

The background of the cover features a close-up of two hands shaking, symbolizing agreement or partnership. The hands are set against a dark blue background with a network of glowing white nodes and lines, suggesting a digital or technological context. The lighting is soft, with a warm glow emanating from the right side, highlighting the hands and the network elements.

Evaluation of The NSW Licensing Program

Final Report

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Executive Summary

The NSW Licensing Program

The NSW Licensing Program (the Program) is a cornerstone program for the NSW Department of Customer Service (DCS; The Department) in its move toward Digital Transformation. The Program aims to modernise and address inefficiencies within the current licensing processes and systems. It spans over 130 different industries and occupational licences administered by multiple agencies and regulators, and centralises them within a single licensing platform, Licence.NSW. This new platform will replace the existing Government Licensing System (GLS).

The Program is anticipated to deliver over \$700m worth of benefits to NSW over ten years. These benefits comprise overall program benefits to regulators and government, as well as benefits to customers. In respect of the former, benefits include improved regulator productivity, increased savings associated with no longer using GLS, and other cost savings related to no longer needing Australia Post to process some licence types. In respect of the latter, it is expected there will be increased customer productivity, reduced application times, reduced wait times for customers, and reduced renewal and maintenance times for licences. Overall, this digital transformation of the current licensing approach is also expected to facilitate and enable more effective regulation through better use of data.

Evaluation Overview

In December 2022, Urbis was commissioned by DCS to undertake an evaluation of the NSW Licensing Program, in accordance with Treasury Circular TC18-03 (now replaced by TPG22-22).

The evaluation has two key objectives:

- Evaluate the Program's delivery approach to determine how well the Program was meeting the requirements of customers, regulators, and Government.
- Review the Licensing Program Benefits Realisation Framework to ensure it is robust and accurately reflects impacts on customers, regulators and Government.

The evaluation was conducted between January and April 2023 and used a mixed-methods approach, including a literature and policy review, a program document review, interviews with internal and external stakeholders, and internal and external stakeholder surveys.

Key Findings

At the time of the evaluation, the Program had transitioned 16 license schemes to Licence.NSW, resulting in approximately 17,000 Digital Transactions & Service Centre visits avoided, with \$37.6m Program benefits realised. Customers engaging with the new platform have recorded 89% positive sentiment.

The Program has involved the introduction of a new software platform: *AMANDA* (developed by Granicus) which is purpose built for licensing and regulation. The Program represents the first implementation of Amanda in Australia.

AMANDA offers potentially significant improvements over GLS in terms of functionality and user experience. Regulators who participated in the evaluation expressed optimism about the opportunity digitisation and the *AMANDA* platform offered customers.

The Program has embedded agile ways of working as a structured delivery approach which is potentially scalable and replicable, as well as being responsive to feedback.

There is now a large cohort of agile-experienced DCS staff, representing substantial organisational capacity to undertake future digital transformation.

The Program Team is well regarded by stakeholders as collegiate, knowledgeable and capable. Feedback suggests that the Program has appropriately skilled professionals contributing to implementation, coordination and governance.

There is also a high level of trust in the Licensing Program in regard to data capture, retention and privacy.

The COVID-19 pandemic, and concurrent development on a new-to-market software platform across seven product teams has presented challenges in resourcing, given the steep learning curve and limited pool of talent experienced with the *AMANDA* platform.

These challenges have contributed to the forecast delivery timeframe being extended by 12 months.

Resourcing the Program has also placed some pressure on regulator operations, particularly those needing to operate hybrid processes during the transition period to Licence.NSW.

The Program Team is minimising any delivery risks by prioritising higher value license schemes in line with the Benefits Framework.

The original business case for the Program did not accurately predict the magnitude of change being delivered, or the level of support that would be required for business digital uplift.

Additional change management and business readiness support will be required. The Program is in the process of addressing this need, and a New Policy Proposal (NPP) has been prepared requesting additional resources for the Program to fulfil this role.

The Program is also now onboarding non-DCS regulators, who have varying levels of access to change management resources, and who may require additional support. An extensive onboarding, guidance & coaching program is being developed by the Program to support these regulators to achieve early adoption.

The Program should continue to support regulators through any extended transition periods, and ensure that regulators are clear on the ongoing operation and maintenance of the platform after completion of the Program.

Regulator engagement could be further strengthened through clear, targeted and consistent communication to assist with end-to-end planning.

The approach to developing the Benefits Realisation Model was sound.

Urbis assesses the program's benefits realisation model as achieving six, and partially achieving four of the ten key principles in the NSW Treasury Benefits Realisation Management Framework.

There is a robust system for capturing benefits, and while there has been some variation in the delivery compared to what was forecasted, overall benefits have accrued faster than predicted.

The design and implementation of the program aligns with best practice

Key findings: Assessment against best practice principles in digital transformation

As part of the evaluation, Program design and implementation was assessed against six best practice principles in digital transformation, identified through a literature review. Overall, the Program is strongly customer-centric, has built trust around data security and privacy, and has substantially increased digital skills and infrastructure within DCS. The Program may benefit from increasing its focus on common standards and platforms across license types, and ensuring stakeholders understand delivery roadmaps. It is likely that digital inclusiveness will become a greater focus of the Program as it is further embedded.

Best Practice Principles	Assessment
1. Utilise common standards, technologies, platforms and operations	<p>Developing and using a common set of components for the Licensing Program has been challenging, due to concurrent development by independent product teams, working with regulators who will sometimes require bespoke products. This has resulted in more variation in delivery than originally planned.</p> <p>The Program has begun to address this through the introduction of chapters (communities of practice) for key roles including BAs and engineers, which has had some success in improving development consistency. A core, common and deviations framework to support concurrent development. Increasing awareness among product teams of the platform and products that have been delivered to date may also increase consistency.</p>
2. Digital inclusiveness	<p>The Program has not yet significantly addressed digital inclusion as part of delivery, as the deliberate focus on higher-value schemes has resulted in less focus on managing edge cases, tiny schemes, and meeting the needs of customers who will not or cannot go digital. Regulator stakeholders have indicated that management of 'the bottom 5%' are as important for their scheme as higher volume cases. Ensuring digital inclusiveness should be further explored as the Program is embedded.</p>
3. Customer-centricity	<p>The Licensing Program has a clear and obvious focus on customers and aligns with the strategic direction of Beyond Digital to 'put the customer at the centre'. The findings of the evaluation suggest the Program has, with some exceptions, improved customer experience, with 92% of surveyed stakeholders agreeing with the statement that 'Licence.NSW has made it quicker and easier for customers to get a licence'. The survey results align with stakeholder feedback that once the whole scheme was live on Licence.NSW, it delivered a significantly better user experience.</p>
4. Consistent and up-to-date policies and regulation	<p>There is some evidence that regulatory changes and incumbent system (GLS) constraints have limited the scope of potential digital transformation, however many of these changes are outside the remit of the Program. Ensuring product and Program level roadmaps consider external and legislative dependencies will assist delivery and provide more certainty for regulators.</p>
5. Trust, security and privacy	<p>There appears to be a high level of trust in the Licensing Program. The Program has also recently established a Privacy Officer role to support implementation, which has provided additional support for regulators on data capture, retention and privacy. The Program has also been able to increase awareness among regulators on privacy issues.</p>
6. Digital skills and infrastructure	<p>The Program Team has invested significantly in embedding agile ways of working, which will benefit future digital transformation in DCS – most notably in the CCE program. Training was delivered by specialists and there is a document library of supporting materials that could be leveraged by other programs wanting to run scaled agile.</p>

Recommendations

Recommendation 1: Develop a whole-of-program engagement approach

The Program should develop a consolidated and overarching Engagement Approach, consolidating the work already undertaken including the Program Stakeholder Strategy, and Business Engagement and Adoption model.

An overarching Engagement Approach will facilitate greater understanding and buy-in from regulators, and provide them with a more consistent experience from the Program. It will also assist the Program to achieve the cultural change described in the Licensing Business Case Addendum IV (October 2022).

The Engagement Approach should:

- consolidate the existing change management and business readiness collateral already developed by the Program
- be reflexive and use the learnings from regulators' experiences with schemes delivered to date
- create and communicate a single view of change for the Program, including top level estimates for the phases within each delivery stream
- create a Program-level communications plan which shifts focus away from delivery (agile) and towards adoption, benefits realisation and other strategic imperatives

provide specific and accurate Program resourcing requirements from within regulators, and include suggestions on how to assess and mitigate any delivery risk impacts.

Recommendation 2: Continue to support regulators, in particular those external to the Better Regulation Division

The level of change management support required by regulators was underestimated in the original business case, and regulators have, at times, struggled to manage the substantial changes required.

Several initiatives have already been implemented to address this need. These are described on page 26, including:

- a 'Best Practice' guide (Regulator's Agile Playbook)
- a 'Digital Partnerships' model which has proven successful through a pilot, in enabling regulators within the Division to develop strategies and tactical approaches to support their digital journey
- proactively identifying existing change management resources within regulators

The development of these resources should be a continued focus for the Program moving forward. In particular, it is recommended that the Digital Partnerships model be embedded, and extended to non-BRD regulators.

Any future digital transformation program will also need to critically examine the existing change management needs and resources within participating organisations. Best practice suggests change management expenditure should account for at least 20% of total Program budget.

Recommendations

Recommendation 3: Accelerate delivery of reporting functionality

A key barrier for regulators using in the Licence.NSW platform is a lack of reporting functionality, which was sometimes lower than the systems being replaced. Without reporting, regulator operational teams have limited visibility into their workload, ageing of their backlog, a reduced ability to manage expectations of their own stakeholders.

Ongoing work on reporting functionality is occurring, but some regulators also reported being unaware of when additional reporting functionality would be introduced.

The Program should consider accelerating the delivery of this functionality. Prioritisation of reporting will provide efficiency benefits for regulators post go-live, and accelerate internal benefits realisation.

Recommendation 4: Finalise and disseminate the 'maintain and enhance' phase

It is acknowledged that substantial activity to transition to the post-implementation model (i.e. the 'maintain and enhance' phase) has occurred. There remains some uncertainty among stakeholders on the design of this model and how production support requests, minor enhancements and, administration support will be handled.

It is recommended the proposed details of the post-implementation model, including its associated support functions, be consolidated, clearly documented and communicated to regulators. This will also require an agreed scope of delivery between the Program & regulators will be required, followed by assessment & triage activities to successfully achieve the transition.

Recommendation 5: Accelerate the development of the common, core and deviations framework for product teams

The Business Case used an assumption that 'at least 64% of AMANDA 'out of the box' functionality would be used to enable Licence.NSW', with a further 35% of functionality achieved through appropriate configurations of the product, leaving an estimated 1% of functionality to be customised.

There has been a strong focus on delivering licensing schemes within the Program, and the self-organising nature of the product teams may have prioritised delivery, rather than adhering to the structures designed to provide a scalable product set. It is likely the proportion of Licence.NSW functionality common between schemes is lower than originally predicted in the Business Case (this was not assessed as part of this evaluation).

Given the substantial volume of delivery achieved to this point, renewing focus on a common and core product framework, and strengthening governance around assessing and managing variations would:

- improve development scalability
- reduce technical debt
- increase regulator engagement by providing a clear framework of common and core functionality
- support regulators' business readiness activities.

Consideration should be given to ensuring ongoing, effective engagement of the GTP Licence.NSW Design Control Group in the development of the common, core and deviations framework. The Design Control Group might also play a role in embedding the framework across Program stakeholder groups.

Phase 2 funding for the Kiama strategy started in February 2022 (as indicated in Business Case Addendum III). A communications plan around the strategy would increase stakeholder awareness of how the Program is developing and implementing re-usable components.

Recommendation 6: Update Benefit Realisation Framework to improve capture

We recommend revisiting in more detail the approach to valuing benefits within the Benefits Realisation Framework, as follows (see Appendix B for more detail on calculations):

- Industry value add (IVA) values should be assigned to licences in alignment with Federal Government labour market data. For example, motor vehicle licences and security licences are classified in the benefits framework as 'professional, scientific and technical services'. However, occupations associated with each of these licence schemes are more commonly classified as 'other services' (for the motor vehicle licences) and 'public administration and safety' for security. Making these changes would revise the expected benefit for these licence schemes downwards.
- It is recommended the IVA be updated per person to account for all business sizes, rather than small businesses as currently. This would change the average IVA, depending on the industry; for the construction industry the Licencing Program values would rise marginally, from \$201 to \$208 per worker.
- IVA is an industry-wide approach, which aggregates the varying occupations and skills levels within each industry into an overall value-add figure. Generally, skill level and value add are correlated – the higher the skill level, the greater the relative value add. Within each industry, higher-skilled occupations tend to add a higher proportion of value add than lower skilled occupations. Skill levels of workers, and earnings could be used to calculate a specific IVA per worker per day, for each skill level, which could then be used in the Benefits Framework.
- Plant licences and recreational licences are currently valued in the same way as occupational licences, despite having differing implications for productivity. While recreational licence benefits may be overstated by Benefits Framework, benefits from plant licence schemes are likely to be significantly understated. Valuing plant items is complex, but depending on the item in question, the value of the item could be represented by the willingness to pay for an hour or day of machine use, which could be proxied by market rental rates.
- Leisure time has been ascribed a value of \$11 per hour, which is likely to be understating these benefits. It is recommended this be revised to \$14 (estimates used by other government programs range of between \$14 and \$36 per hour).



Program context and background

The Licensing Program was funded through the Digital Restart fund, a \$2.1 billion investment in whole-of- government digital transformation projects

Program context and background

Digital transformation in the NSW Government

The NSW Licensing Program (the Program) has been implemented in a context of significant interest and investment by the NSW Government in harnessing technology to improve outcomes for its citizens. Key initiatives since 2017 include:

- NSW Digital Government Strategy – Launched in 2017, the strategy outlined a vision to ‘transform the lives of the people of NSW’ through three digital priorities: 1) improving customer experience of government services, 2) better policies, services and decisions enabled by data insights, and 3) streamlined and simplified government processes (NSW Government, 2017, p.2).
- Beyond Digital – In 2019, the NSW Government introduced Beyond Digital, which replaced the previous Digital Government Strategy as a new whole-of-government digital and customer strategy focused on embedding customer commitments and outcomes. Programs and initiatives delivered by each NSW Government cluster are aligned to the five strategic directions to support the implementation of the strategy (Digital NSW, 2019).
- Department of Customer Service (DCS; the Department) – The Department was established in July 2019 to deliver excellence in customer service, digital leadership and innovation in government services, and safe and secure markets (NSW Department of Customer Service, 2021). Using a human-centred approach, the Department is seeking to take advantage of opportunities presented by emerging technology to innovate. It has integrated digital transformation into its operational mindset by centring on:
 - the development of technology and processes that allow agencies to be agile and fast
 - rethinking how new capabilities can improve customer service experiences
 - e-evaluating entire new ways of doing business
 - contributing to new frontiers of value.

The Digital Restart Fund

The NSW Government established the Digital Restart Fund (DRF, the Fund) in May 2019 to accelerate digital transformation across the whole of government. The Government allocated

\$1.6 billion to The Fund over three years to invest in iterative, multi-disciplinary approaches to planning, designing and developing digital products and services in NSW.

The Fund promotes faster genuine customer outcomes, data sharing, digital ways of working and feedback, and is intended to complement existing investment approaches. Projects are eligible for DRF funding under four categories:

- Life Events – improve the customer experience of those accessing a service or product due to a life event
- State Digital Assets – are a product or service that can be used across multiple NSW Government agencies to ensure a consistent experience, reduce duplication and save costs
- Legacy Systems Reform – transform legacy systems to reduce development costs, risks and complexity and improve processes, data consistency and collaboration
- Digital Capability Building – provide new approaches to the learning and skill development of NSW Government employees (NSW Department of Customer Service, n.d., p.1).

