

**Stratplan—Department
of Social Security ADP
Re-equipment Program—
Final Report**

Report

284

Joint Committee of
Public Accounts



THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
JOINT COMMITTEE OF PUBLIC ACCOUNTS

REPORT 284

**STRATPLAN - DEPARTMENT OF
SOCIAL SECURITY ADP RE-EQUIPMENT
PROGRAM - FINAL REPORT**

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CANBERRA 1987

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DUTIES OF THE COMMITTEE

Section 8.(1) of the Public Accounts Committee Act 1951 reads as follows:

Subject to sub-section (2), the duties of the Committee are:

- (a) to examine the accounts of the receipts and expenditure of the Commonwealth including the financial statements transmitted to the Auditor-General under sub-section (4) of section 50 of the Audit Act 1901;
- (aa) to examine the financial affairs of authorities of the Commonwealth to which this Act applies and of intergovernmental bodies to which this Act applies;
- (ab) to examine all reports of the Auditor-General (including reports of the results of efficiency audits) copies of which have been laid before the Houses of the Parliament;
- (b) to report to both House of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
- (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
- (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

(iv)

PREFACE

When Cabinet gave approval in May 1983 to the Department of Social Security's proposal to re-equip its computing capability, it requested that the Joint Parliamentary Committee of Public Accounts monitor the project on behalf of the Parliament. The project was known as Stratplan.

The Committee's first report on Stratplan, Report 225, was tabled in October 1984. The second report on Stratplan, Report 237, was tabled in August 1985 and consisted of responses in the form of a Department of Finance Minute to the Committee's conclusions and recommendations from Report 225.

The purpose of the Committee's reports on Stratplan has been twofold, viz.:

- to bring to the Parliament's and Government's attention any continuing areas of concern in the implementation of Stratplan and recommend appropriate action; and
- to identify any deficiencies or difficulties in the formulation and implementation of Stratplan and to make recommendations as to how these might be avoided in any future major ADP re-equipment programs.

During the latter phase of its inquiry the Committee's intention has been to pursue any outstanding matters and this report covers those issues plus several matters dealt with in Report 225 for which satisfactory responses were not provided in Report 237. It is anticipated that this will be the Committee's final report on its monitoring of the implementation of Stratplan other than any responses to issues raised in this report which result in the tabling of a further Finance Minute.

For and on behalf of the Committee.

R E Tickner, MP
Chairman

M J Talberg
Secretary
Joint Committee of Public Accounts
Parliament House
CANBERRA ACT
28 October 1987

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LIST OF CONCLUSIONS AND RECOMMENDATIONS

Industrial Action in 1984-85

The Committee concludes that:

- the Department of Social Security was unprepared for the level of industrial action that occurred in 1984-85;
- the Department of Social Security had no contingency plans in 1984-85 to cope with industrial action and therefore had no fall-back position which could relieve the pressure being brought to bear by the unions;
- the Department of Social Security had developed no initiatives in 1984-85 to translate projected efficiency gains from Stratplan into job restructuring, redesign or reclassification and so improve staff opportunities; and
- the Department of Social Security lost the initiative to the unions in 1984-85 resulting in concessions which generated totally unplanned and unpredicted increases in the Department's staffing levels.

Guidelines for Consultation on Technological Change

The Committee concludes that:

- the Public Service Board's Guidelines for the Management of Consultation on Technological Change are deficient in that they provide no recommendations to departments and agencies on the development of contingency plans for use in the event of industrial action; and
- both the Guidelines for the Management of Consultation on Technological Change and the subsequent circular on Bilateral Agreements Between Individual Departments and Authorities and the Unions are deficient in that they provide no clear recommendations to departments or agencies on translating some part of projected efficiency gains and associated benefits expected to arise from the introduction of new technology into improved opportunities for affected staff.

(x)

The Committee recommends that:

- 1 all departments and agencies which are contemplating introducing new technology, in addition to consulting with the unions involved, establish a consultative mechanism with the Public Service Board or its equivalent and the Department of Finance to develop initiatives on sharing anticipated efficiency gains and benefits with the affected staff.

The National Index

The Committee concludes that:

- the Department of Social Security has demonstrated the benefits of a timely and efficient online enquiry system but needs to consider more fully the effects of delayed responses to national online enquiries.

The Committee recommends that:

- 2 The Department of Social Security re-evaluate the concept of the National Index as originally conceived by the Stratplan architects in terms of its potential benefits; and
- 3 The Department of Social Security investigate the feasibility and costs of the technical options that are now available for satisfying this requirement.

Online Benefits Processing

The Committee concludes that:

- the Department of Social Security has not consistently applied adequate resources to ensure the timely development of Online Benefits Processing (OBP);
- the Department of Social Security underestimated the impact of inadequate staff allocation and new Government initiatives on the development of OBP; and
- the Department of Social Security has, as a result, deferred the delivery of major projected benefits.

(xi)

Computer Systems Officer (CSO) Staffing

The Committee concludes that:

- . there is a major problem in the Australian Public Service in relation to both the recruitment and the retention of Computer Systems Officer (CSO) staff; and
- . the broad initiatives identified by the Public Service Board will be no more than palliative in remedying the problem of the recruitment and retention of CSO staff in the Service if they do not include any specific proposals to increase the monetary reward of CSOs.

Cost Effectiveness of Stratplan

The Committee concludes that:

- . the cost effectiveness of the original Stratplan proposal and its associated acquisitions and expenditures can no longer be meaningfully quantified; and
- . establishing the cost effectiveness of a department's information technology proposals simply by measuring foregone staff increases is of doubtful relevance to the decision making and review process.

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CHAPTER 1

INTRODUCTION

1.1 This is the Committee's third report on the implementation of Stratplan.

1.2 In June 1983, the Minister for Social Security announced his Department's major computer re-equipment program known as Stratplan and indicated that in view of the costly and complex nature of the program the Government had decided to refer it to the Joint Parliamentary Committee of Public Accounts for monitoring and report.

1.3 The Committee's first report on Stratplan, Report 225, was tabled in October 1984¹ and dealt with the issues of:

- . the acquisition process;
- . health and safety;
- . industrial relations;
- . resignation of a senior officer;
- . offsets arrangements;
- . project management;
- . financial management; and
- . internal audit involvement.

1.4 In Report 225 the Committee set out arrangements whereby the Department of Social Security would report to the Committee on a regular basis on various aspects of the Stratplan implementation. The Department subsequently began reporting to the Committee with quarterly progress reports on financial, personnel, scheduling and other aspects of Stratplan.

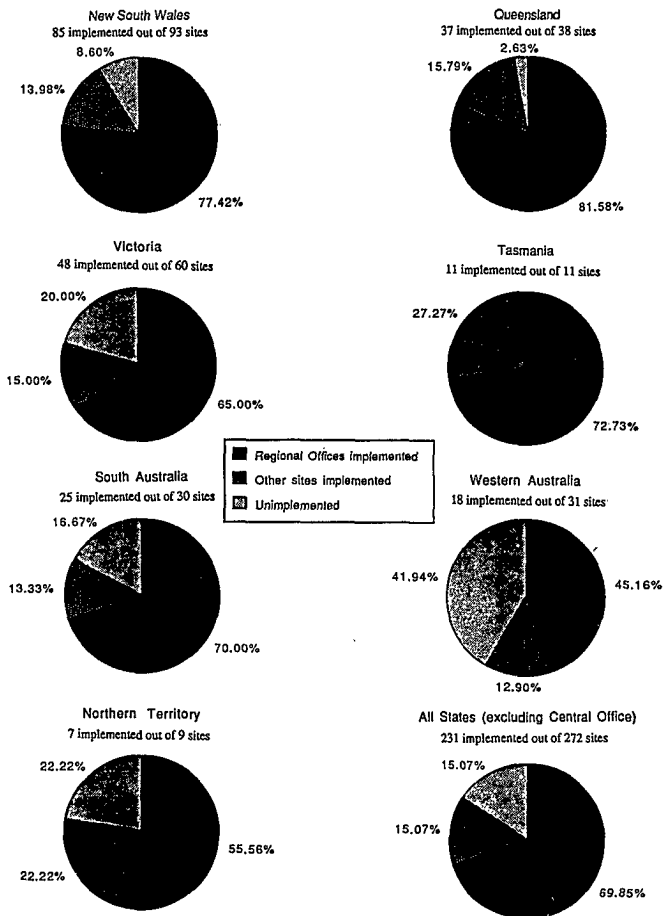
1.5 In August 1985 the Committee tabled its Report 237.² This Report included the Government's response to the recommendations of Report 225 together with the Committee's comments. The Committee noted in Report 237 that there were several matters dealt with in Report 225 for which satisfactory responses were not provided. The Committee agreed to pursue these during the next phase of its monitoring and report on Stratplan.

-
1. JPCPA, Report No. 225, Stratplan - Department of Social Security ADP Re-equipment Program, Volume 1.
 2. Id., Report No. 237, Department of Social Security Stratplan - Response.

Site Implementation Progress - 31 October 1987

Each figure is a percentage of all sites in that State.
 Thus, for NSW, implemented Regional Offices comprise 77% of all sites in that State.

Figure 1.2



1.13 The Department has sought to develop good working relationships with the principal vendor organisation at all levels. This has included regular contact with not only the senior management of the vendor's Australian subsidiary but also with the parent organisation. The Department feels, and the Committee concurs, that this type of relationship is necessary with a major and complex computer project where there are many contingencies, changes in schedules and personnel involved in the integration and development of the purchased products.

1.14 The Department makes a particular point in this respect:

... where the Department becomes a very major customer ... there is an opportunity to influence the strategic direction of product development.³

The Department has sought to ensure that its own interests are properly represented in this regard, and would strongly recommend that other organisations contemplating major re-equipment projects establish similar management with vendor organisations.



Figure 1.3 Stratplan Equipped Office

3. Appendix A, page 73.

CHAPTER 2

DEPARTMENT OF SOCIAL SECURITY

- . Overview
- . The Current ADP Environment
- . Existing Applications
- . Applications Strategy

Overview

2.1 The Department of Social Security is responsible for administering the Australian Government's social security programs. The Department, under the Social Security Act 1947, administers social security payments for:

- . the aged;
- . the disabled;
- . the sick;
- . the unemployed;
- . widows; and
- . sole parents.

Assistance is also provided to help meet the costs of raising children.

2.2 The Department has stated that its Corporate Charter is:

To deliver social security entitlements and related services in accordance with the policies of the Government in a timely, fair and sensitive manner with efficient and effective use of resources.¹

2.3 In carrying out this charter, the Department is responsible for the payment of pensions, benefits and allowances to 4.5 million people. Approximately 100 million payments were paid in 1985-86 at an estimated cost of \$16 million. The Department has some 16,500 staff.²

2.4 In the first half of 1986 eight corporate goals were identified in extensive consultation involving staff throughout the Department and these goals have been approved by the Minister for Social Security.

1. Department of Social Security, ADP Strategic Plan 1986-87, page 6.
2. Ibid.

2.5 The Corporate goals are:

- (a) to advise the Minister on income security needs, policies and practices;
- (b) to ensure access to Departmental services with special attention to particular disadvantaged groups;
- (c) to ensure wide community knowledge of services and the rights and obligations attached to entitlements;
- (d) to ensure consistent delivery of social security entitlements and related services in accordance with Government policies;
- (e) to ensure high quality service in a timely, fair and sensitive manner, including referral to other agencies for related support;
- (f) to inhibit misuse of the income security system;
- (g) to provide a participative, equitable, safe and satisfying work environment; and
- (h) to ensure a high standard of management at all levels.³

2.6 In the last decade or so there have been major economic, legal, social and demographic developments which have resulted in significant changes in the number and characteristics of people needing income support. In order to establish how the social security system should further respond to these changes the Minister for Social Security, the Hon. Brian Howe, MP, announced in December 1985 the Social Security Review.⁴

2.7 The Review, which will take two years to complete, is focusing on three major parts of the social security system:

- income support for families with children;
- social security payments and work force participation of the unemployed, sole parents and the disabled;
- income support for the aged, especially the connections between social security and superannuation.

3. Ibid.

4. Department of Social Security, Annual Report 1985-86, AGPS, Canberra, 1986, page 4.

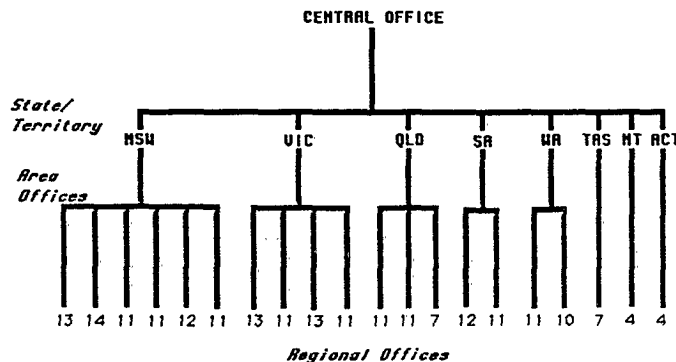
Within these three areas, the Review is addressing issues of coverage, adequacy, equity, incentives, simplicity, access and community awareness.

2.8 The administrative challenge which faces the Department is to maintain the assessment and payment system so that it operates economically, unobtrusively and with total reliability for those whose livelihood depends on regular receipt of pensions, benefits and allowances. The Department has developed a decentralised administrative structure encompassing four levels of operations. They are central office, state headquarters, area management and the regional offices. Services are delivered to clients through some 220 regional offices around Australia.⁵

Figure 2.1 illustrates the Department's administrative structure.

Figure 2.1

DEPARTMENT OF SOCIAL SECURITY - ORGANISATIONAL STRUCTURE



Source: Department of Social Security, ADP Strategic Plan 1986-87.

5. Letter to JPCPA from Department of Social Security, of 28 April 1987, providing information on departmental administration.

2.9 The Central Office of the Department is located in Canberra and is organised into eight divisions. These divisions are currently being restructured with an expected outcome of seven divisions, namely:

- Policy Development and Review Division - reviews and develops policies in the broad field of income security, undertakes research in this field; and develops and maintains statistics.
- Resource Management Division - coordinates the deployment and use of financial and staffing resources, develops policies and provides advice on industrial relations, personnel practices, equal employment opportunity matters and corporate planning activities; and the national planning, development, implementation and review of training.
- Facilities Division - provides a computing infrastructure to ensure the efficient and effective operation of all mainframe and regional equipment, the communications network and operating software; and corporate general ADP applications and non-computing facilities.
- Benefits Systems Division - provides a range of specific support services to operational areas including the development and maintenance of all benefits applications, computer systems and associated procedures; and coordinates the overall implementation of ADP systems.
- Performance and Control Division - monitors and evaluates the standards, controls, efficiency and effectiveness of service delivery and administration at all levels of operation; develops techniques to detect and prevent fraud; and conducts internal audits and examinations.
- Benefits Delivery Division - develops detailed administrative policy and reviews existing policy, legislation and established administrative procedures and practices for pensions, benefits and allowances paid under the Social Security Act; and facilitates the delivery of services through the operation of the social work service and the Aboriginal and Migrant Units to clients who may be disadvantaged.

• Legislation and Review Division - attends to legal matters affecting the Department and its legislation program, oversees appeals against decisions of the Secretary or his delegates and develops policy in respect of these areas of appeals and reviews; negotiates and administers international social welfare agreements; and develops policy and legislation relating to compensation for Commonwealth Government employees.⁶

2.10 The State administrations in each State capital and in the Northern Territory, which are headed by State Directors, administer the provisions of the Social Security Act, including the granting and payment of pensions and benefits.

2.11 The State administrations are organised into Branches which include:

- Management;
- Benefits, Practices and Investigations;
- Systems (with the exception of the Northern Territory); and
- Field Operations Controlling Areas.

2.12 The Department has introduced a system of area management to improve the coordination of operations of a number of regional offices within States. Under this system area managers act as the representatives of the State Director in defined areas of each State. Their responsibility is to ensure that adequate levels and standards of services are being provided.

2.13 A network of regional office administrations decentralise the Department's operations. The objective of regionalisation is to have each office handling all departmental functions.

2.14 Staffing in regional offices may range from 21 to 156. The average is about 52. Each office comprises various work teams such as benefits groups, welfare services counter staff and administrative units. A typical 52 person office in a metropolitan area may service a client population of 13,000 pensioners, 6,400 family allowance beneficiaries, 2,200 unemployment beneficiaries, 60 special beneficiaries and 300 sickness beneficiaries.⁷

6. Ibid.

7. Ibid.

2.15 As an extension of the regional office services, staff members attend at other locations. These are known as 'sub-offices' and 'visiting offices'. They provide some of the services of the Department without the overheads of a full regional office. Sub-offices are permanent locations while visiting offices are premises such as shire halls. A sub-office is staffed only some days of each week. Visiting offices are staffed for varying periods at weekly or monthly intervals.

The Current ADP Environment

2.16 The Department's computer systems remained basically unchanged between the late 1960s and the early 1980s. During the 1970s heavy and constant pressure was placed on the systems through continuing increases in the numbers of clients, the range of services and the rate of change. In the period 1981-83 new hardware and software were obtained by open tender so that the Department might continue its income security operations and maintain its level of service to clients. This purchase was the basis of Stratplan.

2.17 As a part of the Stratplan re-equipment program, Amdahl mainframe computers and front-end processors and Storage Technology peripherals are now installed at the Department's computer centres in Canberra, Sydney, Brisbane, Hobart, Melbourne, Adelaide and Perth. As at April 1987, Wang VS minicomputers, workstations and printers have been installed in 164 regional offices and approximately 58 other sites in State headquarters and Central Office. Mainframe graphics facilities (Tektronix hardware and Precision Visuals software) have been installed in Central Office and the New South Wales State Headquarters to allow colour production of business graphics, network diagrams and other planning aids.

2.18 All sites which have the new Wang equipment installed are linked into a single network using the Systems Network Architecture (SNA) developed by IBM. Workstations and printers are connected to minicomputers at each user site. All the Wang minicomputers in a State are linked to the mainframe in that State divisional computer centre. Those in Central Office are linked to the National Computer Centre in Canberra. A number of terminals in Central Office and State headquarters are also linked to the Department's computer facility in Canberra. Each re-equipped divisional computer centre is linked to the National Computer Centre in Canberra and to other divisional computer centres to form the 'backbone' of the network.

2.19 A limited number of microcomputers in Central Office and State headquarters help to meet the requirement for end-user computing. The standard microcomputer acquired is the Wang microcomputer equipped with a standard software set including a spreadsheet package. Other types of microcomputer have been acquired in small numbers for specific purposes. No microcomputers are at present connected into the Department's network although the feasibility of doing so has been proven.

Existing Applications

2.20 The applications on the Department's ADP facilities can be categorised into four areas:⁸

- (1) strategic income security applications which pay benefits, pensions and allowances to individuals and which also provide automatic advices. The associated sub-systems extract information to facilitate the management, operations and planning functions of the Department. This category includes:
 - the on-line enquiry and data entry systems developed under Stratplan;
 - batch applications and applications designed to perform the benefits control function, ie guarding against fraud, malpractice or incorrect payments; and
 - 'agencies' applications where the Department makes payments to individuals on behalf of other departments and agencies;
- (2) strategic resource management applications concerned with:
 - basic administration and human resource management, eg ADMINIS;
 - financial administration, eg FACTS;
 - performance monitoring and planning, eg PRISM;
 - ADP operational support, eg Facilities Management Information System;
 - audit, eg Integrated Audit Facility; and
 - training, eg Computer-based Training.
- (3) office products such as a word processing product developed under Stratplan and a pilot electronic mail system; and
- (4) user computing applications on mainframes and personal computers to help meet the local needs of each Division and State administration, such as graphic presentation of demographic information and statistical surveys; and a variety of micro-computer based applications utilising spreadsheet and database software for stores accounting, registration of cases and the tracking of expenditure.

8. Department of Social Security, ADP Strategic Plan 1986-87, pages 2-3.

Applications Strategy

2.21 The Department's applications strategy gives priority to four main activities. These include:⁹

- (1) maintenance of existing strategic income security and resource management applications. This includes implementing legislative or budget changes (such as any changes resulting from the current Social Security Review) and adjustments to rates of payment to clients;
- (2) moving towards an income security ADP system characterised by:
 - . real-time updating of income security data. This means that staff will be immediately aware when they have successfully updated a client record and any changes to client details can be immediately accessed by other staff;
 - . capacity to hold both current and historical client data, thus allowing more processing without reference to paper files;
 - . simplified liaison between benefit records because person data such as name and address will be held only once for each client - even if the client is entitled to more than one type of income security payment. Changes to any of these details will, therefore, need only a single update action;
 - . production of management information as an automatic by-product;
- (3) development/enhancement of strategic management information systems dealing with:
 - . performance monitoring at regional, area and State levels;
 - . finance;
 - . ADP resource management; and
 - . a range of general administrative functions including human resources budgeting; and
- (4) continued provision of user computing facilities and support, while giving priority to the development and maintenance of national strategic applications.

9. Ibid., page 5.

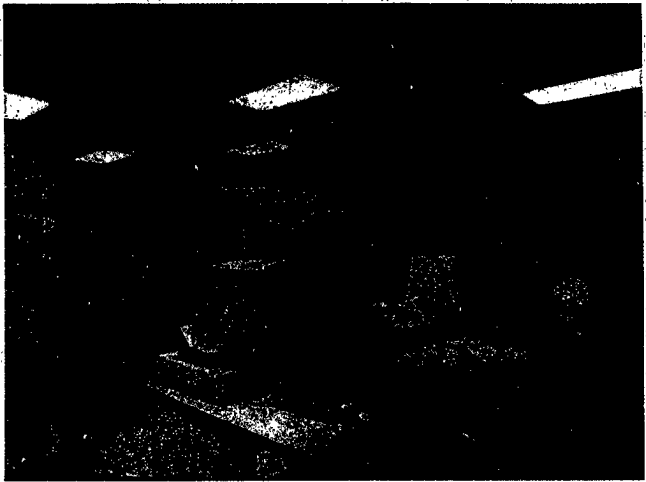


Figure 2.2 Mainframe Computer Centre.

CHAPTER 3

INDUSTRIAL RELATIONS

- . Industrial Action in 1984-85
- . The Section 28 Agreement
- . Discussion
- . Conclusions
- . The Current Situation
- . Guidelines for Consultation on Technological Change
- . Conclusions and Recommendation

Industrial Action in 1984-85

3.1 The introduction of new technology into an organisation has the potential to affect significantly the number and design of jobs and consequently generate industrial action. The Department of Social Security experienced substantial industrial action as it sought to implement Stratplan.

3.2 A warning of possible industrial action was made in a report to the Minister for Social Security in May 1984 by a consultant engaged by the Minister to review the implementation of Stratplan. The report stated:

Although there is generally a strongly positive attitude towards Stratplan at all levels, the Staff Associations have adopted a more cautious position. It appears now that their initial fears and claims have been narrowed down to two areas:

- . occupational health and safety, being concerned mostly with eyesight and radiation issues; and
- . staffing levels and possible relocations.

These are legitimate areas of concern ... they could create conditions in which implementation is delayed.¹

3.3 Frequent discussions on Stratplan had taken place in the period January 1982 to July 1984 between the Department and the two main unions involved with the Department's staff, namely the Australian Clerical Officers' Association (ACOA) and the Australian Public Service Association (APSA). However, in October 1984, when the Department proceeded to implement Stratplan in NSW, despite not having reached agreement with the unions on major issues, the ACOA called on its members to take national industrial action against the project. Work bans were imposed and a joint meeting of ACOA and APSA decided on

1. JPCPA File 1983/7 Part B(3).

11 October 1984 to ban further installation of computer hardware in departmental offices and to commence a campaign of 24-hours stoppages.

3.4 By 6 November 1984 the ACOA's broadsheet, the Social Security Bulletin, was claiming significant gains from these measures:

Industrial action throughout Australia has produced considerable improvements in the offers by the Department of Social Security and the Public Service Board.²

3.5 Bans were lifted in November 1984 after an agreement had been negotiated between the Department of Social Security, the Public Service Board, the ACOA and APSA. The agreement was drawn up formally under Section 28 of the Conciliation and Arbitration Act 1904 and ratified by the Conciliation and Arbitration Commission on 3 January 1985. The Section 28 Agreement was formally known as the Department of Social Security (Introduction of Stratplan and associated ADP developments) Agreement 1984 and was to remain in force until 31 December 1990.

3.6 In December 1984 a second report prepared by the Minister's special consultant on Stratplan once again pointed to potential industrial problems. The report stated:

This Agreement now allows the Department to proceed with its planned installations and implementation of systems in Regional Offices. However, the real possibility still exists that negotiations could break down in March [1985], with a re-imposition of work bans and a consequent further serious delay to the program. Should this occur, the Department may well be in danger of becoming in breach of contract with its major equipment suppliers, whose contracts specify required delivery rates and dates.

... we believe that it will be wise to take whatever steps are possible in advance to prepare to refer the dispute to arbitration in the event that negotiations break down in March.³

3.7 Despite major concessions to the staff associations on the part of the Department of Social Security, there was continuing industrial unrest in the early months of 1985. The Department felt constrained to continue the installation of equipment because it had to honour contracts with suppliers and there were significant budget implications if it did not.⁴

In April 1985 the ACOA asked its members to ban all implementation and installation on the basis that the Department was contravening the Section 28 Agreement. These bans continued into June 1985 when they were lifted with the finalisation of a work organisation proposal between the unions and the Department and its incorporation into the Section 28 Agreement.

3.8 The ACOA Social Security Bulletin of June 1985 concluded that:

Skilful negotiation, backed up by continuing bans on the installation and implementation of Stratplan since April 1985, have produced substantial agreement from the Department of Social Security and the Public Service Board on the unions' demands over work organisation for Stratplan ... The agreement reached between the Department of Social Security, ACOA and APSA is a product of the November 1984 National Stratplan dispute. The sustained industrial campaign at that time opened up a favourable climate for the resolution of work organisation negotiations.⁵

The Section 28 Agreement

3.9 Some of the main issues covered by the Section 28 Agreement included:

- redeployment;
- retraining;
- preparation of a job impact statement and job impact study;
- new regional office positions;
- radiation testing; and
- work organisation.⁶

Redeployment

3.10 In the Agreement the Department assured associations that as far as possible redeployment would be voluntary. However, if the need arose for compulsory redeployment then a special package would apply which had a number of features unique to the Agreement. In particular, the Department gave undertakings that:

- staff would not be required to move domicile as part of any redeployment process;

2. ACOA/APSA, Social Security Bulletin - Stratplan Information Sheet No. 7, 6 November 1984.
3. JPCPA File 1983/7 Part B(3).
4. Department of Social Security, Stratplan Newflash, 10 May 1985.

5. ACOA Social Security Bulletin Stratplan Information Sheet No. 10, June 1985.
6. Appendix E, pages 126 ff.

there would be no compulsory transfers between country towns or country cities to metropolitan areas or to other country towns or country cities; and

staff would not have to travel in excess of specified times to new locations.⁷

3.11 These conditions effectively extended the rights of departmental officers beyond those already available under Public Service legislation. In addition, a two stage appeal process set down in the Agreement extended the normal appeal processes.

Retraining

3.12 The Section 28 Agreement stated that:

Any retraining which is necessary will be provided by the Department before staff take up duty at new locations. ... 'on the job' training will also be provided as soon as staff commence duty at the new location. Where a person's career prospects are jeopardised as a result of the redeployment action outside courses will be made available to staff to enable them to reorientate their career.⁸

3.13 The Agreement specified that staff would be retained at their existing substantive level and would not be disadvantaged if they had special difficulty coping with the new technology. The implication here was that even if staff could not be retrained either to cope with the new technology or be redeployed successfully to another area of work, they would be retained at their existing substantive level.

Job Impact Statement and Job Impact Study

3.14 The Agreement required that a Job Impact Statement covering Stratplan and associated ADP developments be prepared by the Department and submitted to the unions by March 1985 and that the Department provide the unions with a more detailed job impact study by the end of December 1985.⁹

3.15 The Job Impact Study contained the latest (December 1985) estimates of job losses and new jobs to be created, 1654 and 926 respectively, giving a nett reduction of 728.¹⁰ However, as part of the Agreement, a new work organisation proposals were to be trialled (see paragraph 3.27) and if the initiatives put forward by the unions were accepted the nett savings identified in the study could be reduced to zero or even

7. Ibid., page 128.

8. Ibid.

9. Ibid., page 129.

10. Department of Social Security, Job Impact Study for Stratplan and Associated ADP Developments to 1990 on Central Office and State Headquarters, December 1985, Attachment F.

become negative, that is, new jobs would be created.

New Regional Office Positions for Stratplan

3.16 The Agreement provided for the creation of two types of positions in regional offices, namely, Regional System Administrators and Regional Hardware Controllers.¹¹

3.17 Prior to the Agreement, in 1984, the ACOA had drawn up a claim for the creation of a 'Site Liaison Officer' at the Clerk Class 7 level. The duties of this position were basically to control computer operations. The ACOA proposal was rejected initially but was taken up again in the negotiation of the Section 28 Agreement. The result was the creation of a Clerk Class 6 level position titled Regional Systems Administrator (RSA). In the Agreement the Department undertook to:

- (i) provide a Regional Systems Administrator (RSA) position in each regional office that comes on stream under Stratplan by 1 March 1985 irrespective of whether an Administrative Officer or equivalent position exists in any of those offices;
- (ii) provide an additional new position in each other regional office where a separate Administrative Officer or equivalent position does not exist, as that office comes on stream under Stratplan.¹²

3.18 The Agreement required that a review of arrangements be conducted jointly by the Department and the ACOA. The review was completed in March 1985. The review concluded that the positions were required in all regional offices in the implementation phase of Stratplan but questioned their need in the longer term. However, the ACOA representatives refused to sign the review's report. A further review of the RSA positions in June 1985 determined that they were needed in all regional offices not just those where an Administrative Officer did not exist.

3.19 In 1986-87 the staffing allocation for RSA positions was 95, with an additional 63 positions provided for offices with an Administrative Officer. The total annual cost is estimated at \$4.67 million.

