issued an RFQ for an Expense Management System (EMS), which the Central CSSRP Team is assisting with through Category Q vendor selection process.</li> <li>▶ A PCard pilot is expected to commence towards the end of 2015</li> </ul>	In initial stages

## DEC's engagement experience with the Central CSSRP Team

Feedback from DEC stakeholders interviewed found that DEC's experience in dealing with the Central CSSRP Team can be summarised as follows:

- ▶ DEC did not have extensive involvement with the Central CSSRP Team, however in instances where the Department did (especially towards the final six months to December 2014), the Central CSSRP Team was responsive to the Department in offering support
- ▶ DEC's SAP Support Group initiated a program of work to enable ARIS/SOLMAN integration from a technical perspective, which included assistance from the Central CSSRP Team on the following items:
  - ▶ Design and approval of Network Design in early February
  - ▶ Developing a proof of concept (ARIS & SOLMAN)
  - ▶ DEC look to the CSSRP for experience with choosing SMEs, stakeholder management and further ARIS training - the Central CSSRP Team has been very responsive in this regard
  - ▶ Technical support with ARIS / SAP Solution Manager Synchronisation activities.
- ▶ There is a perception that the Central CSSRP Team should have been able to provide DEC with insights from across the sector and share knowledge more proactively.
- ▶ Future support, which some DEC stakeholders flagged as being relevant, include:
  - ▶ provision of advice regarding the impact of machinery of government changes and how to be agile in disaggregated and re-aggregating shared service models when the sector consolidates/expands; and
  - ▶ leveraging the process standards and accompanying central support for development of processes and systems in other CSS areas.

## 4.5 Department of Trade & Investment

### Overview of the CSS Strategy and Reform Program

The table below presents the evaluation findings against the original Blueprint principles, which mandated that every cluster develop a CSS strategy and business case(s).

Activities	Observations of progress	Status
CSS Strategy in place	<ul style="list-style-type: none"> <li>▶ Trade &amp; Investment's Strategy - CSS strategy has been implemented and was based on centralising all cluster agencies onto a single common IT platform as quickly as possible, as well as establishing an internal cluster-based corporate and shared services delivery model.</li> <li>▶ The original CSS Blueprint envisaged that Trade and Investment would migrate its shared services to ServiceFirst. When Trade and Investment looked to validate the feasibility of doing so, it became apparent that ServiceFirst would not be able to transition in Trade and Investment for 2 to 3 years which was too late from Trade and Investment's perspective.</li> </ul>	Complete
CSS Business Case approved by ERC	<ul style="list-style-type: none"> <li>▶ The Trade &amp; Investment Business Case developed in 2012 incorporates an alternative strategy from the original Blueprint which was to implement an SAP software as a service solution across the Trade &amp; Investment cluster and establish its own internal cluster-based shared services model. The business case was approved by ERC and the Trade and Investment CSSR program commenced in July 2012, and was completed before December 2014.</li> </ul>	Complete

Trade and Investment originated with the machinery of government changes in 2011, which brought together a range of previously separate entities with disparate and disaggregated systems, data and corporate and shared services delivery models. The largest entities within the cluster included the former Department of Primary Industries, the Ministry for Tourism, Major Events and the Arts, State Development, and the Office of Resources and Energy. The cluster also included a range of other bodies including but not limited to cultural institutions, the Sydney Catchment Authority, Office of Liquor, Gaming and Racing, and Destination NSW.

Because of the complex administrative arrangements and the diversity of entities within the cluster, the Principal Department carried significant operational risks and inefficiencies. The original Blueprint envisaged that the major public sector entities within the Trade and Investment cluster would migrate their shared services to ServiceFirst. Trade and Investment considered this proposed strategy, but believed it was unworkable because of capacity and capability constraints with ServiceFirst which meant that it would take between 2-3 years to implement. As a result, Trade & Investment instead opted to pursue an alternative strategy which would allow them to achieve financial savings and move all of their key cluster entities onto a single ERP platform much more quickly.

In order to do this, Trade and Investment developed a CSSR strategy and business case based on Trade & Investment consolidating multiple ERP installations into a single cloud platform, using a hybrid solution leveraging SAP-by-Design SaaS ERP. This allowed them to achieve an accelerated implementation timeframe by opting to use a Service (SaaS) provider and paying them a subscription fee to host and maintain the ERP platform, rather than developing a customised on-premise ERP solution. In doing this Trade and Investment made a conscious choice to adopt the existing SAP-by-Design SaaS ERP business processes and modify their business practices to suit the ERP solution wherever possible. As a result, Trade and Investment advised they were able to circumvent the more 'traditional' process used to develop solution blueprints and requirements, thereby saving considerable time and cost.

#### Reform Program - Progress December 2012 - December 2014

The table below presents the evaluation findings regarding Trade & Investment's progress against its strategy and approved business case. In summary, by December 2014 Trade & Investment had effectively implemented its CSSR strategy.

Strategy component	Observations of progress	Status
CSS Operating Model & Organisational Structure	<ul style="list-style-type: none"> <li>▶ Corporate and shared services operating model and structure implemented.               <ul style="list-style-type: none"> <li>▶ Trade and Investment implemented their transformation program in 3 tranches. Tranche 1 involved developing a preferred corporate and shared services operating model for the cluster to consolidate corporate and shared services reporting lines, functions and staff. Tranche 2 involved providing the prerequisite minimum ERP capability and technology platform to integrate people, processes and technology into the new whole of cluster model of operation. [Need to confirm Tranche 3 scope]</li> <li>▶ As a result of implementing their CSSR strategy Trade &amp; Investment has a regional Corporate Services group based in Orange, now referred to as Finance, Strategy and Operations. It has become the central Corporate and Shared Service provider for the Trade and Investment cluster.</li> </ul> </li> </ul>	Complete
Adoption of Government endorsed Standard Processes	<ul style="list-style-type: none"> <li>▶ The whole of government business standards were considered by Trade &amp; Investment to only be relevant for on-premise ERP solutions.</li> <li>▶ Trade &amp; Investment opted to use SAP's standard industry business processes and change their work practices to suit SAP, rather than the NSW Government standards and customise the software to suit the Department's needs. This accelerated the implementation process as the SAP Blueprint stage was avoided.</li> </ul>	Alternative standards employed - fit for the Department's purpose
CSS enabling technology	<ul style="list-style-type: none"> <li>▶ Trade &amp; Investment consolidated multiple ERP installations into a single cloud platform, using a hybrid solution leveraging SAP-by-Design SaaS ERP.</li> <li>▶ Finance and Payroll systems were synced to allow Trade &amp; Investment to accommodate Treasury reporting requirements (<i>Steering Committee Meeting, 4</i></li> </ul>	Complete

	<p>December 2013).</p> <ul style="list-style-type: none"> <li>Trade &amp; Investment worked to close off as many customer items as possible to manage customer data during the transition to Go-Live. The goal was to consolidate CRM into one instance (away from the current fractured state).</li> <li>SAP Business ByDesign comprises 47 business processes of which 25 are used by Trade &amp; Investment. Trade &amp; Investment leveraged the Version 3 CSSR Standards and Capability Reform efforts during their Tranche 1 design (<i>Steering Committee Meeting, 4 December 2013</i>).</li> </ul>	
PCard and EFT implementation	<ul style="list-style-type: none"> <li>The NSW Auditor General Report on use of PCards and electronic payment methods noted that Trade &amp; Investment had a PCard target in place, as well as an EFT target across the cluster (<i>Steering Committee Meeting, 10 July 2014</i>).</li> <li>The former Department of Primary Industries was a big user of PCards and was one of the first NSW Government agencies to adopt and implement PCards several years ago. Trade &amp; Investment was able to build off this legacy and was used as a best practice reference site to inform the development of the PCard policies by NSW Treasury.</li> <li>Trade and Investment has been able to minimise cheque payments for some time with the implementation of its SAP Finance solution.</li> </ul>	Substantially complete

### Trade & Investment's engagement experience with the Central CSSRP Team

Interview feedback found that Trade & Investment's experience in dealing with the Central CSSRP Team was limited, as well as reporting to the Central CSSRP Team and the CSSRP Steering Committee during Trade and Investment's implementation process.

- Trade and Investment believes it was not invited to be a member of the Steering Committee, therefore did not attend meetings, only reported progress when required to and had very limited visibility of the Central CSSRP Team's activities during the evaluation period.

## 4.6 NSW Health

### Overview of the CSS Strategy and reform program

The table below presents the evaluation findings against the original Blueprint principles, which mandated that every cluster develop a CSS strategy and business case/s.

Activities	Observations of progress	Status
CSS Strategy in place	<ul style="list-style-type: none"> <li>NSW Health finished the majority of their CSS reform in 2009, well before the CSSRP had begun</li> </ul>	Complete
CSS Business Case approved by ERC		Complete

### Reform Program - Progress December 2012 - December 2014

NSW Health's Corporate and Shared Services operating model was largely already in place before the inception of the whole-of-government CSSRP. NSW Health and its centralised shared service provider, HealthShare, were at a mature stage of their CSS transformation and in "continuous improvement" phase, during the evaluation period. The table below presents a summary of NSW Health's strategy and CSS reform progress during the evaluation period.