In June 2021, the NSW Treasurer injected an additional \$500 million investment into the Fund. The Program is one of the numerous digital initiatives enabled through the Fund.

The licensing program is a cornerstone digital transformation project

Program context and background

The NSW Licensing Program

The Program is a cornerstone program for the Department in its move toward digital transformation. It aims to modernise, and address inefficiencies in current NSW Government licensing processes and systems, and replace the existing Government Licensing System (GLS), with a new system based on the AMANDA platform. This is the first implementation of AMANDA in Australia.

The Program spans over 130 different industry or occupational licences administered by multiple agencies and regulators from within and external to the Department, and centralises them within a single licensing platform, Licence.NSW.

The Program is one part of the Department's current digital transformation efforts within regulators; the other being the Complaints, Compliance and Enforcement (CCE) Program which focuses on the other regulatory functions outside of licensing.

The Program is anticipated to deliver over \$700m worth of benefits to NSW over ten years. These benefits comprise overall program benefits to regulators and government, as well as benefits to customers. In respect of the former, benefits include improved regulator productivity, increased savings associated with no longer using the previous Government Licensing System (GLS), and other cost savings related to no longer needing Australia Post to process some licence types. In respect of the latter, it is expected there will be increased customer productivity, reduced application times, reduced wait times for customers, and reduced renewal and maintenance times for licences. Overall, this digital transformation of the current licensing approach is expected to facilitate and enable more effective regulation through better use of data.

Objectives of the Program

The objectives of the Program are to:

- reduce complexity, time and 'red tape' for individuals, small businesses and regulators
- improve the ease and ability to start (or restart) and operate a business
- provide digital products that meet contemporary expectations
- provide the digital foundation and support for ongoing regulatory reform, including the replacement of GLS.

The overarching vision of the Program is to deliver a whole-of-government approach to licensing, which simplifies and standardises end-user experiences through coordinated digital journeys and reduces duplication of effort for regulators.

Through the replacement of GLS, the Program is anticipated to deliver over \$700m worth of benefits to NSW over ten years. These benefits comprise overall program benefits to regulators and government, as well as benefits to customers. It is expected there will be increased customer productivity, reduced application times, and reduced renewal and maintenance times for licences. The digital transformation of the current licensing approach is also expected to, over time, facilitate and enable more effective regulation through better use of data.

Program structure

The Program team provides overarching leadership, and (currently) eight self-organising product teams are each responsible for a specific set of licence schemes. Cross-team communication is enhanced through 'Chapters' which involve collaboration within members of each team in the same functional role (e.g., business analysts, architects etc.).

Governance

The Program is currently governed by an e.Regulation Steering Committee, with two subcommittees focused on Delivery and Digital Experience. The committees oversee both the Licensing Program and the CCE Program. The Delivery Sub-Committee oversees day to day delivery including go/no go decisions and any platform-wide or divergence matters. The Digital Experience Sub-Committee oversees and provides advice and guidance to completed work transitioning out of the Program to ongoing "maintain and enhance", and provides advice on customer / regulator experience matters.

The Governance arrangements have been revised over time as the Program has matured. The current e.Regulation Steering Committee replaced the previous 'Digital Licensing & Regulatory Steering Committee' in 2021, following an IAF health check in December 2021.

Implementation to date

Program documentation indicates as at December 2022, the program had transitioned 16 licence schemes, which has resulted in:

- approximately 17,000 digital transactions and Service Centre visits avoided,
- \$37.6m program benefits realised
- 89% positive customer sentiment.

Best practice in digital transformation



Digital licensing programs should utilise common systems and approaches, and be digital by design

There is currently a strong global trend recognising the need for and potential of outstanding digital services in government (Benjamin & Potts, 2018). Digital transformation is now regarded as a strategic imperative to improve service performance, enhance customer experience, streamline operations, and create new business models (Gong, Yang, & Shi, 2020). It significantly bolsters an agency's abilities to respond to opportunities and threats and is swiftly becoming a necessary feature of contemporary public administration (Eggers & Bellman, 2015).

Despite its importance, however, in 2015 only 35% of Australian public sector agencies had a clear and coherent digital strategy, compared to 46% of public sector agencies globally (Deloitte Digital, 2015). Evidence reviewed for this evaluation suggests Australian government agencies are most likely to realise success in digital transformation of licensing programs when their approach is aligned to the following best practice principles.

Utilise common standards, technologies, platforms and operations

Key recommendations comprise:

- ensuring there is interoperability across platforms to encourage efficiency, productivity, optimal resource utilisation
- allowing platforms to communicate seamlessly across jurisdictions (e.g., state and regulatory boards) facilitates the sharing of information and improves user experience
- having an overarching platform which hosts a multitude of licences minimises interfaces and 'steady state' resourcing requirements (Gartner, 2023; Australia Post, 2018; Digital.NSW, 2023a; Digital.NSW, 2023b; Asia-Pacific Economic Cooperation, 2022).

Typical challenges include difficulty in integrating systems across jurisdictions and transitioning from an issuer-centric licensing operating model. These challenges may result from variations in legacy technologies, inconsistencies across standards, and variation in operational processes. The change management requirements to deliver common standards, technologies, platforms and operations can be significant as it can involve substantial effort in education, motivation and stakeholder engagement to ensure adoption and benefits realisation.

Literature review – Best practice in digital transformation

Digital by design

Best practice suggests digital technologies should be embedded in policy making and service design upfront. This is a shift away from retroactively digitising pre-existing methods and systems. Embedding digital technologies improves customer experience, ensures new opportunities can be considered proactively and omnichannel approaches can be implemented effectively. Legacy technology coupled with budget and resource constraints may pose a challenge to a 'digital by design approach'. Literature recommends strategic plans be developed with appropriate funding to replace legacy systems and develop measured and incremental change approaches that consider how to best manage physical and digital journeys (OECD, 2020; Johnstone, 2022; National Audit Office, 2021).

Estonia: Digital citizenship and e-residency

Estonia embarked on a digitisation program with the dual objectives of saving public resources and saving citizens time and effort (Collins, 2022). The country's public services are all linked and residents' data are connected to a unique identification number and ID card, which are used to log in and verify identity (Lapper, 2022). This allows residents to undertake a number of interactions with government systems such as filing taxes, applying for a passport, voting or registering for parental leave. It is estimated that 99% of public services are accessible digitally (Republic of Estonia, n.d.).

In 2014 Estonia also introduced digital citizenship, allowing citizens of other countries to effectively become digital citizens of Estonia (Collins, 2022). While e-residents cannot physically live in Estonia, the country's e-Residency program means any person in the world can be issued a government-recognised digital identity and status which affords them access to Estonia's business environment, allowing them to sign documents, bank, and register an EU company (Lapper, 2022).

A key factor of success in Estonia's digital citizenship was reportedly trust and transparency (Lapper, 2022). Residents retain control of their personal data down to a granular level and can grant permissions where they see fit (Republic of Estonia, n.d.). They also know when their data is accessed as this is recorded. These records are made easily accessible to each resident upon login to the online platform (Collins, 2022).

Literature review- Best practice in digital transformation

Customer centricity

A customer-centric design approach puts the customer at the heart of each decision. Best practice customer-centric design anticipates the needs of users, and platforms and systems are designed in a way that they are not only user-friendly, but even aim to delight customers. By implementing customer-first practices, governments encourage engagement and minimise resources required to support accessibility, thereby positively impacting return on investment. While good customer-centric design can increase engagement, poor design can hamper engagement and lower user and transaction volumes, thereby risking the estimated delivery benefits (Deloitte Digital, 2015; OECD, 2020; National Audit Office, 2021; Johnstone, 2022; Gartner, 2023).

Consistent and up-to-date policies and regulations

Literature indicates the rapid pace of change in digital environments means regulatory frameworks and policies should be consistent, up-to-date and create space for innovation, rather than stifle it. This encourages the protection and respect of citizens' and businesses' rights and helps mitigate risks. Challenges exist because of inconsistencies across policies and regulatory environments, which can cause confusion and hamper innovation in digital solutions. Evidence from digitisation programs in other jurisdictions highlight a clear need for digitisation programs to invest in clearly defined data access and storage approaches (Australia Post, 2018; Ayyar, 2018; OECD, 2021; Gartner, 2023).

Trust, security and privacy

Literature identifies the uptake and usage of digital platforms is linked to a user's trust in the government to 'keep their data safe'. One way to encourage trust is via transparency. Literature also recommends policymakers demonstrate measurable accountability to build trust within the community. There are examples from international governments where control of data has been returned to citizens, who can then choose who can access what, down to a highly granular level of detail.

Low levels of data security puts residents at risk of data breaches and the illegal trade of personal information. This has become a growing concern amidst ongoing data leaks. Low trust in government means that customers will be less likely to engage in and adopt new technologies (Corydon, Ganesan, & Lundqvist, 2016; Perrigo, 2018; Ayyar, 2018; OECD, 2021; Collins, 2022).

Singapore: GoBusiness Licensing Portal

In 2019, Singapore launched the GoBusiness Licensing Portal to simplify, expedite and improve the licensing application process for business owners. The idea was born from the insight that small food businesses required multiple licences, permits and certificates from various government agencies in order to operate.

As this was a costly, time-consuming and complex process for business owners, this environment was also prohibitive to promoting enterprise. The portal was originally launched within the food services sector, and has since expanded to over 200 other licences, such as arms and explosives licences, building and construction licences, and early childhood development centre licences, with remaining licences in the process of migrating over to the GoBusiness platform.

To ensure the GoBusiness platform would benefit its users, a user-centric approach was taken: companies were interviewed for feedback and the process included collaboration with trade associations.

One inclusion designed to make it easier for businesses to navigate is the platform's Guided Journey feature, where step-by-step guides walk through the licences that might be required (Smart Nation Singapore, 2019; Ang, 2021; GoBusiness, 2023).

Digital licensing programs should be inclusive and led by skilled leaders

Literature review – Best practice in digital transformation

Digital inclusiveness

Digital inclusiveness facilitates equality in access to government services being digitised. Best practice recommends technologies should not 'leave anyone behind' or be limited to only certain segments of the population. The most common constraint in providing fair and equitable access to digital technologies relates to an individual's access to the internet, which may be impeded by limited supply or as a result of personal circumstances or choice. Digital divides are seen across different segments of the population, and the digitisation of licensing and other public services may, in some cases, increase the risk of disadvantaged groups being left further behind (Perrigo, 2018; OECD, 2023; Asia-Pacific Economic Cooperation, 2022; Digital.NSW, 2023a; Digital.NSW, 2023b).

Digital skills and infrastructure

The digital skills of transformation leaders are a key enabler to the success of digitisation initiatives. In addition, adequate investment into digital infrastructure allows digital platforms to be designed and set up for success. Literature suggests that this is a better approach than retrofitting systems to outdated technology and infrastructure.

Experienced digital specialists frequently challenge implementing significant uplifts in technology and infrastructure in risk-averse cultures. However, this may lead to resistance to change, which manifests in limited funding and the deprioritisation of the program's importance. Within the regulatory context, a pragmatic approach is recommended, in order to expedite innovation and the realisation of economic benefits. One example of regulatory best practice principles is stated under the Australian Government's 2021 Regulatory Performance Guide, where regulations are implemented in a modern and collaborative way. A digital skills shortage at strategic levels of government is also cited in literature as a risk to digital transformation success (Corydon, Ganesan, & Lundqvist, 2016; Kehoe, 2020; National Audit Office, 2021; OECD, 2021; Collins, 2022; Johnstone, 2022; Gartner, 2023).

Examples of Australian Government digitisation at scale

The Program's ambition to modernise and combine all initiatives and efforts to address the inefficiencies within the current licensing processes and system is not unique to NSW. Two examples of where government has initiated licence digitisation efforts on a wider scale are provided in the following:

Queensland Business Launchpad 2022

The Queensland Government released the Business Launchpad to improve efficiencies and reduce duplication of effort and resources for small business owners. The Business Launchpad is a 'one-stop shop' for small businesses to find, apply, renew and track the progress of licence and permit applications from all three levels of government. The platform is designed to improve user experience and make it easier for businesses to manage licensing requirements. As part of the Big Plans for Small Business Strategy 2021-2023, it aims to support and encourage small business growth, improve the capability of small business owners, drive job growth and support local economies and communities. The Business Launchpad was initially piloted in two cities, Logan and Townsville, across the food and beverage and residential construction industries to ensure its success. It then expanded to other locations and all industries in September 2022.


Almost 40,000 Business Launchpad users have signed up to use the platform, which has delivered an estimated savings to users of approximately AUD\$15m in benefits, as at January 2023 (Department of Employment, Small Business and Training, 2021; Colins, 2022; Logan Office of Economic Development, 2022; Queensland Cabinet and Ministerial Directory, 2023; Queensland Government, 2023).

Northern Territory's Can-Do Territory

The Northern Territory (NT) Government launched the Can-Do Territory platform in February 2021 to help small businesses save time and resources via centralised information and licence application processes. The platform commenced with a selection of licences, including registering or renewing a food business licence and applying for a liquor licence or trade waste permit. The platform also contained information and advice on small business strategy and startup, including applying for an ABN and understanding cash flow.

Three months after the Can-Do Territory launch, over 480 applications had been processed. The portal has since expanded to include, among others, liquor licences for special and major events, which make up 73% of liquor applications, applying for a drone or aircraft permit, various hunting permits, and white card applications (Northern Territory Government, 2021a; Northern Territory Government, 2021b; Digital Territory, 2022; Can-Do Territory, 2023).

Evaluation methodology



A mixed methods approach was applied for the evaluation

Evaluation objectives

In January 2023, Urbis was commissioned by the Department to undertake an independent evaluation of the Program, in accordance with Treasury Circular TC18-03. This evaluation has two key objectives:

- Evaluate the Licensing Program delivery approach to ensure it will allow the Program to meet the requirements of customers, regulators, and government.
- Review the Licensing Program Benefits Realisation Framework to ensure it is robust and accurately reflects the impacts on customers, regulators and government.

Figure 1 Methodology overview

Phase 1 Preparation	Phase 2 Data Collection	Phase 3 Analysis and reporting
<ul style="list-style-type: none"> ▪ Project inception ▪ Evaluation plan 	<ul style="list-style-type: none"> ▪ Knowledge review ▪ Literature and policy review ▪ Stakeholder consultation ▪ Stakeholder survey 	<ul style="list-style-type: none"> ▪ Data analysis and synthesis ▪ Reporting ▪ Final report

Overarching methodology

The evaluation methodology comprised:

- a knowledge review
- a literature and policy review
- interviews with Program stakeholders (n=30)
- an online survey of Program stakeholders (n=32).

The knowledge review comprised rapid scan of relevant background documentation and data provided by the Department and n=3 key informant interviews. Interview participants included:

- Executive Director, Digital Programs
- Director, Licensing Transformation
- Portfolio Manager, Digital Programs

The literature and policy review involved a review of recent academic and grey literature on digital transformation, and a review of evidence of social and economic benefits of comparable licensing programs from other Australian jurisdictions and internationally.

The stakeholder consultation entailed 30 structured individual and group interviews with:

- the Licensing Program Project Team and other key internal DCS program stakeholders; e.g., Product Team Leads (n=14)
- external stakeholders, including representatives from:
 - Better Regulation Division (including NSW Fair Trading and SafeWork NSW)
 - NSW Police
 - Transport for NSW
 - Liquor and Gaming NSW.

These stakeholders were identified in collaboration with DCS. The consultation focused on the effectiveness of the program design, governance, and delivery, and the extent to which the program had and would achieve its intended outcomes. Some stakeholders also provided commentary on the Program’s Benefits Realisation Framework and ongoing benefit capture.