3.20 Under the Agreement the Department agreed to provide a Regional Hardware Controller (RHC) position in each regional office as it came on stream.¹³ A proposal for a Hardware Controller at the Clerical Assistant Grade 5 level had been agreed in principle by the Public Service Board, though APSA pressed to have the position upgraded to Clerical Assistant Grade 6. It was decided after the Agreement had been signed that the position should be at Grade 6 level.

11. Appendix E, page 129.

12. Ibid.

13. Ibid.

3.21 The Agreement stated that:

A Joint Department/APSA review of the duties and classification of the Regional Hardware Controller will commence in late January 1985 and be completed by the end of February 1985. The terms of reference will be agreed between the Department and APSA.¹⁴

The review concluded that an RHC position should be provided at each user site in addition to each regional office. The staffing allocation for RHC positions is set at 178 for 1986-87 at an estimated annual cost of \$3.8 million.

Radiation Testing

3.22 The Section 28 Agreement stated that:

The [Public Service] Board will ask the National Occupational Health and Safety Commission to examine urgently the standards and arrangements that should apply in relation to testing for radiation emission. This examination will include matters relating to the general health of staff including such things as birth deformities and miscarriages.¹⁵

3.23 The Agreement noted that as an interim arrangement and subject to the findings of the examination the Department would:

- (i) ensure that manufacturer of VDUs (visual display units) provides adequate quality control systems which ensure that there is no harmful radiation emission. ... in the event of one VDU being rejected that total batch will be rejected and re-examined;
- (ii) continue with its present practice of having terminals tested after installation, but increase the proportion from 1 in 3 to include all terminals;
- (iii) agree to annual emission checks;
- (iv) arrange for checking of emission levels following repair if there is a breakdown in the display generation system of a terminal before the terminal is used again after repair.¹⁶

3.24 At present there are no set guidelines on radiation testing: though most departments included in their contracts with suppliers a requirement for some testing before installation.

3.25 More than ten thousand terminals have now been tested at a cost of \$60 per terminal. To date no harmful radiation emissions have been detected in any VDU. The Department's estimated cost for radiation testing for 1986-87 is \$500,000.

Work Organisation

3.26 In the Agreement the Department undertook not to alter the existing policy of having decision-making exercised by delegated regional office staff.¹⁷ Additionally, during the introduction of Stratplan the opportunity would be taken to move towards designing work environments that would:

- (1) provide more personally satisfying jobs characterised by:
 - control by individuals over complete pieces of work;
 - the provision of improved working tools;
 - a variety of skills being used by individual staff members.
- (2) provide a pleasant, modern physical working environment; and
- (3) improve the capacity to deliver services effectively to clients.¹⁸

3.27 The Agreement specified that negotiations and consultations would occur in March 1985 between the Department and the unions to consider organisation studies and proposals put forward by both parties. If no agreement was reached on work organisation in regional offices the unions required separate trials to be conducted for their proposals and the Department's proposals in at least twenty regional offices throughout Australia.

3.28 Subsequently a separate Section 28 Agreement was negotiated between the Department, the Public Service Board and the unions. This latter Agreement, known as the Department of Social Security (Introduction of Stratplan Work Organisation Trials) Agreement 1985, was ratified in October 1985. Under this Agreement sixteen departmental offices were to trial work organisation proposals. Twelve offices would trial the unions' proposals and four would trial the Department's variations of these proposals. These trials were to be completed by mid 1987. The structures being trialled seek to provide multi-skilling, better client service and enhanced career paths.

14. Ibid.
15. Ibid., page 130.
16. Ibid.

17. Ibid., page 131.
18. Ibid.

3.29 The unions' proposals differ from the existing regional office structures by having up to three extra positions and a number of reclassifications of existing positions.

Discussion

3.30 The Committee notes that the Department is particularly vulnerable to union pressure because of its important functions, which include the paying of benefits and pensions. The Committee believes that it should have come as no surprise to the Department that the unions would seek to protect the interests of their members by attempting to obtain concessions during the implementation of Stratplan. Most of the staff savings envisaged as a result of the introduction of Stratplan were predicted to be in the keyboard and lower clerical grades, the principal membership components of AFSA and ACOA. The industrial relations activity associated with the implementation of Stratplan and the Department's response has led the Committee to believe that the Department of Social Security was unprepared for the level of industrial action that occurred in 1984-85.¹⁹

3.31 The Committee has noted the role of the Public Service Board in this matter. It appears that the initial negotiations on Stratplan were between the Department of Social Security and the unions without participation by the Public Service Board.²⁰ As negotiations proceeded, relevant functional areas of the Board became involved in, and were consulted by, the Department on particular issues. The Board maintains that it 'kept across developments' in the Department's negotiations. Following industrial action late in 1984, the Board participated in the drawing up of the Section 28 Agreement and was a signatory to the Agreement. Having regard to the magnitude of the project, the Board saw the Agreement as an acceptable outcome but was concerned that it should not be used as a precedent by the unions to seek similar arrangements in other departments.²¹

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19. A detailed examination of industrial relations issues up to July 1984 is provided in the Committee's Report 225, Volume 1.
 20. Letter to JPCPA from Public Service Board of 25 May 1987; JPCPA File 1985/11 Part B(1)/2.
 21. Ibid.

TABLE 3.1
STRATPLAN COSTS ATTRIBUTABLE TO THE SECTION 28 AGREEMENT

Cost (\$ million)	1984-85			1985-86			1986-87		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
Regional Hardware Controller	0.886	-	0.886	2.054	-	2.054	3.788	-	3.788
Regional Systems Administrators	0.825	-	0.825	1.759	0.893	2.652	2.811	1.859	4.670
Rest Breaks	0.073	-	0.073	0.325	-	0.325	1.124	-	1.124
Training Relief	0.965	-	0.965	0.619	-	0.619	0.844	-	0.844
Work Organisation Trials	-	-	-	-	0.544	0.544	-	1.288	1.832
Total	2.749	-	2.749	4.757	1.437	6.194	8.567	3.147	11.714
									20.657

SOURCE: JPCPA File 1985/11 Part B(1)(2) Letter from DSS to Secretary, JPCPA dated 31 March 1987, Attachment

3.32 To date the costs of the initiatives implemented as a result of the Section 28 Agreement have accrued to some \$20 million. The Committee believes that if unions continue to press to have any efficiency gains, which could be translated into staff savings, translated instead into increased employee opportunities and better quality client service, the annual cost of the Stratplan industrial agreements could be considerably greater than \$10 million per annum. Table 3.1 shows the costs attributable to the Section 28 Agreement.

Conclusions

3.33 The Committee concludes that:

- the Department of Social Security was unprepared for the level of industrial action that occurred in 1984-85;
- the Department of Social Security had no contingency plans in 1984-85 to cope with industrial action and therefore had no fall-back position which could relieve the pressure being brought to bear by the unions;
- the Department of Social Security had developed no initiatives in 1984-85 to translate projected efficiency gains from Stratplan into job restructuring, redesign or reclassification and so improve staff opportunities; and
- the Department of Social Security lost the initiative to the unions in 1984-85 resulting in concessions which generated totally unplanned and unpredicted increases in the Department's staffing levels.

The Current Situation

3.34 In evidence provided to the Committee the Department concedes that:

There remain a number of issues associated with the Stratplan project which could become industrially sensitive, especially the implementation of those applications which are likely to have the strongest impact on the organisation of work in regional offices and on staff numbers.²²

The Department has indicated to the Committee that it considers experience gained from earlier disputes will better enable it to ensure that potential industrial issues are given appropriate attention in detailed planning.

22. Appendix A, page 70.

3.35 The Department is consulting closely with the unions in order to ensure both the smoothest possible implementation of Stratplan and the cost-effective realisation of improved client service. The Department has kept the unions informed on the progress of the current aspect of Stratplan, the Online Benefits Processing (OBP) project, and has provided them with copies of the design specifications. The Department has encouraged unions to offer comments. In addition, efforts have been made to involve union representatives in workshops and prototype demonstrations of the on-line update facilities conducted in State offices.

3.36 The Department stated in its submission presented to the Committee at the public hearing of 14 May 1987 that:

In February and March 1987 senior union representatives were given a detailed briefing on OBP and the proposed timetable for implementation. On 15 April 1987 the National Secretaries of ACOA and APSA were invited to have an active and constructive role in the activities of a group of people who will be examining workflows, clerical procedures and job design options for OBP.²³

3.37 The Department also stated it had a policy of ensuring that staff representatives participate in the development of systems that they will eventually use. This approach and the formal consultation process ensured that the products and facilities which were developed had a very high level of acceptance with staff.

3.38 The Department noted that:

The impact of the on-line facilities provided to date has been significant and the Department and unions recognise the even greater impact that the introduction of on-line update processing will have. Job design is seen as very important if the potential of the new systems is to be exploited fully. Integration of Office Based Classification Structures in the APS should assist in providing effective and efficient work mixes and more satisfying jobs for our staff.²⁴

Guidelines for Consultation on Technological Change

3.39 The experience of Stratplan highlighted the need for appropriate guidelines for departments to use when consulting with staff and their unions on technological change.

3.40 The Committee noted the views of the Australian Government Senior Executives Association (AGSEA) which were expressed in a letter to the Prime Minister dated 24 October 1986. The Association stated:

23. Minutes of Evidence, page 218.
24. Ibid.

The present PSB 'Guidelines for Joint Consultation on Technological Change in the Australian Public Service', published in 1979, have been under review for over two years. A sub-committee of Joint Council, with ACTU and Departmental delegates under PSB Chairmanship reported its inability to agree to Joint Council last year, since when PSB action on revision is in abeyance. However, as part of its work on the revision, the ACTU developed its own version of the rules, with the aim of having guidelines replaced by enforceable agreements. The Unions are now using the ACTU version as the basis for negotiations in individual departments. That version gives to Unions rights of intervention at all stages of ADP projects and hence great powers to upset timetables, to add to costs and to reduce benefits of automation.

The AGSEA is wholeheartedly in agreement with the principle that all staff should be consulted in technological changes which affect their working conditions. It is likely that consultation, if it is properly done, will produce good suggestions which will make the change more efficient.

However, in the absence of good central guidelines, individual agencies are being pressured by the Unions to accept arrangements which are anti government, anti technology and anti change. The ACTU version of the guidelines stresses all the potentially adverse impacts of automation, none of the advantages; and it discourages staff consultation other than through the union delegates, of whom there may be many with differing interests and views.²⁵

3.41 On 29 April 1987 the Public Service Board issued its new Guidelines for the Management of Consultation on Technological Change. The Committee noted that despite extensive consultation with the ACTU the new Guidelines had not been agreed to by unions. The Board had decided to issue the Guidelines in response to departmental requests for written guidance. The Board noted in its circular which accompanied the Guidelines that:

... the Board would be seeking further discussions with the ACTU later this year with a view to achieving an agreed set of guidelines or procedures.²⁶

25. Australian Government Senior Executive Association, Newsletter, December 1986, Attachment B.

26. Public Service Board, Circular to all Departments and Statutory Authorities: Guidelines for the Management of Consultation on Technological Change, 29 April 1987.

3.42 The Board further stated that 'unions [would] continue to approach individual departments to seek arrangements on technological change ...'. However, the Board also stated that in its view 'APS agencies should not enter into Section 28 Agreements with unions on general procedures governing the introduction of technological change'.²⁷

3.43 In addition to the Guidelines, the Board issued a circular on 20 May 1987 to all departments and statutory authorities entitled Bilateral Agreements Between Individual Departments and Authorities and the Unions. This circular advised that the Government had decided that departments must not enter into agreements which have the effect of allowing unreasonable delay or veto of changes aimed at improving operational efficiency. This decision rules out agreements which provide for negotiations to agreement; or union acceptance before change can be introduced.²⁸

3.44 The Committee sought comment from the Board as to what benefits the Department of Social Security might have gained if it had been able to follow the new Guidelines during the implementation of Stratplan. In its response the Board noted that the current Guidelines outlined a framework for processes of consultation on technological change and did so more clearly and in greater detail than the earlier Board guidance which was available in 1984-85. With reference to Stratplan, the Board stated:

It is not possible to answer more precisely what might have been the course of Stratplan negotiations under the current guidelines; certainly these guidelines reflect experience gained by the Board, the union and the Department of Social Security in the implementation.²⁹

3.45 The Committee noted the Board's further comments in its Circular of 29 April 1987:

At this time of accelerated change and economic stringency, when improved performance and better use of available resources is demanded of managers and staff, agencies will need to make prompt and skilful use of technological advances. Well managed consultation between management, staff and their unions will help to ensure that the potential benefits of technology are realised by optimising the creative contribution and commitment of staff to the technological and any associated organisational changes.³⁰

27. Ibid.

28. Public Service Board, Circular to Departments and Authorities: Bilateral Agreements Between Individual Departments and Authorities and the Unions, 20 May 1987.

29. Appendix G, page 167.

30. Public Service Board, Circular to all Departments and Statutory Authorities: Guidelines for the Management of Consultation on Technological Change, 29 April 1987.

3.46 The Committee believed that there was a degree of wishful thinking in the Board's view that consultation alone would ensure 'the creative contribution and commitment of staff' to technological change.

Conclusions and Recommendation

3.47 In the light of the Department of Social Security's experience with the implementation of Stratplan the Committee concludes that:

- . the Public Service Board's Guidelines for the Management of Consultation on Technological Change are deficient in that they provide no recommendations to departments and agencies on the development of contingency plans for use in the event of industrial action; and
- . both the Guidelines for the Management of Consultation on Technological Change and the subsequent circular on Bilateral Agreements Between Individual Departments and Authorities and the Unions are deficient in that they provide no clear recommendations to departments or agencies on translating some part of projected efficiency gains and associated benefits expected to arise from the introduction of new technology into improved opportunities for affected staff.

3.48 The Committee recommends that:

- 1 all departments and agencies which are contemplating introducing new technology, in addition to consulting with the unions involved, establish a consultative mechanism with the Public Service Board or its equivalent and the Department of Finance to develop initiatives on sharing anticipated efficiency gains and benefits with the affected staff.

CHAPTER 4

APPLICATIONS DEVELOPMENT

- . Background
- . The National Index
- . Conclusion and Recommendations
- . Online Benefits Processing
- . Conclusions

Background

4.1 After successful tenders were announced in 1983, the Department of Social Security conducted an intensive planning seminar to review the Stratplan project plan. The seminar identified four major stages or missions in the project:

- 1 By 2 July 1984 implement STRATPLAN facilities in the first regional office to include data entry, word processing, on-line manuals and on-line enquiry so that the effectiveness and efficiency of the environment will be improved and we have a working package suitable to complete fault free implementation throughout NSW by 31 December 1984.
- 2 By 31 December 1986 implement STRATPLAN facilities in all regional offices and State Headquarters to include all first phase facilities, initial on-line benefits processing, financial, management information, administrative and automated office systems so that the effectiveness and efficiency of the environment will be improved.
- 3 By 31 December 1986 implement STRATPLAN facilities in all non-Regional Offices locations to include interactive client records management, financial, management information, administrative and automated office systems so that the effectiveness and efficiency of the environment will be improved.
- 4 By 31 December 1988 complete the implementation of STRATPLAN facilities in all departmental offices to provide management information and fully integrated interactive facilities for transaction processing, training and automated office systems in order to improve the management and productivity of the Department.¹

1. Department of Social Security, ADP Strategic Plan 1983-84, February 1984, Appendix N, Page [N - 1].

4.2 Subsequent to the planning seminar the Department's full energies and resources were concentrated on the completion of Mission 1, that is, the implementation of the four products: data entry, word processing, online manuals and online enquiry. Online person-data update, the first major component of the Online Benefits Processing (OBP) package, was deferred to Mission 3, along with the provision of a National Index, for implementation by 31 December 1986. A discussion of the National Index appears below.

4.3 With the exception of delayed installations in Western Australia and some 'small and difficult' offices the products identified as Mission 1 have now been installed and are fully operational in offices throughout Australia.

The National Index

4.4 The Department's ADP Strategy Proposal on the migration of income security applications (October 1983) identified as a Stratplan objective the ability:

to access the identification details of persons known to the Department on an Australia-wide basis (referred to as the National Index).²

4.5 This Proposal stated that the implementation of a National Index would facilitate the identification of clients on an Australia-wide basis. The National Index would be a sub-set of data stored on the Income Security Database. The Client Registration System would provide a full online updating facility to maintain person details and enter new clients on the National Index. The Index capability would include functions such as name and address changes, interstate transfer, birth and death profiles, and other relevant person details, ie the facilities to be provided in the online person-data update component of OBP.³

4.6 The Committee's Report 225 described the National Index as:

a new facility with the principal objective of building an information base of client details which can be used to service the needs of the Income Security Systems by providing information to:

- validate new claims for benefit;
- detect and prevent incorrect or fraudulent claims and payments;

2. Department of Social Security, Migration of Income Security Applications, ADP strategy proposal, Revised up-date 11 October 1983, paragraph 3.2.3, (Internal departmental document).

3. Ibid.

- facilitate interstate transfer of data base records thus preventing multiple payment of the same benefit and facilitating payment at the correct location;

- locate benefit reference numbers and other particulars of clients at one place; and

- aid research, planning and the assessment of the national impact of policies and administrative decisions.

The National Index processing will be performed both at the National and Divisional Installations. National Installation processing will consist of the maintenance of an Australia-wide Index which supports on-line access from User Installations at any location. Divisional Installation processing will consist of the maintenance of an appropriate sub-set of the Australia-wide Index with on-line access available to User Installations within the same State. The National Index will be updated by transactions emanating from Income Security systems carried out at Divisional Installations.⁴

4.7 To date the National Index has not been implemented as planned. The Committee's inspection of the Department's Parramatta Regional Office on 13 April 1987 provided evidence that Online Enquiry was a major asset in dealing with all aspects of claims processing. The Committee noted that the current online enquiry facility can only provide information about a client's record in one State at a time and not simultaneously across all States.

4.8 In evidence to the Committee the Department indicated that it had already achieved a significant level of what was originally intended with the National Index in that it had available to any of its terminals in any State in Australia direct access to the data of any other State. The Department considered that this facility provided the potential advantage of a separate National Index without sustaining the costs of duplicate data involved with a physical National Index.⁵

4.9 The Department stated its intention to introduce the functionality of a National Index but, having regard to the cost, not by duplicating data and holding it all in one national online database. A national enquiry about a client would be processed and checked against all the State databases, with a response

4. JPCRA, Report No. 225, Stratplan - Department of Social Security ADP Re-equipment Program, Volume 1, pages 20-1. See page 16 for explanation of Income Security Systems.

5. Minutes of Evidence, pages 285-6.

within the hour or at worst overnight. Getting the information back to the staff member no later than the next day would, 'in probably 99.9 per cent of cases', be before any grant of payment was made.⁶

4.10 It is apparent to the Committee that the determining factor in deciding not to proceed with the National Index as originally conceived was the cost of providing the physical database in a national location. As the Department's computing facilities are distributed in various State capitals, each State database is a unique physical entity. There is no national database integrating all the individual State databases into one physical source of information. The Department maintained that it had no intention of providing one because of the costs involved, costs which are certainly related to the technical difficulties associated with providing such a facility.

Conclusion and Recommendations

4.11 The Committee believes the provision of an overnight response to a national enquiry is an unsatisfactory outcome of the distributed computing environment. The Committee notes that the major benefit of online enquiry is that the response is provided at the time it is most needed, that is, while the client or the claim is being processed. To say that an overnight response is an adequate alternative is to ignore the importance of that particular benefit.

4.12 The Committee is of the view that if the Department is serious about ensuring the integrity of the social security system then information must be provided which is valid and current across all benefits and across all States via the one prompt online enquiry.

4.13 The Committee concludes that:

- the Department of Social Security has demonstrated the benefits of a timely and efficient online enquiry system but needs to consider more fully the effects of delayed responses to national online enquiries.

4.14 The Committee therefore recommends that:

- 2 The Department of Social Security re-evaluate the concept of the National Index as originally conceived by the Stratplan architects in terms of its potential benefits.
- 3 The Department of Social Security investigate the feasibility and costs of the technical options that are now available for satisfying this requirement.

Online Benefits Processing

4.15 In a letter to the Minister for Social Security in December 1985, Senator Guilfoyle, then Chairman of the ADP Sectional Committee of the Joint Parliamentary Committee of Public Accounts, wrote:

As I stated in Parliament when tabling Report 237, the Committee recognises the considerable progress that has been made in the installation of Stratplan equipment in your Department and in the provision of initial services to Departmental staff through the network. Its future concern is that the Stratplan network be completed and those additional services and benefits which provided major justification for the project be fully implemented on time and within cost.⁷

4.16 The additional service which has always been identified as providing a major justification for the Stratplan project is Online Benefits Processing (OBP). OBP is now the Department's major strategic development project. It was described in October 1986 by the then Deputy Secretary of the Department of Social Security, Mr Noel Tanzer, as the 'pinnacle' of Stratplan.⁸

4.17 OBP was the subject of a Stratplan Systems circular entitled OBP UPDATE distributed to regional managers in the latter half of 1986. The circular described OBP as:

an 'online interactive' system which staff will use to process benefits via their terminal. The system will be 'user friendly' and easy to use. ... The 'Ultimate' OBP product will offer the following ...

- Processing will be as flexible as possible to suit a variety of work organisations or office structures.
- As many benefit processing functions as appropriate will be performed online. This means the database is immediately updated and results of the action shown and errors can be corrected 'on the spot' by the user.
- ...
- There will be a separate record for each individual person, ie individual records for clients, spouses and children. Links will exist between related people.

7. JPCPA File 1985/11 Part B(1).

8. 'On-line processing for Social Security', *Canberra Times*, 13 October 1986.

6. *Ibid.*

- . Only one record per person will exist regardless of the number of benefits they receive.
- . The implementation of a system where all associated assessment functions are automatically identified and recorded for action as a result of any update to a person's circumstance data ...
- . Average response times per transaction of 5 seconds for the majority of transactions. ...
- . Users will be able to switch from using one application (eg processing benefits on OBP) to another and then return to their original place (OBP) without logging on and off. ...
- . Transactions which aren't appropriate for online processing (eg large volume transactions which are not time critical) will continue to be handled in a 'Batch' process. ...
- . Presentation of a 'single system image' to the user. ...
- . Reduction of the workload associated with both regular program maintenance and periodic amending legislation. ...⁹

4.18 The circular noted that:

A major advantage of OBP is that the user will be immediately aware that the data entered has successfully updated the client record. Transaction rejections which used to be reported one or more days later under the old system will be highlighted on the terminal's screen immediately for correction.¹⁰

4.19 To date OBP and its resulting benefits have not been realised.

4.20 Detailed planning work in July-August 1985 on the strategy for redeveloping Income Security Systems resulted in a revision of the mission goals of 1983. Online Enquiry (OLE), an essential prerequisite for the provision of OBP, had already been developed to handle Pensions, Unemployment and Sickness Benefits and Overpayments and was to become available throughout Australia

9. Department of Social Security, 'OBP' Update for regional managers.

10. Ibid.

as the new equipment was installed. Also there was political and user pressure to produce a significant enhancement within a reasonable time after the first online enquiry.¹¹

4.21 The National Stratplan Co-ordinator's September 1985 Report proposed a three-pronged plan. The steps in the plan were to:¹²

- . complete OLE by including client data (ie names, addresses, dates of birth, etc.);
- . develop the infrastructure necessary to create a full online update system. (While probably adequate for all systems the infrastructure would be specifically tested for two benefit systems, namely Family Income Supplement and Family Allowances); and
- . convert the Pensions System from a batch system to an online system.

4.22 The Report noted that implementation of the two Pensions systems would be very much dependent on what other work, such as new Government initiatives, would require resources during the period.¹³

4.23 By March 1986 the original milestone dates for OBP were in doubt. They had been based on project staffing levels of 27 but only half this number had been available. Although recruitment action was vigorously pursued to improve the situation, the major problem with the project continued to be staffing. The Department was losing its experienced people to contracting and essential staff were not being released from maintenance areas and competing development projects.¹⁴ In fact staff were continually being lost from OBP to handle crises elsewhere. The National Stratplan Co-ordinator's Report of 22 May 1986 stated:

This [staff loss] is unavoidable to some extent given departmental priorities but if the project is to progress at a reasonable rate then there must be some stability of staffing.¹⁵

4.24 In December 1986 staffing continued to be a major problem, however, top priority was now being given to recruiting both Public Service staff and contractors for the project.

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11. Stratplan Executive Committee, National Stratplan Co-ordinator's Progress Report, 20 September 1985, page 20.
 12. Ibid., pages 20-1.
 13. Ibid., page 21.
 14. Id., National Stratplan Co-ordinator's Progress Report, 22 May 1986, page 10.
 15. Ibid.

4.25 The National Stratplan Co-ordinator's January 1987 Report to the Department's Systems Executive Committee observed that perhaps the most frustrating aspect of the major changes currently being proposed to benefits systems was that these changes would have been that much easier to make had many of the facilities of OBP been available. Since they were not available as anticipated, not only would the implementation of these changes be more costly but the availability of the OBP facilities might be further delayed.¹⁶

4.26 The Department advised the Committee that it considered it had a good record of meeting requirements placed on it by Government for new and amending legislation where the parameters of the work and the nature of the technology were known. However, the Department noted that with a project the size of Stratplan, which stretched over many years and involved new technologies, it would be naive not to expect many contingencies.

4.27 The Department concluded:

The issue is then whether or not we have been able to continue to manage both the project and our ongoing responsibilities satisfactorily in the face of these contingencies.¹⁷

4.28 The Department stated that at no time had a decision been taken to 'down tools' on OBP in favour of some other aspect of Stratplan,¹⁸ and that work on the redevelopment of income security applications had continued at the maximum rate possible 'having regard to availability of resources and the extent of change occurring within the Department'.¹⁹

4.29 However, at the public hearing held on 14 May 1987, the Department stated that on some occasions, in order to meet Government initiatives, it had had to redeploy staff from OBP. Furthermore, the Department could not guarantee that it would not have to do so with any particular initiative in the future. The Department indicated that it could now handle most reasonable changes with limited impact on OBP, and that OBP is the last place the Department looks when seeking resources to redeploy.²⁰

4.30 The Department stated:

If we take resources from OBP, which we have on occasions, ... it is usually related more to the skills of individual people whom we need rather than to a reaction of 'Let us deliberately take

resources from OBP'. In other words, it is more that a particular person or persons in the OBP team have skills that we believe we need to meet a government deadline for an initiative.²¹

4.31 The Committee considered that this was a questionable resource management strategy, particularly when viewed in the light of its impact on a highly sensitive project such as OBP.

4.32 The Committee questioned the Department at the public hearing of 14 May 1987 as to whether it was fair to suggest the Department had consistently underestimated the impact of new Government initiatives on the OBP development schedule.

4.33 The Department agreed that it had underestimated the level of change required in information systems since 1981-82 but considered its estimates were the best that could reasonably be expected. The Department was learning from its experience and taking into account work load factors and seasonal fluctuations in determining when Government initiatives were to be put into effect.²²

4.34 With respect to applications redevelopment in general, the Department referred the Committee to a review conducted by the Audit Office. The review covered the period from Stratplan's inception up to 30 December 1985. On 30 June 1986 the Audit Office wrote to the Department regarding the review and noted that:

The progress in the implementation of Stratplan was reviewed against a definition of Stratplan formally endorsed by the Stratplan Executive Committee in November 1984. This read, inter alia, that Stratplan would be considered complete when the hardware and software approved in June 1983 is fully accepted, and the following end-user products are delivered nationally: Word Processing, Data Entry, On-line Manuals and On-line Enquiry for Income Security Systems progressing to On-line Update. The 4 year timeframe approved by Cabinet (ie to the end of 1986-87) was used as the limit against which to rate progress towards completing Stratplan as defined above.²³

4.35 Audit later noted:

The provision of all of the Stratplan 'products' referred to in the definition is also considered unlikely to be completed by the end of June 1987.

16. Id., National Stratplan Co-ordinator's Progress Report,

23 January 1987, page 30.

17. Appendix A, page 80.

18. Ibid., page 72.

19. Minutes of Evidence, page 228.

20. Ibid., page 294.

21. Ibid., page 295.

22. Ibid., page 297.

23. Appendix A, page 86.

From reports provided to this Office it appears that the major reason for failing to meet this deadline has been the shortage of skilled staff available to the Department to enable development of the relevant applications. An additional factor apparently influencing progress in this area was the introduction of further new Government initiatives.²⁴

4.36 Audit acknowledged that the Department had altered its strategy to provide Stratplan products in its attempt to meet the planned deadline and concluded:

... the Department's response to the slippages in implementation of the original strategic plan ... is considered to be reasonable, and the present rate of progress satisfactory.²⁵

4.37 At the public hearing held on 14 May 1987 the Committee found the Department to be in agreement with Audit comments. The Department stated:

Our current schedules show that the final component of the on-line benefits processing project which will introduce on-line update facilities for the unemployment and sickness benefit system will begin implementation in September 1989. Current planning provides until June 1990 to complete implementation although, according to circumstances at the time, detailed scheduling may allow an earlier completion. Given the volume of legislative change and other government and administrative initiatives that we have had to implement, meeting the above target of September 1989 will be a considerable achievement.²⁶

Conclusions

4.38 The Committee believes the timely development of OBP to be of major importance in the completion of Stratplan and in the achievement of benefits for the Department and its clients. Despite legislative and policy changes within the Department the Committee is of the view that delays which have occurred in the development of OBP could have been prevented.

4.39 The Committee concludes that:

- the Department of Social Security has not consistently applied adequate resources to ensure the timely development of Online Benefits Processing (OBP);

24. Ibid.

25. Ibid., page 87.

26. Minutes of Evidence, page 258.

- the Department of Social Security underestimated the impact of inadequate staff allocation and new Government initiatives on the development of OBP; and

- the Department of Social Security has, as a result, deferred the delivery of major projected benefits.