Strategy component	Observations of progress	Status
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CSS Operating Model & Organisational Structure	<ul style="list-style-type: none"> <li>▶ NSW HealthShare is the cluster's shared services provider - providing a range of operational services to the Local Health Districts (LHDs) and across the Ministry - including food and linen, warehousing and distribution, finance transactions, HR, payroll and procurement</li> <li>▶ NSW Health had transactional centres setup, and a single instance of Oracle (ERP implemented by 2012 (preceding the evaluation period)</li> <li>▶ Strategic reviews and review of commissioning opportunities across HealthShare functions were conducted during the evaluation period (across food and linen services, warehousing and distribution, accounts payable/receivable, and payroll). A commissioning approach to Warehousing and Distribution was significantly progressed during the evaluation period</li> </ul>	Complete
Adoption of the NSW Government endorsed process standards	<ul style="list-style-type: none"> <li>▶ NSW Health did not adopt the process standards, because NSW Health's CSS reform program commenced well before the inception of the sector-wide reform program</li> </ul>	Processes largely implemented before inception of the standards
Enabling Technology	<ul style="list-style-type: none"> <li>▶ NSW Health has aligned its CSS reform to the Government's ICT Strategy by utilising the government data centre (GovDC) and leveraging software as a service models for ERP</li> <li>▶ A single instance of Oracle across the cluster was already implemented by 2012, underpinned by standardised business processes for the core HR, Finance and Procurement across the localized model (Ministry and LHDs). Main progress during the evaluation period: <ul style="list-style-type: none"> <li>▶ General Ledger, accounting and financial consolidation was completed in 2012/2013</li> <li>▶ Still in the process of putting a consolidated payroll database in place</li> </ul> </li> </ul>	Complete
PCard and EFT implementation	<ul style="list-style-type: none"> <li>▶ NSW Health have progressed their PCard and EFT rollout, however as a Program stakeholder stated, the cluster had been "very careful about giving out PCards across the cluster, but is in the process of piloting 100 personal PCards. The concern around rolling out PCards across a large and localised model is the risk the Cluster assumes</li> <li>▶ Senior NSW Health Program stakeholders were in favour of virtual PCards (essentially a model whereby the organization would have "accounts" with particular vendors, which reduces procurement risk</li> <li>▶ The Hackett Group report on Procurement Card Reform Status Update, published in March 2015, noted that the rollout and pilot had continued and associated benefits had been identified, but not quantified</li> </ul>	In progress

## NSW Health's engagement experience with the Central CSSRP Team

Interviews with NSW Health program stakeholders found that NSW Health's experience in dealing with the Central CSSRP Team was neutral for the evaluation period, but more positive when discussing future needs. In summary:

- ▶ There was little engagement with the Central CSSRP Team during the evaluation period - no direct support was provided to NSW Health with regards to their CSS reform. However, it should be noted that this was a function of both:
  - ▶ the cluster's CSS operating model being the most mature in the sector - NSW Health was "too far progressed down (its) own reform journey"
  - ▶ not having enough visibility of the Central CSSRP Team and minimal insight into the benefits of the Team's offering - the Central CSSRP Team was not proactive enough about its engagement with the cluster
- ▶ During the evaluation period, the Central CSSRP Team should have been able to provide NSW Health with insights from across the sector, however senior NSW Health stakeholders suggested that inhibiting this was the Team's lack of subject matter breadth and capacity to support the sector
- ▶ Some NSW Health program stakeholders believe that it would be useful if the Central CSSRP Team continued to maintain the process standards as a useful reference point for the sector and

increased their level of knowledge sharing and reporting with regards to sector-wide progress, industry movements and general lessons learned

- ▶ Engagement between the NSW Health Client Engagement Manager and NSW Health program stakeholders commenced in December 2014. The nature of the support, which NSW Health is likely to leverage from the Central CSSRP Team going forward, is largely around the cluster's focus on continuous improvement, particularly across its procurement functions.

## 4.7 NSW Treasury & Finance

### Overview of cluster CSS Strategy and reform program

The table below presents the evaluation findings against the original Blueprint principles, which mandated that every cluster develop a CSS strategy and business case/s. It is important to note for the purposes of this evaluation of the cluster's progress with respect to its CSS reform, Treasury and Finance became a cluster in 2014 (up to four years later than some of the other clusters), after which the DFS (OFS) business case had been approved by the CSSRP Steering Committee. Hence, the OFS strategy was developed as a cluster strategy for the organisation at the time, given the ongoing machinery of government changes to the cluster. Post the evaluation period, another machinery of government change was announced, with NSW Treasury and OFS again separating on 1 July 2015, after only 15 months as a cluster.

Activities	Observations of progress	Status
CSS Strategy in place	<ul style="list-style-type: none"> <li>▶ NSW Treasury does not have a CSS reform program operating. NSW Treasury uses the multi-tenanted shared service provider, ServiceFirst, as its primary provider of transactional shared services</li> <li>▶ NSW Treasury appointed a new Deputy Secretary of Corporate in 2013-14, who is currently leading the restructure of legacy corporate functions</li> <li>▶ OFS pursued a corporate operating model project aimed at implementing a new department-wide approach to delivering corporate support services, which is aligned with government policy to provide better integrated services, improved customer service and more efficient provision of support services</li> <li>▶ OFS also uses ServiceFirst for its shared services</li> <li>▶ OFS and Treasury retain some legacy internal capability residing in operating agencies</li> <li>▶ ServiceFirst published a service catalogue and a service level agreement is agreed annually between the parties</li> <li>▶ In March 2014, the Government initiated a Registration of Interest process, inviting industry to present options for alternative delivery models for ServiceFirst</li> </ul>	<p><b>Partially complete - there is not a single strategy that encompasses the Treasury &amp; Finance cluster (largely due to the constant state of flux the cluster has been in due to machinery of government changes), however each use ServiceFirst as the transactional shared service provider</b></p>
CSS Business Case approved by ERC	<ul style="list-style-type: none"> <li>▶ NSW Treasury has not developed a CSS business case. ServiceFirst provides the enabling platform and services needed for its corporate functions.</li> <li>▶ OFS developed a business case in June 2013 with the preferred option being to centralise finance processing - contracted to ServiceFirst</li> <li>▶ ServiceFirst has an approved business case to upgrade its SAP client instance to be fully compliant with the CSSR Standards.</li> <li>▶ The Central CSSRP Team and Steering Committee supported and endorsed the business case and the recommended implementation option proposed by OFS</li> </ul>	

### Reform Program - Progress December 2012 - December 2014

The table below presents the evaluation findings regarding the Treasury cluster's progress against its strategy and approved business cases.

Strategy component	Observations of progress	Status
CSS Operating Model & Organisational Structure	<ul style="list-style-type: none"> <li>▶ NSW Treasury appointed a new Deputy Secretary of Corporate in 2013-14, who is currently leading the restructure of legacy corporate functions</li> <li>▶ OFS pursued a corporate operating model project aimed at implementing a new department-wide approach to delivering corporate support services, which is to be aligned with government policy to provide better integrated services, improved customer service and more efficient provision of support services (<i>Blueprint for Corporate and Shared Services, December 2013</i>)</li> <li>▶ The OFS Corporate Operating Model is aligned with government policy to provide better integrated services, improved customer service and more efficient provision of support services</li> <li>▶ ServiceFirst is a shared services business within OFS. It is the NSW Government's only multi-tenanted shared services provider, delivering ICT, transactional finance and HR services and workplace services. ServiceFirst supports approximately 7,200 public sector employees in 38 agencies based in seven of the NSW Government's departments. It operates from two main sites, in Parramatta and Haymarket, supporting clients in 200 regional and metropolitan sites. ServiceFirst provides services to clients based on a service catalogue, using largely in-house resources but also third party providers throughout NSW (OFS Annual Report 2013/14). <ul style="list-style-type: none"> <li>▶ NSW Treasury and OFS contracts ServiceFirst to provide transactional services, for example, Treasury's service agreement with ServiceFirst is to process for payment Treasury's tax invoices after these have been certified and approved for payment by delegated Treasury officers. The day-to-day financial transactions continue to be outsourced to ServiceFirst across the Treasury and Finance cluster.</li> <li>▶ The ServiceFirst Outsourcing Program is being led by OFS with input from key client agencies. In March 2014, the NSW Government invited the shared services community to outline alternative delivery models for ServiceFirst. The Program is committed to improving and making service delivery more efficient for clients, as well as making greater savings for NSW citizens. Key stakeholders and client agencies will be consulted during all phases of the market engagement process. In December 2014, the NSW Government announced a memorandum of understanding with two companies to progress detailed discussions on shared services for government agencies. A decision on the final arrangements will be made when the process of detailed due diligence and contract negotiations is complete.</li> </ul> </li> </ul>	Partially complete - there is not a single strategy that encompasses the Treasury & Finance cluster (largely due to the constant state of flux the cluster has been in due to machinery of government changes), however both NSW Treasury and OFS use ServiceFirst as their transactional shared service provider
Adoption of the NSW Government endorsed process standards	<ul style="list-style-type: none"> <li>▶ ServiceFirst published a service catalogue and a service level agreement is agreed annually between the parties has an approved business case to upgrade its SAP Client Instance to be fully compliant within CSSR Standards</li> <li>▶ The Standards have been critical as a reference point for NSW Treasury's FMT program, which includes the development of process maps and modelling policy change impact assessments in ARIS, for each relevant Treasury circular, including those related to CSS functions <ul style="list-style-type: none"> <li>▶ NSW Treasury engaged the Central CSSRP Team for assistance with a separate reform program, the Financial Management Transformation (FMT) program, which will have subsequent flow on benefits to the corporate and shared services programs across the sector. The aim of this work has been to develop process maps and modelling through ARIS to identify areas where NSW Treasury policy (relevant Treasury circulars) impact agency processes, including those related to CSS functions, for example Accounts Payable. Through this process, NSW Treasury is driving the mapping of capabilities, per the PSC's Capability Framework, to the roles defined in the relevant processes.</li> <li>▶ The process standards were used as a reference point within OFS, however, some stakeholders suggested that during the evaluation period they received limited assistance with the standards. They acknowledged that this was likely a result of central support not being will publicised or communicated</li> </ul> </li> </ul>	Partially adopted across the cluster, largely used as a reference point, but critical to the FMT program's process mapping and impact analysis
Enabling Technology	<ul style="list-style-type: none"> <li>▶ ServiceFirst was the first government agency to move into the new Government Data Centre, which will give its clients better access to contestable cloud-based services in the eMarket Place providing more competitive pricing and flexibility. Service first has started its move to cloud based services by introducing new mobile device contracts that offer clients lower monthly fees augmented with wireless access to further save on call costs. Multi-function devices are being replaced with a managed service which will not only remove the capital cost of replacing devices but reduce costs through lower per page costs and smart technology to reduce paper use (<i>OFS Annual Report, 2013/14</i>)</li> </ul>	Dependent largely on ServiceFirst - systems between Treasury and Finance have not been aligned, however they both use