A mixed methods approach was applied for the evaluation

Evaluation methodology

The **online survey** was distributed to 50 stakeholders both within and outside the Department. These included:

- product managers (n=13)
- regulatory owners (n=5)
- architects/developers/technical delivery (n=6)
- eRegulation Steering Committee members (n=5)
- sub-committee members (DCS and non-DCS) (n=6)
- industry representatives (n=5)
- NSW Government agencies (non-DCS) (n=5)
- DCS Business Units (n=5)

It covered the appropriateness and effectiveness of the Program, outcomes achieved to date, and the potential impact of the Program to customers, regulators and government. The survey took approximately five minutes to complete and was in field between March 21 and April 5 2023. Survey analysis was conducted in SPSS and Excel. A breakdown of survey responses and results is attached at Appendix C.

Review of Benefits Realisation Framework

The Program's Benefits Realisation Framework was assessed against NSW Treasury's Benefits Realisation Management Framework. This involved a categorisation of the Program as either 'achieving', 'partially achieving', or 'needs improvement' against each of the 10 principles in the Framework. The review also assessed the alignment of the Program's Benefits Realisation Framework with the key process steps outlined in NSW Treasury's Framework.

The review drew on all evaluation data sources with a focus on the review of Program documentation and the literature and policy review.

Limitations

The following limitations should be considered when reviewing this report:

- Sample size – the consultation engaged a broad range of program stakeholders, but participants were a subset of all potential stakeholders in the program. The evaluation also did not engage directly with customers.
- Staff turnover and loss of program memory - there has been some staff turnover since the benefits framework was initially developed and operationalised, and there has been an associated loss of knowledge which may have impacted this assessment. For example, the program's benefits analyst role was recently vacated, so we were unable to consult with this key stakeholder for the benefits framework at the time of our evaluation.
- Availability of information - based on the program documentation available, we could not always assess why some assumptions and inputs used to value some benefits had originally been made.



Program design and establishment

The Program has embedded agile within DCS, but regulators have had an inconsistent experience

Were internal structures, including product teams, set-up to maximize the success of the Program?

The Program embedded agile ways of working to provide a consistent delivery structure

The Licensing Program Business Case set a foundation for the Program to be delivered via scaled agile; stating: 'All Program teams will work using the same agile methodology, with common agile delivery meetings and milestones to maximise opportunities for communication across teams'. The objectives of adopting an agile delivery approach were:

- to ensure the timely delivery of the Program
- to develop internal licensing capability
- to lessen the impact of the Program on BAU activity.

The agile approach was generally viewed favourably, with 67% of survey respondents agreeing the approach was suitable to achieve the goals of the Program. Stakeholders also unanimously agreed the Program had focused on agile ways of working and embedding the product mindset across all key domains.

Agile ways of working have prioritised delivery cadence over adoption

The evaluation identified tension between the Program's focus on incremental delivery milestones, and regulators' desire for understanding end-to-end deployment. Regulators were eager to understand when a complete, end-to-end digital solution would be implemented, noting its delivery would be incremental. The different perspectives (agile sprints and incremental delivery vs. complete system replacement) was a source of misunderstanding and occasional tension between the stakeholder groups. Regulators sometimes suggested the agile approach meant the Program focused more on meeting milestones than on delivering impact and outcomes.

Some stakeholders experienced variation in agile ways of working

There remain varying levels of understanding of agile ways of working among some stakeholders, with non-BRD regulators typically expressing lower levels of understanding than regulators within the Better Regulation Division (BRD), which reflected the lower levels of change management support provided to this cohort. For some stakeholders, limited understanding of agility contributed to a perception that agile equated to 'just in time delivery of part of a solution'.

A small number of regulator stakeholders also reported variation in how they worked with the Program over time and identified the self-organising nature of scaled agile teams as the root cause of this variation. This was particularly challenging for stakeholders working with multiple product teams simultaneously.

The Licensing Program Business Case Addendum IV specifies the Program will adapt messaging and delivery approaches to focus more on delivery consistency and positive business engagement and adoption. Stakeholder feedback suggested that if the Program has adapted messaging and delivery approach as proposed in October 2022, those changes have not yet been identified by stakeholders as the Program's new cultural norm.



The processes, the meetings and the forums are in place. It's just about fine tuning those and elevating them to get even more value out of them.

Senior Government stakeholder



I have concerns with the fast and furious approach of agile, particularly because of the hybrid model that we're going to be left working with, because it's going to take two years to get us across.

Senior Government stakeholder



A lot of work has been done on ways of working (like there's agile coaches), but because they're self organising product teams, they work how they want to work. and that's confusing when you've got 5 product teams all working with the same 170 people in BRD.

Senior Government stakeholder

The Program and product teams are staffed by skilled professionals, but there are resourcing challenges

Were internal structures, including product teams, set up to maximise the success of the Program?



I've got nothing but praise for the people in the Program doing what they do day in, day out. They're all trying to achieve a common goal and they are doing it to the best of their ability.

Senior Government stakeholder



Having that SME from the business being part of the product team enables the team to make key decisions faster. Having a constant feedback loop is a very good thing and it bolsters our delivery capability.

Senior Government stakeholder



In terms of change and business readiness, every other regulator apart from BRD is responsible for sorting that out themselves.

Senior Government stakeholder

The Program has the right people in the right roles

One of the key internal Program messages is: 'This is a people Program, not a technology platform'. It is evident this message resonated with stakeholders, as the phrase was directly quoted in interviews. External stakeholders also consistently provided positive feedback on the individuals within the Program and product teams, noting they were easy to work with, knowledgeable and able to overcome hurdles to maximise the success of the Program.

The Business Case specified product teams as the primary delivery mechanism, responsible for the core build capability for the digitisation and migration of a licence. Product teams were designed to be multi-disciplinary teams with a typical structure of six key roles; Product Manager, Regulatory Owner (RO), Business Analyst (BA), designers, engineers and quality assurance. Despite the significant technology resource constraints experienced during the COVID-19 global pandemic, which were exacerbated by the lack of Australian-based expertise in the AMANDA platform, stakeholders agreed that 'the right people are working in the right roles.'

Stakeholders more specifically identified that the composition of a product team was a significant contributor to the team's effectiveness, namely:

- resourcing ROs from within the regulators set the product teams up for success by including the voice of the regulator in all decisions
- the establishment of the privacy officer role to support implementations was a valuable improvement because it provided additional support for regulators on impact assessments and provision of recommendations on data capture, retention and privacy
- moving change managers into the product teams in June / July 2022 enhanced change readiness and communication effectiveness within BRD regulators.

There are however challenges in the current resourcing approach

Although supportive of the Program resourcing model, stakeholders also identified the following challenges with the approach:

- Regulator stakeholders expressed concern about the ability of ROs – many of whom have been 'out of the business' and working in product teams – to deliver the current voice of the regulator. Feedback was that while these individuals could still work effectively, they needed to revert back to the regulators to get current information.
- The model has created a resource drain in the regulator's BAU operations, which is especially challenging for regulator teams needing to operate hybrid digital and manual processes due to the Program delivery approach and cadence.
- Lack of experience with AMANDA has reportedly impacted how quickly new product teams were able to become effective due to a lack of foundational technical knowledge.
- Some stakeholders were of the view there had been insufficient business readiness and change management support for non-BRD regulators.
- The speed of onboarding and delivery velocity of a product team working on a new licensing scheme was impacted by existing relationships between key stakeholders. Where existing relationships and trust exist, it reportedly takes less time for the product team to start delivering.

The Program has strong, appropriate leadership and has responded to feedback

Were internal structures, including product teams, set-up to maximize the success of the Program?

The team adapts their ways of working to maximise the success of the Program

The Business Case states cross-government 'long-lived' product teams would ensure the NSW Government builds continuous improvement in licensing capability. The Business Case also states that the approach facilitates efficient speed to market for new licence schemes.

There has been a steep learning curve for all parties – for both ways of working and on the AMANDA platform – however the program has adapted and there is more clarity on roles and responsibilities now than when the program launched.

Evidence indicates that in 2023 the product teams are delivering in line with the expectations set out in the business case, and 70% of survey respondents agreed that the program team is responsive to feedback.

Stakeholders highlighted the following two examples of how the Program adapted their ways of working in response to feedback:

1. The introduction of Big Room Planning sessions in mid 2022, designed to provide a forum for cross-product team collaboration and prioritization.
2. Refinement of governance forums and structures at semi-regular intervals to take into consideration changes in scope, program maturity and stakeholder feedback. The most recent governance change, in December 2022, is the 'e.Regulation Governance Refresh'. The refresh is designed to improve agency representation at the delivery and customer/ regulator experience level and improve cross-scheme consistency.

There is also evidence of the Program adapting to feedback in the Program documentation. For example, the March 2021 Gate 3 Review Report for the Licensing Program details 13 recommendations, including that the Program conduct periodic updates of the initial Business Case as addendums, in support of future funding requests. Two Business Case addenda have been reviewed and considered as part of this evaluation and the content, coupled with stakeholder feedback, provides compelling evidence that Program leaders listen to feedback and have taken action to maximise the success of the Program.

Program sponsorship and positioning set it up for longer term success

The Program is intended to deliver a sustainable licence solution and a replacement for the incumbent GLS system for NSW government. Bringing licensing activities together in one program and delivering a common platform delivers on the strategic objectives of two divisions within DCS - BRD and GTP (Government Technology Platforms, the whole of Government provider for digital solutions).

Stakeholders near universally supported BRD's sponsorship of the Program and valued the decision to give the sponsor role to the Head of BRD and not the Head of Digital or the Head of Customer Service. Stakeholders also saw value in the alignment of the product teams with GTP, given they are accountable for whole of government platforms. Having a dedicated team within GTP which is responsible for the non-Program Licence.NSW implementations and act as custodians, or the technology repository, was viewed by the technical stakeholders as setting the Program up with a strong foundation for the effective transition to the post-implementation model (i.e. the 'maintain and enhance' phase).



I firmly believe that the program has the mechanisms in place to hear the feedback, and I also firmly believe that they are listening. It just takes a while to enact these things and takes a while to see the change.

Senior Government stakeholder



We're unlike other vendors who implemented a system, finish and go. In GTP we still need to deal with the same agency for support. The more up front that we can manage and control and then the better and more efficient that the support process in the future will be.

Senior Government stakeholder



We're doing an agile program, but ultimately the program will end, and we'll have to have capability within GTP to not only sustain the platform that's delivered, but also enhance it as new licensing schemes come on board.

Senior Government stakeholder

Adoption of the AMANDA platform faced challenges with staffing and implementation

Were internal structures, including product teams, set up to maximise the success of the Program?



We need a product team that does not deliver licences but works on core components that are too big to be taken on by a licensing scheme. Team X is NOT that team. Sticking to standards and building reusable and well-designed components is the key to success.

Survey respondent



The challenge for us is scaling because AMANDA is new in this part of the world and there's been lots of demand across all of our roles – engineers, BAs, Product Owners.

Senior Government stakeholder

Concurrent development of new software across teams and at scale is challenging

The Business Case stipulates the Program will be delivered by seven product teams over four years and documents a high-level scheme delivery approach, including concurrent development. Specifically, the Business Case states the Program will seek to bundle up licences into similar 'patterns,' which means that a product team may work across 15-40 licence types over four years and find increasingly similar ways to implement solutions. The Business Case assumes the teams will take longer to develop the first licence product they work on, and increase their efficiency as they move through subsequent licences.

It has been challenging to scale using AMANDA as a new system in the Australian market, and the detailed system knowledge needed in key roles – engineers, business analysts and Product Owners - were in limited supply. A lack of available talent with AMANDA experience has slowed delivery and created product variation by product team.

One of the challenges that concurrent development by seven product teams has created is the delivery of bespoke products for each licence scheme. Stakeholders commonly suggested if the product teams had been more familiar with the platform and there had been a common, core and deviations framework to support concurrent development, there would have likely been less variation in the products that have been delivered to date.

While the Business Case provides a governance framework and direction on regular forums in which to discuss delivery challenges, it does not provide guidance on how to identify and refine the patterns in licences. Nor does it translate the AMANDA architecture into a common and core framework. Delivery stakeholders expressed concern about the lack of a common and core framework, citing product variation and delivered risk as the primary impacts. Stakeholders were also commonly of the view that the implementation of chapters (communities of practice) for key development roles including business analysts and engineers, was the Program's way of trying to (somewhat successfully) mitigate the risk and improve development consistency.

Increases in testing requirements have been another impact of concurrent development by independent product teams on a new platform, with some stakeholders suggesting the number of defects detected in later stage testing (UAT and regression testing) were a result of simultaneous development at scale without clear development frameworks. This evaluation did not cover testing in depth; however, stakeholder feedback provides evidence:

- the testing requirements of the Program were greater than anticipated
- the importance of regression testing increased as the number of product teams increased
- automation testing has been implemented and expanded to improve test efficiency; however the development of effective test cases relies on detailed system knowledge.

Scheme and product prioritisation



The prioritisation approach, while strategic and well-communicated, resulted in complex schemes being prioritised early

How well were highest-value schemes/products prioritised?



The delivery schedule does not make sense. There is a significant regulatory change with the Act due to come in force 2023 that will likely cause significant impact to processes and workflows. It seems illogical to waste time and resources documenting processes and building those processes into a system, when significant changes are certain in the very near future.

Senior Government stakeholder



The practical application of the agile framework is value-based delivery, which is customer centric. The second one is incremental delivery. We apply the Benefits Framework and deliver to it, which gives us a key factor for prioritisation.

Senior Government stakeholder

The Benefits Realisation Framework is the key consideration in scheme prioritisation

Prioritisation has targeted high-value schemes with a regulatory deadline overlay and the Program has used the Benefits Framework as the first parameter for deciding schemes and features to progress. The intersection of regulatory change needs and incumbent system (GLS) development constraints have meant that some schemes were prioritised even though they would not deliver the biggest benefits.

The prioritisation approach resulted in some more complex schemes being chosen early in the Program schedule, contributing to greater learning time for product teams than forecast and, subsequently, the extension of delivery timeframes. Prioritising simpler schemes may have provided more 'quick wins' early in the Program and would have allowed Product Teams to build momentum more quickly.

For example, the Program refined their delivery roadmap in December 2021 based on similar learnings to allow for high customer impact schemes to be delivered earlier. Practically, this meant that the Home Building licence scheme was rescheduled with a new commencement date of early 2022 because it was expected to be "a major driver of customer benefits" (Business Case Addendum III, December 2021).

Big Room Planning (implemented in 2022) was designed to enhance cross-scheme prioritisation and provide a forum to share cross-scheme learnings to further improve planning and prioritisation.

Scheme prioritisation is based on a combination of factors including expected benefits, product team availability, in-progress or impending regulatory considerations. For example, if regulatory changes will require development in GLS, the scheme becomes a higher priority for the Program because strategically GTP does not want to continue developing on a legacy system.

Stakeholder feedback aligned with the prioritisation positioning in the Licensing Program Business Case Addendum IV (2022): 'The Program is focused on delivering high priority initiatives to deliver customer benefits as early as possible. As the Program has matured, more complex work has been completed and the risk of not achieving deadlines reduced. We are now bringing higher value work forward and realising strong accumulated benefits which ensures the Business Case remains viable despite an extended timeline and increased costs'.

The Program team acknowledged (in Business Case Addendum IV) that it is impractical to attempt completion of all 132 schemes in the original timeframe. Instead, high volume and value schemes will be completed in an attempt to reach the breakeven point and full capacity more quickly. In practical terms, this means that the Program will focus on non-DCS licences, and that DCS schemes which hold smaller benefit will be delayed. According to Addendum IV, many of the smaller schemes are about notifications which provide little to no economic benefit and would only contribute to a larger change to the Department in a short period of time.