4.40 The Committee approves the Department's somewhat belated decision to put a very experienced person with a good track record as a project manager in charge of a special unit in the Application Development Branch to ensure that OBP is introduced on time.²⁷



Figure 4.1 Departmental Officer at work in Stratplan Equipped Office

27. Ibid., page 297.

CHAPTER 5

COMPUTER SYSTEMS OFFICER STAFFING AND THE USE OF CONTRACTORS

- . Introduction
- . Computer Systems Officer Staffing
- . Use of Contractors
- . Conclusions

Introduction

5.1 In the Committee's first report on Stratplan, Report 225, the Committee concluded:

In spite of the use of almost 100 contract programmers, consultants and highly motivated and qualified staff, the system implementation will be up to 12 months later than predicted and this delay will probably be more pronounced as the implementation proceeds.¹

The Department's response to this appeared in Report 237 and stated:

In spite of the significant increase in ADP staff resources that occurred with the introduction of Stratplan, a shortage of experienced development resources still exists. Staffing levels within the Department is (sic) already affecting the Department's ability to recruit and retain the expertise necessary to maintain schedules.²

5.2 In evidence to the Committee the Department attributed its Computer Systems Officer (CSO) staffing difficulties to two main causes. The Department stated:

- . the Stratplan ADP environment provides skills and experience which are in high demand in the industry. There is, therefore, a high attrition rate to highly paid private sector employment and to other Departments; [and]
- . a service-wide shortage of suitable applicants [exists] for CSO positions. The shortfall has been worsening since 1981.³

1. JPCFA, Report No. 225, Stratplan - Department of Social Security ADP Re-equipment Program, Volume 1, page 62.
2. Id., Report No. 237, Department of Social Security Stratplan - Response, page 24.
3. Appendix A, pages 73-4.

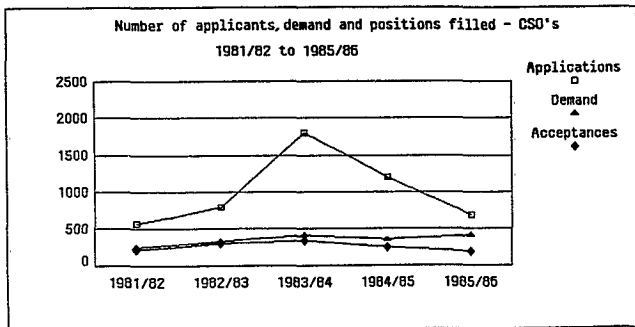
5.3 Figure 5.1 and Table 5.1 provide details of the demand and supply of CSOs in the Australian Public Service for the years 1981-82 to 1985-86.

Computer Systems Officer Staffing

5.4 The Committee noted that a wide variety of scarce staff resources had been required in the implementation of Stratplan. The Department had continued to experience a drain of these resources with losses to private enterprise and other departments occurring after an initial period of intensive training. The Committee noted, in particular, advice from the Department that had the Department sustained a lower rate of loss of skilled staff its principal applications development work would have been more advanced.⁴

5.5 The Committee sought advice from the Department as to what steps it had taken to alleviate its chronic staff shortage. In its response to the Committee the Department advised that it had made representations to the Public Service Board about the staffing problem and that in 1986 the Board had made changes to the arrangements applying to the recruitment of CSOs which enabled the Department to conduct its own graduate recruitment campaign.

Figure 5.1



Source: Public Service Board, Graduate Recruitment to the Australian Public Service, Program Management Performance Review, April 1986.

4. Ibid., page 75.

TABLE 5.1:

COMPUTER SYSTEMS OFFICER STATISTICS (1981-86 STATISTICS)

	Year				
	1981/82	1982/83	1983/84	1984/85	1985/86
Demand	250	331	416	350	416
Applied	565	796	1806	1200	685
Allocated	N/A	N/A	617	475	411
Accepted	220	299	337	249	194

Notes:

- Demand - Number of CSOs required by Australian Public Service (APS)
- Applied - Number of applicants applying for CSO positions in the APS
- Allocated - Number of CSO positions offered to applicants
- Accepted - Number of CSO job offers accepted by applicants

Source:

Public Service Board, Graduate Recruitment to the Australian Public Service: A program management performance review, April 1986, page 21 and JPCPA File 1985/11 Part B/1 (2).

5.6 To capitalise on the changes in recruitment arrangements, the Department seconded a senior departmental officer to act as the Department's CSO Recruitment Adviser. An information package was developed which explained the Department's operations and promoted it as a unique ADP environment. The information was sent to every tertiary campus in Australia which the Department thought would produce computing graduates. There were 65 in all. Most of the 43 institutions that responded were visited by departmental officers in order that the Department might participate in the respective institutions' career weeks. Advertisements were also placed in publications such as Hobson's Graduate Outlook.⁵

5.7 The Committee noted that the Department's efforts were very successful. The Department was one of only four departments in 1986 to meet completely its computer personnel requirements. The other three departments required 1, 2 and 8 CSOs compared with the Department's requirement of 70.

Use of contractors

5.8 The Department decided early in the Stratplan project to make extensive use of contract analysts and programmers. A major factor in this decision was the shorter time required to engage contractors in comparison with permanent staff.

5.9 The Department commissioned a report on the use of contract staff in the development of Stratplan. The report, which was forwarded to the Department in January 1985, concluded that given the urgent need for Stratplan's capabilities and the obligation to begin showing a return for the very high investment made, the use of contractors would be cost effective because a more rapid implementation of Stratplan would result. The report stated:

The use of contractors is clearly justified on grounds of cost effectiveness, and will continue to be justified if it results in earlier implementation ...⁶

5.10 In reviewing this report the Administrative and Clerical Officers' Association (ACOA) was unable to accept that the use of contractors had shortened the program development cycle and noted that no evidence to that effect had been provided.⁷

5. Ibid., page 74.

6. Jack Cohen and Assoc., *The Use of Contract Analyst/Programmers and Consultants in the Development of Departmental Systems*, January 1985, Appendix C, page C-15.

7. Letter to Director-General, Department of Social Security, from National Secretary, ACOA, of 6 March 1985; JPCPA File 1983/7 Part B(12).

5.11 In responding to this criticism, the Department accepted that there was no evidence, but felt there was good reason to believe that Stratplan would have had extreme difficulty in proceeding at all without the use of expert contract staff. The Department replied to the ACOA:

In particular there was a critical need for people with database design, data modeling, DBMS [data base management systems], communications and network skills. Key people were not available within the Public Service ...

In essence, the benefits of using contractors is that without them there would be no Stratplan ... the Department will be reducing its dependence on contractors at a rate commensurate with ensuring the implementation of Stratplan in the time scale expected by the Government.⁸

5.12 Up to 1985 therefore, the two main reasons for engaging contractors were identified as:

- the shorter lead time to acquire them compared with engaging permanent staff, in anticipation of earlier project implementation; and
- the provision of highly specialised personnel whose tenure need only be for the duration of the specific tasks.

5.13 In March 1985 a resolution was adopted by ACOA members in relation to the use of contract CSO staff in the Department. The resolution stated:

All further contracts and renewals should be in accordance with the following criteria and should be vetted by a committee with ACOA representation:

- (i) Where specialised knowledge or skill are not available in the Australian Public Service and suitable permanent staff cannot be recruited to the Australian Public Service. Contractors with specialised knowledge or skill are to be required as part of the contract to pass their knowledge to permanent staff;
- (ii) Short term non-renewable contracts for well-defined tasks not exceeding six months. This is to be phased in over the next 26 weeks to allow for recruitment of permanent staff.

8. Letter to National Secretary, ACOA, from Deputy Secretary, Department of Social Security, of 16 April 1985; JPCPA File 1983/7 Part A(3).

Adequate AOSL cover should be provided instead of existing contract budget, as contractors cost the department more than permanent staff.

The Department is asked to approach the Public Service Board to consider a restructure of the CSO standards to make provisions for specialist CSOs at higher levels than at present (with no administrative workload).⁹

5.14 The Department replied to the ACOA in April 1985 and indicated that the ACOA's resolution had been discussed with delegates from the affected areas and that the Department had outlined certain initiatives it was taking towards satisfying the concerns of ACOA members.¹⁰

5.15 Nevertheless, the need for contract CSOs grew. In 1985-86 the Department sought 50 new staff at the CSO1 level but was only allocated 17. There were also numerous vacancies at all other CSO levels which proved difficult to fill. Even with adequate AOSL cover, the Department was unable to recruit permanent staff to those positions. Contract labour rapidly became the only labour available.

5.16 In the period 1983-84 to 1985-86 the Department expended \$15 million on contract personnel. The Department has estimated the cost of contractors for all ADP-related work as:¹¹

1986-87	\$6.8 million
1987-88	\$4.5 million
1988-89	\$4.0 million

Hence the amount spent on contractors over the six years 1983-84 to 1988-89 will be approximately \$30 million.

5.17 The Department has estimated that the numbers of contractors required for the implementation of the Online Benefits Processing System (OBP) (ie up until 1990) to be:¹²

OBP access program	15 staff
Pension migration	5 staff
Database development	5 staff
<hr/>	
Total	25 staff

5.18 The Committee sought comment from the Public Service Board regarding the trend towards the use of more contractors as opposed to the expansion of in-house staff. The Board considered that:

... contract staff have an important role to play in the following circumstances:

- where they are more cost effective than Departmental staff;
- to meet short term peaks in workload; and
- to provide specialist expertise not available within a Department's own staff.

In the last case, if the requirement for specialist skills were an ongoing one, the Board would hope that the Department would take steps to ensure its own staff developed the required skills.¹³

5.19 The Board concluded:

The current use of contract programmers appears to be based more on the inability to attract and retain skilled staff than the above considerations. The Board views this situation with concern.¹⁴

5.20 The Committee noted that while the Department had been successful in improving its CSO recruitment record it was now confronted with a major problem in retaining CSOs.

5.21 At the public hearing of 14 May 1987 the Department advised the Committee that it had taken some measures to improve the situation. In particular it had created CSO3 technical programmer positions, as opposed to CSO3 team leader positions, on the basis that many CSO3s enjoy programming but do not like to be managers.¹⁵ The Committee noted that this approach was in line with the ACOA recommendation of March 1985. However, the Committee believed the creation of CSO3 programmer positions might present a problem of career progression and staff development.

5.22 At the public hearing of 14 May 1987 the Committee also sought the Department's view as to why CSOs leave the Australian Public Service to become contract programmers. In brief, the Department saw the major reason as 'short term monetary considerations'.

13. Appendix G, page 167.

14. Ibid.

15. Minutes of Evidence, page 300.

9. Letter to Director-General, Department of Social Security, from National Secretary, ACOA, of 7 March 1985; JPCPA File 1983/7 Part A(3).

10. Letter to National Secretary, ACOA, from Deputy Secretary, Department of Social Security, of 16 April 1985; JPCPA File 1983/7 Part A(3).

11. Appendix A, page 75.

12. Ibid.

5.23 The Public Service Board commented that data it had collected suggested the Public Service was competing reasonably satisfactorily, particularly at the lower CSO grades. The Board noted:

... often our conditions are quite comparable. The situation changes as you move up the scale, but most of the comparisons I think people tend to make are with the most recent and the most attractive deals that have been done with the contractors of consultants for individuals, as distinct from the broad level of the private sector. The Commonwealth in its pay fixing has to give regard to the broad level of pay rates rather than just the extremes.¹⁶

5.24 The Committee later sought advice from the Board as to whether the Public Service could compete monetarily in attracting the CSOs it required. The Board advised the Committee that data available to it suggested remuneration was not as significant an issue in the recruitment and retention of CSOs as many people believed.

5.25 The Board continued:

The labour market situation for CSOs in the 1990s is by no means clear and the Board is pursuing an approach oriented to increasing overall flexibility on the supply side. Within this context remuneration needs to be considered in perspective. There is a tendency to understate the opportunities available to staff performing systems work within the Service. The broad technical requirements resulting from the diverse nature of Government activities and the flexibility demanded of both departments and individual staff provide benefits and interest not necessarily available elsewhere.¹⁷

5.26 The Committee could accept this viewpoint but believed it simply confirmed the Department's belief in the significant influence of monetary reward in the attrition process.

Conclusions

5.27 The Committee believes that the recruiting and retention of suitably qualified computer personnel has been a major problem in the implementation of Stratplan. The Committee notes that this problem has also been experienced by most other Commonwealth departments.

5.28 The Committee commends the Department of Social Security for its recruitment initiatives in seeking to satisfy its need for base grade CSOs.

5.29 The Committee remains concerned that extensive use has been, and continues to be, made of contract CSOs. The Committee notes that while contractors are often sought because their skills are not available in the Department or Service as a whole, it is the Public Service which provides training for personnel who then leave and return to become contractors.

5.30 The Committee concludes that:

there is a major problem in the Australian Public Service in relation to both the recruitment and the retention of Computer Systems Officer (CSO) staff.

5.31 The Committee notes that the Public Service Board has identified broad initiatives which may assist in the recruitment and retention of computer personnel, however, the Committee believes monetary considerations to be a major factor in Public Service computer personnel leaving the Service to become contractors.

5.32 The Committee concludes that:

the broad initiatives identified by the Public Service Board will be no more than palliative in remedying the problem of the recruitment and retention of CSO staff in the Service if they do not include any specific proposals to increase the monetary reward of CSOs.

16. Ibid., page 303.

17. Appendix G, page 168.

CHAPTER 6

COST EFFECTIVENESS OF STRATPLAN

- . Introduction
- . Department of Finance Proposal
- . Minister for Social Security's Consultant's Report
- . Conclusions

Introduction

6.1 In commenting on the Department's response to the Committee's recommendations made in Report 225 the Committee stated:

The Committee does not refute that considerable benefits should flow from Stratplan in the form of improved client service, greater system reliability and more rapid implementation of Government initiatives. However, the Committee has no doubt that in addition to these benefits, the assertion of considerable staff savings was a significant factor influencing the previous Government's assessment of the cost effectiveness of Stratplan ...¹

6.2 The Committee was concerned that:

... the cost effectiveness of Stratplan should be comprehensively reviewed so that staff savings, reductions in overpayments, and other asserted benefits [were] fully characterised and where possible quantified. [The Committee was] confident that a range of output/performance measures [could] be developed which [would] provide both the Committee as well as Departmental management with the tools for the improved evaluation and management of Stratplan as it is implemented.²

Department of Finance Proposal —

6.3 At the request of the Committee, the Department of Finance provided a working paper which examined measures to assess the cost effectiveness of Stratplan.³ The document considered the development of an appropriate methodology to monitor and evaluate the implementation of Stratplan.

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1. JPCPA, Report No. 237, Department of Social Security Stratplan - Response, page 5.
 2. Ibid., page 6.
 3. Social Welfare Branch, Department of Finance, Working Paper No. 1, Performance Indicators, July 1986; JPCPA File 1985/11 Part B(9).

6.4 The Department of Finance considered that the development of performance indicators should be based on the stated objectives of Stratplan in relation to:⁴

- . broad social security aims;
- . administrative goals;
- . ADF systems; and
- . management services.

6.5 It was proposed that indicators be developed:

- (a) to compare the performance of groups of regional offices or the performance of one such office over time; and
- (b) to assess the longer term impact of Stratplan on Social Security outlays.

6.6 The Department of Finance recognised that the interpretation of any results produced from such a methodology might need to be qualified due to influences such as legislative change, variations in administrative functions and changes in the relative composition of clients. The view expressed in the working paper was that if indices were chosen carefully and a number of them used, it should be possible to produce a meaningful analysis.

6.7 A subsequent working paper prepared by the Department of Finance examined the staffing costs and savings of Stratplan.⁵ This paper used as its primary source the Department of Social Security's Job Impact Statement of March 1985.

6.8 The paper's conclusion noted:

... the work measurement study of regional offices and State headquarters ... will, it is hoped, give the first good indication of whether the Department of Social Security's current estimates of the staffing costs and savings of Stratplan are valid and can be substantiated.⁶

4. Ibid., page 2.

5. Department of Finance, Staffing Implications Arising from Stratplan Implementation, (December 1986); JPCPA File 1985/11 Part B(9).

6. Ibid.

Minister for Social Security's Consultant's Report

6.9 In October 1985 the Minister for Social Security commissioned the consultants Coopers and Lybrand W D Scott to review and prepare a report on the costs and benefits of Stratplan.⁷ The principal investigations were made in the period October to December 1985 and the report was completed in June 1986. A substantial proportion of the review was devoted to identification of the monitoring processes which needed to be put in place in order to ensure that future reviews could be carried out effectively and the results of Stratplan assessed over an extended period.

6.10 The report noted that the real issue leading to the preparation of the Department's 1981-82 Strategic Plan and the initiation of the Stratplan project was the pressing need to replace outdated and risk-prone equipment and systems. Flowing from this replacement exercise, benefits were anticipated in the form of improved responsiveness and service and cost reductions arising from program, job and administrative savings.⁸

6.11 The report stated that it was inferred in the original submission to Cabinet in 1981 and subsequently in 1983 that expenditure on the re-equipment project would provide a platform on which major quantifiable benefits, principally in the form of staff savings, could be based. However, in practice, as the consultant's report pointed out, there had been a multiplicity of changes to departmental functions, operations and service patterns since 1983 and 'these changes make it extremely difficult now to isolate the originally planned activities and to comment on their relative costs and benefits'.⁹

6.12 The consultant's report asserted that the achievement of staff productivity gains and reductions in overpayments were never envisaged as the only major areas of improvement:

Further major benefits were always (and still are) expected to be in the areas of improved client service and in the ability to respond quickly and effectively to government initiatives. The department needs to determine in detail its objectives in these areas, in order to ensure that the benefits of STRATPLAN are indeed channelled into those activities considered to have the highest priority. Once these objectives are in place further monitoring procedures, related to overall departmental performance, should be put in place.¹⁰

7. Coopers and Lybrand W D Scott, Report on the Costs and Benefits of Stratplan, June 1986.

8. Ibid., page 3.

9. Ibid.

10. Ibid., page 7.

6.13 The consultant expressed some reservations on the proposals contained in the Department of Finance's working paper on the subject of potential performance indicators. In particular, the consultant noted that:

- sample groups of offices at different stages of STRATPLAN implementation must be compared over time [and] individual comparisons must be avoided;

- trends should be monitored across a [range of 'statistically smoothed' indicators as] individual indicators are subject to substantial fluctuation due to non-STRATPLAN factors; and

- national indicators cannot be used directly as a measure of STRATPLAN's impact [as], ... without a control group, any dissection of the internal and external influences upon the perceived trends is wide open to interpretation.¹¹

6.14 The consultant's report concluded that the ADP strategic planning and procurement procedures in the Commonwealth public sector were flawed. The report stated:

The present government planning and review procedures appear to result in excessive emphasis on projected 'cost-benefits' (defined in a rather narrow sense), with insufficient attention, in practice, being given to the cost-effective achievement of priority government and departmental objectives.¹²

6.15 The report stated that the means of measuring the benefits of Stratplan:

... need to be defined by the Department, during the establishment and regular review of its overall corporate objectives, and in the context of the annual budgeting process. It is during this process that the method of achievement of some of the qualitative benefits of STRATPLAN, such as those related to quality of service, will be determined. When the process has been undertaken, selection of a realistic set of national performance indicators will be both possible and necessary. These will provide overall measures of departmental achievement, but will not be specifically useful in measuring the results of STRATPLAN.¹³

11. Ibid., pages 44-5.

12. Ibid., page 7.

13. Ibid., page 46.

6.16 The Committee noted the report's comments that the Department of Social Security needed to establish its strategy for assessing the benefits and effectiveness of Stratplan in the context of its overall corporate objectives.

Conclusions

6.17 The Committee supports the view of the Minister's consultant that the Department of Social Security needs to establish its strategy for assessing the benefits and effectiveness of Stratplan in the context of its corporate objectives. Moreover, the Committee considers that this procedure should be applied to the introduction of new computing technology by all Commonwealth departments and agencies.

6.18 In 1985 the Committee indicated in its Report 237 that it was concerned that the cost effectiveness of Stratplan should be comprehensively reviewed and the asserted benefits quantified. The Committee now believes this task to be virtually impossible in that:

- no useful performance indicators were identified and no measurement tools put in place at the commencement of the Stratplan project to allow effectiveness to be assessed;

- the original benefit statements were too closely aligned to the narrow compass of staff savings and were not related to overall corporate objectives, whether tangible or intangible; and

- the identity of Stratplan and its outcomes has now become too inextricably confused with other departmental ADP initiatives.

6.19 The Committee concludes that:

- the cost effectiveness of the original Stratplan proposal and its associated acquisitions and expenditures can no longer be meaningfully quantified; and

- establishing the cost effectiveness of a department's information technology proposals simply by measuring foregone staff increases is of doubtful relevance to the decision making and review process.

CHAPTER 7

MATTERS OUTSTANDING FROM REPORT 237

- . Background
- . Implementation Strategy
- . Progress of Contingency Plans
- . Staff Association Participation in Stratplan Implementation
- . Financial Management System for Stratplan

Background

7.1 The Committee's first report on Stratplan, Report 225, was tabled in October 1984.¹ The Committee's next report on Stratplan, Report 237, presented the Government's response to the conclusions and recommendations made by the Committee in Report 225. Report 237 was tabled in August 1985.²

7.2 The Committee noted in Report 237 that there were several matters dealt with in Report 225 for which satisfactory responses had not been provided. Particular matters of concern to the Committee included:³

- . occupational health and safety standards;
- . implementation strategy;
- . progress of contingency planning;
- . staff association participation in implementation;
- . the financial management system for Stratplan; and
- . projected costs and benefits.

7.3 Subsequent to the tabling of Report 237 the Committee sought further advice on the outstanding matters from the Department of Social Security, the Public Service Board and the National Occupational Health and Safety Commission (Worksafe Australia).

7.4 Some of these matters have already been dealt with elsewhere in this report. This chapter presents action that has been taken in relation to the remaining matters and the Committee's comments on these matters.

1. JPCPA, Report No. 225, Stratplan - Department of Social Security ADP Re-equipment Program, Volume 1.
2. Id. Report No. 237, Department of Social Security Stratplan - Response.
3. Ibid., pages 2-5.

Implementation Strategy

7.5 The Committee made several recommendations in its Report 225 which presumed a phased introduction of Stratplan products whereby they could be tested and proved in New South Wales before being introduced elsewhere. However, the Department's response indicated that the implementation strategy had changed and that Stratplan products would be implemented concurrently in New South Wales, Queensland and Tasmania. The Committee noted in Report 237 that it had received no reasons for this change.

7.6 The Department later advised the Committee that in one of its responses in Report 237 it had indicated that:

[The Department's] original plan was for implementation first to be completed in New South Wales and then to begin in Queensland and after completion there to move to the next State. We indicated that that plan had by then changed, and implementation was proceeding concurrently in New South Wales, Queensland and Tasmania. There is in fact no inconsistency between the Department's changed strategy and the assumptions made by the Committee.⁴

7.7 The Department pointed out that the implementation had two aspects:

- the installation of Stratplan equipment; and
- the implementation of Stratplan products using that equipment.

7.8 The Department continued:

Installation of Stratplan equipment in Regional Offices is, of course, a prerequisite for implementation of the various products. For implementation of all of the initial four products in each State the mainframe must first be installed at State Headquarters, then minicomputers, installed in the Regional Offices and other sites. As soon as a Regional Office receives its minicomputer equipment the word processing product is immediately available to staff; the other three products are available provided the respective mainframe is operational. Thus when we speak of initial Stratplan implementation in our Regional Offices we are referring to installation of equipment followed closely by implementation of the first four products.⁵

4. Letter from Acting National Stratplan Co-ordinator to Secretary, JPCPA, of 12 August 1986; JPCPA File 1985/11 Part B(1).

5. Ibid.

7.9 The Department advised the Committee that originally it sought to install Stratplan equipment and implement initial products in New South Wales and then to proceed to other States. However, this plan changed because the preparation of suitable regional office sites took longer than anticipated. Rather than wait for the completion of all sites in New South Wales the Department decided to proceed to other States.

7.10 The Department stated:

There would have been no significant additional benefit in waiting the rather indeterminate time required to equip and implement those first four products in all New South Wales Regional Offices before bringing the benefits of the new systems to other States. It must be remembered that once a product is available, has passed technical quality assurance testing in Central Office, and has been tested and proven for one State, it is effectively available for implementation wherever the technical facilities to support it have been installed. Therefore, as mentioned above, Stratplan implementation from the Regional Office perspective comprises equipment installation followed closely by the implementation of the first four products.

All additional products are also being tested and proven before being made generally available. However, there are a number of considerations which must be taken account of in selecting the State in which to conduct such pilot testing. For example, we need to take account of available mainframe processing capacity at the time of testing and the implications of any decision to revert to the previous system should the pilot reveal deficiencies in the new product. Another consideration is that preparatory work and conversion from existing systems not place too great a strain on human resources at any one State Headquarters, as might happen if several products were being pilot tested simultaneously in one State. Thus, for example, the ADMINS product was pilot tested in Tasmania rather than New South Wales. It remains the Department's firm policy to test and prove all new products in one State before proceeding to implement elsewhere. In order to test and prove a product in a State, however, it is not necessary that the product be available in all offices in that State.⁶

7.11 The Committee noted the Department's response on its implementation strategy and considered it satisfactory.

6. Ibid.

Progress of Contingency Plans

7.12 The Committee stated in Report 237 that it was requesting from the Department further advice on the progress of contingency plans. The Committee had previously recommended that they be completed before implementation proceeded beyond New South Wales.

7.13 The Department later advised the Committee of the progress it had made in contingency planning in accordance with the ADP Contingency Planning Strategy endorsed by the Department's Stratplan Executive Committee.

7.14 The Department noted that all State mainframe sites had had contingency tests in line with changes to their systems as Stratplan implementation progressed. Also the National Computer Centre backup plan was partially complete and a backup test was being planned for the database located at the Centre.

7.15 The Department also noted that:⁷

- . a dial-up communications network was soon to be tested which would allow Regional Offices to by-pass their Divisional Computing Centre if they failed and so connect directly to the Stratplan backup centre;
- . discussions had been held with Telecom to plan a totally switchable network when the appropriate technology becomes available. This network operates the Department's on-line benefits processing system, during times of extended mainframe outage;
- . State offices had developed plans for Regional Office backup utilising other Regional Offices as alternate sites for data entry;
- . a microcomputer-based software package, 'Disaster Plan/80', was being acquired which would carry detailed emergency procedures and plans;
- . procedures to deal with data storage failure had been developed and written into procedure manuals;
- . a contractor had been acquired to look at regional office administration during times of ADP contingency; and
- . the Department's National Computer Centre facilities had been made available to the Department of Finance for backup testing of its system.

7. Ibid.

7.16 The Committee noted the steps taken by the Department to develop contingency plans for Stratplan and considered them to be satisfactory.

Staff Association Participation in Stratplan Implementation

7.17 In Report 225 the Committee indicated it was concerned about the Department's inadequate consultation with, and dissemination of information to, staff and staff associations.

7.18 In Report 237 the Committee noted that an Industrial Agreement had been ratified between the Department, the Public Service Board and staff associations. The Committee believed this would provide for a more stable industrial environment for the implementation of Stratplan up to 1990. However, the Committee was concerned about staff associations' continuing participation in Stratplan's implementation.

7.19 The Committee subsequently sought advice from the Department on the nature and level of staff associations' continuing participation in Stratplan's implementation and whether staff association representatives attended the Stratplan Implementation Group's weekly progress meetings.

7.20 The Department advised the Committee that:

Neither the ACOA [Administrative and Clerical Officers' Association] nor APSA [Australian Public Service Association] attend the weekly Stratplan Implementation Group progress meetings. The unions do not have the resource capacity to sustain continual involvement at this level.

The Department keeps the unions informed of the progress with Stratplan and associated ADP developments through the consultative processes established at the national level with both unions.⁸

7.21 The Department noted that in addition to informing the staff associations through the established consultative processes it regularly provided the associations with certain information on Stratplan. This included:

- . the record of decisions of the Systems Executive Committee;
- . Stratplan Milestones by Date;
- . the ADP Project Register;

8. Ibid.

- . the ADP Strategic Plan (including the draft plan for 1986-87); and
- . the Department's Guide to Systems Development.

7.22 The Committee noted the attempts being made by the Department to inform staff associations of progress on the implementation of Stratplan. The Committee also noted that staff associations were unable to attend the weekly meetings of the Stratplan Implementation Group. While it was unfortunate the staff associations could not participate in these meetings it was clear the Department was endeavouring to keep the associations well informed.

Financial Management System for Stratplan

7.23 The Committee expressed its concern in Report 237 that a computer-based financial management system, which was under development, be completed as a matter of urgency.

7.24 The Committee later sought advice from the Department as to whether the computer-based financial management system had been completed.

7.25 The Department advised the Committee that it viewed the effective financial management of Stratplan as a prerequisite for its success. The Department noted it had made:

... an early decision ... to develop an on-line, computer-based financial management system covering all the financial aspects associated with the implementation of Stratplan.⁹

7.26 Design work on the system had begun in May 1983 and the system was modified in August 1984 to cater for the allocation of funds to contract programmers and consultants. Further development work occurred in early 1985 to improve the management reports produced by the system. While maintenance and development continued the system had remained fairly stable.

7.27 The Department stated that the current system provided a wide range of management reports including more specialised reports such as current contractors working on Stratplan.

7.28 The Department noted that:

There is a separate function for the entering and processing of estimates data and a variety of reports both in a summary and detailed format are available.

9. Ibid.

The financial management system is, in effect, a shadow ledger. It currently provides the high priority facilities for effective financial management and has allowed us to manage Stratplan finances to within a very few per cent of allocations each year to date. The existing system may be migrated to a Model 204 database system when resources permit. Sufficient resources have been allocated to maintain the system and undertake minor development work.¹⁰

7.29 The Committee noted the work undertaken by the Department to develop its current financial management system. The Committee considered that the system as described was adequate.