	<ul style="list-style-type: none"> <li>▶ During 2013/14, ServiceFirst upgraded its legacy technology. The new eWorkplace, based on contemporary Microsoft products, has been rolled out to the Department of Premier and Cabinet, The Treasury, the Public Service Commission and the Department of Planning and Environment. It will be introduced to all clients by the end of 2014. The eWorkplace includes greater access to collaboration tools and will provide a platform to integrate new technology in the eMarketplace. This year ServiceFirst focused on improving automation to streamline services and increase efficiency. This included new tools for clients to simplify tax statements, remove cheque payments for superannuation and use electronic forms.</li> <li>▶ During the evaluation period, ServiceFirst had its business case to upgrade its SAP Client Instance to be fully compliant within CSSR Standards, approved.</li> </ul>	<b>ServiceFirst for finance transactions</b>
<b>PCard and EFT implementation</b>	<ul style="list-style-type: none"> <li>▶ The implementation of PCards within Treasury was completed on 13 December 2014 (Hackett Report March 2015). The reason for the initial delay in rollout was contractual concerns by SAP and then waiting for some issues with the Expenditure Management System (EMS) to be resolved with ServiceFirst (who hold the contract with SAP).</li> <li>▶ NSW Treasury's cheque reduction target was a 20% reduction in cheques, and they have reduced their amount of cheques from 2,200 per year to 170</li> <li>▶ According to Hackett's March 2015 report, OFS is continuing its expansion of current PCard usage is being driven by its Corporate Finance division and there has been a 25% reduction in the number of cheques issues due to the implementation of SuperStream</li> </ul>	<b>Complete - significant progress made, particularly within NSW Treasury</b>

### Treasury cluster's engagement experience with the Central CSSRP Team

Interview feedback from Treasury cluster stakeholders found that Treasury's and OFS's experience in dealing with the Central CSSRP Team was generally positive. In summary:

- ▶ The process standards were used as a reference point within OFS, however uptake was limited. Some OFS stakeholders suggested that during the evaluation period they received limited assistance with the standards and ARIS tool set. They acknowledged that this was likely a result of central support not being well publicised or communicated
- ▶ The Central CSSRP Team "has been great as a partner" of the Financial Management Transformation (FMT) program and the technical nous provided has been core to the acceleration of the FMT program, particularly the development of business requirements and processes within ARIS for relevant Treasury circulars
  - ▶ The Central CSSRP Team has provided "excellent engagement and understood what FMT was (and is) trying to achieve"
  - ▶ The Central CSSRP Team also provided quality assurance and direct support by reviewing the logic and queries of what had been processed in ARIS by Treasury
  - ▶ FMT representatives stated that ongoing support, particularly with regards to ARIS, is critical to the FMT program

*"The support has been fantastic - very good at coordinating with Treasury on building capability for specific purpose. The CSSRP are a very good sounding board because of their knowledge across the sector"*
- ▶ Going forward, the main uncertainty is the role that the Central CSSRP Team will play given the variability in CSS reform progress and maturity across the sector
  - ▶ There is a need for continuation of ARIS support
  - ▶ There is also a need for improved knowledge sharing across the cluster, particularly of cluster better practice and industry better practice

## 4.8 Department of Premier & Cabinet (DPC)

### Overview of cluster CSS Strategy and Reform Program

The table below presents the evaluation findings against the original Blueprint principles, which mandated that every cluster develop a CSS strategy and business case(s).

Activities	Observations of progress	Status
CSS Strategy in place	<ul style="list-style-type: none"> <li>Prior to the machinery of government changes which occurred in 2011 DPC had been a longstanding foundation client of ServiceFirst. Its CSSR strategy had therefore historically been to outsource a significant amount of its corporate and shared service functions, and to leverage reforms to ServiceFirst's ICT platforms and business.</li> <li>With the creation of the expanded DPC cluster which included NSW Planning &amp; Infrastructure (P&amp;I) and the Office of Environment &amp; Heritage (OEH), DPC developed a new CSSR strategy for the DPC cluster and a supporting business case in December 2012. This involved restructuring OEH and P&amp;I's existing CSS functions with a view of transitioning their shared services to ServiceFirst. This restructuring commenced and continued during 2013-14, however due to uncertainty regarding ServiceFirst's future directions, the transition of OEH and P&amp;I's shared services to ServiceFirst did not proceed. OEH and P&amp;I have since been removed from the DPC cluster.</li> <li>As a result, DPC's CSSR strategy changed again in late 2014 and is now focused on leveraging the proposed ServiceFirst business process outsourcing program and move to a cloud based SAP solution.</li> </ul>	Completed, but subsequently revised and deferred
CSS Business Case approved by ERC	<ul style="list-style-type: none"> <li>DPC developed and submitted a CSS business case to Treasury in December 2012 and received approval of ICT Reinvestment Pool funds of \$18.5m in May 2013. The business case was not submitted to the CSSRP Steering Committee for review because of changes occurring within the DPC cluster after the business case was prepared.</li> <li>This original business case was subsequently revised to take account of the Government's decision not to pursue the creation of Government Business Services and an amended business case was developed.</li> </ul>	Completed, but subsequently revised

The DPC cluster originated with the machinery of government changes in 2011 that brought together a range of previously discrete and independent entities with different ICT systems, data and corporate and shared services delivery models. The cluster is based on a diverse and complex set of administrative arrangements with 29 separate entities. The two largest entities added to the DPC cluster were NSW Planning & Infrastructure (P&I) and the Office of Environment & Heritage (OEH), both of whom were considerably larger than DPC the Principal Department, and both of whom also had sub-cluster entities. The DPC cluster also included a range of independent bodies including the NSW Public Service Commission, ICAC, IPART, Audit Office of NSW, the Ombudsman's Office, NSW Electoral Commission and the Internal Audit Bureau, as well as a range of other bodies (for example, the Barangaroo Delivery Authority).

DPC developed its CSSR strategy and business case during 2012, based on the Blueprint and the assumption it would look to transition and consolidated P&I and OEH's shared services to ServiceFirst. DPC itself was a foundation client of ServiceFirst and had already outsourced its back office functions to ServiceFirst over a decade ago.

The DPC business case was submitted to NSW Treasury and received approval for \$18.5m in ICT Reinvestment Pool funds in May 2013 to support the transition to a common ERP platform for DPC, OEH and P&I. The independent bodies within the DPC cluster were offered the choice of leveraging the proposed DPC corporate and shared services model, but the ultimate decision was left to each of them. In some cases such as IPART, they were already clients of ServiceFirst, therefore we not directly impacted by the strategy.

Following approval of the 2012 business case, both OEH and P&I underwent significant structural changes as a result of the proposed corporate and shared services model and other broader service delivery reforms. While these changes were underway, the proposed future strategic direction for

ServiceFirst also changed with decision not to pursue the creation of Government Business Services. As a result, NSW Treasury recommended that DPC should revise its original business case prior to submission for a Gateway Review.

This was done, taking into account changes to the existing corporate and shared services arrangements within the P&I and OEH sub-clusters, the corporate services restructuring already underway in P&I and OEH, as well as ServiceFirst's capacity and capability to take on additional clients. A business case addendum was prepared which sought to take account of changes to the underpinning financial and FTE data.

The DPC cluster CSS Steering Committee met in November 2013 to consider competing business challenges and changes within the cluster, including amongst other things the planned move out of Governor Macquarie Tower to 52 Martin Place, as well as uncertainty around the future strategic direction of ServiceFirst pending the outcome of market testing to identify potential business process and technology outsourcing service providers. As a result of these challenges, the DPC cluster Steering Committee resolved to seek approval to defer its CSSR program until 2014-15. This was approved by the Secretary and DPC also applied to have the ICT Reinvestment Pool funds rolled-over to 2014-15.

Since this decision was made, further machinery of government changes have occurred in April 2015 which have seen P&I and OEH moved out of the DPC cluster. We understand that as a result of these changes DPC is again revising its CSS reform strategy.

#### Reform Program - Progress December 2012 - December 2014

The table below presents the evaluation findings regarding DPC's progress against its strategy and approved business cases. In summary, by December 2014, the DPC cluster had made significant progress with the restructuring of P&I and OEH's existing corporate services functions and had begun to share some corporate service functions on a cluster-wide basis (for example, procurement with OEH), however changes to ServiceFirst's future strategic direction meant that the original business case could not be implemented and was no longer appropriate.

Strategy component	Observations of progress	Status
CSS Operating Model & Organisational Structure	<ul style="list-style-type: none"> <li>A proposed cluster-wide corporate and shared services model was designed, aligned to the design principles in the Blueprint, and significant restructuring occurred within the P&amp;I and OEH sub-clusters based on this model. The original model and organisational structure had to be changed, however, due to changes to the composition of the DPC cluster and ServiceFirst's strategic direction.</li> </ul>	Partially implemented, but revised due to MoG and other changes
Adoption of Government endorsed Standard Processes	<ul style="list-style-type: none"> <li>The whole of government business standards were considered in the development of the original DPC cluster business case submitted in December 2012 and in the subsequent evolution of the DPC cluster corporate and shared services model. As a foundation client of ServiceFirst, DPC (the Principal Department) and a number of other independent entities within the DPC cluster used ServiceFirst as their preferred multi-tenanted shared services provider. As a result, they use ServiceFirst's ICT platforms and business processes.</li> </ul>	Dependent on ServiceFirst adoption
CSS enabling technology	<ul style="list-style-type: none"> <li>Need to obtain DPC business case to understand original ICT solution proposed</li> <li>ServiceFirst has an approved business case to upgrade its SAP client instance to be fully compliant with the CSSR standards. ServiceFirst has baseline "as-is" processes in ARIS - <i>Steering Committee papers 22 May 2014 - Discussion paper CSSRP Strategy</i></li> </ul>	Dependent on ServiceFirst ICT solution
PCard and EFT implementation	<ul style="list-style-type: none"> <li>The March 2015 Hackett Report noted that the implementation of PCards was pending the roll-out of the ServiceFirst hosted EMS and that the Department continues to work with ServiceFirst on the cheque reduction initiative</li> </ul>	Dependent on ServiceFirst EMS

#### DPC's engagement experience with the Central CSSRP Team

- There was engagement with the Central CSSRP Team at the time of developing the original DPC cluster CSS strategy and business case during 2012.

- ▶ Based on interview feedback, engagement since then has been more limited and has mainly taken the form of status reporting. This is consistent with the DPC cluster deciding to defer implementation of its cluster CSS reform program in November 2013 until 2014-15.