The Program has clearly communicated the prioritisation approach and changes to the scheme roadmap

Our research suggests regulators understood the Program's prioritisation approach and accepted that incremental delivery was key to the achievement of the overall Business Case. Business Case Addendum IV notes that the plan to decommission GLS has been extended by 6 months in comparison to the original Business Case. This is due to the shift in licensing schemes priorities that are being moved off the platform. Although comfortable with the prioritisation approach, stakeholder feedback suggests that there is a strong relationship between prioritising high value schemes and the level of stress their operational teams felt due to their uncertainty of when smaller schemes or less frequent journeys within a scheme would be prioritised for migration to the Licence.NSW platform.

Regulator engagement and experience



While regulators appreciate support from product teams, their experience can be inconsistent

To what extent were regulators engaged and were their needs and requirements addressed?



A lot of work has been done on ways of working (like there's agile coaches), but because their self organizing product teams, they work how they want to work. and that's confusing when you've got 5 product teams all working with the same 170 people in BRD.

Survey respondent



The Product Teams know the issues and they know the business needs, but they're not contributing to how the business can solve those solutions with what they're building.

Senior Government stakeholder



There are some product teams that really don't like it when I come in and say no, this is how training needs to go or we need this information before we can do this piece. What I find is my staff are...stuck in the middle.

Senior Government stakeholder

Relationships between product teams and regulators are strong at the point of delivery

At the delivery level, regulators have been engaged well and report strong relationships with the product teams, where they are focused on getting functionality live. However, experience between regulators vary across the four distinct regulator personas:

- BRD regulators operating a fully paper-based licensing program prior to Program
- BRD regulators operating either a partial or fully digital licensing program prior to Program
- Non-BRD regulators operating a fully paper-based licensing program prior to Program
- Non-BRD regulators operating either a partial or fully digital licensing program prior to Program

For example, stakeholders within regulators who operated a digital (full or partial) licensing program prior to being part of the Licensing Program are unclear if the Program is a 'lift & shift exercise from their existing functionality and user journeys' or if the Program is an opportunity for them to transform their processes.

Common feedback across stakeholder cohorts collectively suggested that if there had been greater clarity on the scope and expectations of the Program, they would have been better able to prioritise requirements. In addition, non BRD-regulators expressed concern their requests for high level timeframes and program delivery plans had not been heard, and not having this information had negatively impacted the Program's reputation.

Non-BRD regulator stakeholders sometimes suggested the Program had focused too heavily on delivering a product; with 'everything else being the regulator's problem to solve' – process change, resourcing change, business readiness, training, and so on. BRD stakeholders, perhaps because of the scale of change and the time the Program has been running, reported a higher level of comfort with the Program's engagement approach.

This evaluation found that improving regulator engagement and the Program's ability to identify and address their needs and requirements is a key area of improvement. This is discussed further in the Conclusions and Considerations section of this report.

Self-organising product teams result in varied regulator experiences

Regulators suggested the self-organising nature of agile teams has contributed to varied engagement experiences across product teams, even though all product teams were trained and are supported by well- documented ways of working. The variation has reportedly been most challenging for BRD regulators working with multiple product teams simultaneously.

Those stakeholders, who were relatively new to the Program, suggested the variation made it difficult to determine correct advice on engagement activities and how to best prioritise requirements. Some stakeholders further argued they might benefit from being connected to staff who had worked with the product team in the past, so they could learn from previous experiences.

Program stakeholder feedback suggested that this group are also challenged by the variation across product teams. For example, the team responsible for delivering training felt 'stuck in the middle' when they tried to apply best practice training approaches in some product teams, but in other product teams their approach was more readily accepted.

Regulators are engaged, however Program-level messaging could be improved

Sixty-seven per cent of surveyed stakeholders agreed or strongly agreed with the statement 'Regulator agencies and industry are appropriately involved in decisions about the future of the program.' However, stakeholder feedback indicated that friction remains between the Program and regulators, largely due to gaps or inconsistencies in Program-level messages. Specific examples included:

To what extent were regulators engaged and were their needs and requirements addressed?

- Lack of clarity on why so much customisation has been needed for an out of the box solution
- Lack of reporting (from Licence.NSW and across the licensing journey) has reduced visibility of end-to-end performance and created operational management issues for regulators
- The absence of a high-level plan to explain when all the elements of a licensing scheme will be transitioned to the new platform has created resourcing and planning challenges.
- For regulators re-platforming a fully digital licensing solution (e.g., security), the 'transformational' program messaging was seen to be inaccurate.

Some of these challenges are currently being addressed. For example, initial engagements with BRD and NSW Police in August 2022 resulted in the development of the Business Engagement and Adoption model. The Addendum indicates that the model has been implemented to 'support regulators with incremental change whilst ensuring consistency across the Program delivery teams'.

Stakeholder feedback on tactical and operational communication by and within product teams was overwhelmingly positive and 78% of surveyed stakeholders agreed or strongly agreed with the statement "The Licensing Program team and its stakeholders are working towards a common goal on this program". This is consistent with feedback provided across regulator interviews, with particular appreciation given for strategic leadership and communication.

There is limited business readiness support for regulators

Program documentation states business readiness is a "critical success factor" to the Licensing Program, and the Program has developed a Business Readiness Framework which has been approved. Stakeholders sometimes suggested, however, the usefulness of this Framework has been limited by it not being (a) mandated and (b) fully resourced.

The Business Readiness Framework specifies five focus areas designed to 'cultivate an environment where people are prepared for a successful transition to the DCS Licensing Program's new ways of working'. The focus areas are business stakeholder

engagement, change management, communications, resources & collateral, and earning.

Stakeholders routinely suggested funding constraints had contributed to very limited business readiness support for non-BRD regulators. This feedback aligns with the Business Case, in which Addendum IV (October 2022) notes 'addition of unbudgeted project teams (Business Optimization Team), increased licence delivery and recruitment efforts'. The original Business Case explicitly rules out support for non-DCS owned schemes.

The Program is addressing the need

A best practice guide (Regulators Agile Playbook) is in first draft state, including:

- how to plan when working with a Product team delivering using agile
- questions you might consider for Program assurance
- questions to ask during Discovery to define and prioritise effective requirements
- things to consider when balancing legislative, process, and resourcing challenges
- where to go for more information, including other organisations that have undergone a similar process, and who are willing to share their learnings and answer questions.

The Program has also initiated discussions with non-BRD Regulators about change management resourcing. Where no resources are identified within the Regulator, ROs will be accountable for supporting their assigned agency. Digital Partnerships resources from the Program will supply guidance & support. The effectiveness of this approach should be monitored over time.

A 'Digital Partnerships' model has been piloted over the last 12 months within the Better Regulation Division (BRD) & has proven successful in enabling Regulators within the Division to develop strategies & enact tactical approaches to support their digital journey.



The fact that you're incrementally moving things over means you're not just switching one system off and then turning the other one on. It is to be expected. But when you're living in that, it is painful.

Senior Government stakeholder



I think one of the pain points has been that they go OK, so we're delivering agile and you'll get X delivered. But they don't understand what X means for us. They don't get that you can't really have half a licensing scheme because customers want all the elements of a licensing scheme. We've had examples where the system hasn't been able to do things and we've had to do complete workarounds to be able to continue to service the customers.

Senior Government stakeholder



Key regulator outcomes and barriers

There is strong evidence the program improved experience and efficiency for customers seeking licences

To what extent were regulators able to adopt the changes required?

Licence.NSW has made it quicker and easier for customers to secure a licence

This evaluation finds regulators have been able to adopt the changes released by the Program. Ninety-two percent of surveyed stakeholders agreed or strongly agreed with the statement 'Licence.NSW has made it quicker and easier for customers to get a licence'. Eighty-eight percent of surveyed stakeholders further agreed or strongly agreed with the statement 'Licence.NSW allows regulators to administer licensing more efficiently'. The survey results align with stakeholder feedback, which was that once the whole scheme was live on Licence.NSW, it delivered a significantly better user experience.

For example, one stakeholder noted, 'if you look across the Program that's been delivered, the customer satisfaction is sitting between 97 and 98. So the customer is giving us a good indication of sentiment and adoption'.

An example of industry and end-user adoption and appreciation is the TikTok created by a Paintball industry representative in 2022. As one stakeholder explained: 'An industry Rep, I don't know where he runs his business, did a TikTok about how good paintball is in NSW now. The whole TikTok was about they've made it faster, They've made it so much better than when it was with police. Come to NSW If you want to do paintball because it's crap everywhere else. The TikTok was not in any way solicited or requested by us and they had 365,000 views in the middle of last year'.

Stakeholders note that in 2022 the Program changed its definition of customer, which meant that regulators were no longer viewed as the customer of the Program, but instead were considered internal users. The Program now views their only customers as individuals or businesses being licensed in NSW.

While there is evidence indicating regulators have been able to adopt the required changes, stakeholder feedback also suggest they have found the adoption process challenging, especially for regulators operating in multiple systems. The Licensing Program Business Case Addendum IV (October 2022) supports the stakeholder feedback and acknowledges the challenges regulators have experienced getting a scheme live on Licence.NSW.

The four key change adoption issues raised by regulators in the consultation are outlined below and overleaf.

1. The incremental transition of licence scheme components onto the Licence.NSW platform has created operational challenges in the adoption of the new system. Regulators were concerned about team workloads while managing hybrid processes. There was also concern about complexity that variation within and between scheme operational processes has created for Service NSW frontline staff.
2. The lack of reporting available through Licence.NSW has limited regulators' ability to manage their operations post implementation. Without reporting, operational teams have had limited visibility into current workload, the ageing of their backlog and have reduced ability to effectively manage exceptions. Stakeholders identified instances of manual workflow tools remaining in use to track licence status. Furthermore, feedback suggested it was unclear when reporting would be progressed.



We were told we want to get your input and we want you to provide input. But the reality is all this money goes into setting up the product teams and no money was allocated for the business to be an effective partner.

Senior Government stakeholder



The whole reason we wanted to digitise was to reduce call-backs to customer for additional information or to stop people coming in that shouldn't be applying anyway. But that hasn't changed and for 99% of our forms we'll still have to contact the customer.

Senior Government stakeholder



For some parts of our transactions, there has to be a back-office piece. Someone's got to look at that certificate and say, I'll give you a licence. It might be a one-minute interaction, but someone's got to do it. It might be 5% of our customers, but someone's going to do that 5%.

Senior Government stakeholder

Despite significant success, delivery challenges may have impeded progress

To what extent were regulators able to adopt the changes required?



It's a situation where we have to meet the benefits realisation model so the Program has to focus on the things that provide that. So, the journey for the regulators is really the bottom part of what gets prioritised.

Survey respondent



Big picture change is not done well in the regulators. So, staff who get picked for training ask 'what do you mean it's all automated. What does that mean for my job?' The trainers can only say, you need to talk to your team leader about that, we're just here to teach you how to use the system.

Senior Government stakeholder



We talk about the Program being a people program and it being all about the people, but the people who make that journey smoother for the people are the smallest part in the Program.

Senior Government stakeholder

- Literature suggests implementing digitisation programs within risk averse cultures can be challenging (Gartner, 2023). It was also identified as challenging by product team stakeholders, with regulators' risk aversion driven by the strong organisational requirement to make sure they were giving the 'right licence to the right person'. As one Program stakeholder noted: 'for them it's really hard to see the person because they want to make sure they give the right licence to the right people. You don't want to be the regulator that gives the licence to the person that should have never ever been allowed to operate'. Feedback also suggested the impact of this risk aversion was most apparent when the Program team has explicitly spoken about customer-centricity, with some regulator staff seeing this as a request to compromise this ethos.

Another dimension to the risk averse culture is the tension between benefits realisation (customer benefit) and how to manage edge cases, tiny schemes, and approaches for clients who will not or cannot go digital. Stakeholder feedback suggested the effective management of 'the bottom 5%' are as important for their scheme as the higher volume cases. Stakeholders were also concerned about the impact that a large number of infrequent transactions across multiple schemes would have on Service NSW – for both frontline staff and the resulting impact on customer experience.

Regulator feedback suggested that they would appreciate clearer frameworks and guidelines during the discovery phase to help them understand how much they were expected to 'transform' their operation, versus how much they should simply digitise their existing processes.

- Program stakeholders strongly believe they are delivering transformation to licensing schemes and according to Program documentation, one of the key 'what's in it for me' stakeholder messages is 'transformation occurs with the least amount of distress/disruption to day-to-day roles/activities as possible'.

Stakeholder feedback indicates transformation is occurring, but it was suggested that the Program will not feel transformational to a regulator until the future state is better than the current state. For regulators who were operating fully manual processes (for example paintball), stakeholders suggested that the Program has been transformational. For those stakeholders moving from GLS, feedback suggested that the change will feel transformational only once the new system delivers a better customer and regulator experience.

Program replicability and scalability



Agile product teams and chapters are key replicable and scalable program elements

To what extent is the approach scalable and able to be replicated?



The model of our BA Chapter is to create reusable information and tools that can help us do our work a bit better.

Survey respondent



Plugging and playing isn't happening as it should be. We should be able to process renewals the same way and be able to use the out-of-the-box product as much as possible. That's where the real value comes in.

Senior Government stakeholder



...so our whole stakeholder engagement model, our comms model, everything that we've done in terms of digital readiness model, they've all shifted to the CCE program– Senior Government stakeholder.

Senior Government stakeholder

The Program has embedded scaled agile, and increased Government capacity in this delivery approach

The Program Team has invested significantly in embedding agile ways of working within GTP. Training was delivered by specialists and there is now a document library of supporting materials potentially available by other programs wanting to run scaled agile. Examples of Program artifacts that could be used to replicate the approach for a different program include:

- Role terms of references
- the Agile Fundamentals presentation
- the Ways of Working overview document
- JIRA training materials.

Given the size and duration of the Program, there is also now a large cohort of agile-experienced DCS staff who could be used to coach and guide new product teams either within the Licensing Program or in another program implementing agile ways of working.

This Evaluation has found that there is already evidence of the Program being replicated, with some of its governance, engagement and communications tools and templates being adopted by the CCE Program.

Commitment to a common, core and deviations framework could increase scalability

The Business Case used an assumption that 'at least 64% of AMANDA 'out of the box' functionality would be used to enable Licence.NSW', with a further 35% of functionality achieved through appropriate configurations of the product, leaving an estimated 1% of functionality to be customised. Put another way, there was an assumption core functionality would be used across all licensing schemes, and only 1% of development work would support deviations (aka customised functionality).

This evaluation did not assess the proportion of Licence.NSW functionality that was common or customised; it did not assess the code delivered through the Program, or the journeys and user flows of the schemes live on Licence.NSW.

However, product teams had occasionally 'skewed' towards delivering schemes rather than strictly adhering to structures around developing a scalable product set. It is possible that the proportion of Licence.NSW functionality common between schemes is lower than originally predicted.

Given the substantial volume of delivery achieved to this point, renewing focus on a common and core product framework, and strengthening governance around assessing and managing variations would:

- improve development scalability
- reduce tech debt
- increase regulator engagement by providing a clear framework of common and core functionality
- support regulators' business readiness activities

If Phase 2 funding for the Kiama strategy started in February 2022 (as indicated in Business Case Addendum III), a communications plan could be developed to promote the successes of this team and increase stakeholder awareness of how the Program is developing and implementing re-usable components.

To what extent is the approach scalable and able to be replicated?



I've got two teams that are pretty much doing what the Licensing Program is doing but without the Licensing Program wrapping around it. And I've got a backlog of interested parties of about six agencies who are contemplating getting onto the Licence.NSW platform in 2023.