Figure 7.1 Departmental Officer at Stratplan Workstation

10. Ibid.

APPENDIX A

Letter to JPCPA from the Department of
Social Security of 31 March 1987 in
response to written questions from JPCPA



OFFICE OF THE
SECRETARY

Department of Social Security

P.O. Box 1, Woden ACT 2606 Telephone: 84 4900 Telex: 82143

31 March 1987

Mr M J Talberg
Secretary
Joint Parliamentary Committee
of Public Accounts
Parliament House
CANBERRA ACT 2600

Dear Mr Talberg

STRATPLAN

Enclosed is the response of the Department of Social Security to the questions put to us in your letter of 24 February 1987. If the Committee wishes to raise further questions or requires elaboration on the responses provided, Mr J Williams is the contact officer. He can be contacted by telephone on 84 4150.

Yours sincerely

D VOLKER



JOINT COMMITTEE OF PUBLIC ACCOUNTS

Stratplan - Department of Social Security
ADP Re-equipment Program

INDUSTRIAL RELATIONS

1 What delays were caused to Stratplan by industrial action?

Only one significant delay can be attributed to industrial action. This was the delay from March 1984 to September 1984 in the implementation of the first Stratplan product - word processing - in a regional office. This point was canvassed in the Finance Minute on the Committee's 225th Report (Report 237, paragraph 3.7 - 3.12).

Industrial sensitivity has caused some re-scheduling of installation of Stratplan equipment in one or two regional offices (and hence delayed implementation of Stratplan products in those offices). However, we have managed our way around this type of minor delay so that the overall rate of implementation has not been slowed by difficulties at any particular site. The number of sites envisaged for re-equipment in 1983 when Government approval was sought was some 180; we expect that more than this number will have been implemented by the end of the current financial year which is the end of the four-year implementation period agreed to by the Government.

There remain a number of issues associated with the Stratplan project which could become industrially sensitive, especially the implementation of those applications which are likely to have the strongest impact on the organisation of work in regional offices and on staff numbers. The Department is consulting the unions closely on the issues in order to ensure both the smoothest possible implementation and the cost-effective realisation of improved client service.

2 What new positions (including their classifications) have been created as a direct result of meeting staff association demands on Stratplan?

We understand this question to refer to positions created as a result of the industrial agreement reached under Section 28 of the Conciliation and Arbitration Act in January 1985. This Agreement covered a number of ADP initiatives including Stratplan.

The following new positions have been created:

- (1) Regional Hardware Controller - Clerical Assistant Grade 6 (See Attachment 1)
- (2) Regional Systems Administrator - Clerical Administrative Class 6 (See Attachment 1)
- (3) In addition, AOSL was sought and obtained (but no extra positions) for training relief for the implementation of Stratplan.

As a part of the Section 28 Agreement of January 1985 it was also agreed with the Unions that trials of various approaches to work organisation in the regional offices of the Department would be undertaken in a number of offices. Some additional staff resources were needed for these trials. These have been supplied from resources intended for Stratplan implementation. In 1985/86 26 AOSL was allocated to the trials and in 1986/87 56 AOSL was allocated comprising the following positions:

OICs: Clerical Administrative Class 6
Regional Systems Officers: Clerical Assistant Grade 6
Front-of-Line Sorters: Clerical Assistant Grade 4
Training Relief: Various levels

These staffing arrangements for the work organisation trial offices were determined and incorporated in a further Section 28 Agreement of 31 July 1985.

3 What has been the cost of these positions in salary and overhead to date?

The table at Attachment 1 sets out the costs by item for each of the years 1984-85 to 1986-87. Costs are separated into two categories, direct and indirect. Indirect costs include Regional Systems Administrators provided for regional offices that already had Administrative Officers and staff for Work Organisation Trials. The costs cover salaries only.

4 Did industrial relations impact on decisions on project development and implementation, ie were they a factor in postponing the implementation of on-line benefits processing?

Industrial relations have had no adverse impact on decisions on project development; industrial relations impacted on decisions on project implementation as set out in the answer to Question 1;

The part of the question relating to On-line Benefits Processing appears to suggest that the Department took a strategic decision to 'down tools' on this development in favour of some other aspect of the Stratplan project. At no time has such a decision been taken. Work on the redevelopment of our income security applications has continued at the maximum rate possible.

SITE PREPARATION

- 5 What delays were caused to Stratplan by problems in site acquisition and commissioning?

In spite of numerous delays in installation in individual minicomputer sites (especially regional offices), we have managed our way around these delays to keep up the overall rate of implementation. This process has absorbed considerable management effort. We are confident that if all sites had always been available when we were ready to install and implement in them we could have completed the re-equipment of all sites by the end of this financial year including the additional ones identified since the original Government approval in 1983. Detailed implementation schedules for all sites are provided on a monthly basis to the Committee as well as a consolidated quarterly report in the format required by the Committee.

- 6 What roles did the Department of Local Government and Administrative Services and the Department of Housing and Construction play in generating and resolving these problems?

At the instigation of this Department, working parties were established at Central Office and State Office level involving these Departments (plus the Department of Finance at Central Office level) to streamline procedures and resolve problems associated with the Stratplan project. Overall these working parties have been successful.

- 7 Was there a management problem in co-ordinating activities between the agencies involved?

This was the first time that such a major project involving such a large number of sites has been undertaken. Accordingly, it took some time to get the infrastructure in place from the various agencies involved and for DSS to develop its specification procedures. Given the number of agencies involved it would have been surprising if no management problems had arisen. Where they have, they have been due to the number of parties involved rather than any unwillingness by any agency to co-operate.

SUPPLY OF HARDWARE AND SOFTWARE

- 8 Did unscheduled delays in the delivery of hardware and software impact on the implementation of Stratplan?

There have been occasional delays in the delivery of hardware and software by suppliers. Some early delays did cause the initial network to be unstable but these delays have not had a direct, calculable impact on implementation of the project. There has been a high level of co-operation between vendors and DSS in addressing such problems.

- 9 What part has relationships between DSS and its vendors played in the project?

Because of the size and importance of the project, the Department has sought to develop good working relationships with the principal vendor organisations at all levels. It was apparent immediately that such relationships should extend beyond the conclusion of the tendering and contract negotiation phase of the project. In each case, this has included regular contact not only with senior management of the Australian subsidiary but also with the parent organisation. This type of relationship is necessary with a major and complex computer project where there are many contingencies, changes in schedules and other events during the course of the integration and development of the purchased products into a successful, working computer system.

A further aspect to the development of the relationships between the Department and its suppliers of software and hardware is that where the Department becomes a very major customer of a supplier, there is an opportunity to influence the strategic direction of that supplier's product development. The Department has sought to ensure that its own interests are properly represented in this regard.

The Department would strongly recommend to other organisations contemplating major computer re-equipment projects that they ensure that they establish similar management contact with vendor organisations.

CSO STAFFING AND THE USE OF CONTRACTORS

- 10 What steps did the Department take to alleviate the chronic CSO staff shortage?

The Department's difficulties in this area can be attributed to two main causes:

- a) the Stratplan ADP environment provides skills and experience which are in high demand in the industry.

There is, therefore, a high attrition rate to highly paid private sector employment and to other Departments;

- b) a service-wide shortage of suitable applicants for CSO positions. The shortfall has been worsening since 1981.

DSS made representations to the Public Service Board about the problem and, last year, the Board made changes to the arrangements applying to the recruitment of CSOs. These changes enabled the Department to conduct its own campaign to recruit ADP graduates.

To capitalise on the changes in recruitment arrangements, the Department seconded a senior officer to act as the CSO Recruitment Advisor. We developed an information package which explained the Department's operations, promoted the opportunities in our unique ADP environment and gave information about Canberra and the Public Service. The information was sent to every tertiary campus in Australia that we thought would produce ADP graduates (65 in all). We visited most of the 43 institutions which responded to the information package and participated in their careers weeks. We also advertised in publications such as Hobson's Graduate Outlook.

The Department's efforts have been remarkably successful. We are one of the four Departments to have completely filled their requirements. (The other three required 1, 2 and 8 CSOs compared to our requirement of 70.)

Our efforts for the coming year will centre on maintaining this momentum and training our new CSOs.

- 11 Why did the Department not seek a major establishment review in the period 1984-86 instead of employing 70-80 contractors in each of those years, particularly as the development peak has not yet occurred?

We doubt if this would have been a useful strategy, for three reasons:

- 1 As mentioned in our answer to Question 10 above, there were no more CSOs to be recruited - even if we had been able to obtain additional AOSL. For example, in 1985/86 the Department sought 50 new staff at the CSO 1 level. We were allocated only 17. There were also numerous vacancies at all other CSO levels which proved difficult to fill. Thus contract labour was the only labour available.
- 2 Contractors have always been an important part of our overall staffing strategy for Stratplan development work - as discussed in the 1981 ADP Systems Strategic Plan. Indeed, contract labour is very effective for development work as highly specialised personnel may be engaged and their tenure need be for only the duration of specific tasks.

- 3 There was a Government decision in 1981 that ADP development work should be contracted out to the private sector.

The question implies that there is a significant new development peak facing us. This is incorrect. Stratplan development work reached a plateau in 1984 as Mission 1 was approaching completion. This plateau will continue until the remaining phases of On-line Benefits Processing are complete.

- 12 What is the projected cost of contract staff for the completion of Stratplan development and, in particular, for the on-line benefits processing component?

Stratplan work has merged with our production environment. Therefore, it is neither possible nor reasonable to separate Stratplan development from other development and maintenance tasks. The total cost of contractors for all ADP-related work is estimated as follows:

1986/87	\$ 6.8 M
1986/87	\$ 5.0 M
1987/88	\$ 4.5 M
1988/89	\$ 4.0 M

We will require the following contractors for On-line Benefits Processing work until it is implemented :

Online Benefits Processing access programs	15 staff
Pensions Migration	5 staff
Database development	5 staff

- 13 What delays to Stratplan can be associated directly to difficulties in acquiring suitable ADP staff?

A wide variety of scarce skills has been required in the implementation of Stratplan and associated ADP developments in the Department. The Department has experienced a continual drain of these resources through losses to private enterprise and other departments as well as necessary diversion to urgent initiatives, after the initial period of intensive training. Each loss, particularly of applications development staff, has contributed to the delay in On-line Benefits Processing development. However, it is not possible to associate directly a particular staff shortage to a specific component of the delay in development. Where we have lost an experienced and skilled staff member the time to recover is not simply determined by the time taken to replace that staff member. There is also a learning curve that depends on the background and skills of the replacement. Nevertheless, it is clear to management that had we sustained a lower rate of loss of skilled staff our principal applications development work would have been more advanced.

- 14 What has been the cost in manpower resources for the Stratplan applications developed to date, including both Departmental and contracted components?

The applications development costs for Stratplan applications developed to date are set out below. Of course, if the Department's strategic direction had taken a form other than the Stratplan project, other development work would have been necessary, including, for example, a replacement data entry system.

(1) Data Entry

Clerical Administrative Class 10 - 6 person-months
Clerical Administrative Class 9 - 16 person-months
Clerical Administrative Class 8 - 3 person-months
Clerical Administrative Class 6 - 4 person-months
Clerical Administrative Class 5 - 4 person-months
Word Processing Supervisor Grade 1 - 7 person-months
Computer Systems Officer Grade 3 - 6 person-months
Computer Systems Officer Grade 2 - 6 person-months
Computer Systems Officer Grade 1 - 17 person-months
Contract CSO 2 - 9 person-months

(2a) On-line Manuals

Special Projects staff (5 Clerical Administrative, 1 CSO) - 74 person-months
Information Co-ordination Unit staff (2 Clerical Administrative, 1 CSO) - 10 person-months
User Services Staff (2 CSOs) - 15 person-months
Mainframe Systems Staff (1 CSO) - 6 person-months
Contract CSOs - 6 person-months

(2b) On-line Information

Special Projects staff
Clerical Administrative Class 10 - 5 person-months
Clerical Administrative Class 8 - 3 person-months
Computer Systems Officer Grade 4 - 8 person-months
Training Staff
Clerical Administrative Class 8 - 3 person-months
Database Staff
Computer Systems Officer Grade 3 - 3 person-months
Computer Systems Officer Grade 1 - 2 person-months
Manuals Production Unit
Clerical Assistant Grade 6 - 4 person-months

(3) Word Processing

Special Projects staff:
Clerical Administrative Class 10 - 9 person-months
Clerical Administrative Class 8 - 7 person-months
Clerical Administrative Class 6 - 12 person-months
Word Processing Supervisor Grade 2 - 18 person-months
Regional Systems staff:
Computer Systems Officer Grade 3 - 6 person-months
Computer Systems Officer Grade 2 - 7 person-months
Computer Systems Officer Grade 1 - 7 person-months
State Personnel:
Clerical Administrative Class 6 - 8 person-months
Word Processing Supervisor Grade 1 - 22 person-months
Contract staff - 12 person-months

(4a) On-line Enquiry (Pensions/Overpayments development)

Specific to OLE:

Clerical Administrative/Computer Systems Officer staff - 609 person-months

Restructuring of Income Security Applications processing:

Clerical Administrative/Computer Systems Officer staff - 478 person-months

(4b) On-line Enquiry (U&SB, Client ID development)

Computer Systems Officer Grade 4 - 24 person-months

Computer Systems Officer Grade 3 - 48 person-months

Computer Systems Officer Grade 2 - 84 person-months

Computer Systems Officer Grade 1 - 24 person-months

Contractors - 72 person-months

Clerical Administrative Class 10 - 4 person-months

Clerical Administrative Class 9 - 34 person-months

Clerical Administrative Class 8 - 30 person-months

Clerical Administrative Class 7 - 4 person-months

Clerical Administrative Class 6 - 7 person-months

(5) ADMINS (Phase 1)

Clerical Administrative Class 11 - 29 person-months

Clerical Administrative Class 8 - 9 person-months

Clerical Administrative Class 7 - 46 person-months

Clerical Administrative Class 6 - 38 person-months

Computer Systems Officer Grade 4 - 14 person-months

Computer Systems Officer Grade 3 - 15 person-months

Computer Systems Officer Grade 2 - 64 person-months

Contractor CSO 3 - 75 person-months

Contractor CSO 2 - 118 person-months

15 Why did the Department decide to concentrate all its development resources on the Mission 1 products at the expense of on-line benefits processing in 1984-85?

The major part of the development effort comprising Mission 1 products was the first step in On-line Benefits Processing.

To clarify our applications redevelopment strategy, the critical operational issues facing the administration of this Department in 1981 when we first sought Government approval to call tenders and, more acutely, in 1983 were:

- (1) replacement of the obsolescent equipment running near capacity; and
- (2) raising the standard of client service provided by our regional offices (which could be done cost-effectively only when new equipment was in place).

These were the considerations that guided our applications development strategy. Since one of the primary purposes of the Stratplan project was to raise our then declining client service levels, it was clear at the key planning session (in August 1983) which set our redevelopment strategy that the optimum development path to achieve the objectives of the project as set out in our submissions to Government would require the delivery of an on-line enquiry system as early as possible.

There was never a stage when the Department decided between proceeding to OBP immediately and proceeding to OLE and other Mission 1 products first and delaying OBP. The Department's development path for its income security applications has always been an integrated one in which OLE has consistently been an initial phase. We regard OLE as the first phase of on-line benefits processing, a phase which has:

- (1) delivered maximum operational benefit to users in the regional offices - and thus to clients - at the earliest time with minimum risk;
- (2) given us the necessary experience in developing and maintaining our income security databases;
- (3) given the greater proportion of Departmental staff the opportunity to use VDU terminals for performing their regular duties.

16 Does the Department now consider that its allocation of these development resources has been in its best interests?

Yes. The decision to proceed first to develop an on-line enquiry system is explained above. The other Mission 1 products were selected for the following reasons:

- (1) The new data entry system was a sine qua non of the re-equipment project;
- (2) The word processing product addressed a very urgent need to improve, update and standardise client correspondence;
- (3) The on-line manuals product sought to improve the basis of assessment at a time of increasing legislative change; and
- (4) Each was based on tailoring a commercially available product and would, therefore, not draw on OPF (ie OLE) resources; they were not labour-intensive and would employ persons with different sets of skills.

ESTIMATING REQUIREMENTS - TIME AND RESOURCES

17 Why has the Department consistently been unable to estimate accurately the time and manpower requirements to complete the various stages and components in the development of Stratplan?

The Department is puzzled by this question and is unaware of the basis for it. The Department has a good record of meeting requirements placed on it by Government for new and amending legislation where the parameters of the work and the nature of the technology are known. With a project the size of Stratplan stretching over many years and involving new technologies it would be naive not to expect many contingencies. The issue is then whether or not we have been able to continue to manage both the project and our ongoing responsibilities satisfactorily in the face of these contingencies. As the Committee would be aware, the Australian Audit Office has been conducting regular audits of Stratplan in accordance with the Committee's recommendations in its Report 225 of October 1984. Last year an Audit Office review covering the progress of Stratplan from its inception concluded that:

- (1) in respect of the re-equipment aspect of the project, after taking into account various external influences, that Office '...considers the present rate of progress towards re-equipment to be generally satisfactory';
- (2) in respect of applications redevelopment, again after taking account of the various factors, '...the present rate of progress is satisfactory'.

A copy of advice on these matters from the Audit Office is at Attachment 2

MAJOR POLICY AND LEGISLATIVE CHANGES

18 What specific quantifiable impact have policy and legislative changes had on the timely implementation of Stratplan?

It is not possible to quantify the total impact. Since commencement of development of the Stratplan project there have been many legislative and policy changes. A summary of legislative change since 1980-81 is in Attachment 3.

Of all the legislative changes, two particularly have had a significant effect on the timely implementation of Stratplan: the Pension Assets Test and the extension of Rent Assistance to Unemployment Benefit recipients.

The introduction of the Assets Test required the redeployment of CSO and clerical staff from the Stratplan development project to carry out major change to the then existing Pensions system. The duration of the Assets Test project was 18 months and involved 11 highly skilled CSO's and 7 clerical staff on a full-time basis.

The original data base design under Stratplan did not incorporate the concept of an Assets Test - hence the development project itself was affected by the Assets Test with the need to re-develop the database design.

The introduction of Rent Assistance for recipients of Unemployment Benefit was a major legislative change that impacted heavily on CSO and clerical resources and once again staff had to be redeployed from the development project to meet the implementation timetable required by the Government. Key personnel at senior levels were taken from the redevelopment project for a month to complete the Rent Assistance task.

There have been a considerable number of policy and government initiatives that have been introduced over the past four years that have resulted in demands on changes to systems. While we are in the development phase of Stratplan these changes impact on the current (masterfile) environment as well as on the development (Database) environment. Examples of such changes are Pension Entitlement Review, Income and Assets Test periodical reviews, Proof of Identity initiatives, Sole Parent Reviews, etc. Collectively these changes have contributed to delay in migrating the pensions system to a database environment. During the last couple of years there has been a concentration by Government on targeting special needs groups in the welfare sector and a general move towards removing anomalies and tightening up review mechanisms as well as new measures designed to achieve savings to government.

This has involved a heavy requirement to maintain all systems. This has meant that resources that would otherwise have been deployed to the Stratplan development project were diverted to other key Government commitments.

19 Are these changes always totally unpredictable in their effect?

Policy and Legislative changes are normally well researched before announcement. Resource requirements, associated costs, lead times, impact on system environments, etc, are generally estimated accurately given the experience the Department has had in responding to constant legislative and policy change. However, attempting to predict policy changes years ahead is generally counterproductive.

ATTACHMENT 1

STRATPLAN - COSTS ATTRIBUTABLE TO THE SECTION 28 AGREEMENT

	DIRECT		INDIRECT	
	ASL	\$m	ASL	\$m
<u>1984/85</u>				
RHCs	45.72	0.886		
RSAs	32.30	0.825		
Rest Breaks	4.00	0.073		
Training Relief	<u>48.50</u>	<u>0.965</u>		
TOTAL	130.52	2.749		
<u>1985/86</u>				
RHCs	100.88	2.054		
RSAs	65.59	1.759	33.29	0.893
Rest Breaks	17.00	0.325		
Training Relief	29.62	0.619		
Work Org Trials	-	-	<u>26.00</u>	<u>0.544</u>
TOTAL	213.09	4.757	59.29	1.437
<u>1986/87</u>				
RHCs	177.60	3.788		
RSAs	95.30	2.811	63.00	1.859
Rest Breaks	53.50	1.124		
Training Relief	36.70	0.844		
Work Org Trials	-	-	<u>56.00</u>	<u>1.288</u>
TOTAL	363.10	8.567	119.00	3.147



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30 June 1986

The Secretary
Department of Social Security
P.O. Box 1
WODEN A.C.T. 2606

REVIEW OF STRATPLAN DEVELOPMENTS

An Audit review monitoring the progress of Stratplan developments has been completed covering the period from its inception up to 30 December 1985.

Background to Review

2. The computer network re-equipment program, referred to as Stratplan, is the most expensive and extensive system approved for introduction into the Australian Public Service. In view of the costly and complex nature of this program it was referred to the Joint Committee of Public Accounts (JCPA) by the Government in June 1983 for monitoring and report. The first report of the JCPA (No. 255 in October 1984) included a number of recommendations directed at ensuring that Stratplan was as far as possible, completed on schedule, within cost, and with its originally asserted benefits being realised.

3. One recommendation (No. 17) of the Report was that the Department should report future progress and any problems to the Committee and to this Office, including discrepancies of time or costs from the planned schedule. It was agreed between the Committee, this Office and the Department that the following reports should meet the reporting requirements:

- . A quarterly report on progress achieved, of problems which have arisen and the means by which they are being addressed;
- . A quarterly financial progress report;
- . A quarterly implementation progress report;

- . Copies of documentation prepared on a monthly basis for the Stratplan Executive Committee; and

- . Copies of all communications distributed to staff relating to Stratplan.

In its advice to your Department on 17 July 1985, it appeared that the JCPA was of the view that the quarterly reports should permit it to properly scrutinize Stratplan's further implementation. To ensure this, specific information requirements in respect of the financial and implementation progress reports were detailed by the JCPA in the abovementioned advice.

Review Objectives

4. The principal objective of this review was to monitor the progress of Stratplan developments as detailed in the various reports provided by the Department to the JCPA and this Office. The review focused on identifying problems in implementation and discrepancies of time and costs from the planned schedule.

5. A supplementary objective was to review the adequacy of the quarterly progress reports received to date, in terms of form and content. Consideration was therefore given to the accuracy and completeness of information contained in the reports and to the usefulness of the information in the reports in their present format.

Review Findings

6. The review findings, as they relate to the above objectives, were represented to the Department at an interview conducted on 18 June 1986. Those in attendance were from the Department, Messrs D. Rowlands, L. Mathews, G. Fry, R. Emerton, N. Michel and A. Scerri; and from this Office, Messrs M. Owens, K. Gallasch and A. Greaves. The audit findings incorporating the results of the above discussions are now represented formally for your consideration and comments where indicated.

Project Management

7. Audit considers, in terms of the review objectives, that the overall management of the project is basically sound, particularly the structure of the management organization (i.e., the creation of National and State Co-ordinator positions and the establishment of the various committees), which facilitates the communication of problems in the implementation of Stratplan to a level commensurate with that necessary to resolve such problems.

Stratplan Progress

8. The progress in the implementation of Stratplan was reviewed against a definition of Stratplan formally endorsed by the Stratplan Executive Committee in November 1984. This read, inter alia, that Stratplan would be considered complete when the hardware and software approved in June 1983 is fully accepted, and the following end-user products are delivered nationally: Word Processing, Data Entry, On-line Manuals and On-line Enquiry for Income Security Systems progressing to On-line Update. The 4 year timeframe approved by Cabinet (i.e. to the end of 1986/87) was used as the limit against which to rate progress towards completing Stratplan as defined above.

9. Based on current projections it is considered unlikely that Stratplan, as defined above, will be completed by 30 June 1987.

10. Specifically, the re-equipment of offices is projected to continue until at least the end of 1987. From information received by this Office it appears that the primary reasons for this slippage are the addition, by Government decision, of 62 offices to the number originally contemplated when Stratplan was approved by Cabinet and protracted delays in obtaining a suitable mainframe site in Western Australia. Your officers have also advised that the Department is dependent on external agencies (viz. Department of Housing and Construction and Department of Local Government and Administrative Services) for the fitout of offices prior to re-equipment.

11. In the light of these external influences this Office considers the present rate of progress towards re-equipment to be generally satisfactory.

12. The provision of all of the Stratplan "products" referred to in the definition is also considered unlikely to be completed by the end of June 1987. From reports provided to this Office it appears that the major reason for failing to meet this deadline has been the shortage of skilled staff available to the Department to enable development of the relevant applications. An additional factor apparently influencing progress in this area was the introduction of further new Government initiatives (e.g., the Assets Tests). In attempting to meet the planned deadline it is understood that the Department has altered its strategy in relation to the provision of various Stratplan products. In this regard it is understood that On-Line Enquiry will be extended to Client I.D. only, in addition to Pensions and Unemployment and Sickness Benefits. Also, an infrastructure will be developed to create a full On-Line Update system for all applications,

but initially for only Family Income Supplement and Family Allowances. Finally, that the migration strategy for Pensions will be continued.

13. This strategy is a significant departure from that adopted in the 4 Missions defined in 1984 and as such is considered to be the Department's response to the slippages in implementation of the original strategic plan. This response is considered to be reasonable, and the present rate of progress satisfactory.

Form and Content of Reports


14. The content of the quarterly reports was reviewed against the information requirements detailed by the JCPA, based on the assumption that these reports were to be the primary source of information utilized by the JCPA and this Office for monitoring progress. A comparison of the information presented in the reports and that requested, revealed that the Department was not, in the view of this Office, providing the level of detail requested, particularly in respect of the Implementation Progress Reports. From discussions with officers of your Department it was ascertained that this was a conscious decision, based on the Department's assessment of the information requirements of the JCPA and that it has not adversely commented on the content of reports received to date. It is also recognised that the detailed information requested in the quarterly reports is in fact provided in a different format, viz in the monthly reports submitted to the JCPA and this Office. Because of this supplementary information, the detail in the quarterly reports, while not complying with the initial JCPA request is considered adequate for the monitoring role assigned to this Office.

15. In respect of the Financial Progress Report it is understood that certain items of expenditure are arrived at by either a percentage allocation by a global figure, or simply as a balancing item in the case of Ongoing Costs (referred to as Non-Stratplan Equipment). It is understood that while the percentage allocation is the best estimate able to be provided by the Department, there is no guarantee that it is accurate. This raises the question of the usefulness of the information provided. Particularly, whether the non-capital expenditure figures are based on actual expenditure. From discussions with officers of your Department it is understood that while the present years figures and forward estimates are subject to this allocation process the historic costs attributable to each of the categories requested by the JCPA is able to be accurately determined. It is therefore suggested that financial year end reports would provide more accurate information regarding the total cost of the project on a year by year basis.

ATTACHMENT 3

16. Audit also noted that the financial progress reports provide information on non-capital expenditure for Stratplan to the end of the approved 4 year period only. The Department's view as expressed by your officers present at the interview, is that this is acceptable due to the fact that the estimates upon which the Cabinet approval was based, were for the 4 year period to 30 June 1987 and therefore the reports should be restricted to this period and the approved total cost. This point of view is acknowledged by this Office to the extent that it was envisaged that Stratplan would be completed within the 4 year period. However, as previously mentioned, it appears unlikely that Stratplan, based on the definition utilized for the purpose of this review, will not be completed by June 1987. If estimates for the 4 year period were based on achieving the defined goals, then a valid case can be made for continuing to report on the cost of Stratplan after the approved period, at least at the margin (i.e., the capital and non-capital costs associated with the re-equipment of those offices not completed and of those products not implemented nationally as at 30 June 1987). Because of the difficulties associated with estimates the cost information would necessarily be historically based. This extended period for reporting would provide a more accurate figure of the total cost of Stratplan, which was one of the original objectives of the JCPA's review.

17. Your comments on the above matters would be appreciated together with information concerning the status of the consultants (Mr. Smithies) report to the Minister on the cost-effectiveness of Stratplan.


 H.J. Jacobs
 Regional Manager

The legislative changes since 1980-81 summarized below have been categorized according to the demands and impact on the Department's Systems and Operations Division and Regional Offices respectively. For the purpose of this particular exercise, the terms used to describe the demands and impact are defined as follows:

MINOR:

Legislative amendments of new legislation that either affected a very small number of clients (if any) or were simply new or amended rules that had virtually no impact on a system of the regional office. It could perhaps just involve a change in a statistical field.

ROUTINE:

Generally a legislative amendment or new legislation that involves basic systems changes that are almost transparent to the user in regional offices. A typical example is when C.P.I. increases are effected twice each year.

SIGNIFICANT:

A legislative amendment or new legislation that involves a lead time in excess of four months for system design, specification, programming and testing. It would usually mean that new coding instructions and clerical procedures are involved. New or re-designed forms would probably be required also. The staff in regional offices would require some training and they would probably be involved in data collection and substantial client contact.

MAJOR:

New legislation or a legislative amendment that involves a lead time in excess of 6 months. Such changes are usually of a magnitude that special teams are established and assigned to the specific task. The consultative processes with users during the design and development phases is usually very detailed and lengthy. Regional office staff would be required to undergo training in new coding and clerical procedures as well as the application of new administrative guidelines. Client contact and/or data collection is likely to be substantial.