## 4.9 Department of Planning & Environment (DPE)

### Overview of the CSS Strategy and reform program

The table below presents the evaluation findings against the original Blueprint principles, which mandated that every cluster develop a CSS strategy and business case/s.

Activities	Observations of progress	Status
CSS Strategy in place	<ul style="list-style-type: none"> <li>▶ DPE has only recently been established as a cluster and has been pursuing a consolidation approach to its CSS - no strategy is in place, however in the process of developing a strategy and business case (by the end of the 2015 calendar year) for its move to a cluster-wide cloud based ERM solution</li> </ul>	In progress - note, DPE only recently became a cluster
CSS Business Case approved by ERC		

### Reform Program - Progress December 2012 - December 2014

The table below presents the evaluation findings regarding DPE's progress against its strategy and approved business cases. In summary, by December 2014, DPE was very much in the early stages of its CSS program, due to the fact that DPE became a cluster towards the end of the evaluation period.

Strategy component	Observations of progress	Status
CSS Operating Model & Organisational Structure	<ul style="list-style-type: none"> <li>▶ DPE has only recently been established as a cluster and has been pursuing a consolidation approach to its CSS - no strategy is currently in place, however the cluster is in the midst of developing a unified cluster based CSS strategy and leveraging the assets already developed within OEH</li> </ul>	In progress - note, DPE only recently became a cluster
Adoption of the NSW Government endorsed process standards	<ul style="list-style-type: none"> <li>▶ No adoption of the process standards during the evaluation period, although the cluster recognises the usefulness of the process standards as a reference point</li> </ul>	
Enabling Technology	<ul style="list-style-type: none"> <li>▶ DPE leverages one of its entities, OEH's, current payroll system</li> <li>▶ DPE is in the process of developing a business case for moving towards a cluster-wide cloud based ERP solution</li> </ul>	
PCard and EFT implementation	<ul style="list-style-type: none"> <li>▶ DPE is one of the NSW Government's lowest cheque producing clusters, producing approximately 3,000 cheques a year</li> <li>▶ The March Hackett Report update on PCard adoption and cheque reduction states that there has been no progress on an expense management system throughout the evaluation period and lower than target adoption due to restructuring of the cluster</li> </ul>	

### DPE's engagement experience with the Central CSSRP Team

An interview with DPE's Cluster program representatives found that DPE's experience in dealing with the Central CSSRP Team was limited during the evaluation period, hence they were unable to comment on the support provided.

## 4.10 Key observations and findings

This section provides a summary of overall observations and findings with respect to the take-up of the CSSRP objectives by clusters during the evaluation period.

- ▶ The level of cluster uptake of the CSSRP objectives and the Central CSSRP Team has varied over the evaluation period.
- ▶ Uptake has been impacted by four primary factors:
  - ▶ A lack of understanding and awareness of the capability and services offered by the Central CSSRP Team
  - ▶ The extent to which clusters had already commenced or substantially completed implementation of their cluster-specific CSSR strategies before December 2012
  - ▶ The status of their cluster-specific CSSR strategies during the evaluation period, relative to the nature and type of support the Central CSSRP Team was able to provide
  - ▶ The extent to which clusters changed their original CSSR strategies
- ▶ Irrespective of the extent to which individual clusters engaged directly with the Central CSSRP Team, all clusters have made progress in developing and implementing their cluster-specific CSSR strategies during the evaluation period.
- ▶ In some cases, the level of progress has been impacted by machinery of government changes which have affected the composition of clusters. An example of this is the Department of Planning and Environment cluster which was only formed in April 2014, whereas previously Planning and Infrastructure was part of the Department of Premier and Cabinet cluster.
- ▶ In other cases, clusters have altered their original CSS reform strategies to take advantage of emerging technology solutions such as software as a service, or because of broader factors influencing their overall core functions and service delivery model, such as in the case of Family and Community Services with the implementation of the NDIS.
- ▶ Clusters have also had different starting points, CSS reform strategies, implementation approaches and timeframes. In some cases such as NSW Health, they had commenced and substantially implemented their CSS reform program before the 2010 Blueprint was developed.
- ▶ Changes to the longer term strategy for ServiceFirst have also influenced the strategy adopted by some clusters. Those clusters who had already adopted ServiceFirst as their preferred shared service provider (e.g., NSW Treasury) have been able to continue under this arrangement, however there have been a number of different strategies developed for how ServiceFirst should operate in future. The development of these strategies has impacted on ServiceFirst's capacity and ability to take on additional clusters within the timeframes originally envisaged by the Blueprint, but has also directly impacted on ServiceFirst's own ability to accelerate the transformation of its own technology platforms and services for its existing customers.
- ▶ In implementing their CSS reform strategies, clusters have helped to inform broader whole of government strategies and CSSRP support needs
  - ▶ While the specific CSS reform strategies and implementation approaches used by clusters has varied, their strategies have either been aligned with or help to inform broader whole of government reform strategies.
  - ▶ To illustrate this point, the alternative cloud based ERP solution adopted by Trade and Investment was not originally envisaged in the Blueprint and preceded the development of whole of government policy frameworks for cloud based technology solutions originally identified in the NSW Government's ICT Strategy in 2012.

- ▶ While the implementation of this previously untried alternative approach presented a number of risks, it also helped to inform and accelerate thinking around the need for a more agile and flexible way of engaging with the rapidly maturing market for emerging solutions such as software as a service, infrastructure as a service, platforms as a service and business process as a service.
- ▶ In response to this emerging need, the Central CSSRP Team has helped drive the establishment Category Q: ERP and related corporate and shared services which was released in July 2014. This new category under the ICT Services Scheme will make it easier for industry and clusters to access and engage on a range of enabling CSSR technology solutions and related services.
- ▶ The level of uptake and implementation of other sector-wide reform strategies by clusters has varied for a variety of reasons
  - ▶ In the case of other sector-wide reforms such as the implementation of P-Cards and electronic payments, the rate of take-up and implementation by clusters during the evaluation period has varied as evidenced by the most recent status update to the Steering Committee on 27 March 2015.
  - ▶ In some cases this is because the underlying and enabling expense management systems are yet to be procured and implemented (for example, NSW Health). In other cases, clusters have wanted to pilot PCards on a selective basis in the first instance before their broader roll-out (for example, NSW Education and Communities). As a result, while the majority of clusters have developed implementation plans, or commenced implementation, full cluster-wide roll-out has yet to be achieved.
- ▶ The majority of clusters have identified an ongoing need for support from the Central CSSRP Team, particularly at the implementation and continuous improvement phases and levels of their respective programs. Given that the reforms across clusters have been delayed in most cases, ongoing implementation support at this critical time is required to progress their programs.

## 5. Lessons Learned

This section summarises the key lessons learned that can be taken from the evaluation to help inform the future direction and management of the CSSRP, as well as the role and focus of the Central CSSRP Team. These lessons have been derived from the desktop review, independent analysis and feedback obtained from CSSRP stakeholders interviewed.

### *CSS reform strategy*

- ▶ The overarching CSS reform objectives that shaped the 2010 Blueprint have remained largely constant and relevant for the CSSR Program as a whole, and clusters have been actively pursuing the consolidating and sharing of corporate and shared services within their own cluster context and reform strategies. A number of factors and assumptions which informed and underpinned the CSS reform strategy and implementation roadmap outlined in the 2010 Blueprint changed significantly prior to the end of 2012. These had a material impact on the CSSR strategies of those clusters that had yet to commence implementation and then did so during the evaluation period.
- ▶ Given the changes that have occurred since the Blueprint, the development of a new sector-wide CSSRP strategy is a critical priority. It was noted however, that by the end of the evaluation period, the new sector wide CSSRP strategy was in draft and close to finalisation during the development of the evaluation report. This new strategy, in draft, has informed and shaped the objectives, scope and focus of the Central Program Team's Strategy and Roadmap, which was presented to the CSSRP Steering Committee on 2 December 2014 and approved

Rather than a centrally governed, directed and led CSSR Program, the Program became predominantly cluster-led with central enabling support in specific areas from the Central CSSRP Team. This changed the nature of the dynamics between clusters and the CSSR Program and Central CSSRP Team. Depending on their specific needs and CSSR strategies, clusters chose in differing degrees to engage with and take-up this central support.

- ▶ A key learning from this experience is that any future sector-wide CSSR strategy needs to be sufficiently flexible to cater for cluster-specific needs, as well as potential technological, market, structural and policy shifts which will occur over the life of the new CSSR strategy and program. This will require a much stronger focus on agility, opportunism and adaptability to take advantage of market and technological advances, new emerging business models and changes to the shape, size and core business of government

### *Program objectives*

- ▶ The original design of the CSSRP did not include a program logic with a set of clearly defined, shared and measurable objectives (with supporting key performance indicators). Whilst the Blueprint contained a number of high-level objectives and a set of supporting design and guiding principles, as the focus and approach to CSS reform changed, the Program objectives were not revised to reflect the Program's evolution.
- ▶ As a result, the overall Program objectives changed over time, in terms of scope, depth and the services the Central CSSRP Team would be able to provide. The objectives for the Central CSSR Program and Team as defined by the CSSRP Steering Committee also became more tactical and assumed the form of a program of key activities, without a proper supporting framework for measuring the Central Program and Team's effectiveness, efficiency or performance relative to the strategic objectives of the overall Program.
- ▶ This has made the completion of this evaluation in accordance with the NSW Government's Program Evaluation Framework, a difficult task. The clear lesson here is that all programs should indeed reflect the requirements of the NSW Government's Program Evaluation Framework (i.e., the Program should be established with a new set of underlying objectives, performance measures and targets comprising a program logic, which should be broadly

communicated and used as the basis for monitoring and evaluating the future performance and success of the Program, as well as the Central CSSRP Team and cluster CSS reform programs). It is recognised that the Central CSSRP Team has already instituted this across its roadmap of work (the Roadmap) and that the Central CSSRP Team is represented on the Evaluation Community of Practice, established jointly by DPC and NSW Treasury.

- ▶ In developing these future Program objectives, it will be critical for them to reflect the priority opportunity areas for future CSS reform, take account of the CSS reform strategies, implementation status and maturity of the different clusters, and the alignment of the CSSRP's objectives with other sector-wide reform strategies and programs. Once established, these objectives should also be formally reviewed on a periodic basis.