Senior Government stakeholder

The resourcing model has proven to be scalable

The resourcing model is scalable and able to be replicated. In particular, the agile product teams, which include the RO from within the business, is a model demonstrated to be scalable; the Program has grown from four to eight product teams within a two-year period. Whilst stakeholders reported initial confusion about roles and responsibilities between the product teams and regulator teams, there is now widespread clarity.

Chapters – communities of practice for specialist roles working within the Program – are another potentially scalable resource management approach. According to stakeholders, chapters have facilitated knowledge sharing and created a culture where team members feel supported. Initially the BA Chapter was set up to help BAs create a shared understanding of the platform. Beyond knowledge sharing, the BA Chapter was intended to overcome some of the challenges with the AMANDA platform being new in the Australian market, which resulted in a lack of experienced resources working in the Program. The Chapter construct has expanded to other technical functions within the Program and could be further scaled.

The positioning of the Program resources within GTP has been beneficial

The Program's placement of a product team within the group who will be responsible for the maintain-and-enhance phase is something that other technology-driven transformations could replicate. Stakeholder feedback indicates that this approach has allowed the Digital Service and Delivery Team to create two additional Licence.NSW product teams (outside the Program) which support other agencies and stakeholders using GLS to transition off an incumbent platform and onto the Government's strategic solution.

In addition, the product teams within GTP can pick up additional development work that the Program is unable to complete within its scope. Stakeholders agree that this approach has long term benefits for GTP and the technology side of transformations should be considered in similar, future programs of work.



Benefits Realisation Framework

Were the assumptions and approach of the Benefits Realisation Model, including the underlying calculations, accurate?

The approach to developing the Benefits Realisation Model was sound

The Program's benefits realisation model is achieving most of the key principles and process checkpoints in the NSW Benefits Realisation Management Framework. This indicates a sound benefits framework.

We assessed that the Program's Benefits Framework is 'achieving' or 'partially achieving' the ten principles outlined in the Benefits Realisation Management Framework. Under the three broad process steps of 'understand', 'plan', 'manage and report' (noting the fourth phase, 'evaluate', is fulfilled in part by this document), we found:

- **Understand.** The Program has developed a benefit realisation and change management strategy and obtained appropriate sponsorship of and ownership over benefits. There may be opportunities to strengthen alignment with regulators, and in validating benefits through customer consultation.
- **Plan.** The Program has a strong plan to achieve its overall objectives, including appropriate prioritisation of benefits and clearly defined benefits governance and ownership. There is an opportunity to review how some benefits have been valued, particularly for customer productivity and time savings. This is discussed in more detail below.
- **Manage and report.** The Program is achieving against all steps in this phase; a benefits tracking tool (Domo dashboard) has been operationalised and reports against each licence scheme delivered by the Program are generated on a monthly basis.

There was opportunity for greater customer consultation in developing the benefits framework

There was some stakeholder consultation in the development of the benefits framework, with the benefits of the Program developed in part through a workshop with licensing subject matter experts from the BRD. It appears there was minimal consultation with customers, the end users, to develop benefits – however given the strength of other digitisation/customer experience programs, there was a reasonable belief that customers would be on board with the program. Post-fact this has proven to be the case, with Program stakeholders reporting very high levels of reported customer satisfaction for licences that have gone live.

However, the lack of customer voice is a potential limitation of the benefits framework, as benefits are then based in large part on the regulator's assumption of the benefits to users. Further customer consultation may have provided further insight into potential benefits of the program from the customer perspective.

The approach and assumptions are sound, with some underlying calculations able to be improved



I understand the general concepts and whatnot, and now they've estimated I think I think my personal view is and not just on this project, but my general experience with benefits realization for IT projects is it's, you know it's very questionable.

Senior Government stakeholder

Some potential changes could be made to underlying calculations to increase precision

There are a small number of areas where benefits valuation could be made more robust. Detailed recommendations and commentary are included in the Technical Report, attached at Appendix B.

- The methodology used is most appropriate for occupational licences; recreational and plant licences should be valued differently. For licence schemes that form part of the financial model, we have outlined issues and potential alternative approaches to calculating these in Appendix B.
- The value used in the Benefit Framework for leisure time is conservative. There is a strong case to use a value aligned with the median wage in the reference year of 2019, being \$14 per hour, or even the current median wage (both based on 45% of the median wage value used). There is also a strong case to adopt the value of \$36 per hour as suggested by the Commonwealth Office of Impact Analysis. We would suggest \$14 per hour as this is a more conservative estimate of the value of leisure time than that provided by the Office of Impact Analysis.
- There appears to be some misalignment between industry value-add (IVA) and licence schemes, such as mechanics being classified the value-add of someone in the 'professional, scientific and technical services', when labour market data classifies them in the 'other services' industry. These have been reviewed, with some suggested revisions.
- The figure for each IVA was drawn from small business only (5-19 employees), which represents just 16% of workers; this could be updated to the industry-wide value-add.
- Taking into account varying occupations and skill levels in licence scheme value-add – where a less experienced employee contributes less value-add than a more experienced employee.

Were the assumptions and approach of the Benefits Realisation Model, including the underlying calculations, accurate?

There is an assumption that earlier licence availability equates to immediate benefits

The largest benefit category in the framework is customer productivity uplift. Calculating this benefit depends on an implied assumption that customers will enter the workforce as soon as they receive a licence; benefits accrue immediately. While receiving a licence earlier will likely result in an earlier start to employment, the actual economic benefit is more likely to occur once the customer starts employment – it is unclear whether the benefit can be realised immediately as the licence itself is provided.

The assumption that the time saved by the Program in the licensing application translates to productivity gains is reasonable in the absence of other data and given the variation in how customers might enter the workforce. Any additional data available relating to customer behaviour post licence receipt would help strengthen this assumption.

The forecasting approach was valid but there are opportunities for improvement

Was the forecasting approach valid?

The forecasting approach is valid

Urbis' overall assessment of the benefit forecasting approach, with the primary input being time savings (either to regulators or customers in application and processing) is valid and appears to have been conservative in forecasting the anticipated benefits of the Program. This is because in part the framework cannot include a number of non-financial, non-quantifiable benefits expected to be delivered by the Program.

Further, the total value of benefits quantified in the framework, which currently estimates the forecast benefits of the Program as \$707m, are currently based on a small number of high-value licence schemes. As displayed in Business Case Addendum IV, forecast customer productivity benefits contribute \$597m (84%) of the overall \$707m of forecast benefits to be delivered by the Program. We found approximately 98% of forecast customer productivity benefits are currently derived from just eight of the over 130 licence schemes to be transformed by the Program – this is also noted in Addendum IV, which notes that these schemes account for over 90% of total customer benefits. These licence schemes are identified as motor vehicle repairer, motor vehicle tradesperson, plant equipment registration, property certificate, individual property licence, home building, security, and tow trucks. Forecasted reductions in processing times were estimated with licensing subject matter experts from DCS regulators for key licence schemes, and then updated using actual data on processing times once known. As such, the overall benefits delivered is likely to grow as more schemes can be accurately forecasted and quantified, and so included in the benefits framework.

The Program compares estimated vs actual time savings in applications and processing of licence schemes on a monthly basis, so forecasts are able to be quickly updated with actual performance for benefit realisation. Stakeholders also report forecasts for future licence schemes are anchored to previous performance in terms of time savings on completed licence schemes for more accurate forecasts, and updated during the Discovery phase of new licence schemes.

There has been variation but overall benefits have accrued faster than predicted due to improved processing times

Assumptions underneath the forecasted time savings were based on historical values, but based on implementation data from the licence schemes digitised so far, the Program has delivered greater time savings compared to what was forecast. This is due to time savings in application and processing of licences being quicker than anticipated across licence schemes, relative to the estimate in the initial Business Case.

This may point to overly conservative estimates of anticipated time savings, or Program outperformance relative to initial expectations. Based on stakeholder interviews, particularly from DCS stakeholders, this appears to be more the former than the latter, with some licence schemes being delivered in such a way (notably those instances of 'straight-through' applications) with less manual handling than forecast and thus delivering greater benefit.

Forecasts do not take account of extended 'hybrid modes' which may impact benefit realisation

Some regulators reported having to operate in a 'hybrid mode', using a combination of new and legacy systems to process applications. Regulators reported this could complicate their core regulatory functions and so could represent lost efficiencies compared to forecast benefits. As noted on p.41 of this Report, these regulators were sceptical about whether they would be able to realise planned processing time savings until after this period was over. As the Program tracks actual reductions in time savings for customers for delivered licence schemes and has performed above forecasts, this does not appear to have impacted external benefits. However, the impact of 'hybrid mode' on regulator time savings forecast should be monitored - the effectiveness of change management strategies will be critical to the Program realising forecast benefits through hybrid mode and beyond.



It is clear the overall customer benefit is weighted heavily amongst a few schemes.

Licensing Program Business Case Addendum IV



There is things like paintball, where now I think 99% of applications are automated and straight-through processes that the regulator does not touch those transactions unless there's, you know, something that pops up as part of a check.

Senior Government stakeholder

While benefits are being adequately captured, there are opportunities for centralisation and alignment with regulators' impact capture

Are the identified benefits being captured appropriately?



They've got their benefit realisation measures that they're completely, completely different to what we would look at... I know that they measure things differently. And I've quite often asked when they sort of measure their benefits, how have you pulled those?

Regulator stakeholder

There is a robust system for capturing benefits

The benefits realised by the Program are tracked monthly for each licence scheme that has gone live, providing ongoing feedback about how the Program is tracking compared with benefit forecasts. The Program captures data on the time savings to customers and regulators achieved by the Program through a Domo dashboard. Benefit realisation has been embedded in all key Program processes, most notably as a key parameter in decision-making about future licence schemes or features.

There is a strong understanding of the Program's Benefits Framework and benefit tracking and reporting among senior leadership and across the Program. Ongoing BAU reporting responsibilities are primarily held by the Program's Benefits Analyst role.

Benefit reviews could focus more on underlying benefit values

In addition to regular benefits reporting and internal review, the Benefits Framework is also subject to external review due to Program funding requirements, in the form of frequent Digital Restart Fund reporting to access tranche funding. As the Program is a significant technology investment, the Benefits Framework is also subject to reviews under the ICT Assurance Framework.

For benefits related to time savings, the calculation for forecast benefits is comprised of three components multiplied together: the forecast reduction in time savings, number of licences impacted, and the value of that time (whether it be customer leisure time or productivity, or regulator time). We would observe that BAU reviews (i.e., updating the dashboard monthly) and external reviews that have been undertaken are mostly focused on the earlier two components, i.e. updating time savings realised vs what was forecast. This is important, but we would recommend that benefits review processes also incorporate some assessment of the third component, which is the value placed on customer or regulator time (underlying benefit values).

We are of the opinion that some of the benefit value improvements identified in this report and Appendix B, i.e. the inflated value-add ascribed to mechanics and security contractors, could have been identified earlier if there was a similar level of review afforded to this third component as the Program has provided to the earlier two components, which are tracked and reviewed more regularly.

This review did not find that the Framework omitted any quantifiable benefits (financial or non-financial), but the Program should also remain alert to new benefit categories that emerge from the Program that could be valued under the benefits framework, or new data that enables known non-financial, currently non-quantifiable benefits to be quantified. For example, multiple stakeholders expressed freeing up regulator time to perform higher-value tasks as a key benefit of the program – as the program develops further, and evidence about the extent to which this has occurred becomes clearer, this could be valued instead of or in addition to regulator time savings realised.

The process for benefits capture could be centralised

The Program has made considerable strides with internal Program data, such as analysing available data and the Domo dashboard. There are further opportunities for real-time data collection or to synchronise data points or data collection tools, such as more centralised reporting on key Program metrics. Currently, stakeholders report this is largely incumbent on each product team.

Regulators use different measures to assess impact

Regulators tend not to see the benefits of the Program in the same fashion as the Program team, focusing more on metrics such as the age of matters and number of enquiries/complaints received. This may differ across each regulator, but there may be opportunities to better align benefits capture with the metrics regulators are tracking to improve transparency. There may be an opportunity linked with improved Licence.NSW reporting functionality, discussed earlier in this Report, to better align Program and regulator metrics.

Are there any benefits of the Licensing Program that have been observed, outside of what was included in the Benefits Framework?

The Benefits Framework captures the key quantifiable benefits of the Program

The Benefits Framework captures six quantifiable benefits of the Program, both financial and non-financial. Three are related to customer time savings, including improved customer productivity which comprises the bulk of benefits delivered, while three are related to time and cost savings to Government. At this stage of the Program, we would assess the Program has not omitted other quantifiable benefits from the Benefits Framework, for multiple reasons. Firstly, Urbis' evidence review of comparable domestic and international programs did not find additional benefits that were both quantifiable and suitable for the Program to include in the Benefits Framework.

Secondly, stakeholders familiar with the Benefits Framework largely agreed the benefits being captured by the Framework reflected the Program's key outcomes. These stakeholders generally agreed that the most important benefits of the Program around customer and regulator time savings had been valued and were being tracked.

There are a broader range of potential benefits that could be delivered by the Program, many of which are non-financial and non-quantifiable. These were similar in nature to those benefits identified in the original Program Business Case, including improved customer satisfaction and customer perception of Government, and improved data sharing across agencies for more effective public decision-making. As in the initial business case, we could not find compelling evidence that these benefits could or should be quantified for inclusion in the Benefits Framework.

Compliance benefits associated with having a more strongly regulated environment for consumers should also be considered as a key program benefit – higher quality licensing and more effective regulation were also identified as a non-financial, non-quantifiable benefit in the initial Program Business Case. The Program will contribute to a better-regulated environment across participating regulators and industries, but we would assess these benefits are likely to overlap with those primarily delivered by the CCE program.

The benefits captured in the Framework are appropriate, and there are opportunities to capture additional benefits as the program matures

Lastly, the focus on six core benefits for tracking is aligned with Principle #9 in the NSW Benefit Realisation Framework, "keep the number of benefits to a practical, manageable number". As the Program matures there may be opportunities for more benefits to be included in the Benefits Framework, or measurement of existing benefits to be improved, as detailed below.

Potential future benefits include time spent on higher-value tasks, and benefits for future digital transformation

As the program grows in maturity, there may be opportunity for more benefits to be tracked, or measurement of existing benefits to be enhanced. As an example, regulator time savings associated with faster processing of licences are captured by the Program's Benefits Framework. The Program not only represents time savings for regulators, but that the time freed up for regulators would result in regulators concentrating on higher-value tasks in the time available. We would observe completion of higher-value tasks would deliver greater benefit above the status quo, i.e., the tasks regulators would have completed in manually processing licences without the Program. The benefit as currently measured by the Framework would then understate the true benefit to regulators.

We observed that regulators, and other key agencies where this benefit could be realised such as Service NSW, were still at an early stage in their planning around the implications of the Program on resourcing and the types of tasks their staff would perform in future, meaning it is difficult to assess the value of this benefit. As Program implementation progresses, and evidence about the additional value delivered by regulators and the extent of this benefit becomes clearer, this benefit could be included instead of or in addition to regulator time savings realised.



Nothing that's really concrete (for other program benefits)... You could talk about the benefit to NSW being the most digitally advanced... but I think that's a bit far reaching to try and aim for that as a program to try and call those benefits.

DCS stakeholder



[Through the Licensing Program] there's an opportunity to upskill people, put people into higher paying roles.

DCS stakeholder

The benefits captured in the Framework are appropriate, and there are opportunities to capture additional benefits as the program matures

Are there any benefits of the Licensing Program that have been observed, outside of what was included in the Benefits Framework?



[The CCE program] can't scale to whole-of-government unless we standardize... it's kind of a dependency [for the CCE program].

DCS stakeholder



Initially it's actually more painful because you're essentially running the two systems and things are a bit slower [than] once things are completely onto the Licence.NSW system... probably in about two years.