ATTACHMENT

LEGISLATIVE AMENDMENTS 1980-81

SYSTEMS & OPERATIONS COMMITMENT

Regional office IMPACT

- Eligibility for supporting parent's benefit was extended. . Minor . Significant
- Additional pension or benefit for each child of a pensioner or beneficiary was increased. . Minor . Nil
- Mother's/guardian's allowance for single pensioners and supporting parent beneficiaries was increased. . Minor . Nil
- Handicapped child's allowance was increased. . Routine . Nil
- Double orphan's pension was increased. . Routine . Minor
- The rate of unemployment benefit payable to people aged 18 or more without dependants was increased. . Routine . Minor
- The "free area" of \$6 per week under the income test was extended to all beneficiaries aged 18 to 20 years and the test which applies to income above the relevant "free area" was liberalised. . Significant . Significant
- From 1 November 1980 pensioner health concession to sickness beneficiaries. . Significant . Significant
- Extension of pensioner postal and telephone concessions to sickness beneficiaries. . Routine . Routine

LEGISLATIVE AMENDMENTS 1981-82

- The rate of unemployment benefit payable to people aged 18 years or more without dependants was increased. . Routine . Routine
- The rates of family allowance paid for third and subsequent children were increased. . Routine . Nil
- The maximum rate of supplementary assistance payable to single pensioners or to pensioner couples was increased. The eligibility conditions were also changed from that date. . Significant . Significant
- The amendments outlined above for the payment of supplementary assistant were also applied to payment of supplementary allowance to long-term sickness beneficiaries. . Significant . Significant
- The rate of incentive allowance paid to persons who receive sheltered employment allowance was increased. . Routine . Routine
- The law was amended to minimise delay in the payment of unemployment benefit. . Significant . Significant
- The law was amended to enable sickness benefit to be paid without the need to serve the normal seven days waiting period. . Routine . Minor
- Double orphan's pension eligibility conditions were broadened. . Routine . Routine
- With effect from the first pension payday in November 1981, the granting of wife's pension was subject to the same general conditions which apply to the granting of age or invalid pension. . Significant . Significant
- The Health Insurance Act 1973 was amended to provide for the introduction from 1 September 1981, of the new Health Care Scheme for disadvantaged persons. . Significant . Routine

LEGISLATIVE AMENDMENTS 1982-83

- Rehabilitation allowance was introduced from 1 March 1983. . Major . Minor
- With effect from 1 May 1983, a new allowance, called family income supplement (FIS), was introduced. . Major . Significant
- Mobility allowance was introduced with effect from 1 April 1983. . Significant . Minor
- Easing of income test for pensions, sheltered employment allowance, rehabilitation allowance and supporting parent's benefit. . Significant . Minor
- With effect from 1 November 1982, the general requirement that a claimant for widow's pension be residing in and physically present in Australia at the date of her claim became subject to new exceptions. . Minor . Nil
- Rates of unemployment and sickness benefits not subject to regular indexation increases were increased. . Routine . Nil
- In respect of each payment of unemployment or sickness benefit falling due on or after 1 November 1982, the income test was eased. . Routine . Minor
- With effect from 31 December 1982, the granting of sickness benefit was no longer subject to the usual seven-day waiting period in some circumstances. . Routine . Minor
- As from 1 November 1982 the maximum rate of supplementary assistant/allowance payable to a pensioner, a supporting parent beneficiary or a sickness beneficiary was increased. . Minor . Nil

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- With effect from 31 December 1982, a sickness beneficiary does not have to wait the usual six weeks to become eligible for payment of supplementary allowance. . Nil . Nil
- The rate of incentive allowance payable to a person receiving sheltered employment allowance was increased. . Minor . Nil
- The rate of family allowance paid for first and second children was increased. . Routine . Nil

LEGISLATIVE AMENDMENTS 1983-84

- An income test was introduced on that part of the age pension for persons aged 70 and over which was previously free of an income test. . Significant . Major
- With effect from 1 May 1984, a new allowance called remote area allowance, was introduced for pensioners and unemployment beneficiaries. . Significant . Significant - some offices
- From 1 November 1983, the additional pension or benefit entitlement of a person in receipt of an income support payment under the Act who has a child under 16 or dependant full-time student aged 16-25 inclusive was increased. The increase also applied to the rate of family income supplement (FIS). . Routine . Nil
- With effect from 1 December 1983, a spouse carer's pension, which is payable to a man who is caring for his severely handicapped age or invalid pensioner wife, was introduced. . Significant . Routine
- With effect from 1 December 1983, a married pensioner with a child under 16 or dependant full-time student aged 16 to 24 inclusive became eligible for mother's/guardian's allowance where the spouse of the pensioner is living apart indefinitely due to illness or infirmity. . Nil . Nil

3

<ul style="list-style-type: none"> • With effect from 1 May 1984, the mother's/ guardian's allowance was changed to make it a uniform allowance. • With effect from 1 May 1984, a single unemployment, sickness or special beneficiary with a child became eligible for mother's/ guardian's allowance. • With effect from 1 December 1983, supporting parent's benefit was extended. • With effect from 1 November 1983, the basic income limits applicable to persons eligible for 'fringe benefits' subject to an income test became indexed in line with movements in the Consumer Price Index. • With effect from 1 November 1983, the rates of unemployment, sickness and special benefit were increased. • With effect from 1 May 1984, the rate of unemployment benefit payable to a single person aged 18 or over without dependants became indexed. • With effect from 1 March 1984, the benefit income test was changed to provide for a 'free area' of \$20 per week, with a taper. • From 1 March, 1984 additional benefit payable to unemployment, sickness and special beneficiaries for children ceased to be subject to income tax. Supplementary allowance payable to certain sickness beneficiaries was also exempted from tax. 	<ul style="list-style-type: none"> • Routine • Significant • Nil • Routine • Routine • Routine • Significant • Significant • Significant • Routine 	<ul style="list-style-type: none"> • Routine • Significant • Nil • Routine • Nil • Nil • Significant • Significant • Significant • Routine
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LEGISLATIVE AMENDMENTS MADE IN 1984-85

<ul style="list-style-type: none"> • An ad hoc increase was made in the maximum rate of indexed pensions from pay day 1 November 1984. • An ad hoc increase was made in the maximum rate of unemployment and sickness benefit. • The additional pension or benefit applicable to a person who is in receipt of an income support payment under the Social Security Act was increased. • This increase also applied to the rate of FIS. • With effect from 1 November 1984, the mother's/ guardian's allowance was increased. • With effect from 21 March 1985, an assets test was applied to all social security pensions that were subject to the income test. 	<ul style="list-style-type: none"> • Routine • Routine • Routine • Routine • Routine • Major 	<ul style="list-style-type: none"> • Nil • Nil • Nil • Nil • Nil • Major
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95

LEGISLATIVE AMENDMENTS 1985-86

<ul style="list-style-type: none"> • With effect from 5 September 1985, the classes of persons eligible for the higher rate of unemployment or sickness benefit payable to certain single persons under 18 without dependants were broadened. • With effect from 1 November 1985, the rate of unemployment and sickness benefit payable to single persons without dependants were restructured and increased. • With effect from 1 November 1985, the additional pension or benefit payable to a pensioner or beneficiary with a child under 16, or a dependant full-time student aged 16 to 18 inclusive, was increased. 	<ul style="list-style-type: none"> • Significant • Significant • Routine 	<ul style="list-style-type: none"> • Minor • Routine • Nil
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• This increase also applied to the rate of family income supplement (FIS).	• Routine	• Nil
• With effect from 1 November 1985, a new carer's pension, available to a person personally providing constant care and attention at home to a severely handicapped relative in receipt of age or invalid pension or rehabilitation allowance, was introduced.	• Significant	• Significant
• With effect from 15 November 1985, the rate of family allowance payable, for the first six years, to families with three or more children born at the same time was increased.	• Significant	• Minor
• With effect from 1 May 1986, the mother's/ guardian's allowance payable to a sole parent or beneficiary in respect of a child under 16, or dependent full-time student aged 16-18 inclusive, was increased.	• Routine	• Nil
• With effect from 1 May 1986, the 'free area' of income that a beneficiary may have before benefit is affected was extended from \$20 per week to \$30 per week.	• Routine	• Nil
• A Young Homeless Allowance was introduced.	• Major	• Minor
• With effect from 1 May 1986, rent assistance of up to \$10 per week was extended to an unemployed or special beneficiary.	• Major	• Significant
• The Social Security amnesty provided that certain persons receiving a social security payment could voluntarily inform the Department, between 12 February 1986 and 31 May 1986, of their circumstances and be protected against a criminal or civil liability.	• Significant	• Significant

• The amendments made by the Social Security (Poverty traps Reduction) Act 1985 will not come into effect until 1 July 1987. By these amendments - . The 'free area' of private income that a pensioner may have before his or her pension is reduced under the income test will be increased.	• Major	• Significant
• The separate income test on rent assistance will be abolished.		
• Payment of unemployment, sickness or special benefit to a full-time student who is eligible, in principle, for a Commonwealth education allowance was barred.		

APPENDIX B

**Letter to JPCEA from the Public Service
Board of 31 March 1987 in response to
written questions from JPCEA**



OFFICE OF THE PUBLIC SERVICE BOARD

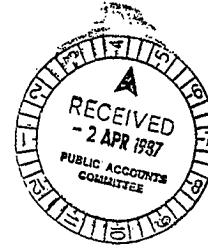
McLACHLAN OFFICES
National Circuit, Canberra, A.C.T. 2600

Telephone 72 3977

Reference: 85/209

31 March 1987

R 164.
Mr M J Talberg
Secretary
Joint Committee of
Public Accounts
Parliament House
CANBERRA ACT 2600



Dear Mr Talberg

I refer to your letter of 12 March 1987 to Dr Wilenski, requesting comments on a number of issues connected with the Stratplan inquiry. In particular, you asked the Board to consider questions 10-13 of your letter of 24 February to Mr Volker.

The Board would wish to comment in relation to question 10 only and offers the following remarks:

What steps did the department take to alleviate the chronic CSO staff shortage?

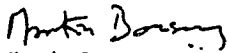
In 1986 the Board reviewed its CSO1 recruitment process and allowed departments to make offers of appointment directly to students on campus. This appears to have been the basis for an improved recruitment result for the APS in 1986. Only 194 CSO1 positions were filled in 1985 out of a requirement for 416; in 1986 351 out of a requirement of 476 were filled.

To complement the new recruitment procedures of this campaign the Department of Social Security increased its campus recruitment efforts and as a result was able to satisfy more than 97% of its requirement for new CSO1s.

It is understood that private sector employers of computing graduates were not as successful as usual in recruiting graduates as a result of the public service's more direct approach.

If you have any questions concerning the Board's response, please contact Peter McIlwain, Acting Director, Research and Secretariat on 717596.

Yours sincerely



Martin Bonsey
Acting Secretary

APPENDIX C

Letter to JPCPA from the Department of
Local Government and Administrative
Services (undated) in response to
written questions from JPCPA



OFFICE OF
THE SECRETARY

DEPARTMENT OF LOCAL GOVERNMENT
AND ADMINISTRATIVE SERVICES

Canberra House,
Marcus Clarke Street, Canberra City, A.C.T. 2601

R. M. J. Talberg
Mr M.J. Talberg
Secretary
Joint Parliamentary Committee of
Public Accounts
Parliament House
CANBERRA ACT 2600

Dear Mr Talberg

Your Committee has asked the Department of Social Security a series of questions associated with the Committee's proposed third report on Stratplan, and has asked me to comment in relation to the issues raised in questions 5-7. I apologise for the delay in responding.

My Department is not aware of any delays caused to Stratplan by problems associated with the provision of accommodation. It is important to note that Stratplan was a new concept in relation to office accommodation and consequently required a major co-ordination exercise to ensure that the often significant lead time associated with the provision of accommodation was taken into account in implementation planning. This co-ordination was managed by a joint working party drawn from the three departments involved with the accommodation aspects of the project.

A brief description of the funding processes for the provision of accommodation will help provide an understanding of the role of my Department in relation to Stratplan. Each year in the Budget, Government approves program cover for urgent and essential civil works, new leases, and associated fitout to service continuing requirements and new initiatives. Invariably, in addition to these new programs, other equally urgent and essential new lease, fitout and civil works requirements arise during the year. These latter requirements are often funded through savings from other accommodation projects, or by clients, or by additional program provisions agreed by the Minister for Finance. When additional funding is not provided, then the provision of the accommodation must await the next Budget. Potential problems arising from this process were dealt with as they arose through the joint working party.

There was no management problem in co-ordinating activities between the agencies involved because formal co-ordinating arrangements were set in place early. Following the Government's approval of Stratplan my Department, the Department of Social Security and the Department of Housing and Construction established a joint working party to monitor and control the accommodation

aspects of Stratplan implementation. The working party, which included senior SES officers of each department, met regularly to plan and manage the funding and provision of accommodation for Stratplan, and were able to avoid potential delays.

Yours sincerely



(G.G. Glenn)
Secretary

APPENDIX D

Letter to JPCPA from the Department of
Housing and Construction of 6 May 1987
in response to written questions
from JPCPA



Department of Housing and Construction

In reply please quote 086/1545
Contact

Secretary
Joint Parliamentary Committee
of Public Accounts
Parliament House
CANBERRA ACT

Dear Mr Talberg,

Thank you for your recent letter to the Secretary seeking our comments on questions you had raised with the Department of Social Security regarding their Stratplan project.

This project has involved work on some 300 sites in all parts of Australia and although some problems have been experienced with specific sites, progress overall has in our opinion been quite satisfactory.

Our comments on the matters you have raised regarding site preparation are as follows :

- 5) What delays were caused to Stratplan by problems in site acquisition and commissioning:

The Department of Housing and Construction is not directly involved in the leasing of premises for Commonwealth occupancy and consequently is not in a position to comment on what delays may have been caused by problems in acquiring sites for the Stratplan project.

With regard to the actual fitting out of leased premises to allow implementation of this project the work has to a large extent proceeded on schedule. Those problems that have caused delays have been specific to individual sites and have not affected the overall program. In the main, such delays have been caused by the need for building owners to bring their premises up to a standard where they can be occupied by the Commonwealth.

.../2

Delays were also experienced on two sites in the ACT due to the fact that the developers of the buildings in question did not have construction of the building shells far enough advanced to allow commencement of fitout on schedule.

- 6) What roles did the Department of Local Government and Administrative Services and the Department of Housing and Construction play in generating and resolving these problems?

and

- 7) Was there a management problem in co-ordinating activities between the agencies involved?

The complexity of the Stratplan project and the consequent need for careful consideration of all its aspects was identified during the early planning stages. To ensure that the fullest possible consultation took place project officers were identified in the Departments of Social Security, Local Government and Administrative Services and Housing and Construction. Regular co-ordination meetings were held between these officers at both Central Office and in particular regional level to ensure that potential problems could be identified and resolved without delays being incurred to the work involved. To a large extent this succeeded with delays to the actual commissioning of the majority of offices being minimal.



J.M. Kent
First Assistant Secretary
Civil Programs 2

6 May 1987

APPENDIX E

Department of Social Security's
submission to the public hearing of
14 May 1987 (dated 6 May 1987)



OFFICE OF THE
SECRETARY

Department of Social Security
P.O. Box 1, Woden ACT 2608 Telephone: 844900 Telex: 62143

6 May 1987

Mr M.J. Talberg,
Secretary,
Joint Parliamentary Committee
of Public Accounts,
Parliament House,
CANBERRA. ACT. 2600.



Dear Mr Talberg,

Submission Relating to Public Hearing on Stratplan

Enclosed for distribution to Committee members prior to the public hearing is a submission covering the topics notified to us in your letter of 21 April.

Yours sincerely,

(D. VOLKER)

JOINT COMMITTEE OF PUBLIC ACCOUNTS
STRATPLAN - DEPARTMENT OF SOCIAL SECURITY RE-EQUIPMENT
SUBMISSION TO HEARING OF 8 MAY 1987

The Committee has requested the Department's attendance at a hearing and has indicated that the principal topics to be addressed will be:

- . industrial relations
- . applications development
- . CSO staffing and the use of contractors.

These topics are discussed in this submission. Information regarding the current status of the Stratplan project is covered in documents provided on a regular basis to the Committee and a summary outlining progress to date against objectives will be available in an Opening Statement.

1 INDUSTRIAL RELATIONS

- 1.1 During its hearings on Stratplan in 1984 the Committee examined in detail the Department's handling of industrial issues up to July of that year. It is not intended to go over that ground again but to note, as shown in Committee Report 225, the high level of attention given to industrial issues by the Department in the period up to that point. Chapter 7 of the Committee Report 225 contains a chronology of major industrial events that occurred from the time the Government approved the concept of Stratplan in December 1981 to July 1984. The chronology covered the number of meetings which took place between the Department and unions to discuss Stratplan during this period.
- 1.2 After July 1984, the Department and the Minister continued to meet the unions in an effort to settle the outstanding issues and enable Stratplan implementation in Regional offices to proceed. In September 1984, industrial action aimed at Stratplan was intensified. ACOA members in the Department voted to impose a series of bans to hinder implementation. These bans were additional to bans imposed by AFSA in April 1984. In October 1984 the Department and the Public Service Board concluded that the only avenue available to have the bans removed was to seek the intervention of the Conciliation and Arbitration Commission. This dispute was brought before the Commissioner on 19 October 1984.

- 1.3 The Department, the Public Service Board and the unions reached agreement through Commission sponsored negotiations and all bans were removed in November 1984. The agreement with the unions was certified by the Commission in January 1985 and a copy is at attachment A.
- 1.4 The Agreement covered the following aspects of "Stratplan and Associated ADP Developments":
- . Retrenchment (an understanding that there will be no retrenchments)
 - . Redeployment and Retraining
 - . Examination of staffing impact
 - . Standards for site preparation and office fitout
 - . Eyesight testing and provision of spectacles
 - . Radiation Testing of VDUs
 - . Work organisation.
- The Agreement also listed 30 Regional Offices that were to be scheduled for site completion by March 1985 when there was to be a month's break in implementation to enable assessment of performance.
- 1.5 The Agreement, together with the supplementary agreement noted in 1.6 below, has established a firm base and allowed implementation to proceed without further delay related to Stratplan industrial issues.
- 1.6 During April and May 1985 the Department and unions reached a further agreement to trial alternative work organisation arrangements as provided for in clause 12(d) of the Stratplan agreement.
- 1.7 In September 1985, the Department in consultation with union representatives developed an industrial democracy plan as required by Section 22(c) of the Public Service Act. This plan formalised the consultative processes with the unions and committed the Department to establish a forum to discuss:
- . changes in equipment including machinery and computer based equipment and materials; and
 - . the development of new or very different methods of operating equipment (eg through changes to software or processes) and major changes to methods or procedures.

- 1.8 These consultative processes have subsequently been applied to a wide range of technological change initiatives. Within this technological change forum particular attention has been given to introduction of the on-line update facilities for On Line Benefits Processing (OBP). The Department has thus kept the Unions informed on progress with OBP and has provided them with copies of the design specifications. The Unions were encouraged to offer comments.
- 1.9 In addition, efforts have been made to involve union representatives in workshops and prototype demonstrations of the on-line update facilities conducted in our State Offices.
- 1.10 In February and March 1987 senior union representatives were given a detailed briefing on OBP and the proposed timetable for implementation. On 15 April 1987 the National Secretaries of ACOA and APSA were invited to have an active and constructive role in the activities of a group of people who will be examining workflows, clerical procedures and job design options for OBP.
- 1.11 The Department also has a policy of ensuring that representatives of staff who will eventually use a system participate in the development teams for that system. This, together with the formal consultation process, has ensured that the products and facilities offered to date have a very high level of acceptance with the majority of staff. The impact of the on-line facilities provided to date has been significant and the Department and unions recognise the even greater impact that the introduction of on-line update processing will have. Job design is seen as very important if the potential of the new systems is to be exploited fully. The Integration of Office Based Classification Structures in the APS should assist in providing effective and efficient work mixes and more satisfying jobs for our staff.

2 APPLICATIONS DEVELOPMENT STRATEGY

- 2.1 As regards the ADP technical and user environment in August 1983 in the Department of Social Security, technically, the ADP environment was late 1960's; more importantly, clerical staff had no exposure whatever to keyboards or screen based technology.
- 2.2 It was in this context that the Stratplan applications development strategy was determined. The objectives which underpinned this strategy included:
- providing a clear focus for early achievement to arrest the trend of eroding client service evident at the time as well as providing major improvements in conditions for Regional Office users;
 - introducing users to the new technology in a non-threatening way;
 - minimising the risk of failure associated with moving the Department's operations (technical and user) into a totally new ADP environment; and
 - most importantly, ensuring that the overall thrust of the Stratplan applications development strategy was directed toward the achievement of full On-line Benefits Processing (OBP) in the shortest possible timeframe.
- 2.3 Stratplan application developments and implementations to date have been consistent with these objectives. Most significant Stratplan projects are either directly related to OBP, position us ready for OBP or make a large contribution to OBP.
- 2.4 Specifically:
- On-Line Enquiry (OLE), the first major Stratplan product, gave us quick results with substantial benefits for both users and clients. It exposed users to online systems in a non-threatening way (difficult to make a mistake - impossible to make a mistake with any consequential bad effect), gave them keyboard skills and allowed them to adjust and see for themselves the effect that online updating might have. It introduced computer centres, applications developers/maintainers and technical staff to online database technology in a relatively safe non-critical way.

- In addition, OLE is clearly a major step towards OBP. The two major elements of OBP are on-line benefits enquiry and on-line benefits updating. OLE goes a significant way to satisfying the on-line benefits enquiry element of OBP;
- On-Line Manuals/On-Line Information(OLM/OLI), while also catering for non-Income Security Systems text, is largely geared towards Social Security legislation, procedures and guides and will form part of the integrated 'user help' facilities of OBP. Again, it has also assisted in introducing users to on-line technology in a non-threatening way.
- The standard letters aspect of the Word Processing(WP) product introduced users to online selection/composition of Income Security Systems (ISS) advices. It is a forerunner to the eventual integration of ISS data processing and ISS word processing in the integrated advices project.
- The Data Entry(DE) product, a necessary development for the new equipment, is related to the OBP objective in two ways: introducing users to form-like transactions and satisfying the need under OBP for a viable DE system for bulk transactions.
- Security facilities thus far developed are sufficient for controlling access to existing products. However, they are not adequate in the OBP environment. In establishing the appropriate security environment for OBP it has been necessary to develop the Personnel and Establishment stream of ADMINS to facilitate security maintenance (maintaining security profiles for system users). These ADMINS facilities are a prerequisite for development of the security system for OBP and, therefore, the provision of these ADMINS products is consistent with the overall objective of ensuring the applications development thrust is almost totally directed toward the achievement of OBP in the shortest possible time. Other aspects of ADMINS are more remote from OBP and, indeed, these have not been given priority for development.

- Migration of Pensions data to a database environment is a direct step towards OBP, giving us experience in the batch processing of databases and using the new financial, system, audit and run controls necessary in an online database environment.
 - Finally, most of the technical infrastructure - mainframe, communications, WANG/VS, terminals, mainframe and WANG software - are a prerequisite for OBP implementation.
- 2.5 The pictorial representation (Attachment B) gives a broad overview of how Stratplan applications development, both achieved and planned, contributes to the attainment of OBP. Attachment C summarises the costs of these OBP developments represented in Attachment B.
 - 2.6 In summary, the Department is confident that all the original objectives for Stratplan applications development have continued to be satisfied. Early gains in the areas of client service and user conditions have been achieved; through the incremental (and low risk) approach adopted, both the user and technical Stratplan environments have been successfully established; and the overall thrust of developments has been almost totally directed toward the achievement of full On-line Benefits Processing.
 - 2.7 The remaining question to explore is whether Stratplan applications development could have been achieved in a shorter timeframe.
 - 2.8 An issue that is particularly relevant to this question is the overall rate of change the organisation, both in a user and a technical sense, could be expected to absorb successfully.
 - 2.9 In the context of the total level of change impacting on the Department since 1983 the Department is more than satisfied with the progress made with the implementation of Stratplan products.
 - 2.10 This high overall level of change has resulted in some slowing of achievement particularly because development resources have had to be used at times to implement Government initiatives. In addition, this level of change significantly reduces the ability to absorb Stratplan change.

- 2.11 Subsequent revisions to development plans have meant that timings of Stratplan staff savings have been delayed.
- 2.12 Each time a government initiative is planned, it is examined to see whether it can be used as an opportunity to accelerate the introduction of OBP by incorporating the initiative in the OBP plans.
- 2.13 Until now, this has not been possible because:
- . until the first OBP system is implemented, or until the data are on database, the risk of making the implementation of a government change dependent on OBP is too high;
 - . the need to implement the Government initiative simultaneously in all offices means that it cannot be implemented at the same time as OBP, because that too would increase the risk of failure of both OBP and the initiative; and
 - . the necessary Hardware and Software are still not available in all States and Regional Offices and therefore, it is physically impossible to implement the change nationwide.
- 2.14 The other issue relevant to this question was the ability of the Department to establish and retain a high level of very scarce technical skills for Stratplan development.
- 2.15 With regard to this issue:
- . a large number of staff has been required at a time when there has been significant competition for such resources. A high degree of specialisation was necessary, leading to a requirement for a great deal of coordination and liaison for the Department - it led to an enhanced meaning of "team work".
 - . staff recruited to the project often were new to the Department, new to online database technology, new to distributed networks and almost all were new to Model 204, the strategic database management system to be used for OBP. Therefore, extensive training of new staff was necessary.

. the Department as a whole needed to be re-educated to a new culture in relation to its systems - technical specialists used to dealing with extremely complex technical issues needed to understand the impact a small mistake on their part might have on possibly thousands of users spread across more than 200 locations.

. the increased pace of legislative and policy change within the Department has led to skilled resources being moved from OBP to initiatives as mentioned above. As well as this, the specification of the product being built has kept changing, resulting in reworking the design, redeveloping the system or, in the case where the system has been built but not yet implemented Australia wide, building the change into two versions of the system instead of one. An analogy is the relatively high cost of change to a specification of a building after construction has started.

- 2.16 While early plans took as many as possible of the above issues into account it is naive to think that precise estimates can be developed without knowing the design of the systems to be developed and the resources available to build them in a constantly changing environment. (Even a perfectly kept plan of future appointments will not necessarily enable precise prediction of the number of kilometres a car will be driven in the coming week.)

3 CSO STAFFING AND THE USE OF CONTRACTORS

- 3.1 Facing a large development task in implementing Stratplan, the Department realised the significance of the Review of Commonwealth Functions (1981) which included a decision that ADP development work should be contracted out to the private sector. This was reflected in the 1981 Strategic Plan. A Request for Tender for contract services was prepared in addition to the RFT's for computer hardware and software.
- 3.2 Contractors have always been an important part of our overall staffing strategy for Stratplan development work. Contract labour is very effective for development work. Highly specialised personnel may be engaged and their tenure need be for only the duration of the specific tasks requiring their skills. We have continued to use contractors to:
- . provide skills that are not available within the APS; and
 - . assist in the timely completion of peakload tasks.
- 3.3 Contractors have played a significant role in the effective implementation of Stratplan.
- 3.4 The Department commissioned a consultancy to look into the use of contract analyst and programmers in 1984. A major finding of the report from this consultancy by Jack Cohen and Associates was that contract programmers are cost effective but are more expensive than equivalent APS officers.
- 3.5 The use of contractors raises a considerable number of issues, not the least being the attraction to APS staff of the higher remuneration available in transferring to the field. These issues are the subject of a current study by the Public Service Board and are not pursued here.
- 3.6 Much of the work in development of Stratplan and support of its computing infrastructure is more appropriately handled by APS staff. This is particularly important if the systems are to be supported operationally and maintained by staff with the required skills.

- 3.7 However, considerable difficulties have been experienced in recruiting CSO staff to Departmental positions. For example, in 1985/86 the Department sought 50 new staff at the CS01 level. We were allocated only 17. There were numerous vacancies at all other CSO levels which proved difficult to fill.
- 3.8 DSS made representations to the Public Service Board about the problem and, last year, the Board made changes to the arrangements applying to the recruitment of CSOs. These changes enabled the Department to conduct its own campaign to recruit ADP graduates.
- 3.9 To capitalise on the changes in recruitment arrangements, the Department seconded a senior officer to act as the CSO Recruitment Adviser. We developed an information package which explained the Department's operations, promoted the opportunities in our unique ADP environment and gave information about Canberra and the Public Service. The information was sent to every tertiary campus in Australia (65 in all) that we thought would produce ADP graduates. We visited most of the 43 institutions which responded to the information package and participated in their career weeks. We also advertised in publications such as Hobson's "Graduate Outlook".
- 3.10 The Department's efforts have been remarkably successful. We are one of the four Departments to have filled their requirements completely. (The other three required 1, 2 and 8 CSOs compared to our requirement of 70.)
- 3.11 Our efforts for the coming year will centre on maintaining this momentum and on training of new CSOs.

Department of Social Security



STRATPLAN

AND

**ASSOCIATED ADP DEVELOPMENTS
AGREEMENT WITH STAFF ASSOCIATIONS**

Agreement by Consent

1. Title

This agreement shall be known as the Department of Social Security (Introduction of Stratplan and associated ADP developments) Agreement 1984.

2. Arrangement

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3. Parties Bound

This Agreement shall be binding upon the Minister for Social Security, Department of Social Security, Department of Housing and Construction, Public Service Board, the Administrative & Clerical Officers' Association (Australian Government Employment) and the Australian Public Service Association (Fourth Division Officers), in respect of officers and employees employed by the Department of Social Security.

4. Definitions

In this Agreement:

"Associations" means the Administrative & Clerical Officers' Association (Australian Government Employment) and the Australian Public Service Association (Fourth Division Officers);

"Board" means the Australian Public Service Board; "Department" means the Department of Social Security; "Staff" means a person appointed as an officer or engaged as an employee pursuant to the provisions of the Public Service Act employed in the Department of Social Security who is a member of the Association, unless otherwise stated in the Agreement;

"Stratplan and associated ADP developments" means the following ADP development projects as defined below scheduled for implementation by Department of Social Security between 1984 and 1990:

Stratplan By 31 December 1984, implement word processing, data entry, online manuals and online inquiry, as appropriate, in Central Office, State Headquarters and

New South Wales equipped Regional Offices.

Stratplan Mission 2: By 31 December 1986, extend Mission 1 products to all locations in NSW.

Stratplan Mission 3: By 30 September 1985, implement online person-data update for Income Security applications, a Subsidies Information System, and basic administrative systems in the first locations; and by 31 December 1986, extend the implementation of these products to all locations.

Prism 2: (Performance Related Information System for Managers) Reports quantitative and qualitative data from Departmental ADP Systems on the timeliness and accuracy of Income Security processing. Reports are generated by office and State for each level of Management with data selected to meet the needs of managers at those levels.