### ***Performance and benefits management***

- ▶ The Central CSSRP Program as conceived under the 2010 Blueprint included a discrete sub-program focused on CSS benchmarking and performance management. This program was discontinued in 2012 on the recommendation of the 2012 PWC review of the CSSRP.
- ▶ As a result, the Central CSSRP Team has lacked the funding and therefore the capacity to provide the fundamental basis of comparison of performance across the sector. This has also impacted the ability of clusters to make effective strategic sourcing decisions with respect to potential managed service options.
- ▶ Looking forward, the plans that the Central CSSRP Team has instituted towards the end of the evaluation period, should be taken forward to provide a basis for benchmarking unitised costing and other benefits.
- ▶ Consideration however needs to be given to the most meaningful and relevant construct of any benchmark framework and this will need to be carefully governed to ensure cluster needs are met and that the benchmarking framework is developed to the appropriate scale and depth
- ▶ Following the 2012 Program Review and subsequent refocusing of the Central CSSRP Team, it is unclear how the overall savings and benefits, which underpinned in the original CSSRP business case, have been monitored, measured and reported. From the evaluation it is apparent that this is not something the CSSRP Steering Committee has been responsible for, or played any role in. Instead, it is understood that the Fiscal Effectiveness Office (FEO) in NSW Treasury was established to be the single point in central government where clusters and agencies would report progress against their suite of efficiency and savings programs, including their cluster CSS reform programs and business cases.
- ▶ Notwithstanding the merits of this approach, a key learning going forward is to be clear about how the benefits and economic impact of any future cluster CSS program will be measured, attributed and reported (to ERC, the Senior Management Council and CSSRP Steering Committee), so that the performance of the overall sector-wide CSSR Program can be tracked.

### ***Program governance***

A number of emerging themes regarding program governance were observed through interviewing key program stakeholders across the sector. Whilst beyond the scope for this evaluation, below are some critical insights and lessons to be learnt about the role of the Steering Committee and governing the sector wide CSS program going forward. It is important to note that the below is not an evaluation of the Steering Committee's effectiveness or performance, particularly given the Steering Committee's role has had to evolve to adapt to the changing nature and scope of the CSSRP.

- ▶ A significant number of stakeholders interviewed raised concerns about the role of the CSSRP Steering Committee over the evaluation period. While there was strong support for having a senior sector-wide governance body to advise, monitor and oversee CSS reform, the role,

authority and mandate of this governance body needs to be clear and aligned to the future scope and focus of the program.

- ▶ There is a commonly held view across the sector that the CSSRP Steering Committee became purely an information sharing and advisory body, rather than playing any meaningful role in helping to inform sector-wide strategy, challenge the CSS reform strategies being pursued by clusters, or drive the sharing of better practices and learning. Without a clear and appropriate mandate, the role of the Steering Committee will continue to diminish over time, which will in turn impact on the seniority, level and breadth of representation it has from across the sector.
- ▶ It is also unclear whether all clusters were meant to be members of the CSSRP Steering Committee, given that some do not believe they were, and others appear to have seen limited value or relevance in participating other than when asked to present status updates on their cluster CSS reform programs. If the CSSRP is seen as a future sector-wide priority, then the membership of its governing body should reflect this.
- ▶ In considering the membership of any future CSSRP Steering Committee, it is also important to recognise that OFS plays a number of different roles with respect to CSS reform, and that these roles reside within different operating areas within OFS. There is a sector-wide strategy and policy development role, a role overseeing the performance and delivery of the Central CSSRP Team, and a role responsible for OFS's own CSS reform strategy and program as a cluster in its own right. These different roles should have been considered and represented in some manner on the CSSRP Steering Committee during the evaluation period, however it was only towards the end of the evaluation period that the different roles were represented.
- ▶ It was noted that during the evaluation period there was no sector-wide forum for cluster heads of corporate services and program staff to meet and share knowledge and experiences, yet these senior roles are typically the ones responsible for cluster-wide CSS reform, corporate governance and risk and supporting broader service delivery reform and efficiency measures within their clusters. These roles are also the most senior point of integration across cluster and agency corporate and shared services functions including human resources, finance, procurement, asset management and ICT. Since the evaluation period, we have noted that there has been the development of the Agency Showcase as a collective design authority. These sessions are attended by Agency representatives from all Agencies we engage with. The attendees occupy roles where they are managing change and reform and utilising our products and services as a resource to accelerate their programs. The Agency Showcases are run once every quarter (the first was December 2014) and the purpose of these sessions is to:
  - ▶ Showcase changes to the NSW Government Business Processes and the ARIS modelling tool
  - ▶ Discuss and agree the release schedule/implementation timetable
  - ▶ Gather opinions on features and elements that should be addressed or built into the business processes and how this might be done
  - ▶ Provide a forum for Agencies to discuss experiences and share learnings
- ▶ Looking forward, it is worthwhile considering having a committee/forum comprised exclusively of cluster heads of corporate services or ensuring they are invited to the existing quarterly Agency Showcase meetings.
- ▶ It became evident through interviews with cluster program representatives, that there is lingering confusion regarding the requirement for a central policing or regulatory function for whole of government initiatives. Put another way, it is important to be clear about those functions and activities which relate to central CSSRP governance, and those which relate to central support.

The balance between supporting and regulating/policing the sector wide reform program is critical to maintaining buy-in and central influence.

### ***Inter-relationship with other Reform Programs***

- ▶ In the development of any future sector-wide CSS reform strategy and program, it will be important to clarify the inter-relationship between the CSSRP and other sector-wide reform strategies and programs. This is important for three main reasons:
  - ▶ By definition, corporate and shared services encompass functions such as procurement, asset management, finance, human resources and ICT. It therefore has a direct relationship with sector-wide reforms in areas such as procurement, finance and ICT, each of which is currently the subject of sector-wide transformation programs and strategies. Hence, the importance of the objective to align to other state strategic initiatives.
  - ▶ Because of this overlap, there is a likelihood and risk of CSS reform program benefits and savings being measured and reported through a range of different, functionally based or focused strategies and through a variety of sector-wide governance bodies such as the NSW Government Procurement Board or ICT Board. This creates the potential for unnecessary duplication or confusion with respect to governance and reporting. There is a role and contribution that the CSSRP can make to the creation of a single, whole-of-government mechanism around benefits realisation.
  - ▶ It is important to acknowledge the continuing need for the CSSRP support of and alignment with the Government's other objectives, performance measures and targets in areas such as ICT, financial management, asset management, procurement, and contestability reform.
- ▶ Given these inter-relationships and inter-dependencies, the governance model of future sector-wide CSSRP strategies and programs should also be better aligned and/or integrated with the whole of government governance arrangements for other reform areas such as ICT, procurement, financial management, and workforce management.

### ***Support for clusters***

- ▶ The fragmentation and diversity of clusters' CSSR strategies and implementation approaches across the sector means that the starting and end point for each cluster remains different and the relative maturity of their shared services operations also differs.
  - ▶ This has a direct impact on the level and type of support they may need from future CSSR Program and the Central CSSRP Team.
  - ▶ This also has a direct impact on what the potential future objectives of the CSSR Program could or should be, and what its priority focus, goals and targets should be, and over what timeframes. The Central CSSRP Team's strategy and roadmap, which was presented to the Steering Committee on 2 December 2014, recognises this with a defined set of products and services that caters for the specific needs of clusters at different stages of maturity, for example, continuous improvement for clusters that have already largely implemented their programs and assistance with organisational design for those clusters that have taken an IT driven approach and require assistance aligning their operating model (for example organisational structure, roles, responsibilities, and capabilities). The strategy also has a specific focus on client engagement and information sharing across the sector, acknowledging that during the evaluation period, a strategic and holistic approach to engagement with the sector as a whole, was deficient.
- ▶ Those clusters which have yet to implement their CSSR strategies are able to benefit from having access to a broader range of technology platform solutions and services to accelerate and support their implementation. Those clusters who have largely implemented their CSSR strategies are now focused on embedding and sustaining the benefits, and looking at alternative ways to achieve further efficiencies and service improvements.

- ▶ Areas of potential future central support identified by stakeholders interviewed, include:
  - ▶ Having a central point or repository for information and knowledge sharing to help clusters learn from each other, accelerate reform implementation and the realisation of benefits, and avoid unnecessary duplication of effort or 'reinventing the wheel'.
  - ▶ Maintaining a central repository of whole of government process standards.
  - ▶ Providing a range of internal consulting services and technical support that enable clusters to leverage the value of the standards at all stages of their CSSR programs, including providing support for continuous improvement phase post implementation and deployment, for example, continuing to provide technical support for ongoing use of ARIS.
  - ▶ Establishing streamlined procurement arrangements and mechanisms to engage with the growing market of potential external service providers, and helping clusters to access and navigate this market.
  - ▶ Establishing a 'fit for purpose' sector-wide CSS performance measurement and benchmarking framework and approach to help clusters identify performance gaps and opportunities to realise additional benefits.
  - ▶ Supporting the creation of a sector-wide CSS 'community of practice' for corporate and shared services leaders, managers and staff to share learnings, better practices, experiences and expertise.
  - ▶ Providing independent challenge and advice regarding cluster CSS reform opportunities, strategies and implementation approaches.
- ▶ Throughout the evaluation period, it was evident that consideration needed to be given to the optimal way for this central support to be organised and accessed, while also recognising that the support needs of clusters will continue to evolve and differ. Towards the end of the evaluation period, when the Central CSSRP Team's strategy and roadmap was developed, these considerations were factored into account. The roadmap in particular, provides a work plan, which will guide the prioritisation, and focus of resources, but it will be important going forward that the team proactively manages this roadmap and responds effectively to the Government and sector's changing needs.

### **Cluster engagement and relationship management**

- ▶ As previously noted, the level and frequency of cluster engagement with the Central CSSRP Team varied considerably during the evaluation period. At one end clusters such as TfNSW have sought and had significant engagement with the CSSRP and Central CSSRP Team. At the other end clusters such as NSW Health and Trade and Investment have had extremely little engagement, and did not find any real need, value or benefit for engaging with the Central CSSRP Team during the evaluation period.
- ▶ The Central CSSRP Team implemented a cluster relationship management model within the last nine months of the evaluation period, which covers all nine clusters. The level of contact and ongoing engagement it has with each cluster however varies. The new Central CSSRP Team's strategy (developed at the end of the evaluation period) acknowledges that a level of contact and ongoing engagement it has with each cluster will need to be tailored to their specific needs.
- ▶ A number of cluster stakeholders interviewed also reported they had limited understanding and visibility of what the Central CSSRP Team did, or could offer in the way of support relative to their cluster-specific needs.
  - ▶ A key learning is that the more the CSSR Program and Central CSRRP Team can engage with clusters in a proactive, strategic and two-way manner, the greater the level of engagement it

will get from clusters, and the potential for meaningful knowledge and capability sharing will increase.