Regulator stakeholder



It feels that regulators may end up worse off if they are migrating from GLS. Some aspects of the Licence.NSW implementation leave them better off but others feel like a regression... if [the] regulator regresses, do we offset the benefits with the inefficiencies created?

Survey response

An additional non-financial, non-quantifiable benefit, as noted through this report, is the potential for the Program to act as a catalyst for future NSW Government technology transformation. Most notably, the Program is a key dependency for the CCE program, and we would assess that the success and associated benefits of the CCE program is in part contingent on successful delivery of Licence.NSW to enable a single view of business for Government. Further, as described in Page 33, there now exists a cohort of staff, learnings about integrating ways of working across teams, and a library of supporting materials that could be leveraged by other programs wanting to adopt a scaled agile program of work.

Full benefits of the Program will only be realised through effective change management

The Program's Benefits Framework does not explicitly identify any disbenefit brought about by the Licensing Program. However, we would observe there is a potential disbenefit if change management processes are not effective. Regulators are a critical interdependency for the Program to realise benefits, and the Program has invested significantly in change management processes to ease the transition for regulators in reflection of this. This includes dedicated change management resources for regulators with significant licence schemes (BRD).

As previously noted in this Report, we heard some evidence from Program team and regulator stakeholders that the change was not occurring as smoothly as possible. Reasons cited included the need for regulators to operate in 'hybrid mode' (using a combination of new and legacy systems to process applications); regulator stakeholders reported this was a complicated way to operate and were sceptical about the extent to which they could realise forecast processing time savings until after this period was over. There were also reported difficulties that emerged for regulators in working with the Program team's agile approach (particularly planning difficulties). Despite current change management processes implemented by the Program, these issues may negatively impact benefit realisation if they translate to a reduction in the time saved relative to what was forecast.

The Program has demonstrated a willingness to continually improve its change management approach so benefits can be realised. This Report has made recommendations around resourcing of change management and creation of a best practice guide, which would assist with Program benefit realisation.

Conclusions

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I'm happy to continue to support it because it's a good program. I see the benefits for our customers, I also see the benefit for regulators and our own teams. I think it's a really good program and I'm lucky that we have good teams across the board delivering and supporting the delivery.

88% of survey respondents agreed or strongly agreed with the statement "Licence.NSW allows regulators to administer licensing more efficiently"

83% of survey respondents agreed or strongly agreed with the statement "Licence.NSW has provided opportunities to improve how regulators and industry operate"

The Licensing Program is a well-managed, agile program that is contributing to improved experience and efficiency for customers seeking licences

Across the globe, there is increasing pressure for governments to digitise services while simultaneously maintaining a positive, inclusive experience for customers, as well as achieving outcomes for community, businesses and government. Evidence reviewed for this evaluation suggests government agencies are most likely to be successful in digital transformation if they adhere to best practice principles, including putting the customer at the centre of design decisions and ensuring adequate change management and ongoing regulation. Within this context, the NSW Government funded the Licensing Program via the Digital Restart Fund to digitise and centralise over 130 different industry and occupational licences.

As at December 2022, the Program had successfully transitioned 16 Licence.NSW managed schemes to the Licence.NSW platform, which has resulted in:

- 17,000 Digital Transactions & Service Centre visits avoided
- \$37.6m Program benefits realised
- 89% positive customer sentiment.

This evaluation finds that in order to achieve these outcomes over an approximately two-year period on a platform new to the Australian market while adapting resource and work approaches to fit within COVID-19 macroeconomic constraints, the Program successfully prioritised embedding a scalable and replicable delivery model to maximise their chances of meeting benefits and delivery milestones. Stakeholders consistently highlighted the agile ways of working as a key success which anchored the delivery of the Program, and explicitly noted it as a model which could be applied other digital (and even non-digital) government programs, both in NSW and in other jurisdictions. In addition, stakeholders generally agreed the Program had contributed to improved efficiencies and stronger regulation; although, regulators who had been already been operating via digital platforms sometimes questioned the extent of benefits.

Conclusions

There have been a number of other key successes achieved to date:

1. Program-assessed agile maturity has improved from level 1 (explore) to level 4 (scale) which is defined as 'having governance/planning structures to support program agility, quarterly planning and program-level backlog management, having the ability to leverage metrics to improve delivery and agile health, and evolving a collaborative culture'
2. Access and analysis of data that tracks benefits realisation and standardises this process across schemes as they progress through their digitisation journey, with data visualisation via the Domo dashboard
3. Stakeholders feedback combined with implementation success and strong governance suggest 'the Program has the right people in the right roles', with ROs being sourced from regulators providing particular delivery benefit
4. Cross-product team planning, prioritisation and learning facilitated through the launch of quarterly 'Big Room Planning' in 2022
5. Implementation of chapters to create communities of practice for key development roles and create a culture of peer support and development
6. Embedment of the effective Benefits Realisation Framework as a key tool to standardise and focus both scheme and requirements prioritisation
7. Development of release, product and Program level roadmaps in 2022 to support monitoring of program level progress to delivery commitments with consideration of external and legislative dependencies
8. The Program team have adapted their ways of working (including governance and resource allocations) in response to feedback and changes in environmental factors (for example the limited local talent pool as a result of COVID-19).

Despite these significant achievements, the evaluation notes several opportunities for improvement and refinement. Considerations for future implementation (along with supporting evidence) are presented below. This is followed by a measurement of Program performance against best practice (as identified in the literature) and evaluation questions. It should be noted the considerations are not mandated and it is at the discretion of the DCS to determine the extent and manner of implementation, especially given potential budgetary and resourcing implications. Detailed planning for future activities falls outside the scope of this evaluation.

The NSW Licensing Program is well implemented but there are opportunities to improve the agile approach

Assesment against evaluation questions

Nine evaluation questions were used to guide the evaluation project. The assessment of the Program against each of these questions is provided below.

Evaluations Questions	Key Findings	Assessment
Were internal structures, including product teams, set-up to maximise the success of the program?	<p>Overall, internal structures have been set-up to maximise the success of the Program. Despite significant technology resource constraints experienced during the COVID-19 pandemic and exacerbated by the lack of Australian-based expertise in the AMANDA platform, stakeholders participating in the evaluation generally agreed that 'the right people are working in the right roles.' Moving change managers into product teams in June and July 2022 has also enhanced change readiness and communication effectiveness within BRD regulators. Governance structures have also changed over time, in response to changing requirements, and are considered appropriate.</p> <p>There are some challenges with the current resourcing approach that may require addressing in the future. While resourcing ROs from within regulators has provided an important regulator 'voice', stakeholders expressed concern about the ability of ROs – many of whom had been 'out of the business' for an extended period – to deliver current regulator perspectives. Some stakeholders also reported the business readiness and change management support within product teams had not been sufficient, particularly for regulators outside of BRD.</p>	Achieving
How well were highest-value schemes/products prioritised?	<p>The Benefits Realisation Framework is the key consideration in scheme prioritisation, meaning that higher value schemes have taken priority. In some instances, intersection of regulatory changes and GLS development constraints has meant that some schemes with lower benefits have been prioritised.</p>	Achieving
To what extent were regulators engaged and were their needs and requirements addressed?	<p>Overall, external stakeholders provided positive feedback on the individuals within the Program and product teams, noting they were easy to work with, knowledgeable, and able to overcome hurdles. At the delivery level, regulators reported strong relationships with the product teams, where they were focused on getting functionality live.</p> <p>However, there were identified areas where regulator engagement could be improved. Regulator experiences have varied across different product teams, potentially a product of their self-organising nature. There also appears to be tension between the Program's focus on incremental delivery milestones, and regulators' desire to understand end-to-end deployment. The different perspectives have occasionally been a source of misunderstanding and tension between the stakeholder groups. Regulator engagement would be improved by providing greater clarity on the scope and expectations of participating in the Program and providing high-level delivery timeframes.</p>	Partially achieving

The NSW Licensing Program is well implemented but there are opportunities to improve the agile approach

Assessment against evaluation questions

Evaluations Questions	Key Findings	Assessment
To what extent were regulators able to adopt the changes required?	<p>Regulators have been able to adopt the changes released by the Program, once an entire scheme is live on Licence.NSW. However, stakeholders generally agreed that regulators have faced challenges in managing the changes being delivered, the scale of which has been more substantial than what was originally planned.</p> <p>Non-BRD regulator stakeholders in particular felt that too much was required from them in relation to process change, resourcing change, business readiness, training, and so on. The model has also created a resource drain in the regulator's BAU operations, which is especially challenging for regulator teams needing to operate hybrid digital and manual processes due to the Program delivery approach and cadence.</p>	Partially achieving
To what extent is the approach scalable and able to be replicated?	<p>The resourcing model is scalable and able to be replicated. In particular, the agile product teams, which include the RO from within the business has been demonstrated to be scalable as this approach has grown over time (despite the drain on regulator resources). Creating a common, core and deviations framework to simplify and streamline development effort would increase scalability.</p>	Achieving
Were the assumptions and approach of the benefits realisation model, including the underlying calculations, accurate?	<p>Based on the available Program documentation and stakeholder interviews, the Program's benefits realisation model is achieving most of the key principles and process checkpoints in the NSW Treasury Benefits Realisation Management Framework. This indicates a sound benefits framework. A small number of stakeholders expressed scepticism about the benefits framework or certain key assumptions, and there was opportunity for greater customer consultation in its development. Potential changes to underlying calculations were identified where benefit valuation could be made more robust.</p>	Achieving
Was the forecasting approach valid?	<p>Urbis' overall assessment of the benefit forecasting approach, with the primary input being time savings (either to regulators or customers in application and processing) is valid. While some of the assumptions underneath the forecasted time savings were not clear (likely based on estimates provided by BRD subject matter experts), the to date Program has expedited licence processing times compared to what was forecast. Stakeholders reported forecasts for future licence schemes are reviewed and updated based on previous performance in the Discovery phase of new licence schemes.</p> <p>Forecasts may be impacted by:</p> <ul style="list-style-type: none"> ▪ Extended regulator periods operating in 'hybrid mode' while implementing the Program which may impact benefit realisation ▪ The extent to which regulators have already digitised licensing system processes, separate to the Licensing Program. 	Achieving

The Benefits Framework is appropriate for the program

Assesment against evaluation questions

EVALUATIONS QUESTIONS	KEY FINDINGS	ASSESSMENT
Are the identified benefits being captured appropriately?	<p>There is a robust system for capturing benefits compared with benefit forecasts, involving monthly tracking for each licence scheme that has gone live. Departmental stakeholders reported benefit realisation has been embedded in all key program processes. Benefit reviews, while frequent, could focus more on underlying benefit values so opportunities for valuation improvement and additional quantifiable benefits are captured.</p>	Achieving
Are there any benefits of the Licensing Program that have been observed, outside of what was included in the Benefits Framework?	<p>The Benefits Framework captures six quantifiable benefits of the Licensing Program. Three are related to customer time savings, including improved customer productivity which comprises the bulk of benefits delivered, while three are related to time and cost savings to Government.</p> <p>We would assess the Framework is capturing the key benefits of the Program. Urbis' evidence review of comparable domestic and international programs did not find additional quantifiable benefits that were suitable for the Program to include in the Benefits Framework. Stakeholders familiar with the Benefits Framework largely agreed the benefits being captured by the Framework at this stage reflected the Program's key outcomes.</p> <p>Future benefits of the Program are likely to emerge as the program matures, or updated data that enables enhanced valuation. The Benefits Framework does not identify any disbenefit, but we note that full benefits of the Program will only be realised through effective change management.</p>	Achieving

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Appendix B Assessment against NSW Benefits Realisation

Introduction

Context

The Licensing Program (the Program) is a digital transformation delivered by the Department of Customer Service (DCS or the Department) of over 130 different industry or occupational licences administered by multiple agencies and regulators, to a single licensing platform, Licence.NSW. The scope of work encompasses five key areas:

1. Migrating all licence schemes onto single common platform, Licence.NSW
2. Digitising application, assessment and workflow processes, and interfaces of licences
3. Optimising licensing processes for NSW licences
4. Developing digital licence artefacts for customers
5. Migration of data from old platform (GLS) to new Licence.NSW platform.¹

The Program is anticipated to deliver over \$700m worth of benefits to NSW over ten years. Program benefits can be considered as either internal benefits, which are estimated to comprise 13% of overall program benefits (benefits to regulators or Government) or external benefits, which are estimated to comprise 87% of overall program benefits (benefits to customers).²

There are three internal benefits tracked by the program:

1. improved DCS productivity through a reduction in processing times;
2. Departmental savings associated with no longer using Government Licensing System (GLS), and;
3. other cost savings related to no longer needing an external provider to process some licence types (Australia Post).³

There are also three external benefits:

1. improved customer productivity from reduced processing times for licences, enabling applicants to receive an outcome on their application and enter the workforce faster – this benefit comprises 94% of external benefits, which in turn contributes 87% of overall program benefits;
2. reduced application times for licences resulting in reclaimed leisure time for customers, and;
3. reduced renewal and maintenance times for licences, also resulting in reclaimed leisure time for customers.⁴

¹ Ibid, p.15.

² Department of Customer Service (2023). Internal document.

³ Ibid.

⁴ Ibid.

Assessment against NSW Benefits Realisation Framework

This document

The Department has engaged Urbis to undertake an evaluation of the Program. The evaluation has two key objectives:

1. Evaluate the Licensing Program delivery approach, to ensure it will allow the Program to meet the requirements of customers, regulators and Government.
2. Review the Licensing Program Benefits Realisation Framework to ensure it is robust and accurately reflects the impacts on customers, regulators and Government.⁵

This document addresses the latter objective, the review of the Licensing Program Benefits Realisation Framework (the benefits framework).

Our approach

In 2018, the Department of Finance, Services and Innovation published the Benefits Realisation Management Framework for effective benefit realisation management across NSW Government. The Framework provides best practice principles and concepts for successful benefit realisation management in NSW Government agencies.⁶

This document assesses the alignment of the Licensing Program's Benefits Framework with the **ten principles** outlined in the NSW Benefits Realisation Management Framework:

1. A benefit is a measurable improvement resulting from an outcome which is perceived as an advantage by a stakeholder.
2. Benefits must be aligned to the organisation's strategic goals.
3. Benefits need to be first understood as outcomes. Benefits are the reason an investment is made.
4. Benefits must be measurable and evidence-based in order to demonstrate that an investment provides value.
5. Benefits can only be realised through change and change can only be sustained by realising benefits.
6. Benefits need to be owned by appropriate sponsors and managers, not by the program/project manager.
7. Intermediate benefits are needed to realise end benefits (and are just as important).
8. Benefits are dynamic; they need to be regularly reviewed and updated.
9. Keep the number of benefits monitored and reported to a sensible, manageable number.
10. Benefits management should be integrated with other organisational processes, including Project Management.⁷

⁵ From Urbis' project plan

⁶ Department of Customer Service (2020). *Benefits Realisation Management Framework*. Available from: <https://www.nsw.gov.au/department-of-customer-service/publications-and-reports/benefits-realisation-management-framework>

⁷ Department of Finance, Services and Innovation (2018). *Benefits Realisation Management Framework*. Part 1: Principles, p.5. Available from: <https://www.nsw.gov.au/sites/default/files/2020-11/brmf%20principles.pdf>

Assessment against NSW Benefits Realisation Framework

It also assesses the alignment of the Program's Benefit Framework with key process steps outlined in the NSW Benefits Realisation Management Framework:⁸

- **Understand phase**
 - Articulating the vision, objectives, key principles and business context of the benefits
 - Collaborate with stakeholders to identify and map the benefits
 - Develop a benefits realisation strategy
 - Obtain sponsorship buy-in and ownership of benefits
- **Plan phase**
 - Classify benefits and identify benefit measures
 - Value benefits
 - Establish governance and confirm benefit ownership
- **Manage & report phase**
 - Operationalise the benefits register or benefits tracking tool, and agree final targets
 - Monitor program progress and review against baseline
 - Update benefits deliverables
 - Establish progress reporting and ongoing BAU reporting responsibilities
 - Update benefits deliverables
 - Establish progress reporting and ongoing BAU reporting responsibilities
- **Evaluate phase**⁹

This document also identifies opportunities for review or improvement of the Licensing Program's benefits framework.