Prism 3: The process of transferring Prism to Stratplan facilities in accordance with a transfer strategy to be developed.

FMIS 1: The Facilities Management Information System records and monitors information on the computing facilities acquired by the Department under Stratplan:

- Details of contractual agreements and obligations;
- Details of ordering, delivery, installation and acceptance of computing facilities;
- Details of upgrades/enhancements to hardware, software, network configurations, et cetera.

FMIS 2: Record and monitor financial costs of acquisition/maintenance/change of computing facilities.

FMIS 3: Record all problems associated with all computing facilities, including their cause, impact and resolution.

ADMINS 1: Record organisational data on positions;

- Record personnel particulars, connecting people and positions and reflecting staff movements;
- Provide basic information to support HURBS;
- Record attendance at training courses and assess demand by course type.

ADMINS 2: Support financial and budgeting functions of Departmental administration, involving:

- Expenditure estimates;
- Allocation of expenditure allowances;

ADMINS 3: Obtain tender quotes; Selecting suppliers; Contract maintenance; Purchase orders/receipts/invoices. Support the procedures involved in: Planning/monitoring acquisitions of or alterations to DSS offices; Receipt, issue, location and stocktaking of stores and assets. Implement a Records Management System for Registry in Central Office and SHO.

Record Management System:

FACTS: Implement a system for automating manual accounts processing SHQ and improving financial administration in Central, State and Territory Offices of the Department.

Online debt Recovery: Implement online debt recovery nationally.

CBT: Implement first courses using computer-based training. CBT is an application of computers to the learning experience using:

- Computer Assisted Instruction — teaching skills and aiding practising and overview of achievements;
- Computer Managed Instruction — diagnosis of trainees' strengths and weaknesses, prescription of learning activities and monitoring of learning activities.

Integrated Audit Facility: An audit tool which will assist in the monitoring of ADP processing to ensure that the internal controls are operating effectively.

Electronic Mail: A system for distributed message traffic throughout the network.

SIS 1: Complete the design and extension of existing subsidies information system nationally.

SIS 2: Convert subsidies information system to Model 204.

CRS Client Records System: Develop a data base system which records data on clients of the Rehabilitation service.

Social Work System: Design a data base system for recording the details of clients, work programmes, social welfare agencies available and to produce management statistics.

OCEC Stats: Implement Office of the Commissioner for Employees Compensation statistical system.

Data base becomes Primary File (Mission 3): Client benefit information will no longer be stored on the tape-based masterfiles and then copied to the OLE data base — instead the data base will be directly updated by the existing batch application systems.

Person Data Update (Mission 3): Currently a copy of the information necessary to identify clients of the Department (and their dependants) is stored separately with the details of each benefit they receive. Duplicate records will be combined and online updating will be possible for basic identification data, ie, name, address, et cetera.

Contact Registration: Where appropriate, Appeals, Freedom of Information requests, letters from clients, and other written contact with the Department will be recorded on receipt.

National Index: DSS staff will be able to initiate an automatic search of all State data bases to determine if a person claiming for benefit is known to the Department.

Circumstance Update: This facility will allow client circumstance data (details of dependants, study, employment, medical certificates, et cetera) to be entered, edited and updated in one step. Errors in the data will be detected and corrected immediately and staff will have access to the most up-to-date information.

Eligibility/Assessment Data Update (Stage 1): The facility will allow the input of eligibility and assessment information by assessing staff through the terminal. This data (type of benefit, review details, et cetera) will be edited and corrected where necessary, then stored on the data base.

Eligibility/Assessment Data Update (Stage 2): This stage extends to the direct input of more complex aspects of eligibility and entitlement assessment including arrears and overpayments.

5. Inconsistency with Acts, Regulations, et cetera

This Agreement shall be read in conjunction with the Public Service Act and the Commonwealth Employees (Redeployment and Retirement) Act, and any regulations or determinations made under or pursuant to those Acts. Where the said Acts, regulations or determinations are inconsistent with the provisions of this Agreement, the latter shall prevail.

6. Retrenchments

The Minister for Social Security and the Department undertake that there will be no retrenchments of staff caused by the introduction of Stratplan and associated ADP developments.

7. Redeployment and Retraining Procedures

The Associations agree to lift work bans to allow installation and implementation of Mission 1 products in regional offices scheduled for site completion to 1 March 1985. The Department considers that this will be between 25-30 dependent on Department of Housing and Construction schedules being maintained. An indicative list of these offices is at Annexure "A" of this Agreement.

Voluntary Redeployment

- (a) The Department assures Associations that redeployment will be voluntary as far as possible;
- (b) Where it becomes necessary for the Department to call for voluntary redeployment between offices of the Department or within offices of the Department, the Department undertakes to consult with the relevant State Branches of the Associations as to processes to be followed prior to redeployment action being taken in any office.

Compulsory Redeployment

- (c) Should the need arise for compulsory redeployment, the Department undertakes that:
 - (i) staff will not be required to move domicile as part of any redeployment process;
 - (ii) there will be no compulsory transfers of staff between a country town or country city to a metropolitan area or to another country town or country city;
 - (iii) in any consideration of the need to compulsorily transfer any individual staff;
 - (1) each case shall be considered on its merit, taking into account:
 - excessive travelling time;
 - extra costs;
 - availability of public transport;
 - individual staff's personal circumstances.
 - (2) individual staff who would be required to travel for a single journey at the new location in excess of 33 minutes (offices in Sydney and Melbourne) or 22 minutes (offices in other State Capitals) would not be compulsorily transferred to that location unless the staff member voluntarily indicated to the Department that the required travelling time was acceptable (travelling time will be determined using official public transport timetables);
 - (3) each affected individual staff shall be advised before a decision has been reached and
 - invited to express a preference should a number of possible options for transfer exist;
 - be given the opportunity to submit any other relevant information they wish to be taken into account;
 - (4) staff who are to be redeployed will be given six months notice before a redeployment is to take effect, unless agreed otherwise by the person concerned and the local Branch of the relevant Association;
 - (5) once a decision has been taken if a staff member considers it unreasonable, the Department will establish a Committee of Review to review the decision, comprising a nominee of the

relevant Association as well as an officer of the Department, both of whom must not have had prior involvement in the cases;

(6) should the Committee of Review be unable to reach an agreed position on the matters, the Department would accept as final the view of an independent arbiter, satisfactory to both the Department and the Association.

Redeployment Entitlements

- (c) The Board agrees that voluntary redeployment will attract the same conditions and entitlements relating to transfer in the public interest as defined in Public Service Board Determination No 10 of 1984;
- (e) The Board and the Department agree that staff who have been accepted for voluntary redeployment will be entitled to a pre transfer visit to the new location and familiarise themselves with the new location and assess housing and educational facilities. Spouses and where considered necessary by staff, dependent children may accompany potential voluntary redeployees on this visit.
- (f) The Department agrees that outstanding action in any Regional Office to fill vacancies that might affect staff in that office who apply for voluntary redeployment will as far as is practicable be completed before decisions on such deployment are taken. The Board and the Department agree that staff who are accepted for voluntary redeployment at their substantive level and who have been acting continuously at a higher level for 12 months or more will be entitled to continued payment of higher duties allowance for a period of 6 months, unless they are 45 years of age or over or have completed 20 years service when the period of additional payment will be 12 months.

Retraining

- (g) Any retraining which is necessary will be provided by the Department before staff take up duty at new locations. Where necessary, "on the job" training will also be provided as soon as staff commence duty at the new location. Where a person's career prospects are jeopardised as a result of the redeployment action outside courses will be made available to staff to enable them to reorientate their career.
- (h) The Department undertakes that those members of staff who have special difficulty coping with the new technology under Stratplan will not be disadvantaged. Staff will at least be retained at their existing substantive level and will be given the opportunity of further training with the view of increasing their understanding and acceptance of Stratplan.

8. Examination of Staffing Impact of Stratplan and Associated ADP Developments

Job Creation

- (e) The Minister for Social Security gives the following response in respect of Job Creation Proposals being developed by the Associations:
 - I am aware that negotiations have been proceeding

with the Department of Social Security and that considerable progress has been made;

- I have been notified of the ACOA/PSA study on service delivery, job loss and job creation;
- I am willing to give an undertaking that the Department will discuss the results of this study but I am not willing to give any guarantees of conditions associated with these consultations;
- I have always been willing to approve negotiations on job creation but I am not willing to offer as a condition of these negotiations the cessation of work on Stratplan implementation.

Job Impact Statement

- (b) The Department will provide to the Associations by 1 March 1985 a job impact statement in accordance with paragraph 61V of the Board's Guidelines for Joint Consultation on Technological Change in the APS covering Stratplan and associated ADP strategic developments.

Job Impact Study

- (c) The Department will provide to the Associations by the end of December 1985, a more detailed job impact study covering Stratplan and associated ADP strategic developments. The Associations will be invited to participate in the study.
- (d) The Associations agree to lift work bans to allow installation and implementation of Mission 1 products in regional offices scheduled for site completion to 1 March 1985. The Department agrees that this will be between 25-30 dependent on Department of Housing and Construction schedules being maintained. An indicative list of these regional offices is at annexure "A" of this Agreement.

Regional Systems Administrator (RSA)

- (e) The Department undertakes to:
 - (i) provide a Regional Systems Administrator (RSA) position in each regional office that comes on stream under Stratplan by 1 March, 1985 irrespective of whether an Administrative Officer or equivalent position exists in any of those offices;
 - (ii) provide an additional new position in each other regional office where a separate Administrative Officer or equivalent position does not exist, as that office comes on stream under Stratplan.

A review of arrangements will be conducted jointly by the Department and ACOA and concluded in March 1985. The terms of reference will be agreed between the Department and ACOA. A duty statement for Regional Systems Administrator is at Annexure "B".

Regional Hardware Controller

- (f) The Department agrees to provide a Regional Hardware Controller position in each Regional Office user site as that site comes on stream. A duty statement for the Regional Hardware Controller is Annexure "C". A Joint Department/PSA review of the duties and classification of the Regional Hardware Controller will commence in late January 1985 and be completed by the end of February 1985. The terms of reference will be agreed between the Department and PSA.
- (g) It is noted that the Department will pause in the installation of Stratplan equipment in additional regional offices during March 1985 to enable certain technical evaluations of the network and Mission 1 products to

be undertaken and completed during that month. This pause will be no longer than one month.

Principles

- (h) The Department notes that staff numbers are determined by Government as part of the human resource budgeting process. Should it be necessary to create new positions to perform new functions the Department will determine the classifications of these positions in accordance with existing classification principles and guidelines and after consultation with Associations and, as necessary the Board.

9. Site Preparation and Office Fitout

- (a) The Department agrees that all fitout work in connection with Stratplan and associated ADP developments in Regional Offices is to be conducted in accordance with the General Specification contained in the handbook titled 'Guidelines for Fitout'. These guidelines are Annexure "D" of this Agreement. Any changes to fitout need to be expressed in terms of this handbook.
- (b) The Department will be operating in accordance with the procedures contained in Attachment "B" of Determination No 377 of 1982. This attachment is Annexure "E" of this Agreement.
- (c) For the purposes of this clause interior design matters include lighting, carpets, curtaining and colour schemes, air conditioning and temperature control.

Ergonomic Consultant

- (d) The Department of Housing and Construction has provided the Department with a list of architectural and service engineering consultants with established reputations in fitout work and interior design. Associations will be invited to nominate suitable consultants from this list whom the Department of Housing and Construction will commission to review the fitout guidelines (Annexure "D") which form the basis for the fitout of individual Department offices.

Monitoring

- (e) The Department of Housing and Construction is not prepared to fund monitoring of 100 per cent of offices by the independent consultants unless experience shows this to be necessary. The Department of Housing and Construction agrees to monitoring of 1 in 5 offices initially, on the understanding that if the monitoring programme confirms general compliance with the fitout standards then the Department of Housing and Construction (in consultation with the Associations) would look to reducing the extent of monitoring. Should the monitoring programme confirm general non-compliance with the fitout standards the Department of Housing and Construction would look to increasing the extent of monitoring.

Correction of Deficiencies

- (f) The Department of Housing and Correction agrees to fund additional monitoring of offices through independent consultants in which the Association members, through their Associations, have identified specific problems in relation to the standard of fitout, including interior design matters. The Department of Housing and

Construction undertakes to correct as soon as practicable any aspects of unsatisfactory design.

Availability of Fitout Documentation

- (g) The Department of Housing and Construction will make available to the Department copies of documentation related to office fitout. For commercial reasons the Department of Housing and Construction will not provide general access to tenders' offers or final contract documents. The Department will make available to the Associations, upon request, copies of all documentation relating to the workbooks for office fitouts.

10. Eyesight Testing

Expert Study

- (a) As determined by Ministers, the arrangements outlined below are interim pending an expert study group which will make recommendations on standards of eyesight testing in areas of Commonwealth employment. The Australian Council of Trade Unions will be invited to participate in approaching the National Occupational Health and Safety Commission to conduct the study and in determining the terms of reference, and would have representation on the study. The interim arrangements will be reviewed in the context of the recommendations of that study.

Testing Arrangements

- (b) The Department and the Board agree that all existing and new staff who as an integral part of their duties are required to operate VDUs on a regular basis will be eligible for eyesight tests as follows:

- distance visual acuity;
 - near visual acuity;
 - oculomotor co-ordination;
 - colour vision;
 - slit lamp examination of the eyes;
 - ophthalmoscopic examination of the ocular fundus.
- All six tests will be conducted by an optometrist; the precise arrangements might vary according to location, eg, in some places an optometrist might be brought in to the workplace while in other locations the Department might indicate a name or names of optometrists with the necessary equipment. The Department will pay the cost of the six tests.

If an optometrist test shows an ophthalmologist referral is required for that person to use a VDU that referral will be paid for by the Department.

If a medical certificate from the ophthalmologist shows a staff member cannot use the VDU then that staff member will not be disadvantaged in respect of salary employment or career prospects. All operators in an office will have the opportunity to have their eyesight tested before they are required to use Stratplan VDUs.

Spectacles

- (c) Where the optometrist prescribes spectacles specifically for screen-based equipment use, the cost of a standard set of frames and monofocal lenses will be paid by the Department. There will be a set amount for all staff requiring glasses for screen-based equipment use. Staff will be able to obtain non-standard frames or lenses providing they cover the difference in cost.

Records

- (d) Staff will have access to their own records, which will be kept confidential but may be used for statistical purposes without identification of individuals.

Retesting

- (e) If a period of two years elapses between past or future eyesighting of a staff member and the review of these arrangements following the expert study, the staff member will be eligible for retesting. Retesting may also occur whenever symptoms indicate that a problem may exist. The Board has agreed to refer the questions of more frequent testing for older staff (over 40) to the independent study.

New Staff

- (f) New appointees will be required to undertake the first four tests as part of their medical examination for appointment. Where the CMO refers an individual to an optometrist or ophthalmologist before appointment, the total cost of any spectacles thus prescribed would be met by the individual. Once a person is appointed to the Department, the terms of this Agreement outlined above will apply.

11. Radiation Testing of VDUs

Expert Study

- (a) The Board will ask the National Occupational Health and Safety Commission to examine urgently the standards and arrangements that should apply in relation to testing for radiation emission. This examination will include matters relating to the general health of staff including such things as birth deformities and miscarriages. Any testing conducted by the Department would provide data for that investigation. The Australian Council of Trade Unions would be invited to comment on terms of reference and to have representation on the study.

Testing

- (b) As an interim arrangement and subject to the findings of the expert study, the Department will, in respect of the introduction of Stratplan and associated ADP developments:

- (i) ensure that manufacturer of VDUs provides adequate quality control systems which ensure that there is no harmful radiation emission. The Department will arrange access by Associations to the manufacturer's documentation on quality standards and practices and, on request, to the manufacturing premises; in the event of one VDU being rejected that total batch will be rejected and re-examined;
- (ii) continue with its present practice of having terminals tested after installation, but increase the proportion from 1 in 3 to include all terminals;
- (iii) agree to annual emission checks;
- (iv) arrange for checking of emission levels following repair if there is a breakdown in the display generation system of a terminal before the terminal is used again after repair.

Pregnant Operators

- (c) An operator who is pregnant and is concerned about

using a VDU will be given the option to move to duties which do not require her to use a VDU. Any such move will not financially disadvantage operators in substantive positions or those who have been acting in a higher position for a period of at least 12 months. Relief will be provided where the operator's duties involve continuous use of a VDU.

VDU Use

- (d) (i) Under Stratplan and associated ADP developments clerical staff will not be engaged in intensive and repetitive keying but will use the VDU workstation on an intermittent basis to extract information and to enter limited transactions. Thus the VDU workstation, like the telephone, is to be viewed as another tool supporting existing functions;
- (ii) The Board and the Department agree that there will be a 10 minute rest break at the end of each 50 minutes continuous keyboard/terminal use as an interim arrangement.
- (iii) The Associations agree that the questions of setting a maximum period for continuous use of VDUs and rest breaks will be referred to the Repetitive Strain Injury Task Force by the Board.

12. Work Organisation

- (a) The Associations agree to lift bans to allow installation and implementation of Mission 1 products in regional offices scheduled for site completion to 1 March 1985. The Department considers that this will be between 25-30 dependent on Department of Housing and Construction schedules being maintained. An indicative list of these offices is at Annexure "A" of this Agreement.
- (b) The Department undertakes that:

- (i) the existing policy of having decision-making exercised by delegated regional office staff will not be altered;
- (ii) during the introduction of Stratplan and associated ADP developments the opportunity will be taken to move towards designing work environments that will:

(1) provide more personally satisfying jobs characterised by:

- control by individuals over complete pieces of work;
- the provision of improved working tools;
- a variety of skills being used by individual staff members.

(2) provide a pleasant, modern physical working environment;

(3) improve the capacity to deliver services effectively to clients.

- (c) The Department agrees to the following principles in respect of the implementation of Stratplan and associated ADP developments:

- (i) that there will be continued decentralised decision-making;
- (ii) that the approach to the design of work management and procedures will lead generally to broadening and enhancement of jobs;
- (iii) that existing career structures within regional offices will at least be maintained;
- (iv) that classification levels will be assessed and

modified as required. Classification of positions will be determined in accordance with existing classification principles and guidelines laid down by the Board and in consultation with Associations. The Department agrees that on average there will be an enhancement of classification profiles in regional offices.

- (v) that the use of a VDU by an individual operator will enable the duties of that operator to be redesignated to incorporate non-VDU and non-keyboard duties.

Negotiation of Work Organisation Proposals

- (d) In respect of negotiations on work organisation proposals under Stratplan and associated ADP developments:

- (i) the Department will provide to the Associations by 1 March, 1985, two work organisation studies — one for regional offices and one for other areas;

(ii) negotiations and consultations between the Associations and the Department will commence on 1 March, 1985, on the Department's work organisation studies and on the separate work organisation proposals to be put forward by the Associations on that date;

(iii) the negotiations, which will include matters such as trialling, will be completed during March 1985; should agreement not be reached between the Associations and the Department on work organisation in regional offices at the negotiation

in March 1985, the Department will take up with the appropriate Ministers matters relating to the Association's claim for the right to trial separately their proposals in selected regional offices. The Department does not accept that the Associations have the right to require these separate trials;

(v) the Associations indicate that in the event that no agreement can be reached on the appropriate work organisation for Stratplan in negotiations commencing March 1985 the unions will require separate trials for their proposals and the Department's proposals in at least 20 regional offices throughout Australia. It is envisaged that these trials would take between 6 and 12 months;

(vi) the above arrangements are dependent on the Associations having their proposals available for discussion on 1 March, 1985.

- (e) It is noted that the Department will pause in the installation of Stratplan equipment in additional regional offices during March 1985 to enable certain technical evaluations of the network and Mission 1 products to be undertaken and completed during that month. This pause is to be no longer than one month.

13. Leave Reserved

Leave is reserved to the Associations to pursue the issue of payment of excess travelling time and excess fares to staff who are redeployed under clause 7 of this Agreement. The parties agree to the outcome of this arbitration being inserted in this Agreement.

14. Date of Operation

This Agreement shall come into force from November 1984, and shall remain in force until 31 December, 1990.

Annexure "A"

The following 30 Regional Offices are scheduled for site completion by 1 March 1985 and installation and implementation of Mission 1 products will proceed in these offices:

Redfern	Newtown
Lismore	Petersham
Liverpool	Bankstown
Merrylands	Maitland
Mt Druit	Coffs Harbour
Maroubra	Newcastle
Wagga	Bondi
Blacktown	Darlinghurst
West Ryde	Queanbeyan
Fairfield	Cabramatta
Orange	Dubbo
Charlestown	Grafton
Gosford	Redcliffe
Goulburn	Southport
Nowra	Mt Isa

Annexure "B"

Duty Statement — Regional Systems Administrator

- Co-ordinate and oversight the provision of ADP Services within the office. Ensure that ADP operations procedures are adhered to.
- In association with the Hardware Controller liaise with State Headquarters on systems and hardware changes or enhancements. Ensure systems changes are effected in accordance with instructions.
- Liaise with State Headquarters and assist Department of Housing and Construction and contractors on accommodation changes required for ADP equipment. Draw attention to any work being performed that is not in accordance with fitout provisions.
- Control the issue of log-ons and pass-words. Liaise with the Security and Standards Section as required.
- Co-ordinate the attendance of staff at Stratplan training courses. Arrange on the job training in ADP Systems as necessary.
- Ensure occupational safety and health standards are maintained. Provide on the job training as necessary. Control the eyesight testing programme for the office. Arrange radiation emission testing as required.

Annexure "C"

Duty Statement — Regional Hardware Control

- Oversight the operation of a mini-computer and

associated peripherals.

- Provide advice and assistance to users encountering difficulties and liaise between users and the Central Office Help Desk, and as directed by the Help Desk, liaise with equipment suppliers and maintenance contractors.
- As required, operate the mini-computer installation to ensure continued data processing capacity is available to users.
- Maintain statistics of incidents and trends associated with the system.
- Receive, check and acquit consumables, documentation, manuals and other supplies.

Annexure "D"

See over page.

Annexure "E"

Suggested Liaison Procedure

- The respondent departments will not occupy new premises until layout and equipping has been completed, except that if such work cannot be completed within a reasonable time the departments may occupy such premises in their existing state;
- Where it is proposed to refurbish or alter the layout of existing premises including new premises in the circumstances outlined in clause 1 above, and the work is such that staff working conditions may deteriorate below what might normally be expected, the respondent department concerned will arrange for the fitout to include the temporary relocation of the office for the duration of such work; or if relocation is not practicable, dusty and noisy work is to be done off-site or outside normal office hours — in which case appropriate measures will be taken to ensure no risk to the health and safety of staff;
- Procedures will be implemented to ensure that proper consultation with relevant departments is maintained to ensure that sufficient notice is given of any work to be carried out in occupied premises to permit the implementation of clause 2 above; that staff are advised of the work to be done as well as its likely impact on the work environment and the estimated duration of the work; that clients of the respondent department are by the display of an appropriate notice advised of possible inconvenience; and that staff are given an opportunity to consider and comment upon the proposed alterations or fitting-out of the new premises;
- Where the staff are temporarily relocated normal provisions in relation to excess travelling time and fares will apply for the duration of the temporary relocation;
- Where staff are to be temporarily relocated at more than one other office, departmental management will consult with staff as to which of such other offices individual staff members may be attached, and in assigning officers for temporary relocation have regard to the minimization of travel in excess of what the officer ordinarily undertakes to and from his or her home.

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Annexure "D"

Fitout Guidelines for the Introduction of Stratplan into Department of Social Security Offices

Preamble

These guidelines are intended to maintain a uniform and ergonomic integration of computer equipment into both public and staff areas of Department of Social Security user sites with the introduction of Stratplan.

The Guidelines are to be applied to all existing and proposed Department of Social Security Offices in which Stratplan and VDU equipment are being incorporated. Some adjustments may be required to suit particular office configurations or other local conditions.

Each Directorate of the respective Departments has the responsibility to ensure that the objectives and standards of these guidelines are achieved, together with the already approved Standards of Accommodation.

These Guidelines have been prepared by the Department of Housing and Construction in conjunction with the Central Office of Social Security.

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1. Outline of Stratplan and its Characteristics

1.01 Introduction

The Social Security computer network known as Stratplan shall be implemented in two stages commencing early 1984 in New South Wales.

The first stage of the implementation will see the replacement of the current network, data entry terminals, microfiche viewers and some typewriters with Wang mini-computers, terminals and printers. The present income security systems will be largely untouched but staff in Regional Offices shall be able to carry out the following:

- On-line enquiry systems that will allow access to full benefit information on clients of the Department;
- Word processing facilities which will largely replace typewriters within the Department and bring the advantages of automated text editing to all staff;
- Text reference facilities will allow all staff to have on-line access via VDU terminals to all major departmental documentation including the Social Security Act, Benefits and operational manuals.
- Data entry functions and facilities similar to those currently operating within the office.

The second and ongoing stage will allow staff to directly change information held on the Department's data bases. The range of data available to staff will have increased capacity particularly in regard to Subsidies, personnel services and management functions.

The complete Social Security network of State and National Headquarters plus the numerous Regional Offices in each State shall be interconnected thus enabling staff at any terminal in any office throughout the country to retrieve data or amend it should they be authorised to do so.

1.02 Regional Office Functions

The major use of Stratplan within the Regional Office shall be to service the Income Security Benefit functions and provide a National Index of clients. Other functions such as Subsidies and personnel management shall have a lesser impact on the office.

1.02.01 Current Procedure

- Pension payments are made on a given day each fortnight. Some time before the pay day the entire Pensions data base is "bulk-stripped" i.e. the data base is searched and payment transactions extracted and subsequently processed by a Payments system to produce appropriate payment advices (cheques, magnetic tape entries, et cetera).
- Family Allowances payments are made monthly with half the client population being paid each month. A "bulk-strip" process is used to produce these payments. Because of the monthly payment cycle Family Allowances bulk-strips may coincide with those of the Pensions system.
- National Benefits System payments are made fortnightly to individual clients with approximately 10 per cent of

the payments made each working day of the fortnight. This system differs from the other systems in that many of the payments are based on a positive stimulus payment process — i.e. transactions are used to stimulate individual payments rather than using a "bulk-strip" which examines each record in order to determine eligibility for payment.

- (v) The above transactions are primarily forms compiled by staff or review advices returned by clients which form a stimulus to payment processing. This processing of transactions would be performed before any batch payment processing is commenced and shall be carried out by trained D.F.O. staff within the office.

1.02.02 New Procedures for Stratplan

The usage of the new computer equipment shall mean that existing data shall be updated in three ways:

- (i) Update transactions shall be applied to the data bases immediately the information is presented to the regional office staff either over the counter or by phone. These types of transactions shall not have to be authorised by another Office.
- (ii) Payment or assessment related transactions which result from a two stage on-line process. The assessing Officer shall enter the claim details and carry out the initial assessment and then refer the transaction to the determining Office. Some time later the determining Office will authorise the transaction and the data bases will be updated.
- (iii) Batch transactions shall be processed by trained D.F.O. staff in a similar manner as previously described under current procedures.
(1.02.02(v)).

1.03 Subsidies

The Subsidies system and ADP systems shall contain details of subsidy programs administered by the Department, together with subsidy proposals received or under consideration; and relevant demographic, economic and social services information is being developed. This shall be run at National Headquarters with on-line access for enquiry available to all offices with processing and reports being produced at State Headquarters.

1.04 National Index

The National Index shall not generate payments but will contain client names and addresses and various indexing capabilities, thus providing information:

- (i) to validate new claims for benefit;
- (ii) to detect and to prevent incorrect or fraudulent claims and payments;
- (iii) to facilitate interstate transfer of data base records thus preventing multiple payment of the same benefit and facilitating payment at the correct location;
- (iv) to locate benefit reference numbers and other particulars of clients at one place;
- (v) to aid in research, planning and assessing the national impact of policies and administrative decisions.

2. Impact on Office

2.01 Staff Consultation

The most common office communications are informal. Informal communications (such as rumour) can distort facts, create misunderstandings and cause resentments that result

in a systems rejection even before its arrival. The best way to confront rumour is to ensure that formal communication is plentiful and continual so that it anticipates and guides information passing through the informal channels. Communicated information should be relevant and reassuring and shall begin as early as possible, including such things as goals, benefits, role definitions and projected schedules. Clear goals and objectives are important. People must understand the rationale behind a new system and what it is supposed to accomplish. Lack of understanding often leads to lack of acceptance.

Employees are to receive a bar chart and a timetable — again to enable them to keep abreast of the float schedule. Implementation strategies and the projected time frames must be communicated to all those who will be affected. Staff will be consulted on a site by site basis of the planned changes to their working environment. Where it is proposed to refurbish or alter the layout of existing premises, and this work is to be such that the working conditions may deteriorate below those that might normally be accepted, the Departments shall arrange for the float to include:

- that dusty and noisy work be done either off site or outside normal office hours;
- appropriate measures be taken to ensure no risk to the health and safety of staff.

Procedures shall be implemented to make certain that proper liaison and consultation between staff, relevant departments and the contractor is maintained to ensure:

- that sufficient notice is given of any work to be carried out in occupied premises;
- that staff are advised of the work, as well as its likely impact on the working environment and the likely duration of the work;
- that staff are given the opportunity to consider and comment upon proposed alterations or fitout in new premises.

2.02 General

As it is proposed to replace the existing microfiche viewers with a network of Wang Visual Display Units and Central Processing Units and because of the ergonomic and environmental requirements to accommodate the equipment correctly, a number of changes will be required.

Due to the large numbers of VDUs to be installed and the requirement to permanently connect to both power and coaxial cabling, the degree of flexibility within the office has diminished.

The distribution of VDUs and the configuration of CPU equipment within each user site will be determined by the Department of Social Security, The Department of Housing and Construction shall be advised as projects are commenced. However as a general guideline all benefits processing staff in Regional Offices shall have one VDU per person, plus an additional number of spare outlets for either VDUs or Printers.