### ***Whole of government process standards***

- ▶ The development of the whole of government business process standards (“the Standards”) is the most significant asset and legacy created by the CSSRP and Central CSSRP Team. Cluster take-up and use of the Standards however varied during the evaluation period. This was primarily influenced by the:
  - ▶ status and maturity of each cluster’s CSS reform strategy and program during the evaluation period;
  - ▶ as noted previously, during the majority of the evaluation period the Central CSSRP Team did not engage as proactively with the sector and “sell” the benefits of the process standards more broadly to the sector; and the
  - ▶ perceived relevance of the Standards by individual clusters.
- ▶ Since the original Blueprint and inception of the CSSRP, there has been a progressive move from on-premise to other options, including “as-a-service”, “utility”, or “hybrid” solutions, a growing business process and IT outsourcing market, and a growing focus on contestability of CSS service provision. The Standards have also continued to evolve, expand and become richer and more sophisticated in terms of the quality, level and type of information held within the ARIS platform.
- ▶ Stakeholders interviewed expressed strong support for having a consistent set of sector-wide Standards going forward, however they also have differing expectations and views about how the Standards could and should be used by clusters and the sector more generally. There is now a range of potential ERP solutions available to clusters, from on-premise tailored ERP solutions to fully outsourced and cloud based ‘industry standard’ software as a service ERP solutions, and hybrid options in between.
- ▶ The Standards have the potential to be used in a different way for each of these different ERP solutions. For more traditional on-premise ERP solutions, the Standards can be used to inform cluster business and solution requirements, thereby helping to accelerate the solution design and implementation process. For clusters contemplating a technical upgrade to their existing on-premise ERP solutions, the Standards can be used to undertake a ‘better practice’ gap analysis. Similarly, for those moving to ‘off the shelf’ ERP software as a service solutions, the Standards can be used as a reference point for undertaking a gap analysis or establishing a set of minimum requirements.
- ▶ Towards the end of the evaluation period, the Central CSSRP Team was focussed on expanding the NSW business process standards in two dimensions - the first dimension was the scope of processes, which expanded to include Enterprise Asset Management (EAM). The second dimension was the depth of process information, including new elements which were still being developed at the end of the evaluation period, such as business requirements, PSC aligned roles and metrics (these are all an ongoing development).
- ▶ Beyond being used as an input or reference point in the development of ICT business requirements and solutions, the Standards also have a range of other potential applications and uses, including:
  - ▶ As part of a broader strategy to implement and improve business process management across the sector which would include CSS functions and processes, but also others

- ▶ To assess, model and quantify the impact of changes to policy and legislation to agency operations and business processes
  - ▶ To provide a 'better practice' reference point which agencies can use to identify if, where and how their current business processes can be improved
  - ▶ To measure the current cost of business processes, and the costs and financial benefits of changing them
  - ▶ To support business process performance measurement, management and benchmarking
  - ▶ To help align business processes with role descriptions as part of organisational redesign
- ▶ Looking forward, a key consideration should be the extent to which the Standards continue to be developed and enhanced, relative to how they are likely to be used, and the value this will provide to clusters and the Government. This is particularly relevant in the context of moving towards greater business process outsourcing and managed service provision, where the service provider offers their own standard business processes and supporting software solutions as part of the overall managed service for clients. One of the primary benefits to Government of adopting this approach is to take advantage of any process and system efficiencies that the service provider can offer, rather than requiring them to use the Government's own business processes and systems. This provides an incentive for service providers to innovate and drive efficiency improvements in their operations, and avoids potential 'gold plating' or over-servicing.
  - ▶ This shift mirrors the approach used by Government to procuring public infrastructure and assets. For many years Government has progressively moved from fully designing, documenting and specifying its capital asset needs, to using design and construct or outcome/performance based contracting approaches which can also include managed service provision.
  - ▶ There is a risk to government in adopting industry based business processes without having a good understanding of what a set of better practice business processes look like and the unique or essential features or requirements which those business processes need to have in order to meet government's unique policy, legislative or operational needs. The Standards play an important role in this regard which clusters have acknowledged. Before looking to adopt industry or market based solutions and standards, it is also important for agencies to understand the state of their current business processes, and where these could or should be improved. The Standards also provide an important reference point for industry and external service providers to understand Government's requirements, which has been reflected in industry interest in the Standards since they have become available to them. As Government increasingly moves to adopt 'digital by default' and managed service delivery options, the Standards can be used to understand and cost the process efficiencies and benefits which non-government service providers can offer.
  - ▶ Looking forward, it is important to consider the optimal ongoing investment in continuing to expand, building and enrich the Standards. This decision should be informed by a shared understanding at senior levels of how and where the Standards should be used, and in what context.
  - ▶ In order to drive the ongoing prioritisation, focus and take-up of the Standards, it is considered important to have a sector-wide group to advise the CSSRP Steering Committee, rather than leaving this as the sole responsibility of the Central CSSRP Team. The sector-wide Agency Showcase which has recently been set-up is a logical group to play this role and has already been informing the Central CSSRP Team's work and priorities, as well as providing a mechanism for sector and industry engagement. This approach and direction is supported.

# Appendices

## Appendix A NSW Government Cluster Structure

Cluster:	Education & Communities	Family & Community Services	Health	Police & Justice	Planning & Environment	Premier & Cabinet	Trade & Investment, Regional Infrastructure & Services	Transport	Treasury & Finance
Department:	Department of Education & Communities	Department of Family & Community Services	Ministry of Health	Department of Police & Justice	Department of Planning & Environment	Department of Premier & Cabinet	Department of Trade & Investment, Regional Infrastructure & Services	Department of Transport	The Treasury
Public Service Executive Agency:	Nil	Nil	Nil	Crown Solicitor's Office Fire and Rescue NSW Office of the NSW Rural Fire Service Ministry for Police and Emergency Services Office of the NSW State Emergency Service	Office of Environment and Heritage Office of Local Government	Parliamentary Counsel's Office Service NSW	Nil	Nil	Office of Finance & Services

Cluster:	Education & Communities	Family & Community Services	Health	Police & Justice	Planning & Environment	Premier & Cabinet	Trade & Investment, Regional Infrastructure & Services	Transport	Treasury & Finance
Related Agency:	Community Relations Commission Staff Agency Institute of Sport Staff Agency Sydney Cricket and Sports Ground Trust Staff Agency	Home Care Service Staff Agency	Health Professional Councils Authority Office  NSW Institute of Psychiatry Staff Agency	Nil	Urban Growth NSW Development Corporation Staff Agency	Barangaroo Delivery Authority Staff Agency Infrastructure NSW Staff Agency Natural Resources Commission Staff Agency	Art Gallery of NSW Trust Staff Agency Australian Museum Trust Staff Agency Destination NSW Staff Agency Independent Liquor and Gaming Authority Staff Agency Library Council of NSW Staff Agency Local Land Services Staff Agency Sydney Opera House Trust Staff Agency Trustees of the Museum of Applied Arts and Sciences Staff Agency	Nil	Nil
Aligned Services:	Teaching Service	Nil	NSW Health Service	NSW Police Force	Nil	Nil	Nil	Transport Services	Nil

Cluster:	Education & Communities	Family & Community Services	Health	Police & Justice	Planning & Environment	Premier & Cabinet	Trade & Investment, Regional Infrastructure & Services	Transport	Treasury & Finance
Statutory State-owned Corporations:					Landcom		Essential Energy Delta Electricity Ausgrid Endeavour Energy Macquarie Generation TransGrid Hunter Water Corporation State Water Corporation Sydney Water Corporation Forestry Corporation	Newcastle Port Corporation Port Kembla Port Corporation Sydney Ports Corporation	Superannuation Administration Corporation (Pillar)
Separate Public Service Agency:	Board of Studies, Teaching and Educational Standards Staff Agency	Office of the Children's Guardian	Health Care Complaints Commission Staff Agency Mental Health Commission Staff Agency	Office of the Director of Public Prosecutions Information and Privacy Commission Legal Aid Commission Staff Agency NSW Crime Commission Staff Agency	Environment Protection Authority Staff Agency	Public Service Commission Independent Pricing and Regulatory Tribunal Staff Agency NSW Electoral Commission Staff Agency Ombudsman's Office Police Integrity Commission Staff Agency	Nil	Independent Transport Safety Regulator Staff Agency	SAS Trustee Corporation