Data sources

Our assessment is based on the following data sources:

- Stakeholder consultation (n=30 interviews) with Department of Customer Service (DCS) stakeholders, including the Licensing Program team, senior leaders in associated teams/ divisions within DCS, and regulators, as well as a small number of stakeholders outside the Department that had involvement in the program. Not all stakeholders were able to comment on the benefits framework.
- Survey of Departmental and regulator stakeholders (n=18 completed responses).
- Review of program documentation, including:
 - the Licensing Program business case;
 - Subsequent addenda to the business case, comprising Addendum II, Addendum III and Addendum IV;
 - the financial model, and Domo dashboard outputs.
- Urbis' evidence reviews of other digital transformation and/or occupational licensing programs.

Assessment categories

We have categorised the Licensing Program's benefits framework against the NSW Benefits Realisation Management Framework into three categories:

- Achieving – the program is satisfying the requirements of the Benefits Realisation Management Framework.
- Partially achieving – the program is mostly satisfying the requirements of the Benefits Realisation Management Framework, but there may be some areas for improvement or expected changes that have not yet been realised.
- Needs improvement – the program should reassess its current approach to satisfy the requirements of the Benefits Realisation Management Framework.

⁸ Some process points have been adapted or are not included in this assessment due to lack of relevance.

⁹ Department of Finance, Services and Innovation (2018). Benefits Realisation Management Framework. Part 2: Process. Available from: <https://www.nsw.gov.au/sites/default/files/2020-11/brmf%20process.pdf>

Assesment against NSW Benefits Realisation Framework

Limitations

The key limitations for our assessment are:

- Staff turnover and loss of program memory - there has been some staff turnover since the Benefits Framework was initially developed and operationalised, and there has been an associated loss of knowledge which may have impacted this assessment. For example, the Program's benefits analyst role was recently vacated, so we were unable to consult with this key stakeholder for the benefits framework at the time of our evaluation.
- Availability of information - based on the program documentation available to us, we could not always assess why some decisions concerning the Benefits Framework had been made (i.e., the basis of some of the assumptions and inputs used to value some benefits).

Assessment against the Principles of NSW BRM framework

The ten principles set out in the NSW Benefits Realisation Management Framework guide effective Program benefit realisation. In our assessment, the Program is achieving or partially achieving all ten principles, which indicates a sound Program Benefits Framework. There may be opportunities for more effective regulator alignment to the customer-centric strategic goals of the Department and NSW Government that form the basis of Program benefits, as well as enhanced change management processes in regulators so benefits can be realised, and strengthened processes for measurement and review of benefits.

#	Principles	Assessment	Reason For Assessment
1	Benefits must result from advantageous outcomes	Achieving	<p>The quantified benefits of the Program are linked with outcomes advantageous for all stakeholders involved – the Department and whole-of-Government through cost savings, and for regulators and customers in terms of time savings.</p> <p>A broad approach was taken to considering benefits – in addition to the quantified benefits described earlier, the Program also identified a range of non-quantifiable, non-financial benefits delivered by the Program in the initial business case that would be advantageous for Government, regulators and customers. These included improved customer satisfaction, higher quality licensing, more effective regulators and improved data sharing.</p>
2	Benefits must be aligned to the organisation’s strategic goals	Partially achieving	<p>Benefits tracked by the Program, particularly the ‘external’ benefits to customers, are strongly aligned to both DCS strategic goals as well as whole-of-Government goals around providing more customer-centric services. Regulators are a key interdependency for realisation of Program benefits, with respect to both internal time savings and external benefits to customers. However some Program team stakeholders reported that in their experience, the customer experience has not been the top priority among regulators, which creates some tension with this Program where benefits (and therefore decision-making processes) are heavily weighted towards customers rather than regulators. This is changing in at least some regulators, with an external review of the Better Regulation Division identifying more customer-centric services as an area for improvement. The experiences of Program team stakeholders may point to the need for the Program to further work with regulators for better alignment on customer-centric service provision, and ensure Program benefits are realised in full. However, we acknowledge there are many other factors outside the Program’s control that impact regulator service provision.</p>
3	Benefits need to be first understood as outcomes – benefits are the primary reason an investment is made	Achieving	<p>The identified benefits of the Program are closely linked with the key Program objectives of providing a better licensing experience for customers and create a new foundation for the NSW regulatory environment.</p>

Assesment against NSW Benefits Realisation Framework

#	Principles	Assessment	Reason For Assessment
4	Benefits must be measurable and evidence-based	Partially achieving	<p>Aside from small operating cost savings associated with going digital, time savings are the critical input into benefit realisation. This has been linked with a range of outcomes for regulator and customer stakeholders. Based on data tracked across licence schemes digitised under the Program, the Program has expedited licence processing times compared to what was forecast. This would have resulted in measurable beneficial outcomes for regulators and especially customers through reduced application times and wait times for the licence outcome.</p> <p>The largest benefit category, customer productivity uplift, is dependent on an assumption that customers enter the workforce as soon as they receive a licence – we would assess that receiving a licence earlier is likely to result in an earlier start to employment, but it's unclear whether the benefit can be realised as soon as the licence is provided. As this is a significant contribution to the overall forecast Program benefits, the extent to which this assumption holds true should be investigated.</p>
5	Benefits can only be realised through change and change can only be sustained by realising benefits	Partially achieving	<p>Regulators are a critical interdependency for the Program to realise benefits, and the Program has invested significantly in change management processes to ease the transition for regulators in reflection of this. This includes dedicated change management resources for regulators with significant licence schemes (Better Regulation Division), regulatory owners and business analysts embedded in product teams.</p> <p>However, we heard some evidence from Program team and regulator stakeholders that the change was not occurring as smoothly as possible. Reasons cited included the need for regulators to operate in 'hybrid mode' (using a combination of new and legacy systems to process applications) until the platform is in steady state - regulator stakeholders reported this was a complicated way to operate and were sceptical about the extent to which they could realise forecast processing time savings until after this period was over. There were also reported difficulties that emerged for regulators in working with the Program team's agile approach (particularly planning difficulties). Despite current change management processes implemented by the Program, these issues may negatively impact benefit realisation if they translate to a reduction in the time saved relative to what was forecast.</p>

Assesment against NSW Benefits Realisation Framework

#	Principles	Assessment	Reason For Assessment
6	Benefits need to be owned by appropriate sponsors and managers, not by the program/project manager	Achieving	There are clear benefits governance processes in place for the Program. The Program has a benefit manager and benefit realisation analyst role that have responsibility for benefits and benefit realisation reporting. We would also observe there was a high level of understanding of the benefits framework across the Program, including among senior leadership and across the product teams.
7	Intermediate benefits are needed to realise end benefits	Achieving	The benefits realised by the Program are tracked monthly for each licence scheme that has gone live. This provides ongoing feedback about how the Program is tracking compared with forecasts. Stakeholders reported the Program is achieving benefits quicker than forecast despite delayed delivery of some licence schemes, as the time savings achieved have been greater than anticipated.
8	Benefits are dynamic; they need to be regularly reviewed and updated	Partially achieving	<p>The benefits realised for each licence scheme are regularly updated and reviewed. The benefits framework is also subject to external review due to Program funding requirements, in the form of frequent Digital Restart Fund reporting to access tranche funding. As the Program is a significant technology investment, the benefits framework is also subject to reviews under the ICT Assurance Framework.</p> <p>We would observe that these reviews are mostly focused on actual time savings compared with what was forecast for each licence scheme. This is important, but we would recommend that the benefits review process should also incorporate some assessment of the underlying benefit values. It doesn't appear that these values have been revisited despite potential valuation improvements. This review did not find that the framework omitted any quantifiable benefits, but the Program should also remain alert to new benefit categories that emerge from the Program that could be quantified, or new data that enables known non-financial, currently non-quantifiable benefits to be quantified.</p>

Assessment against key process steps: Plan phase

#	PRINCIPLES	ASSESSMENT	REASON FOR ASSESSMENT
9	Keep the number of benefits to a practical, manageable number	Achieving	The most important benefits of the Program around customer and regulator time savings had been valued and were being tracked. As the Program grows in maturity there may be opportunity for more benefits to be tracked, or measurement of existing benefits to be enhanced (as detailed in Principle #8 above). In particular, multiple stakeholders expressed freeing up regulator time to perform higher-value tasks as a key benefit of the Program – as the Program develops further, and evidence about the extent to which this has occurred becomes clearer, this could be valued instead of or in addition to regulator time savings realised.
10	Benefits management needs to be integrated with other organisational processes, including project management	Achieving	<p>Benefit realisation has been embedded in all key Program processes, most notably as a key parameter in decision-making about future licence schemes or features. This process resulted in higher- benefit schemes or licence features being prioritised and delivered to customers earlier, thus maximising benefits.</p> <p>The Program has effectively communicated Program benefits to senior leadership within regulators, and this has assisted in developing regulator buy-in to the Program. For regulator staff in more implementation-focused or hands-on roles, it has taken longer for the benefits of the Program to become clear, but Program team and regulator stakeholders report this is improving. Program team stakeholders report benefits have been used as an advocacy tool for the Program, particularly with regulators, around which licence schemes and features to prioritise and their potential benefit.</p>

Assessment against key process steps: Plan phase

The 'Plan' phase involves prioritising the benefits and the business changes required to develop a plan to achieve objectives.¹⁰ Overall we would assess the Program has a strong plan to achieve its overall objectives, including appropriate prioritisation of benefits and clearly defined benefits governance and ownership – the only area we would recommend revisiting would be how some benefits have been valued, particularly the customer productivity and time savings benefits. Our suggestions for benefit values would include:

- Industry value add (IVA) values should be assigned to licences in alignment with Federal Government labour market data. For example, motor vehicle licences and the security licence are classified in the Benefits Framework as 'professional, scientific and technical services' – occupations that would be associated with each of these licence schemes are more commonly classified as 'other services' (for the motor vehicle licences) and 'public administration and safety' for security. These industries have a lower IVA than professional, scientific and technical services, revising the Program's total expected benefit downwards.
- We recommend updating IVA per person to account for all business sizes, as this is a small subset of workers to stake Program benefits on (only represents 16% of all workers in the reference year of 2019).
- IVA is an industry-wide approach, which aggregates the varying occupations and skills levels within each industry into an overall value-add figure. Generally, skill level and value add are correlated – the higher the skill level, the greater the relative value add. Within each industry, higher-skilled occupations tend to add a higher proportion of value add than lower skilled occupations. We are of the opinion that taking into account these varying occupations and skill levels within each industry would strengthen the Benefits Framework.
- Plant licences and recreational licences are currently valued in the same manner as occupational licences despite having differing implications. While recreational licence benefits may be overstated by the Benefits Framework, benefits from plant licence schemes are likely to be significantly understated.
- The value used by the Benefits Framework as an estimate of the value of leisure time is conservative – \$11 per hour is currently used, but our calculations would put this as a range between \$14 per hour to \$36 per hour.

¹⁰ 11Department of Finance, Services and Innovation (2018). Benefits Realisation Management Framework. Part 2: Process, p.6. Available from: <https://www.nsw.gov.au/sites/default/files/2020-11/brmf%20process.pdf>

Assesment against NSW Benefits Realisation Framework

Process Step ¹¹	Assessment	Reason For Assessment
Classify benefits and identify benefit measures	Achieving	The primary benefits of the Program had been valued and were being tracked. Benefit measures are largely based on time savings which are tracked monthly for each licence scheme. The Program has also identified a broad range of non-financial benefits delivered by the Program.
Value benefits	Needs improvement	We would assess that there are opportunities for improvement in some of the valuations of benefits outlined in the initial business case, and in subsequent business case addendums and updates – these are outlined from Section 3.2.1 below. Program benefits can be considered as either internal benefits, which make up 13% of overall Program benefits (benefits to regulators or Government) or external benefits, which make up 87% of overall Program benefits (benefits to customers).
Establish governance and confirm benefit ownership	Achieving	Benefit tracking and ownership is primarily managed by the benefit manager and benefit analyst. Within the Program team, we observed that senior leadership have a strong understanding of and ownership over Program benefits.

¹¹ Note: some steps have been adapted or are not included here due to lack of relevance.

Assessment against NSW Benefits Realisation Framework

Customer productivity benefits

This report's suggested improvements to the Benefits Framework are focused on external benefits, particularly customer productivity and reduction in application times. As customer productivity benefits represent the majority of forecast benefits of the program, this was the starting point for Urbis' review of how benefits were valued. In Business Case Addendum IV, it is noted that forecast customer productivity benefits are overwhelmingly derived from a small number of licence schemes, being motor vehicle repairer, motor vehicle tradesperson, plant equipment registration, property certificate, individual property licence, home building, security, and tow trucks.¹² These licence schemes, along with a small number of other schemes including paintball, were valued in the latest version of the business case's financial model reviewed by Urbis.

Licence classification to industry value add

Firstly, we observed some anomalies in how licence schemes were classified to industry value add (IVA) data sourced from the Australian Bureau of Statistics (ABS). IVA was used as a proxy for the productivity uplift experienced by customers and is therefore key component of the benefits equation (number of applications multiplied by time savings multiplied by industry value add). While most IVA values were appropriate, such as the Home Building licence being classified to the IVA value for the Construction industry, at least two values were not appropriate and have likely overstated the benefits for these licence types – this is the motor vehicle repairer and motor vehicle tradesperson licences, and security licences. All of these licence schemes appear to be assigned to the IVA value for 'professional, scientific and technical services', with an estimated IVA above the baseline of \$247 per worker per day.¹³

However, based on Australian Government Labour Market Insights data, occupations that are likely to require such licences do not work in the professional, scientific and technical services industry. For the motor vehicle licences, car repair and maintenance is typically classified as being part of the 'other services' industry.¹⁴ Key occupations that would require this licence type, notably motor mechanics, are classified in this industry – 63% of motor mechanics work in 'other services'.¹⁵ Similarly, occupations requiring a security licence would be more appropriately classified as forming part of the 'public administration and safety' industry, which includes public safety and security services.¹⁶ 74% of security officers and guards are employed in this industry.¹⁷

We recommend that the IVA values assigned to these licences be revised to be more in line with the industries these occupations align with – other services for the two motor vehicle licences, and public administration and safety for the security licence. The IVA values for both industries are less than the professional, scientific and technical services value – this is \$87 above the baseline per worker per day for other services, and \$137 for security. This will also revise the benefits forecast downwards for these licence schemes. This should also be revised in line with our recommendations to account for occupation and skill level, outlined below.

Small business assumption

The figure for each industry's value-add was drawn from small business only (businesses with between 5- 19 employees) – in other words, the industry value add per worker is only calculated for workers in businesses of 5-19 employees. The financial model does include an explanation that micro enterprises (0-4 employees) and larger enterprises (200 or more employees) were assumed to hire more experienced workers. We presume this is an attempt to account for the likelihood that workers applying for licences are likely to be inexperienced, as opposed to more experienced workers who would be more likely to already hold a licence and thus only renew/maintain their licence.

However, small business workers represent just 16% of all workers in the reference year of 2019. This is a small subset of workers to stake program benefits on relative to the strength of this assumption. We would recommend updating IVA per person to account for all business sizes. In doing so, the baseline should also be updated to reflect all business sizes, as this is similarly based on small business workers only.