Regional Offices could have between 20 and 80 VDUs depending upon their size and between 5 and 10 printers located within the PCA and general office area. These will be available to all staff for the provision of hard copies of any screen display or word processor activity.

In State headquarters the distribution of equipment will vary significantly from Section to Section. It is however intended that most Sections will have access to VDUs and that existing typewriters be replaced by VDUs for Word Processing on a 75 per cent replacement basis.

With the introduction of both VDUs and printers into the

office environment, new standards of furniture and layouts will be introduced. Therefore the total office layout must be planned including those areas where VDUs are not located.

2.03 Public Area

It is proposed to make VDUs more readily accessible to all counter staff and provide VDUs where required; that is at the counter and not in a "behind the scene" location.

As the existing counters in pre Stratplan offices will not accommodate the VDU some alterations to the counter area and modifications to the counters are necessary. Approved drawings of the modifications for EC and RD4A counter units are available at all DH&C Regional Directorates.

As stated previously a printer shall be incorporated into the counter staff working area.

The width of the enquiry counters will be increased to accommodate VDUs resulting in the total run length of the counters being increased. This will therefore involve modifications and an increase in the area allocated to the counter area.

Each office shall have to be assessed on an individual basis so that the impact of the installation of VDUs can be assessed.

The interview rooms and stations shall be provided with one VDU on a shared basis and this shall be provided by the use of a mobile unit specially designed to transport the selected equipment.

2.04 DPOs, WPO/Steno. Sec.

Just as the microfiche viewer is being replaced by the VDU, so shall most typewriters. Current VDU terminals are also being replaced by a new Wang VDU terminal identical to those located around the office.

Ergonomically designed desks and working environments will be provided for all staff together with a totally designed office layout.

2.05 CPU Room

An enclosure (partitioned office) is essential for the housing of the Central Processing Units having regard to the noise and environmental conditions required to be maintained due to the CPUs requirement to be operational 24 hours a day, 7 days a week.

The optimum room size to house the CPU and associated equipment and furniture is 6m x 4m (24m²). When constructing a CPU enclosure these dimensions should be met. In an office that has a suitable pre-constructed enclosure available to house the CPU a minimum dimension of 3m x 5.5m (16.5m²) is acceptable. In this case however, some modifications to the type of furniture used in the CPU room will need to be made via a moveable trolley (Type MPT MK3) will replace the usual D2 type desk to accommodate the archiving workstation.

3. The Equipment

The user sites shall be provided with the following interconnected components; internal and external to the CPU room.

3.01 Internal to the CPU Room

3.01.01 Central Processor Unit (CPU)

The CPU is a self-contained free standing Processor that is both compact and lightweight. It has the capacity to connect varying numbers of VDUs and/or printers into the out-

put ports. The CPU is the brain of the Computer System which controls all of the other equipment and performs any operations necessary. There are three sized CPU's available — VS45 (1-20 VDUs); VS65 (21-35 VDUs) or VS100 (35-80 VDUs).

3.01.02 Disc Drive

The Disc Drive unit is a self-contained free-standing unit requiring access space on all four sides and top, which connects into the CPU. A number of these will be located together in an "add-on" type situation. These machines are like the Computer's filing cabinets. Inside are disk packs on which most of the information used by the CPU is stored.

3.01.03 Telecommunications processor (TCP)

The telecommunications processor provides an interface between the Network Terminating Unit and the CPU. The TCP is a small equipment component which must be located next to the NTU (3.06 below) and is connected to the processor via coaxial cables on the basis of one cable per Telecom line.

3.01.04 Archiving Workstation (AWS)

The Archiving Workstation is a VDU screen/keyboard and a control box (22665-3). These units are used for archiving and providing a means of executing some system diagnostics. In practice the VDU will also serve as the system console.

3.01.05 Hazardous Voltage Isolator (HVI)

The HVI is placed so as to separate the TCP and the NTU electrically. It is required so that in the event of the TCP becoming 'live' the Telecom equipment and lines will be protected. As such it must be physically located with the NTU and TCP.

3.01.06 Network Terminating Unit (NTU)

The Network Terminating Unit is the initial system entry point at the user site, where the Telecom land line enters. This small electronic component is then connected to the TCP NTUs are provided on the basis of one per Telecom line — (one per 22 VDUs). Where 3 or more NTUs are required they will be housed in a modern cabinet which will be hard wired to the distribution board.

A typical Regional Office CPU room layout is at Appendix A1; The Wang Equipment Specifications are at Appendix A2.

3.02 External to the CPU Room

3.02.01 VDU Monitor

The VDU monitor has a high resolution matrix screen utilizing six colours-on-black background, on a 330 mm screen size. The unit comes complete with fully adjustable base capable of both rotational and tilt movements to suit ergonomic requirements. VDUs provide a way to communicate with the CPU. You type in your instructions on the VDU keyboard and the computer will answer with a display on the screen. WANG use the term workstation when referring to VDUs.

3.02.02 Keyboard

The Keyboard is a lightweight low profile component having both standard typewriter and numeric calculator keypad with the numerous functional keys and HELP key. The telephone like cord plugs direct into the Electronics Power Pack.

3.02.03 Electronic Power Pack (EPP)

The Electronic Power Pack is both lightweight and compact and provides both power and acts as interface unit between the CPU and Terminal. Both the VDU monitor and the keyboard plug into the EPP which is connected to the CPU via coaxial cabling and a dual power outlet. This pack can be located either on the desk surface or hung on an electronics clamp. These clamps will be mounted in conjunction with the CAS Arm (4.07).

3.02.04 Printer

The various printers capable of being used are all free standing units housed on specially designed tables that also double as a paper storage unit. These printers are connected to the CPU via coaxial cabling (identical to that used for the EPP) and a dual power outlet.

3.03 Equipment/Relationships

The Central Processor Unit is connected via the TCP and Telecom lines to a major computer mainframe installation at each state headquarters which is in turn connected to a National Mainframe computer located in Canberra.

Currently the proposal shall provide in excess of 7000 VDUs located throughout the entire DSS organisation at Central office, SHC, Rehab. Units and Regional Offices with the numbers per office being determined on an office by office basis.

Ancillary items that must be provided to accommodate the VDU installation are ergonomically designed and adjustable chairs, workstations (desks and associated furniture items), plus alterations to engineering services to provide a suitable workable environment.

The equipment chosen as the result of a National tender is from Wang Laboratories of USA, and full technical details of all equipment together with dimensions and environmental requirements are provided in Appendix A.

A "User Installation Guide" prepared by Wang outlines in broad terms the environmental specifications and requirements of the hardware.

4. Furniture Design and Details

4.01 Introduction

All furniture used in the Offices will be from the Commonwealth Furniture Range (CFR) to allow maximum flexibility in combination to perform the desired functions required within the office.

4.02 Desks

4.02.01 Clerical Desks

Both the normal D1, D2 and D3 were examined and found unsuitable due to lack of space once the keyboard and screen were located on desk. No adjustment to suit ergonomic restraints was provided. Similarly the standard VDT desk was found unsuitable due to locations and size of normal working space.

Therefore a modified desk return has been developed which is to be attached to the normal desk fitted on either the left or right hand depending upon whether the user is right or left handed. (See Appendices B1 and B2)

4.02.02 Data/Word Processor Operator and Steno. Sec.

The same prohibiting factors related to the desks to be us-

ed by Data/Word Processor operators and stenographers.

Therefore a modified desk return, larger than that used by clerical staff, has been developed for use by these officers. (See Appendices B1 and B2)

4.03 Counters

4.03.01 Offices with new PCAs

It is proposed to install the EC3 counter in all new PCAs. This counter has been designed to satisfy ergonomic requirements for the counter officer and provide adequate security for the VDU. (See Appendices B6, B7 and B8)

4.03.02 Old style offices

It is recommended that the existing counters be totally replaced with the new EC3 counter. In exceptional cases the existing EC counter can be modified to upgrade the unit to EC3 standard. This modification is detailed as the EC/ECV. (See Appendices B9, B10 and B11)

4.04 Reception Counters

4.04.01 Offices with new PCAs

As with the enquiry counter a new reception desk has been designed. The RD5 incorporates the principles of the EC3 compatible to the receptionist role. The RD5 is to be installed in all new PCAs.

4.04.02 Old style offices

Old style offices with existing RD4 counters will be modified so as to accommodate the VDU equipment in an ergonomic and functionally suited configuration. This modification is detailed as the VRD.

4.05 Chairs

Just as the desk is an integral part of the office environment and equipment, the chair also plays an important role in the office. At all desk and counter locations the Unonomic chair has been selected. The chair is totally adjustable and ergonomically designed, and available in three modes. DPOs, WPOs and Steno-Secs will be provided with a chair without arm supports. Officers performing non-intensive keyboard duties will be provided with the standard unonomic chair while Counter Officers shall be provided with a high rise chair without arms. The unonomic chair is available from Co-Design Australia under a Commonwealth furniture contract.

4.06 CAS Arm

The CAS Arm is a work platform designed to accommodate the VDU keyboard. It is capable of adjustment in both the vertical and horizontal planes. The Arms allows for the operator to assume the correct ergonomic adjustment. The CAS Arm will be co-located with the VDU in all but exceptional instances.

4.07 Mobile Unit

A specially designed VDU mobile unit is currently being developed to accommodate the Wang VDU screen, keyboard and Electronics Unit so that the facility can be moved around the office as well as providing the ergonomic adjustments essential for correct usage.

5. Planning Recommendations

5.01 Architectural

5.01.01 CPU Room

As the CPU shall be operational 24 hours a day, 7 days a week, the need to secure the equipment in a self-contained room is considered essential. The provision of partitioning to enclose this space shall assist to maintain the necessary environment for the equipments' efficient operation. In accordance with the latest Technical Bulletins the space does not need to be fire isolated, neither is a computer access floor essential.

Gas flooding is not considered necessary. A thermal detector will be installed to the computer room. Where sprinklers exist they should be retained but rendered 'dry/pipe'. Should special circumstances exist then a higher level of protection may be considered. DHC Fire Protection cell should be consulted in such instances.

Security should be provided by use of key locks, access control is not considered essential. See drawings at Appendix A.

5.01.02 General Office Area

The general office should be planned with due consideration to the layout of workstations for efficient work flow and environmental aspects to ensure physical comfort.

If new internal walls or partitions are to be erected then they should be finished to match with existing walls. In cases where the existing walls are dark in colour then consideration of changing their finish to a lighter colour should be given.

The use of privacy screens, selected from the standard Commonwealth Furniture Range, should be considered to provide organisational division. The choice of colour, height and size would be made after consultation with DHC architects.

The use of fabric hangings as well as visual relief and screening of overhead luminaires which would otherwise be reflected in VDU screen.

Wool scrim curtains, (semi-open weave), millium lining on separate tracks or vertical louvres should be provided to all external windows for brightness control of daylight. A semi-open weave should be used which will not completely obscure the outside view. This is desirable for visual relief to the outside environment.

5.01.03 Desk Layouts

Desks should be grouped to provide workstation groupings of either three, four or five people utilising desks, screens, mobile furniture and associated components to provide an efficient office and a more pleasant work environment than that which currently exists at many DSS offices. (See Appendices B, B4 and B5)

5.01.04 Counter Layouts

The ability for either expansion, reduction or re-alignment of counter modules should be considered when preparing counter layouts. With this in mind, flexibility can be facilitated through the use of a cable re-orientation service pole. The "Compower Pole", available from Warran Knox Electrical Services has been selected for use with the counter modules. The pole is designed to allow cable re-orientation to two counter modules. DHC drawings are to

be consulted regarding the fitting of the "Compower Pole" to the counter. In only exceptional cases should cable be re-located to the counters via any other route.

5.01.05 Window Coverings

The control of daylight and sunlight penetration should be made with a combination of scrim curtains and venetian or vertical louvre blinds. Alternatively millium lined curtains could be used, to control sunlight penetration, with scrim curtains is preferred for daylight control as it permits a view of the outside which is important for visual relief.

5.01.06 Word Processing/Data Processors Area

The present DPO area must be upgraded both environmentally and ergonomically to accommodate the specialist VDU operators.

New furniture will be provided to accommodate the VDUs and the two or three printers which will be located within this area.

The high input requirement of the staff makes the physical environment critical and special attention must be given to accommodation details.

Acoustic problems caused by the high background noise level of printers and keyboard activity should be examined and the use of absorbent materials within the area is considered desirable.

5.02 Lighting

A decision by DSS to fit contrast enhancement filters to VDU screens will minimise the need to drastically change the normally provided overhead general office lighting.

The contrast enhancement filter consists of a linear polarising filter (comparable to Polaroid type sunglasses) which cuts out light falling on the VDU screen together with a quarter-wave film (as used on camera lens) which reduces the brightness of reflections on the screen to a small fraction of those on an unfiltered screen.

As a result of using screen filters there is less need to change the normal prismatic panel luminaires to ultra low brightness louvre panels. Although most commonly used prismatic panel luminaires can be too bright for large open plan offices there are several lens and prismatic panels which reduce the brightness in directions which could cause problems of reflections in the VDU screen.

The anticipated luminance values of room surfaces will not be significantly different to those currently provided in a comfortably lit office environment. The main difference will be the absence of very bright overhead light sources and substantial reductions of window luminance. For example, in a 'normal' lighted office, an illuminance of approximately 400 lux is usually provided on the work surface by ceiling-mounted luminaires. With this arrangement, the visual environment is usually considered comfortable when light luminance are within the range of 10-30 cd/m² ceiling luminaires within the range of 50-100 cd/m² and lower room cavity (floor cavity) luminance about 10-20 cd/m². In the best designed of these installations, high brightness contrast in the upper room cavity is avoided by the use of surface mounted or semi-recessed luminaires which allow some light to 'spill' directly onto the ceiling. Also, excessively high luminance and contrast from windows are avoided by correct use of blinds and curtains.

General office luminance values should be within the range of 15-100 cd/m² for main room surfaces or window curtains, ceilings/upper walls and luminaires located above

and behind any operator. Lower walls can be designed for luminance value of 15 cd/m² and up to 100 cd/m² for parts of upper walls using a combination of upward lighting luminaires and pelmet fixtures. Other room surfaces and luminaires which can be seen by the operator, but which do not directly illuminate the VDU screen, can have higher 'spot' luminance values, although they should not exceed about 400 cd/m². Used moderately, these brighter areas will give operators some opportunity for change of visual adaptation.

The Department of Housing and Construction, Technical Information Bulletin, 'Accommodation Facilities for Screen Based Equipment' T1453EE should be consulted for fuller details together with advice from the Regional electrical engineer.

Because the whole area of the office is provided with VDU screens the whole office area must be viewed generally for the lighting environment and a combination of lighting principles may be required to satisfy all requirements (i.e. a combination of standard fluorescent fittings with low brightness diffusers plus ambient and/or task lighting).

As the lighting levels in the Public Contact Area should have already been modified to a subdued lighting level as part of the fit, glare from overhead lighting shall be minimised. The correct positioning and adjustment of the 'computer' type lighting over the counter shall provide adequate task lighting without glare on the VDU screens.

Lighting levels in the computer room should be of a standard that allows for even lighting and should permit the viewing of small details.

5.03 Static Discharge

Many materials (particularly plastics and synthetic fibres) permit a build-up of static electricity. Floor coverings and furnishing can contribute to this as a result of movement of people, trolleys, furniture, etc. over them. Abrupt discharge to metallic surfaces or other people may cause not only discomfort to personnel but also malfunctions in electronic equipment.

These can be overcome by:

- Woolen carpets.
- Woolen covers for furniture, which are generally less likely to generate static charges than those of plastic or other materials which will permit a high build-up.
- Selecting rubber or plastic treads for wheels or castors which contain conductive material.
- Carpets having a history of static discharge can be sprayed with a liquid known as 'Nopcastal HS' (or equivalent) which will remain effective for about 12 months at a cost approximately of \$1000/m².
- The use of planters with plants that require regular watering are a successful way of increasing the humidity within the office.
- The use of negative ion generators is not recommended by the Department of Housing and Construction.

Due to the possibility of static build-up and the possible problem of airborne dust, vinyl floor coverings are to be provided in all CPU rooms. If a carpet has had to be removed from the CPU room care should be taken that the area beneath the partition is sealed. This will prevent lint forming and entering the room from this quarter.

5.04 Power

As detailed in Appendix A, a separate power outlet on its own circuit is required for the following nominated equip-

ment located within the CPU room:

- Processors
- Disc Drives
- TCPs
- NTUs

These units shall be protected by a single phase, suitably rated circuit breaker, wired in 2.5 mm² PVC/PVC cable. The appropriate 'Wilco' type plug and socket (Appendix B) is to be supplied and fitted by the contractor to the above equipment and circuits (except NTU).

A separate sub-distribution board connected to the DSS tenancy board shall be provided in the CPU room. The sub-distribution board controls all circuits in the room with the exception of the air conditioning and light circuits. These latter circuits are to be connected to a distribution board other than the one in the CPU room.

A 240 V, 20A circuit shall be provided within the room for the use of Wang peripheral equipment exclusively. A similar circuit shall be provided for general use.

Although the VDU together with its keyboard and electronics unit do not require separate circuits or draw excessive power it is essential that the following rules be observed.

As one 20A circuit breaker wired in 2.5 mm² PVC/PVC cable from the switchboard has the capacity for up to 8 VDUs it is recommended that a new circuit be provided at the rate of one circuit per 8 VDUs.

These power outlets shall be located around the office as required by the VDU locations plus at the reception desk, enquiry counter and interview rooms.

The printers should be connected to an additional 20 amp circuit to provide the same degree of control over placement and usage of the outlets provided.

The power outlets shall be located as the distribution of printers requires.

Labelling of all GPOs for the Stralplan Equipment must be carried out to indicate circuit numbers and capacities together with an updated circuit legend at the switchboard, as well as the following 'Wang equipment only':

Due to the reliance on a steady power requirement and the uncertainty of the mains provided in some areas, with its unwanted 'spikes', 'troughs' and 'brown-outs' the use of a line conditioner may be necessary.

The power to each site is to be monitored in conjunction with the site planning exercise to assess the need for a line conditioner. Details of acceptable voltage spikes are contained in the 'Wang Planning Guide'.

A dedicated earth conductor run from the building earth stud on the Main distribution board shall be provided for the processors.

5.05 Coaxial Cabling

Each VDU outlet must be connected to the CPU by a single dedicated coaxial cable in the paired configuration, moreover all printers shall also require individual coaxial connection to the CPU. The coaxial cable nominated by Wang for usage is 'Wang Laboratories No. 420-0057 E15402 AMW Styie 20063 80°C' and must be used to maintain equipment warranties. This cable shall be supplied by others and delivered to the Regional Office prior to installation and made available to the Contractor at no charge.

DSS has the responsibility for arranging all cable terminations. The Department of Housing and Construction must arrange for coaxial cable reticulation to all work

points. The minimum radius that the cable can be turned is 5 times the outside diameter of the cable (6 mm), therefore minimum radius 30 mm.

An efficient cable management system and labelling must be utilised especially at the CPU room so that the vast numbers of terminating cables are tidy and identifiable. The Wang 'User Installation Guide' should also be consulted for additional details.

At each terminating point within the office area 4 metres should be left at the outlet for connection to the terminal plus an additional 3 metres at the CPU.

5.06 Reticulation

Electrical, telephone and computer coaxial cabling shall be concealed from view by appropriate means such as skirting ducts (having three compartments), service poles or channelling under carpet.

Should the cable pass through an environment of high R.F. or transient voltage noise levels the cable must be protected in metal conduit. Similarly if coaxial cabling cannot be at least 300 mm from adjacent power and telephone cables or within one metre of fluorescent light fittings it is recommended that it must be protected in metal conduits. Coaxial cables should cross power lines at an angle at 90°, and if any coaxial is located in metal conduit, the conduit should be earthed to the building common ground.

5.07 Air Conditioning

Although a single VDU located within an office can easily be accommodated without any noticeable effect on the environment the total accumulated load of the proposed installation still need to be examined.

As the CPUs are operational 24 hours a day 7 days a week the total environment of the room must be maintained within the ranges specified. The installation of a self contained air conditioning unit is essential. To aid the control of dust a positive air pressure within the CPU room shall be created and maintained. The introduced air to achieve positive pressurisation will be filtered as per Wang guidelines for dust specifications, as laid out in the 'Wang User Installation Guide'.

5.08 Acoustics

Ambient noise levels within an open office environment should be in the range of 40 to 45 dBA with a maximum of 50 dBA on occupation.

As the printers are located around the office in numerous areas surrounded by DSS staff, materials having acoustic properties should be provided to assist in the reduction of ambient noise levels and reduce reverberation.

Acoustic curtains, treatment of perimeter walls, the installation of curtains, carpets and wall hangings shall all assist in the absorption of noise. The use of Melded Fabric covered screens adjacent to the printers will not only 'house' the printers within the office but also absorb much of the sound generated. Should any office not be carpeted the installation of the approved carpet for DSS offices is considered essential to assist in the acoustic environment.

5.09 Security

In view of the capital and strategic value of the proposed computer hardware as well as the existing requirement for staff safety; it has become essential to provide the following in each office connected to a stand alone control panel monitored 24 hours a day by a security-firm:

- (i) Internal movement detectors in general office area and CPU room
 - (ii) duress alarms at counter and interview points
 - (iii) two stage heat detection device in CPU room.
- A National specification for a security system covering the above has been developed by DHC. The systems shall be installed progressively by DHC following completion of Stralplan fitouts.

5.10 Telecom

Telecom lines between Regional Offices and the State Mainframe installation are being arranged by DSS Central Office and State HQ. Stralplan Co-ordinators will be notified of fittings and commissioning dates on an office by office basis.

The Network Terminating Unit (NTU), the interface to the Telecom network will also be located in the CPU room as near as possible to the TCP.

6. Future Proposals

With such wide and varied usage of the VDU and changed work procedures and workflows the office of the future will be totally different to that which currently exists.

Contact with the public as it is now, utilising the Frankston PCA concept, may require change and detailed studies of changing work flows and office usage requirements must be undertaken. Numerous management decisions need to be taken with respect to working relationships within the office and the Department's role with its 'Benefit client' so that a new concept can be developed to aid the computerised office of the future.

Stralplan over the first few years shall expand to cover additional processing procedures, management functions as well as service and administrative procedures and therefore the Stralplan modified office of today must be planned for easy adaption to meet these changes as they occur.

6. Future Proposals

With such wide and varied usage of the VDU and changed work procedures and work flows the office of the future will be totally different from that which currently exists.

Contact with the public as it is now, utilising the Frankston PCA concept, may require change and detailed studies of changing work flows and office usage requirements must be undertaken. Numerous management decisions need to be taken with respect to working relationships within the office and the Department's role with its 'Benefit client' so that a new concept can be developed to aid the computerised office of the future.

Stralplan over the first few years will expand to cover additional processing procedures, management functions as well as service and administrative procedures and therefore the Stralplan modified office of today must be planned for easy adaptation to meet these changes as they occur.

Although changes will occur throughout the total office, the most noticeable effect will be seen in the general office area. The Public Contact Area when modified as described in this paper shall require little change unless new work flows and principles are adopted by the Department of Social Security.

It is therefore recommended that when the General Office area is planned, total flexibility to change as required

is provided at 'day one', together with CPU rooms capability for future expansion should the need arise.

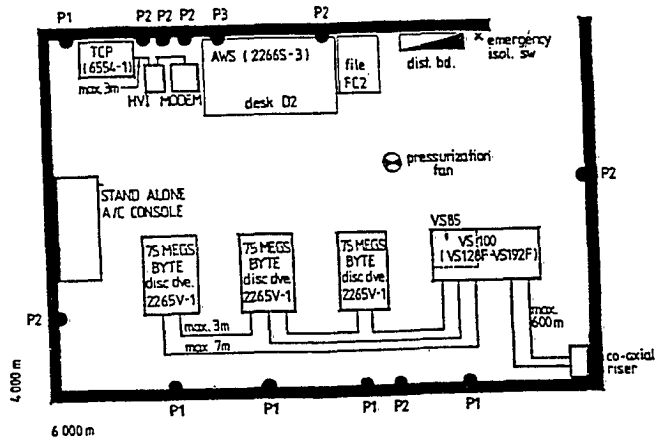
7. Site Survey

Agreement at respective Central Offices has been reached so that a joint DSS/DHC/DAS team will examine each DSS Regional Office.

The composition of the team may vary slightly as resources permit, however, in general the following expertise is considered essential:

- (i) knowledge of DSS Regional Office work flows.
 - (ii) knowledge of electrical/coaxial cabling requirements and reticulation techniques.
 - (iii) knowledge of lighting requirements for VDU environments.
 - (iv) knowledge of air conditioning requirements.
 - (v) knowledge of internal open office planning principles.
- An inspection procedure has been developed to be completed at each site. (See Appendix C)

Typical RO Computer Room Equipment Configuration



Legend

- P1 20 amp individually breakered cct fitted with WILCO type plug and socket W120
P2 10 amp dual GPO
P3 10 amp dual GPO for WANG use only
Note: STAND ALONE A/C CONSOLE and CPU luminaires are not to be wired to computer room sub-mains electrical distribution board

Appendix A2

Wang Equipment Specification

DIMENSIONS DEVICE TYPE	ACCESS CLEARANCE DIME		ACES				CLEA		POWER AMPS SRT.	HEAT KCAL RUN	PLUG TYPE	WEIGHT KGMS	
	H.	CM	W.	D.	F.	B.	LT.	CM					RL.
VS-45-16c	90	68	48	90	76	0	0	0	8	4	626	W120	112*
VS100CPU	104	122	80	90	76	0	0	0	17	10	1750	W120	244*
VS-128F	104	122	80	90	76	0	0	0	17	10	1750	W120	244*
VS100CPU	104	122	80	90	76	0	0	0	17	10	1750	W120	244*
VS192F	104	122	80	90	76	0	0	0	17	10	1750	W120	244*
CPU	92	67	65	92	61	0	0	0	7.2	6.6	1095	W120	113*
VS-85-2	92	67	65	92	61	0	0	0	7.2	6.6	1095	W120	113*
CPU	92	67	65	92	61	0	0	0	7.2	6.6	1095	W120	113*
VS-85-1	92	67	65	92	61	0	0	0	7.2	6.6	1095	W120	113*
640 MB FIXED DISC	92	59	97	92	92	45	45	45	52	7	1196	W120	290*
2265V-3	92	59	97	92	92	45	45	45	52	7	1196	W120	290*
288MB Rem. DISC	92	57	92	91	76	31	31	31	40	8.2	1050	W120	250*
2265V-2	92	57	92	91	76	31	31	31	40	8.2	1050	W120	250*
75MB Rem. DISC	92	57	94	91	76	45	45	45	10	4	650	W120	164*
2265V-1	92	57	94	91	76	45	45	45	10	4	650	W120	164*
MAGTAP DRIVE	152	61	66	76	76	76	76	76	10	7	1233	W120	142*
2219V-3	152	61	66	76	76	76	76	76	10	7	1233	W120	142*
TELECOMMUNICATIONS PROCESSOR	35	58	34	91	—	35	35	—	—	1.5	277	W120	23*
6654-1	35	58	34	91	—	35	35	—	—	1.5	277	W120	23*
DAISY PRINTER	32	73	50	77	92	61	31	31	3	1.5	258	STD	32
6581-WC	32	73	50	77	92	61	31	31	3	1.5	258	STD	32
HIGH DENSITY MATRIX PRINTER	32	64	50	76	76	61	31	31	3	1.8	340	STD	23
5577	32	64	50	76	76	61	31	31	3	1.8	340	STD	23
BAND PRINTERS	112	78	64	76	76	61	31	31	—	1.5	300	STD	198
5573	112	78	64	76	76	61	31	31	—	1.5	300	STD	198
ARCHIVING WORKSTATION	34	42	56	76	31	31	31	31	—	1.5	215	STD	26
2266S-3	34	42	56	76	31	31	31	31	—	1.5	215	STD	26
COLOUR WORKSTATION (COMBINED) 4245VS	—	—	—	—	—	—	—	—	—	—	—	—	11.7
SCREEN	30	29.2	30	—	—	—	—	—	—	—	—	—	—
POWER PACK	10.5	48.8	35.3	20	15	10	20	—	—	1.6	86	STD	—
KEYBOARD	4.3	46.5	19.8	—	—	—	—	—	—	—	—	—	—
LASER PRINTER	92	66	66	76	30	31	31	31	6	5	900	STD	62
LPS12	92	66	66	76	30	31	31	31	6	5	900	STD	62
HIGH VOLTAGE ISOLATOR	7	20	28	0	12	0	0	—	—	5	1	STD	3
HVI	7	20	28	0	12	0	0	—	—	5	1	STD	3

Key to Heading Abbreviations

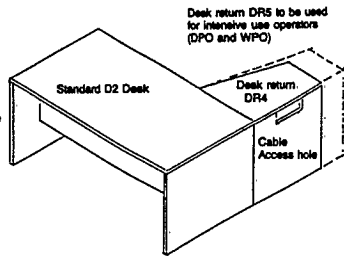
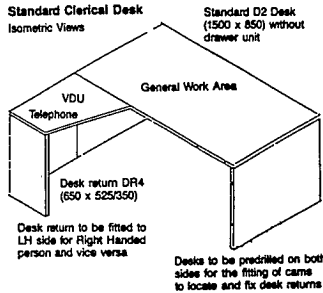
H	Height
W	Width
D	Depth
F	Front
B	Back
L	Left
R	Right
STD	Standard 10 AMP GPO
WXXX	Wilco Connector
*	Dedicated Power Source Required

Keys

1. Device Type	Common Name
VS-128F	VS100 (Mini Computer)
VS-182F	VS100 (Mini Computer)
VS-85-2	VS85 (Mini Computer)
VS-85-1	VS85 (Mini Computer)
2265V-3	640 Megabyte (fixed) Disc Drive
2265V-2	288 Megabyte Removable Disc Drive
2265V-1	75 Megabyte Removable Disc Drive
2219V-3	Magnetic Tape Unit
6554-1	Telecommunications Processor
6581-WC	Daisy Printer
5577	Matrix Printer
5573	Band Printer
2266S-3	Archiving Work Station
4245VS	Colour Workstation (Screen, Power Pack, Keyboard)
11S-STD	Laser Printer
LPS12	High Voltage Isolator
HVI	
2. Plug	Wilco Connector
W***	Standard 10 AMP GPO
STD	
3. Heading	Height
H	Width
W	Depth
D	Front
F	Back
B	Left
LT	Right
R	Start
SRT	

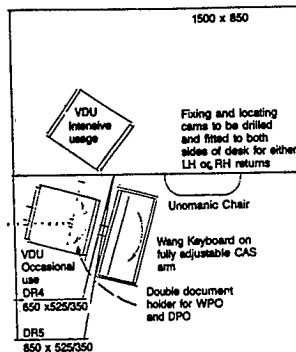
Appendix B1

Standard Clerical Desk Isometric Views



Appendix B2

Proposed Desk for VDU



* For details of desk and desk returns see drawing V783;S-1006 and 1068

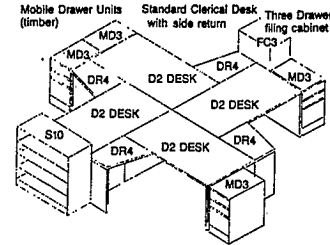
* Note: The above desk shown in full linework is to be used for normal clerical functions within the office area

The larger side return shown with broken linework is to be used for intensive usage VDU staff (WFO and DPOs)

Similarly VDUs are shown in their respective locations with linework full (normal usage) and broken (intensive use)

Appendix B3

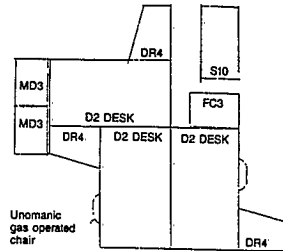
Typical four (4) person workshop Isometric view



Half Bay group open storage unit and file storage

Appendix B4

Three (3)/Four (4) Person Work Groups Maps

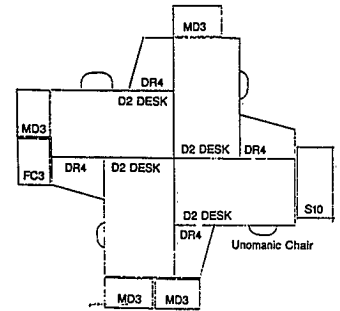


Half bay group open storage unit and file storage (metal)

Three (3) drawer filing cabinet (metal)

Standard D2 Desk (timber)

Desk Return (timber)



Mobile Drawer Unit (timber)

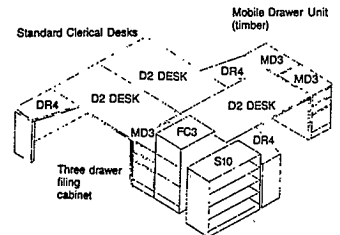
Standard DR4 Desk (timber)

Desk Return (timber)

Half Bay group open storage unit and file storage (metal)

Appendix B5

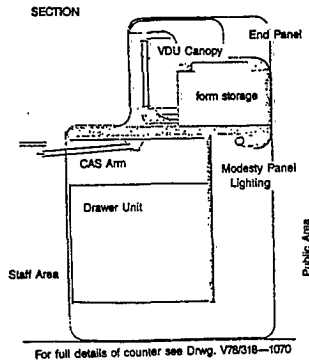
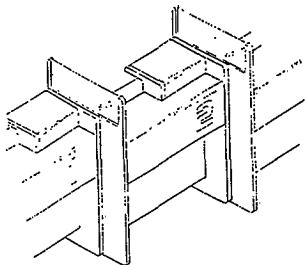
Typical Three (3) Person Workgroup Isometric View



Half bay group open storage unit and file storage

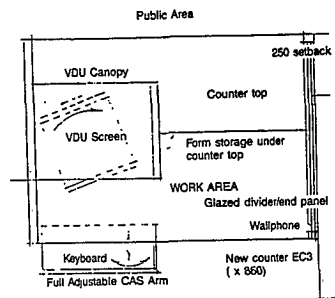
Appendix B6

Isometric view of counters from public side (proposed new counters for new fitouts).