## Appendix B Original Steering Committee Objectives

Obj. no.	Original Steering Committee Objective
	<b>Purchasing Cards (PCards)</b>
1	Worked with OFS on the sector-wide initiative to accelerate the adoption and use of Purchasing Cards (Pcards) and Electronic Payments in order to realise savings across NSW Government
2	Worked with Clusters to determine definitions, data standards and a consistent and comparable framework so that a sector-wide view of targets and implementation plans are able to be compiled
3	Provided guidance and templates on applicable spend categories
4	Working with Clusters to gather and share best practice, tools and lessons learned
27	Compilation of specific Pcard reports to assist OFS with the Pcard acceleration and cheque reduction
	<b>ICT Services</b>
5	Category Q: ERP and related corporate and shared services launched 30 July 2014 and Ministerial/Media release announcement of the launch
6	Allows for Industry Vendors to engage with Government in the provision of ERP related services after registering and undertaking training in order to be eligible to gain access to the NSW Government Standards
13	One SAP Business Case reviewed and feedback provided
15	Localisation modelling and QA support following the Validation Process Workshops
16	Technical support with handover/ synchronisation activities to SAP Support Group following Accenture being rolled off a Learning Management and Business Reform (LMBR) project <b>(DEC)</b>
17	Technical support with ARIS/ SAP Solution Manager synchronisation activities. Facilitated a 'lessons learnt' session with DEC & TfNSW regarding ARIS/SAP Solution Manager Synchronisation <b>(DEC)</b>
19	Planning with Transport for the next ERP Wave process design in ARIS. The design incorporates how to manage multiple wave process designs and a global design that can be synchronised <b>(Transport)</b>
20	Supporting Transport to design the SAP security roles to the processes that will align to process roles and eventually organisational roles <b>(Transport)</b>
21	Supporting with finalisation of Test Strategy setup in HPQC and the use of ARIS process maps to support accelerated testing <b>(Transport)</b>
22	Finalisation of ARIS Design for Wave 1 modelling to commence early January <b>(Transport)</b>
23	Assisting Treasury implement the ARIS tool for their Financial Management Transformation Project. Process Taxonomy has been updated, business requirements uploaded and ARIS process blueprint script specific to Treasury's requirements has been developed by CSSRP <b>(Treasury)</b>
24	Produced from ARIS the Design Stage 1 documentation in 7 functional areas providing Treasury a baseline to commence working within ARIS modelling training <b>(Treasury)</b>
25	Work with Treasury FMT business analysts to mentor them in management of their project requirements and deliverables with the ARIS tool, including process governance <b>(Treasury)</b>
28	CSSRP are supporting and will continue to support ServiceFirst in their implementation of SAP Cloud for Travel & Expense solution. Initial release is scheduled for 3rd December for Treasury and DPC clients to manage PCard expenses <b>(OFS)</b>
29	CSSRP to commence working with the new NSW Procurement Standards & Governance team to introduce ARIS to their toolset <b>(NSW Procurement)</b>

31	Participated in re-design of ICT Services scheme to deliver Category Q and support through comms and information
	<b>Communication</b>
32	Established a suite of templates for Product sheets, Procedures, Client Packs Work Instructions, Newsletters, Quick Reference Guides
37	Design and establish a CSSRP Website
38	Work with NSW Procurement to define the way information is presented on the ICT Services Catalogue
39	Define CSS methodology for communication evaluation and reporting
40	Establish and maintain a master stakeholder matrix
41	Develop the following documents and define the delivery schedule for them, including Product Sheets, Procedures, Client packs, Work Instructions, Newsletters, Quick reference Guides, Case Studies, Reference materials
	<b>CSS Strategy</b>
7	Support the refresh of the Corporate and Shared Services Blueprint to align with Government strategies
14	Planning Workshop held with OneFACS Program/One Corporate Services project team. Responsible for architecting and designing the FACS Corporate Services Operating Model and the work plan to do so ( <b>FACS</b> )
	<b>Industry Engagement and Accessibility</b>
12	Established Publisher Portal to enable accredited industry vendors to access the NSW Government Standards
30	Participated in Industry get together last year and gathered information re industry engagement
34	Designed and implemented an accreditation process for Industry suppliers on ICT Services Scheme category Q01
	<b>NSW Business Standards</b>
10	Preparing for the release of Standards Business Processes Version 5.1, including: Review of Asset Management processes to validate inclusion of best practice; Best practice verified for GSE Act rules and regulations in the Standards; Assessment of Human Capital Management (HCM) processes and development of HCM catalogue
18	LMBR Stage 3 Deployment Business Case review
26	CSSRP and Treasury FMT Project to commence working together as central agencies. With Treasury proposing to change Legislation and Financial Management Framework, there is an opportunity to develop a joint project that can leverage and strengthen the integration between the policy and the NSW Government Standards. This would support Treasury in their work and also assist the sector to strengthen their capability in financial management. Logistics of this working relationship will start to come together
	<b>Performance Management</b>
8	Creation of a sector-wide working group to develop key performance indicators to measure the efficiencies derived from the shared services initiative, meeting reporting requirements set by NSW Auditor-General
	<b>Training</b>
9	eLearning modules for the provision of training online on Standards processes and ARIS to Departments and Industry Vendors
11	Established Learning Management System (LMS) for access to eTraining
33	Delivered 11 courses in Modeller training (59 people)

35	Designed and implemented new eLearning course NSW Government Standard Business Processes Foundation Course
36	Commissioned and released customised Learning Management System
42	Foundation Course Enrolments
43	Industry Suppliers Enrolments
44	Agencies Covered
45	Individuals Trained
46	Established system and requirements for access to purchase modeller training on the ICT Services Scheme in category Q01
47	Develop a quality management assessment/ review process for CSSRP related training products
48	Design and develop a range of Online help modules for agencies for modelling business processes using captivate
49	Explore ways to commission 'Whole of Government' supply of training products e.g. Workplace Performance Builder via ICT services scheme
50	Review LMS admin & Reporting
51	Develop a plan to expand the utilisation of the LMS

## Appendix C      Overarching Evaluation Themes

The below table summarises the overarching evaluation themes contained in the report, consistent with the endorsed blueprint and review objectives of OFS's CSSRP Evaluation, December 2014.

Overarching Evaluation Themes	
1	Driving or facilitating reform at the whole-of-government level
	The delivery of the Corporate and shared services reform requires CSSRP to support its implementation at agency level, and drive it at Governmental level
	Build or source products to support the reform requirements and increase consistency across Government/ Ensure consistency in the reform across Government
	Assess Business Case alignment with CSS reform and Blueprint framework
2	Implementation and program support at an agency level
	CSSRP will assist Agencies to consolidate and standardise their corporate and shared service support functions more quickly
	Integrate processes in the agency, along with policies and metrics
	Set appropriate process governance
	Provide toolkits and support services to implement processes in ERPs and wider business transformations
	Leverage expertise in technology and change associated with process implementation
	Provide access to up to date Benchmark data for Agencies and Industry
	Define how to support agencies' reform journey
	Agencies requiring support to implement the reform can engage with CSSRP in a simple four step process, designed to best support their projects through raising CSSRP awareness, scoping CSSRP engagement, delivering CSSRP services and closing the CSSRP engagement
	The CSS reform must be driven through CSSRP's Steering Committee, serving as an interface to represent stakeholders from across NSW Government
	The CSSRP will deliver on its mission by the end of the Program in 2015, empowering agencies and Industry to leverage the CSSRP assets.
	Be Stakeholder driven - remaining agile in its approach, to best support agencies
	Be collaborative - acting as a curator to define and improve the NSW Government Standards, taking into account the corporate and shared services knowledge spread across Government
	Be supportive- assisting agencies in their reform implementation and process activities
	Standardise the Government's practices and lower agencies' risk and cost while improving the quality of corporate and shared services
	Support higher satisfaction for Citizens through assisting Agencies and their CSSRP programs divert resources to Front line services
	Through Application of CSSRP Products and Services, reduce risk and cost for Agencies
	Reduced cost on ERP implementation projects
	Faster deployment of HR/FI/PR services
	Reduce compliance risks

	Manage vendors EOI for Standards
	Certify vendors as approved to use the Standards
	Manage access to the NSW Government Standards for non- NSW Gov. entities
	Adapts to agency's needs by offering its services through many channels, ranging from low-touch open data to on-site resourcing
3	Up-skill agency staff and transfer knowledge
	Up-skill Agency staff to become self-sufficient after the Program ends
	The CSSR Program will support developing skills in each agency to form a Community of Practice which will drive continuous improvement
	Reduced cost of implementation for policy or legislation changes
	Reduced delivery risk by providing a framework for Industry engagement
	Agencies needing a tool to share their processes can leverage CSSRP's license agreement and expertise on market leading technology
	Up-skill agency resources to become certified Process Owners
	Open access to the NSW Government Standards repository
	Provide access to a range of vendors accredited to use Standards
	Approve/license vendors to use the NSW Government Standards
	Provide On-site resources/ Facilitate workshops/ Open Access Data/ Reviews and Reports/ Training/ Coaching mentoring/ Industry Empowerment to support Designing Processes, Integrating Processes, Implementing Processes and Improving Process skills
	Improve Agency internal skills and capabilities in business processes through CSSRP's trainings and Community of Practice
	Empower agencies to be responsible for the implementation of the reform
	Empower Industry through certification and/or accreditation in the use of the CSS Standards
	Empower agencies to know how and when CSSRP should be called in to assist with their implementation
	Provide and promote leading practice Standards for Corporate Shared Service processes and support to develop blueprints
	Re-use pre-integrated leading practice processes
	Leverage a process development framework
	Provide and promote use of methods, tools and expertise to leverage process repository functionalities, using ARIS in particular
	Share knowledge and consolidate agency improvements
	Empower agencies to engage with Industry and encourage vendor involvement in their implementation of the reforms
	Offer Agencies and Industry access to high-value material, adapting leading products to NSW Government specific needs
4	Align reform with other government strategic initiatives
	Align reform with other Strategic Centre initiatives
	Through the CSSRP Steering Committee, work with Strategic Central Bodies to support and align CSS reform with other

initiatives	
Alignment to NSW 2021 Plan and NSW ICT Strategy, and specifically in terms of:	
<ul style="list-style-type: none"> <li>• Whole-of-Government cost savings</li> <li>• Leaner Government</li> <li>• Easier identification of policy gaps or conflicts</li> <li>• Better knowledge sharing Government</li> </ul>	
Align reform with other Strategic Centre initiatives	
Collaborate with other Strategic Centre initiatives to ensure mutual support	
5	Monitor, report and improve
Monitor sector-wide reform implementation	
Improve reform requirements based on issues identified and feedback received	
Define and consolidate reports on reform progress, benefits and issue	
Assess and prioritise support needs to help agencies implement the reform	
Identify reform requirement changes based on lessons learned and market leading practices	
Improve reform support and requirements based on issues identified and feedback received	
Deliver structured services and continuously improving products that will add value to CSSRP's support	
Ensures consistency of the reform across Government by monitoring its implementation and aligning it with other Strategic Centre initiatives	
Invite Cluster CSS Directors to discuss reform in CSSRP Steering Committee	
Report on sector-wide reform progress	
Create forums to link decision makers with reform specialists	
Improve consistency of Strategic Centre messages and requests to Whole-of-Government	
Enhance complementary Strategic Centre initiatives to deliver Whole-of-Government benefits	
Drive Reform benefits and support the development of benefits realisation across the Program	

## Appendix D Documents Reviewed

The following documents were reviewed:

No.	Document
1	Summative CSSRP Program Evaluation
2	Blueprint for Corporate and Shared Services update
3	ICT Strategic Delivery CSSRP Roadmap
4	CSSR Central Program Re-baseline Report
5	2010 Business Case
6	CSS Reform Program Scope
7	CSSRP Deployment, Presentation to CSSRP Review Committee
8	TfNSW & CSSRP Project Work
9	Government Sector Employment Arrangements
10	CSSR Steering Committee Papers, including presentations made by attendees and members and other materials tabled at Steering Committee meetings, from December 2012 to December 2014
11	Procurement Card Reform Status Update, March 2015 - The Hackett Group
12	Cluster-specific information from Engagement Managers to support evaluation of uptake of objectives
13	FACS Corporate Services (Business Services) Update - Corporate & Shared Services Activities 2012-2014
14	CSSRP Fact Sheet
15	CSSRP Guidelines
16	CSSRP Information Sheet
17	Central CSSRP Team Strategy and Roadmap, December 2014
18	CSSRP Newsletter template and Enterprise Asset Management Newsletter
19	CSSRP Work Instruction Form
20	CSSRP - What is Enterprise Asset Management Fact Sheet
21	LMS Feedback forms and summary training report
22	CSSRP NSW Government Standard Business Processes Information Sheet (for Agencies)
23	CSSRP Category Q Fact Sheets

## Appendix E List of Core Interview Questions

The following table includes a list of some of the core interview questions that were put forward to the stakeholders interviewed. These questions were modified and tailored to individual stakeholders according to their role and objectives specific to them.