¹² Department of Customer Service (2022). *Licensing Program: Business Case Addendum IV*.

¹³ Note: the licence classification for security licences is not clearly outlined, however the value of \$247 has been used.

¹⁴ Australian Government (2023). Other Services. Available from: <https://labourmarketinsights.gov.au/industries/industry-details?industryCode=S>

¹⁵ Australian Government (2023). Motor Mechanics. Available from: <https://labourmarketinsights.gov.au/occupation-profile/Motor-Mechanics?occupationCode=3212>

¹⁶ Australian Government (2023). Public Administration and Safety. Available from: <https://labourmarketinsights.gov.au/industries/industry-details?industryCode=O>

¹⁷ Australian Government (2023). Security Officers and Guards. Available from: <https://labourmarketinsights.gov.au/occupation-profile/Security-Officers-and-Guards?occupationCode=4422>

Assesment against NSW Benefits Realisation Framework

There will be some difference to benefits realised and forecast resulting from this change. The baseline value add will be inflated from its previous value of \$186 per worker to \$231 per worker. In some key industries for the Benefits Framework, such as the construction industry (due to the significant number of applications for the Home Building licence scheme), larger firms contribute a higher proportion of IVA per worker relative to smaller businesses. Therefore, benefits for the construction industry and similarly structured industries will be revised upwards – in the case of the construction industry, the licensing program benefit values rise marginally from \$201 per worker to \$208 per worker.

Occupation and skill level

IVA is an industry-wide approach, which aggregates the varying occupations and skills levels within each industry into an overall value-add figure. Generally, skill level and value add are correlated – the higher the skill level, the greater the relative value add. Within each industry, higher-skilled occupations tend to add a higher proportion of value add than lower skilled occupations. We are of the opinion that accounting for these varying occupations and skill levels within each industry would strengthen the Benefits Framework.

Occupational skill levels are classified into five categories, from Level 1 (occupation requires a highly skilled worker) to Level 5 (low-skilled). Each industry has a different distribution of skilled occupations, with some industries (such as professional, scientific and technical services) having a greater proportion of highly skilled or Level 1 occupations, while other industries may be comprised of mostly low-to-medium skilled workers. Using earnings as a proxy for value add, as it is assumed that workers are paid based on the value they add, we can estimate the approximate proportion of value each skill level contributes to their industry. For example, Skill Level 1 workers earn on average \$1,787.40 per week, while Skill Level 5 workers earn \$660.80 per week.

Based on occupation data from the 2016 Census, using the Australian and New Zealand Standard Classification of Occupations (ANZSCO), we can estimate the proportion of workers in each industry that fall into each skill level category. Not all workers in an industry are represented in this data, but this is assumed to follow the distribution of the whole industry as the majority of workers in each industry are reflected. For example, in the construction industry, approximately 12% of workers are in Level 1 occupations while 52% are in Level 3.¹⁸

By multiplying the number of people employed in each skill level within each industry by earnings, we can calculate 'Gross Value Added' (GVA) for each skill level and its proportion of the total for the industry. For example, 12% of workers in the construction industry work in Level 1 occupations, but based on our calculations would contribute approximately 17% of the value. This can then be used to calculate IVA per worker per day for each skill level, so the IVA figure used in the Benefits Framework can then take into account the distribution of skill levels within the industry.

Valuing recreational licences

The methodology used to estimate the benefits for customers of receiving licences earlier is most appropriate for occupational licences, as there are clear productivity benefits stemming from customers receiving licences faster and presumably entering the workforce earlier. However, there could be improvements in valuing other licence types, being plant licences and recreational licences, as currently both are valued in the same manner despite having differing implications to occupational licences.

Currently, the only recreational licence valued as part of the Benefits Framework is paintball, which is categorised as part of the other services industry. Some applicants for this licence will be commercial proprietors or employees that require this licence as a condition of employment. For these individuals, productivity benefits are appropriate to value. While data on paintball employment is scarce, the paintball industry may be better classified under the 'arts and recreation services' industry rather than 'other services', which would change the benefit calculation.

¹⁸ Australian Government (2023). 'Labour Market Insights: Construction'. Available from: <https://labourmarketinsights.gov.au/industries/industry-details?industryCode=E>. Data downloads: Occupations related to each Industry, by Skill Level.

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However, many applicants would also be applying for non-business reasons, i.e., to pursue paintball or own paintball equipment as a hobby or leisure activity. For individuals applying for these reasons, it is less appropriate to rely on IVA to calculate benefits, as benefits are not linked to improved productivity. Instead, benefits could be derived from the individual being able to pursue their leisure activity of choice sooner than what they could under GLS. In these instances, it might be more appropriate to focus on alternative methods to estimate the benefit – the economic contribution of recreational activities has typically been valued through the spending made by individuals in pursuing these activities. There have been at least two studies in the NSW context valuing the economic impact of certain recreational pursuits that have used these methods, being recreational fishing¹⁹ and hunting²⁰, the former of which will be one of the licence schemes transformed by the Program. The recreational fishing study estimated that anglers spent between \$27 and \$32 per day in direct expenditure (i.e. directly related to fishing, such as tackle and bait) during day trips, or between \$12 and \$16 in direct expenditure on overnight trips, as a proxy for recreational fishing's economic impact.²¹ Indirect expenditure (not related to fishing but related to the reasons for travel, including accommodation) was estimated at between \$17 and \$57 per day for day trips, and between \$112 and \$132 per day for overnight trips.²² No such impact study exists for paintball in NSW or in other jurisdictions based on Urbis' research – the paintball licence may then not be able to be valued until this literature exists, or could be approximated based on the fishing estimate.

To Urbis' knowledge, there is no way to know from the current data whether individuals applying for recreational licences are doing so for employment or leisure reasons, so an informed assumption will need to be made about the split of application types between these two cohorts for licences such as paintball which may service both groups.

There is also a case that recreational licence types should not be valued at all under the Benefits Framework. It could be considered that receiving recreational licences sooner or later may simply displace individual recreational activity consumption. In this reading, recreational activity consumption may be brought forward or delayed based on when the licence is received by the customer. However, there is no benefit generated for customers by expediting the processing time (all application and regulator time savings would still hold) as they are indifferent about when they receive the licence. This is unlike occupational licences, where there would be a strong customer preference to receive their licence earlier, as this could provide them with a material benefit in enabling them to pursue their livelihood sooner.

¹⁹ Dominion Consulting (2003). Identifying the recreational fishing expenditure of Sydney's recreational fishers and its economic and social importance in regional communities of NSW. Prepared for the Recreational Trust Fund, NSW Fisheries. Available from: https://www.dpi.nsw.gov.au/data/assets/pdf_file/0004/151960/sydney-survey.pdf

²⁰ RM Consulting Group (2017). Economic impact of recreational hunting in NSW. Prepared for the Game Licensing Unit, Department of Primary Industries. Available from: https://www.dpi.nsw.gov.au/data/assets/pdf_file/0007/723454/economic-impact-of-recreational-hunting-in-nsw.pdf

²¹ Dominion Consulting (2003). Identifying the recreational fishing expenditure of Sydney's recreational fishers and its economic and social importance in regional communities of NSW. Prepared for the Recreational Trust Fund, NSW Fisheries. Available from: https://www.dpi.nsw.gov.au/data/assets/pdf_file/0004/151960/sydney-survey.pdf

²² Ibid.

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Valuing plant licences

Like recreational licences, the Benefits Framework may not fully account for the benefit of expediting plant licences, particularly plant item registrations. These are currently valued in a similar manner as occupational licences for construction workers (i.e., using construction worker IVA). However, expediting the registration of plant items has a different and potentially far greater impact than the licence of an individual worker, due to the greater improvement in productive capacity that plant items can provide. For example, a new crane that is sitting idle until it is registered would provide a much greater benefit if the registration process was expedited than a single construction worker awaiting their Home Building licence (or similar) – yet they are valued in the same way under the Benefits Framework. In our view, the Benefits Framework greatly underestimates the potential benefit to NSW for expediting the plant item registration process.

Valuing plant items is complex, as the value provided is dependent on the item in question and on the context in which the plant item operates. Depending on the item in question, a range of approaches could be considered. For example, the value of the item could be represented by the willingness to pay for an hour or day of machine use, which could be proxied by market rental rates.

Reduction in application, renewal and maintenance times for customers

With respect to reduced customer application time, the benefits associated with this are calculated based on an estimate of people's leisure time. 45% of the median wage has been used as a proxy for people's leisure time based on a 2004 study,²³ yielding an approximation of \$11 per hour or \$88 per day. This approach is in line with best practice approaches used in other fields, such as transport economics – under Transport for NSW guidelines, non-business travel is valued at 40% of average hourly earnings.²⁴ We observe the median hourly wage in NSW as at August 2018 (for consistency with the business case which uses FY19 as the baseline year for most figures) was \$31.70.²⁵ This would place the value of leisure time at closer to \$14 per hour, or \$112 per day. Further, if this figure was based on current median wage data (\$37.30), the leisure time value would be closer to \$17 per hour.

²³ Larson, DM & Shaikh, SL (2004). 'Recreation demand choices and revealed values of leisure time', *Journal of Economic Inquiry*, vol. 42, no. 2, pp 264-278.

²⁴ Transport for NSW (2016). *Principles and Guidelines for Economic Appraisal of Transport Investment and Initiatives*, p.241. Available from: <https://www.transport.nsw.gov.au/sites/default/files/media/documents/2017/principles-and-guidelines-for-economic-appraisal-of-transport-investment.pdf>

²⁵ ABS (2022). 'Employee earnings'. Available from: <https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/employee-earnings/latest-release>. See data downloads: Table 1 – Employee earnings, 1975-2022.

Assessment against key process steps: Manage & report phase

The 'Manage & Report' phase involves measurement of Program outcomes to proactively support the delivery of benefits.²⁶ The Program is achieving against all 'manage & report phase' process steps – there is a benefits tracking tool (Domo dashboard) which has been operationalised and is reported against for each licence scheme delivered on a monthly basis.

PROCESS STEP	ASSESSMENT	REASON FOR ASSESSMENT
Operationalise the benefits register or benefits tracking tool, and agree final targets; update benefits deliverables as required	Achieving	The Program captures data on the time savings to customers and regulators achieved by the Program through a Domo dashboard. Reported benefit realisation has been embedded in all key Program processes, most notably as a key parameter in decision-making about future licence schemes or features.
Monitor Program progress and review against baseline	Achieving	The benefits realised by the Program are tracked monthly for each licence scheme that has gone live, providing ongoing feedback about how the Program is tracking compared with benefit forecasts. The Program is achieving benefits quicker than forecast despite delayed delivery of some licence schemes, as the time savings achieved have been greater than anticipated.
Establish progress reporting and ongoing BAU reporting responsibilities	Achieving	As above, the benefits realised by the Program are tracked monthly for each licence scheme that has gone live. We observed a strong understanding of the Program's Benefits Framework, and benefit tracking and reporting, among senior leadership and across the Program. Ongoing BAU reporting responsibilities are primarily held by the Program's benefit analyst role.

²⁶ Department of Finance, Services and Innovation (2018). Benefits Realisation Management Framework. Part 2: Process, p.7. Available from: <https://www.nsw.gov.au/sites/default/files/2020-11/brmf%20process.pdf>

Assesment against NSW Benefits Realisation Framework

Assessment against key process steps: Evaluate phase

The objective of the 'Evaluate' phase is to "identify learnings from Program activities to inform strategic decisions and priorities".²⁷ This document, along with the process evaluation that accompanies it, satisfies in part the requirements of the 'Evaluate' phase of the Benefits Realisation Management Framework.

The scope and purpose of the evaluation was jointly determined by Urbis and the Department, and included four key evaluation questions related to the Benefits Framework that have been answered in the process evaluation document:

- Were the assumptions and approach of the benefits realisation model, including the underlying calculations, accurate?
- Was the forecasting approach valid?
- Are the identified benefits being captured appropriately?
- Are there any benefits of the Licensing Program that have been observed, outside of what was included in the Benefits Framework?

²⁷ Department of Finance, Services and Innovation (2018). Benefits Realisation Management Framework. Part 2: Process, p.7. Available from: <https://www.nsw.gov.au/sites/default/files/2020-11/brmf%20process.pdf>

Appendix C Baseline Survey data

Baseline Survey data

Demographics

What is your organisation?

NSW Department of Customer Service - Government Technology Platforms	20
NSW Department of Customer Service - Fair Trading NSW	3
NSW Department of Customer Service - other	3
Office of Sport	1
TAFE NSW	1
National Electrical & Communications Association	1
NSW Department of Customer Service - SafeWork NSW	1
Elevator Company	1
Master Builders Association	1
Total	32

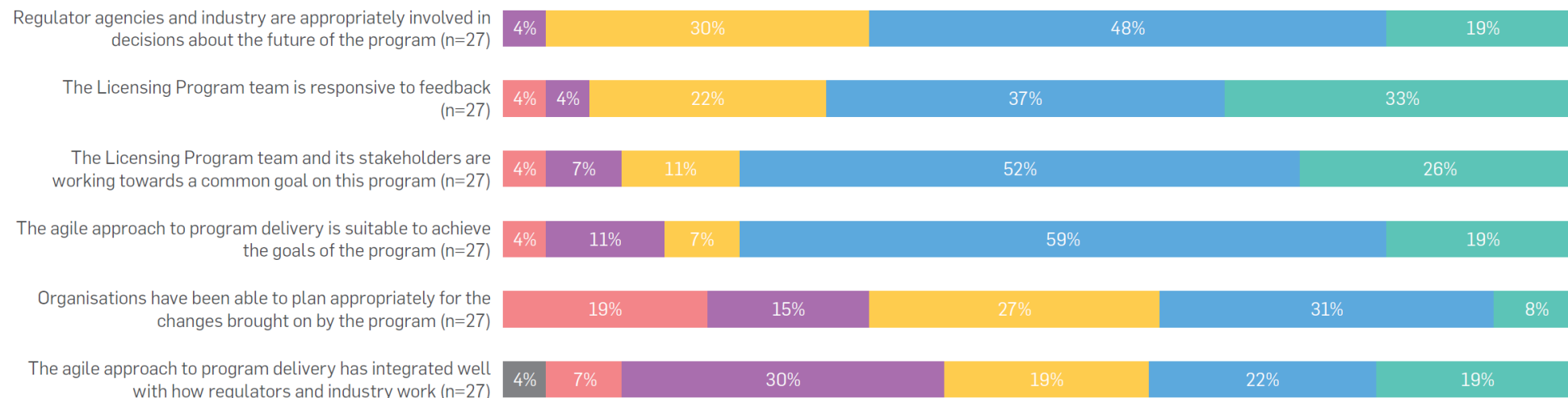
What is your role?

Product delivery	12
Architect / developer / technical delivery	6
Senior executive	4
Regulator / regulatory transformation	3
Industry innovation specialist	1
Manager - Licensing area	1
Senior manager	1
APO	1
Program management	1
Safety	1
Engineering manager	1
Total	32

Are you involved with a licensing scheme that has gone live in the AMANDA Platform as part of Licence.NSW??

Yes	27
No	4
Total	31

Sentiment towards delivery approach



Appendix D

Acronyms



List of acronyms

Acronym	Meaning
BA	Business Analyst
BAU	Business As Usual
BRD	Better Regulation Division
CCE	Complaints, Compliance and Enforcement
DCS	Department of Customer Service
DRF	Digital Restart Fund
FTE	Full-time Equivalent
GLS	Government Licensing System
GTP	Government Technology Platforms

IAF	International Accreditation Forum
IVA	Industry Value Add
NT	Northern Territory
RO	Regulatory Owner
SME	Subject Matter Expert
ToT	Team of Teams
UAT	User Acceptance Testing