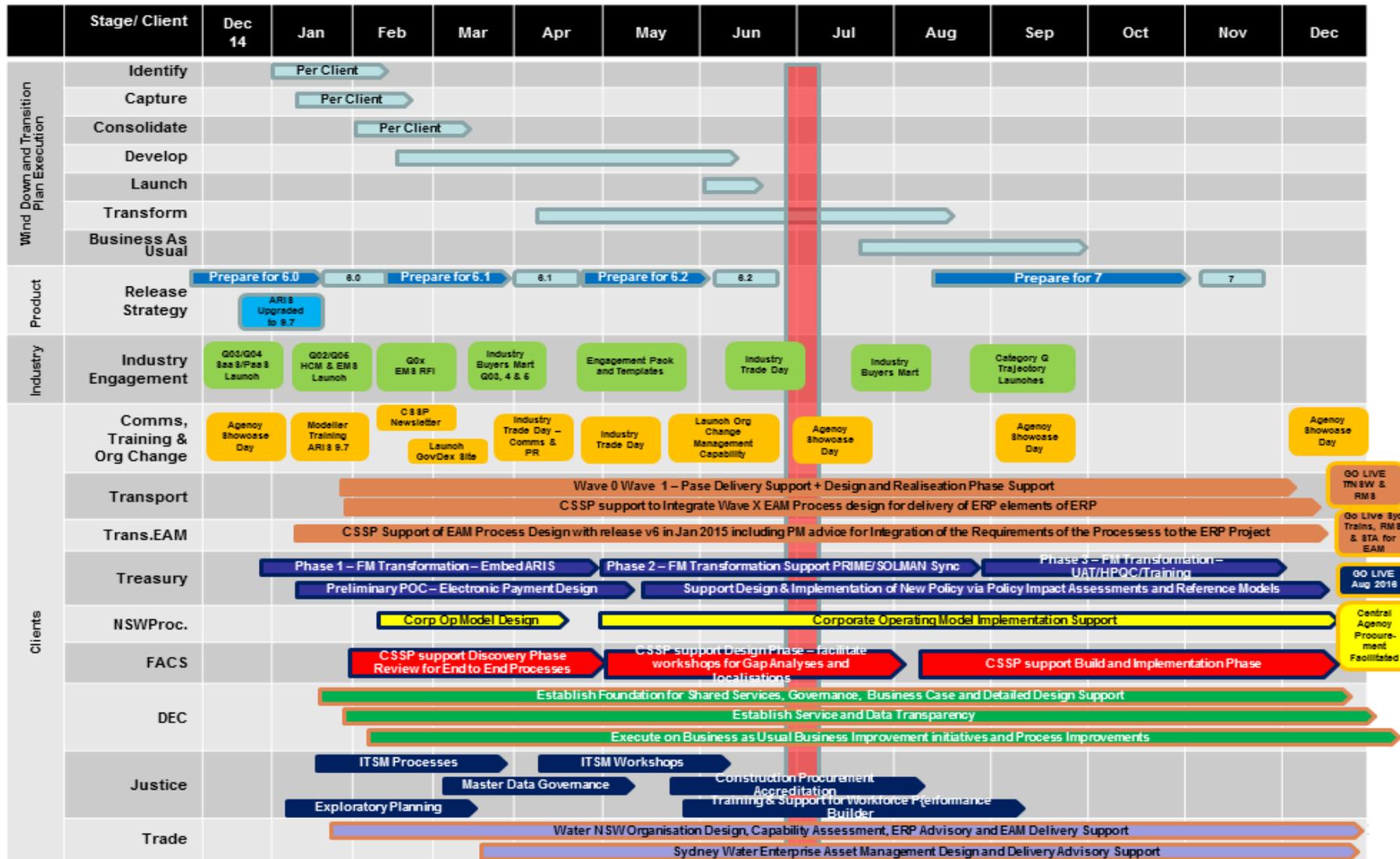
No.	List of some of the core Interview Questions
1	How did the program evolve between December 2012 to December 2014? <ul style="list-style-type: none"> <li>▶ What was achieved in the period?</li> </ul>
2	Can you provide an overview of your Cluster CSS strategy between December 2012 to December 2014 and the business cases that have been approved? <ul style="list-style-type: none"> <li>▶ CSS Strategy and Business Cases - endorsed/approved?</li> </ul>
3	How did the Central CSSRP Team evolve between December 2012 - December 2014 in what it does and how it does it? <ul style="list-style-type: none"> <li>▶ Scope and objectives- Why and how did the Steering Committee objectives get developed in 2012?</li> <li>▶ How do they align to achieving CSSRP Strategy?</li> </ul>
4	What support did the Central CSSRP team provide in relation to implementing standardised business processes (for HR, Finance and Procurement functions) in your cluster?
5	Did you leverage any other processes or support from the Central CSSRP Team during the evaluation period? <ul style="list-style-type: none"> <li>▶ If so, how satisfied were you with the support provided by the Central CSSRP team?</li> </ul>
6	What activities did your cluster undertake to create learning management capability, knowledge retention and further training? <ul style="list-style-type: none"> <li>▶ Did you leverage any processes or support from the Central CSSRP team?</li> <li>▶ What were the main achievements and challenges during the evaluation period?</li> </ul>
7	To what extent was the adoption and use of Purchasing Cards and Electronic Payments progressed for your cluster during the evaluation period?
8	What were the program communication and engagement strategies that your cluster adopted for: <ul style="list-style-type: none"> <li>▶ The Agencies (internal to the Cluster)</li> <li>▶ External stakeholders, including industry vendors, CSSRP Steering Committee and Central CSSRP Team?</li> </ul>
9	How did the activities carried out by your cluster during the evaluation period support the whole of government reform strategies and/or initiatives (e.g. NSW 2021 and ICT Strategy, Service improvement, customer centricity)?
10	What activities did your cluster undertake to track and monitor the progress of its CSS program and its benefits?
11	How did the role of the Steering Committee evolve in line with the change to objectives and scope during the evaluation period?
12	Do you have a sense of how the other clusters progressed (main activities undertaken) in taking up the reform objectives throughout the evaluation period?
13	From your perspective, what are the main lessons learned between December 2012-December 2014?

## Appendix F Stakeholder Interview List

The following people are thanked for contributing to this review:

	Interviewee	Role	Date
1	David Finch	As Strategy Lead, OFS Central CSSRP Team	27 February 2015
2	Samantha Rose	Client Engagement Manager, OFS Central CSSRP Team	27 February 2015
3	Clive Mancey	Client Engagement Lead, OFS Central CSSRP Team	2 March 2015
4	Anthony Lean	Deputy Secretary, Government Services	20 March 2015
5	Sally Ingram	Executive Director, OFS Central CSSRP Team	24 March 2015
6	Fran McPherson	Executive Director - Human Resources, Transport for NSW	27 March 2015
7	Sonia Kammel	Chief Finance Officer, NSW Treasury	27 March 2015
8	Peter-Paul Steenbergen	Performance Management Consultant - OFS Central CSSRP Team	30 March 2015
9	John Roach	Chief Finance Officer, NSW Health	31 March 2015
10	Peter Riordan	Deputy Secretary, Department of Education & Communities	31 March 2015
11	John Clark	Deputy Secretary Corporate Services, Department of Premier & Cabinet	1 April 2015
12	Peter Connelly	Deputy Secretary Organisational Performance & Operations, Department of Justice	1 April 2015
13	Jeannie Biviano	Deputy Secretary - Finance Strategy and Operations, Department of Trade & Industry Regional Infrastructure & services	1 April 2015
14	Dr Peter Harris	Executive Director - ICT Strategy Deliver, Office of Financial Services	1 April 2015
15	Simon Officer	CFO & COO, Department of Planning & Environment	2 April 2015
16	Jo Grisard	Deputy Commissioner, Public Service Commission	7 April 2015
17	John Hubby	Deputy Secretary Corporate Services, Office of Financial Services	7 April 2015
18	William Murphy	Deputy Secretary - Service Innovation & Strategy, Office of Financial Services	7 April 2015
19	Albert Olley	Executive Director Corporate Services. FACS	10 April 2015
20	Ashley Brown	ERP Project Lead, Department of Justice	14 April 2015
21	David Finch	Strategy Lead and Client Engagement Manager, CSSRP	15 April 2015
22	Maria- Claudia Romero	General Manager- ICT, Department of Education & Communities	17 April 2015
23	Carmel Senese	Senior Manager Corporate Services, Department of Education & Communities	17 April 2015
24	Cate Trivers	Director - FMT Program, NSW Treasury	17 April 2015
25	Sandra Hilman	Business Analyst - FMT Program, NSW Treasury	17 April 2015
26	Phil Minns	Deputy Director General, Department of Premier & Cabinet	24 April 2015

# Appendix G Central CSSRP Team Roadmap as presented at December '14 Steering Committee



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