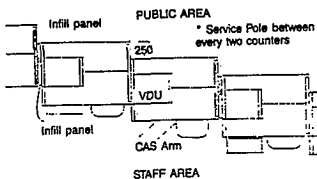
Appendix B7

Proposed New Counter



Appendix B8

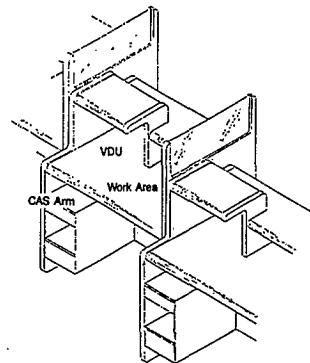
Typical Counter Arrangement (For new fitout offices using new counters)



* NOTE: Service Pole between each second counter is to be wired for Duress Alarm, Telephones, Co-axial for VDU, supply to Modesty Panel Lighting, GPO for VDU plus general usage GPO. A four (4) channel post is proposed to be used.

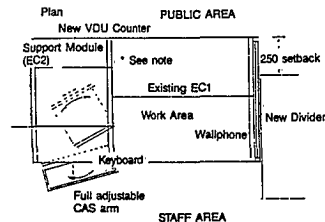
Appendix B9

Isometric View of Counters from Staff Side (proposed new counters for new fitouts)



Appendix B10

Proposed Alteration to Existing Counters (For alterations to existing offices using existing counters plus the addition of VDU counter support module)



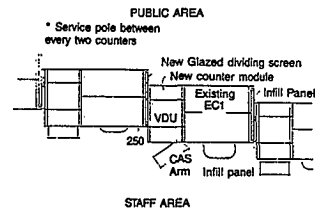
* Note: Existing LH side panel of EC1 counter to be removed and new VDU counter support module to be fitted to produce one off counter 1560m long when new counter divider is fitted to existing RH side panel of EC1 counter.

For full details of infill counter see drwg.

Page 22

Appendix B11

Typical Counter Arrangement (For alterations to existing offices using existing counters plus the addition of VDU counter support Modules)



* Note: Service pole between each second counter is to be wired for Duress Alarm, Telephones, Co-axial for VDU, power supply to Modesty Panel Lighting GPO for VDU plus general usage GPO. A four (4) channel post is proposed to be used.

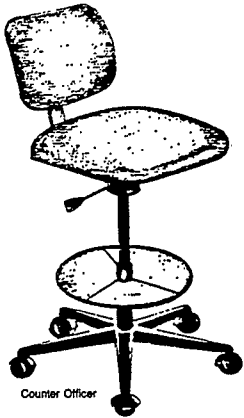
Appendix B12

Chairs





Data/Word Processor Operator
Sieno-Secretary



Counter Officer

Appendix C

Stratplan Site Inspection Procedure *Date:*

Section 1: General Procedural Check List
Section 2: Terminal Equipment Sheets
Section 3: Site Details
Section 4: Follow-up Action List
Section 5: Site Plans

Project:
Manager/Contact Name:
Address:
DHC Original Fitout Drawing No.:
Floors Occupied:
Area Occupied:
Owned by Commonwealth:
Lessor:
Expiry Date of Lease:
Shared with other Govt. Dept.:
Total Staff:
Total VDU's:
Total Printers:

Section 1

General

The following guidelines have been formulated from initial site visits. As site conditions may vary widely, these procedures may need modification. Relevant comments should therefore be entered in Section 4.10 for follow-up action.

Site information obtained will initially be recorded in Sections 2-5, and subsequently be transferred to the Social Security computer based records system.

1.0 Checklist

- 1.1 Discussion with site manager. Include topics:
- Office functioning under Stratplan.
 - Implementation Schedule.
 - Staff attitudes — Interest and knowledge of Stratplan.
 - Descriptions and functions of equipment proposed for this site.
 - Special siting requirements for processor report printing areas — noise, heat, humidity, dust.

1.2 Site Inspection

Ask the Manager to explain the work flow, and discuss peak staffing levels — plot and designate the work areas in Section 5 Site Plan(s).

1.3 Allocation of Terminal Equipment

Using Stratplan allocation guidelines, notate the site plan showing all proposed VDU and printer locations.

List all terminals on the Section 2 Terminal Equipment Allocation Sheets.

1.4 Review of Terminal Equipment Allocations

Discuss the Allocations with the Site Manager (or other staff

as necessary) to modify and/or confirm the allocation and siting of terminal equipment.

1.5 Review of Processor Requirements

Ensure that the planned processor installation is compatible with the allocated terminal configuration.

1.6 Complete Site Preparation Details

Action	Record Details in Section	
Select Processor Location	3.1.1, 5	(Site Plan)
Calculate Processor Area Heat Load	3.1.2,	4.2
Calculate Other Concentrations of Heat Load	3.2.1,	4.2
Measure/Assess Existing:		
(a) Temp Range	3.3.1	
(b) Humidity Range		
Calculate Total Site Equipment Heat Load	3.3.2	4.1
Obtain/Assess Air Conditioning Capacity	3.3.3	
Calculate Total Equipment Electrical Load	3.3.5,	4.3
Assess Electrical Distribution Board Capacity for Direct Processor Connections	3.1.3,	4.4
Assess Power Distribution/Outlets for All Equipment	2,	4.5
Assess System Earthing Requirements	3.1.4,	4.7
Assess Processor Area Telecom Requirements		
— Telephones	3.1.5(a)	4.8
— Data Lines	3.1.5(b)	4.9
Assess Building Access Limitations	3.3.6	
Assess Building Maximum Floor Loading	3.3.7	
Assess Fire Protection/Standards	3.3.8	
Assess Storage Requirements	3.3.9	
Assess Security	3.3.10	
Assess Environmental Factors:		
— Static Electricity	3.3.11	
— Dust/Dirt/Cleaning Methods	3.3.12	
— Lighting	3.3.13	
— Vibration	3.3.14	
— Noise	3.3.15	

Section 2 —

Terminal Equipment for:

2.1 VDUs

ID	Location	Power (See 2.3.1)			Data Connection	Note*
		A	B	C		
V1						
V2						
V3						
V4						
V5						
V6						
V7						
V8						

2.2 Printers

ID	Location	Power (See 3.2.1)			Data Connection	Note*
		A	B	C		
P1						
P2						
P3						
P4						
P5						
P6						
P7						
P8						
P9						
P10						
P11						
P12						
P13						

P14					
P15					
P16					
P17					
P18					
P19					
P20					

2.3 *Amplifying Notes

1. (A) Existing double GPOs.
- (B) Existing single to be changed to double.
- (C) New double GPOs required.

2.4 Equipment Totals — Electrical and Heat Load Calculation

Equipment	Heat	Electrical
<i>Totals</i>	<i>K.Cal/Hr</i>	<i>Amps</i>

Section 3 — Site Details For:

3.1 Processor Area

3.1.1 Brief Description of Location:

3.1.2 (a) Processing Equipment — Heat Load:

UNIT 1 (.....)
UNIT 2 (.....)
UNIT 3 (.....)
UNIT 4 (.....)
UNIT 5 (.....)
UNIT 6 (.....)
TOTAL	(K. CAL/HR)

(b) Emergency Cooling Methods (if any)

3.1.3 Electrical Power Connections

DIST.BD.ID	CIRC.BAKR/FUSE		
	NBR	RATING	PHASE
UNIT 1 ()			
UNIT 2 ()			
UNIT 3 ()			
UNIT 4 ()			
UNIT 5 ()			
UNIT 6 ()			

3.1.4 System Earth Connection:

3.1.5 Telecom Services:

	ID	Location	Usage
(a) Telephone 1			
Telephone 2			
Telephone 3			
Telephone 4			
(b) DSS/Datel 1			
DSS/Datel 2			
DSS/Datel 3			
DSS/Datel 4			

3.2 Terminal Equipment Areas

	Area/Equipment	Heat Load (K.Cal/H)
	Concentrated Heat Load 1	
	Concentrated Heat Load 2	
	Concentrated Heat Load 3	
	Concentrated Heat Load 4	

3.3 Total Site Aspects

3.31	Estimated (or measured)	
	(a) temperature range	°C
	(b) humidity range	%
3.32	Total Equipment Heat Load:	K.Cal/Hr
3.33	Total equipment electrical load:	AMP
3.34	Building access limits:	cms at location:
3.35	Floor Loading:	
	(a) building maximum:	KG/M2
	(b) heaviest equipment:	
3.36	Fire Protection:	

3.37 Storage:

3.38 Security:

3.39 Static Electricity:

3.3.10 Dust/Dirty/Cleaning Methods:

3.3.11 Vibration:

3.3.13 Noise:

3.3.14 Other:

3.4 Building Questions

3.4.1 Do windows have curtains?

- Are they suitable to eliminate glare and light?
Do they need replacement, backing, comment?

3.4.2 Ceiling Type

- (a) Suspended (show size and direction of tiles and measure ties to nearest mm).
- (b) Direct stick (or battened).
- (c) On joists (conventional).
- (d) Concrete.
- (e) Plaster Board (or fibrous plaster).
- (f) Acoustic Tile.
- (g) Sprayed.
- (h) Other.
- (i) Is asbestos used within concealed ceiling space?

3.4.3 Ceiling Height (Show on Plan)

- H.1
- H.2
- H.3

3.4.4 Wall Construction

- (a) External
- (b) Internal

3.4.5 Internal Finishes

- (a) Floor Standard Carpet, if not, type.
- (b) Wall
- (c) Ceiling

3.4.6 Light Levels

- (a) Is there a glare problem (show on plant extent of glazing and sources of glare e.g. reflections from walls, unwanted reflections)?

3.4.7 Thermal Comfort (A/C)

- Is this a problem?

Electrical Questions

3.5.1 Distribution Board

Is DSS supply independent of main building supply?

If not does DSS have a secondary switchboard?

Show on Plan 2 photograph

Do any circuit breakers trip often

Which one(s)?

Is the distribution board made up of:

(a) circuit breakers

(b) fuses

(c) both

(d) list the number of circuit breakers on each distribution board and the current rating of each. (Multipole breakers count as one breaker).

breaker : rating : breaker : rating : breaker : rating :

(e) note the number of fuses on the distribution board

(f) how many spare spaces (poles) on the distribution board

(g) current rating of main air conditioning switch

(h) is the board separately metered from the main distribution board

(i) current ratings (EG. 240V 100A)

(i) Main switch power

(ii) Main switch light

(iii) Main switch power/light

(iv) Circuit breakers (inst. separately)

3.5.2 Existing Reticulation Methods

(a) Is there any skirting duct

(b) What are its locations

(c) How many channels in the duct

(d) Is there any floor ducting

(e) Location

(f) No. of channels

(g) Any service poles/how many/type

locations:

(h) No. of channels in poles

(i) If no skirting ducts or service poles, state method of power reticulation:

(j) Any reticulation in the partitioning

(k) How many channels

(l) Route and method of reticulation of existing power cable run from distribution board to existing GPO's (e.g. run in the false ceiling).

3.5.3 Electrical Interference

(a) Any regular power outages

(b) How often do they occur

- (c) Any flickering of lights _____
- (d) Any sudden dimming of the lights _____
- (e) Any workshops in the vicinity creating nuisance electrical interference to the electrical supply (e.g. flickering of lights) _____
- (f) Any electronic/radiotele shops nearby _____
- (g) Any interference with existing computer or electronic equipment _____
- (h) Any static electricity problems _____

3.5.4 Telephone

- (a) Location of enclosures where incoming telephone lines are brought into the building _____
- (b) Number of such enclosures _____
- (c) Location of PABX or equivalent _____

3.5.5 Type of Fire Protection

(Show Locations On Plan) _____

3.5.6 Type of Heating System

(Describe: Wall mounted, strip, heat banks, underfloor elements, radiators, full A/C, ventilation fans, etc) _____

3.5.7 Capacity of Existing A/C Plant

3.5.8 Can CPU room be isolated for 24 hours operation or is new A/C plant required?

3.5.9 Type of Light Fitting:

- (a) Fluorescent
- (b) Incandescent
- (c) Suspended
- (d) Surface mounted
- (e) Recessed

3.5.10

- (a) Diffuser type (describe)
- (b) No. of lamps/fitings
- (c) No. of fittings in general office

3.5.11 Location of telex existing and/or proposed (show on Plan).

3.5.12 Location numbers and type of all GPO's (single or double) (shown on Plans).

Section 4 — Photographs

- | | | | |
|---|---|-------|---|
| 4.1 Office Entrances (from street) | (| Index |) |
| 4.2 Main Switchboard (Show on Plan) And/Or | (| |) |
| 4.3 Switchboard (Show on Plan) (Show Circuit Breakers or Fuses) | (| |) |
| 4.4 Cable Ducting (Refer 3.7.2) | (| |) |
| 4.5 Light Fitting/Diffuser (Ref.G.10) | (| |) |

4.6 General Office (All Views)

- (a) Public Area ()
- (b) Windows/Curtains for Glare Source ()
- 4.6 CPU Room ()
- 4.7 All Telecom Interface and/or PABX (Refer 3.5.4) (Show Location on Plan) ()
- 4.8 Any Maintenance Items ()

Note:

Indicate location and direction of all photographs on floor plans.

Section 5 — Follow Up Action List For:

5.1 Total Heat Load

The proposed site equipment is expected to generate a total heat load of _____ KCal/hour. Verify if satisfactory air conditioning can be maintained.

5.3 Total Electrical Load

The proposed site equipment is expected to provide a total electrical load of _____ AMPS. Verify if supply and distribution are adequate.

5.4 Processor Power Distribution

The following separate direct connections are required from an electrical distribution board to 20 amp Wilco power outlets in the processor area as indicated.

5.5 Terminal Equipment Power Outlets

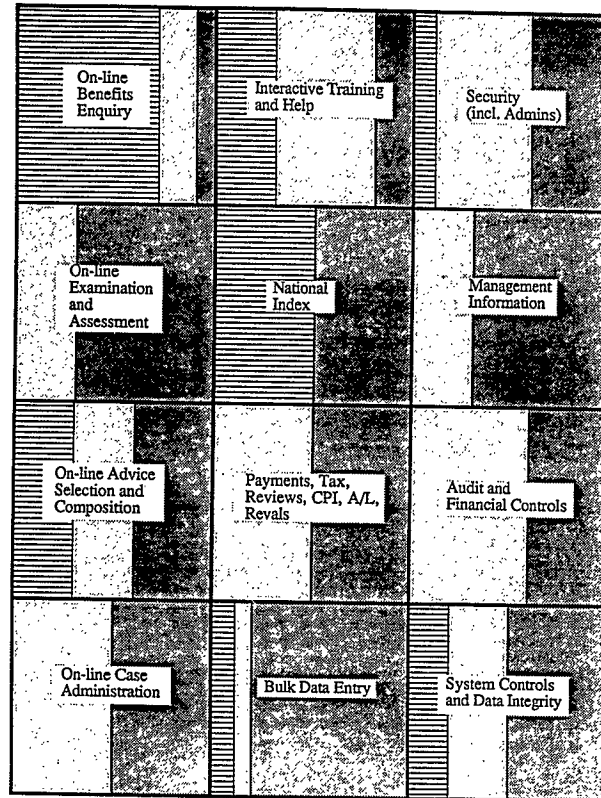
The following proposed equipment requires double 10 amp power outlets in the locations indicated. Refer 2.1 and 2.2 Re: Power Connection




- A =
- B =
- C =

5.6 Terminal Equipment Data Cable Routing

Authorisation is required for running data cables using the routes and methods indicated:

OBP BUILDING BLOCKS



-  **MILESTONE 1:** On-line Enquiry, Data Entry, On-line Manuals, On-line Information, Word Processing (Standard Letters). Completed by 6/86; cost 1671 person months.
-  **MILESTONE 2:** Pensions Migration, Pensions Person Data Update, Admins, Security Definition via Admins, Integrated Audit Facility, FIS/FA redeveloped. To be completed by 6/88; cost 2362 person months.
-  **MILESTONE 3:** All systems redeveloped under OBP. To be completed 151 90; cost 1970 person months.

ATTACHMENT C

OBP COSTS

MILESTONE 1:

PRODUCT	PERSON MONTHS
OLE Pensions and Overpayments	1087
OLE U&SB and Client ID	259
Data Entry	78
Online Manuals	111
Online Information	28
Word Processing	108
TOTAL	1671

NOTE: All effort above has been spent

MILESTONE 2:

PRODUCT	PERSON MONTHS
Conversion of Pension data to database	140 (80)
Pensions Restricted Person Data Update	45
Redevelop FIS/FA to OBP	1769 (917)
ADMINS	408 (408)
Security	282 (48)
TOTAL	2644 (1453)

NOTE: Figures in brackets show how much effort has been spent to date. The cost of FIS/FA includes all the early planning and development of the migration strategy for OBP and the SRD and SDA phases cover all of OBP not just FIS/FA; the cost for this system also includes much of the one time costs for components like case administration and for development of standards.

MILSTONE 3:

PRODUCT	PERSON MONTHS
Redevelop Pension to OBP	450
Redevelop U&SB to OBP	680
Redevelop Overpayments to OBP	80
Redevelop Agencies and Index to OBP	650
Implement Distributed 204	110
TOTAL	1970

NOTE: None of the above effort has yet been spent. The estimates assume that the first system (FIS/FA) has already been implemented.

APPENDIX F

Letter to JPCPA from the Department of Social Security of 21 May 1987 in response to further written questions from JPCPA



OFFICE OF THE
SECRETARY

Department of Social Security

P.O. Box 1, Woden ACT 2606 Telephone: 844900 Telex: 62143

21 May 1987



Mr M J Talberg
Secretary
Joint Parliamentary Committee
of Public Accounts
Parliament House
CANBERRA ACT 2600

Dear Mr Talberg

PUBLIC ACCOUNTS COMMITTEE REVIEW OF STRATPLAN: ANSWERS TO
QUESTIONS OF 15 MAY 1987

Thank you for your letter of 15 May setting out further questions which the Committee has requested be directed to this Department. It is clear that there are some obvious misunderstandings from the nature of some of the questions raised. I have some general comments on this later. However, in relation to the specific questions:

QUESTION 1

The preamble to Question 1 refers to the Migration Strategy Document dated October 1983 and contrasts its predictions with the Mission 1 objectives. The review that gave rise to the migration strategy took place in July 1983. This was done for consideration at a higher level, including the Bowral workshop in August 1983. The objectives of this review were to address the issues associated with various stages of the development of our income security applications systems; this was more to do with the design of the development path and getting the stages 'in the right order' than setting Department-wide target dates.

It was the Bowral workshop that produced the Mission objectives that were officially adopted by the Department as defining the scope of the Stratplan project. The planning decisions taken at Bowral were the result of applying a department-wide perspective to the planning process. Following the Bowral workshop, it was thought useful to document fully the migration strategy material, as having been an important input to the strategic decision-making process. This documentation of the July processes was dated October 1983.

From the Department's point of view it makes little sense to contrast the Mission 1 objectives with dates plucked from records of earlier planning sessions whose purpose was never to set targets but to plan the logic of the development path.

There is obviously a great deal of planning work that goes into a project the size of Stratplan. It would certainly be possible to discover a number of other documents and dates which could be contrasted with either the Mission objectives or the resolutions from time to time of the Systems Executive Committee. Some of these will show dates that, with hindsight, appear optimistic and some will show dates that were pessimistic. For example, the Migration Strategy document from which you have chosen to highlight a date that appears optimistic also forecasts our implementing the On-line Enquiry system in South Australia in July 1986 whereas this in fact was achieved in late 1985.

The adoption of the Mission objectives following the Bowral workshop has us delivering initial on-line benefits processing by 31 December 1986. This is the only relevant target that the Department set for itself in 1983, following the detailed planning work that was conducted in the light of the outcome of the tender evaluation. The first delivery of initial on-line benefits processing facilities is now scheduled for October 1987. The reasons for this change were canvassed extensively in our answers to the series of questions addressed to us in April.

The Committee concluded in its Report 225 in 1984 that 'the facility for on-line update will be at least twelve months late'. In our response at that time we pointed out that the dates that had been quoted so far for on-line update should be regarded as indicative only. We said that we had yet to complete the detailed design work necessary to set the dates for introduction of various components of on-line update. If the Committee is now re-considering aspects of the history of the project that were dealt with in its previous reports we feel that it would be fair for us to be advised whether the advice provided by the Department to the Committee on the earlier occasion has in some sense been rejected by the Committee or is not considered satisfactory.

Question 1

Why was On-line Benefits Processing subject to such a major slippage in the period to April 1985?

Answer

The 'major' slippage referred to in this question is substantially based on a misinterpretation of our planning documentation.

QUESTION 2

It is true that we had completed some detailed planning for on-line benefits processing by August 1985 and that a new three-stage plan had been developed. Your letter contrasts a first estimated delivery date for on-line update for Family Income Supplement (FIS) and Family Allowances (April 1987) with the current projected date of April 1988. This apparent change is based on a superficial interpretation of planning documentation for the project and could have been resolved easily in discussions at officer level.

The first point to clarify is that the first official date for implementation following the August 1985 review was April 1987 for the FIS system, to be followed three months later by Family Allowances. It should be borne in mind that FIS is by far the smallest and least complex of the income security systems and was in a sense intended as a 'pilot' prior to implementation of the first major system, Family Allowances. When these dates were adopted it was seen as feasible to provide a basic on-line update system in each case. Subsequent planning showed that this was costly and of dubious value to staff or clients. A much more comprehensive system therefore was targetted for 1988 for both systems. To speak of a slippage in the delivery dates for these products is to compare two unlike products, the very basic systems envisaged in late 1985 and the comprehensive systems now being developed which are major steps toward the full on-line systems.

Question 2

Why was this high priority project again subjected to such a major slippage in this period?

Answer

The project was not subject to slippage.

Question 3

With the record of slippage that this project has sustained to date would it be reasonable for the Committee to anticipate completion being deferred well into the 1990s?

Answer

No. The tenor of this question seems to suggest that conclusions may have been drawn on this subject already. We would urge caution on this point.

If the Committee feels that more advice should be sought from the Department on the On-line Benefits processing project so that its advisers can gain a more thorough understanding of the stages of development and the strategic decisions taken from time to time, we are willing, as always, to offer whatever assistance may be required.

In view of the record of progress against the timetable set for us in Bowral in 1983 we remain optimistic.

Question 4

Does the Department consider, in the light of the development resources that it has had available to it in the past three years, that it has secured a satisfactory rate of development for such an important project?

Answer

Yes. The Committee is correct in its understanding that the Department believes it has a good record of achievement both in meeting requirements placed on it by Government and in the development of on-line benefits processing in the face of contingencies. We would like to draw the Committee's attention to the number of prerequisites and components of OBP already in place. These were discussed in Section 2 of the submission made to the Committee for the recent public hearing.

Question 5

What documentary evidence can the Department provide to establish that the development of this project has ever met departmental objectives?

Answer

The intent of this question is not clear. If the question is suggesting that the on-line benefits processing project is inconsistent with Departmental objectives then we must disagree. The Department, through its corporate planning processes, has developed a charter and corporate goals for the period 1986-88, which have been approved by the Minister for Social Security, the Hon Brian Howe. The Departmental Charter is 'To deliver social security entitlements and related services in accordance with the policies of the Government in a timely and fair manner with efficient and effective use of resources.'

Eight key corporate goals were identified in extensive consultation involving staff throughout the Department in 1986:

- (A) Advise the Minister on income security needs, policies and practices;
- (B) Access to Departmental services, with special attention to particular disadvantaged groups;
- (C) Wide community knowledge of services and the rights and obligations attached to entitlements;
- (D) Consistent delivery of social security entitlements and related services in accordance with Government policies;
- (E) High quality service in a timely, fair and sensitive manner, including referral to other agencies for related support;
- (F) Inhibit misuse of the income security system;
- (G) Participative, equitable, safe and satisfying work environment;
- (H) High standard of management at all levels.

It is clear that OBP is a strategic development in support of the Departmental Charter through several of its corporate goals. In particular, the substantial enhancement to ADP applications through the on-line benefits processing project is a key strategy in achieving goals D, E, F, G and H. We believe that the Committee has seen evidence during its inspections of regional offices equipped with Stratplan facilities that substantial progress is being made on all of these fronts.

QUESTION TAKEN ON NOTICE

We understand the question put to us by the Committee at the hearing of 14 May 1987 and which we sought to take on notice to be along the following lines:

When was the requirement for the ADMINIS system being developed as a pre-requisite to on-line benefits processing first established? Where was this set out in the Department's plans?

Answer

Section 4 of the 1981 ADP Systems Strategic Plan, which was the document upon which our first approach to Government was based, set out applications software requirements and strategies. Under the general heading 'Management Services' it stated that 'People/Positions' was a requirement in this area. It said 'Other priority requirements, particularly in Income Security areas, may force some early development...With movement into on-line systems there will be a need for identification of people and the positions they are occupying'. This is the function that makes ADMINIS a prerequisite to On-line Benefits Processing.

The project had not attracted the name 'ADMINIS' at that early stage; it was simply thought of as the management services component of the Stratplan redevelopment.

Planning during 1982 and 1983 identified some fifty-six separate modules which users would wish to see developed in support of the management services function. These are identified in the ADMINIS System Planning Document of 15 August 1983. However, in view of the priority of income security systems development the Department sought to proceed only with those few modules which were prerequisites to the security function for OSP or which conferred obvious efficiency gains for minimal additional effort.

CONCLUSION

As mentioned earlier, it is apparent from the questions that the advice on which they were based has not taken account of the nature of the planning process in a project of the size and complexity of Stratplan. This is an area from which I believe the Committee can draw valuable conclusions applicable to the review of other large projects. There are three important points to be made here about the planning process:

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- (1) In management consideration of major plans there is a synthesis of detailed planning strategies previously developed by specialist groups whose focus is limited, properly, to their own sphere of competence. This synthesis takes into account constraints, resources and opportunities in a Departmental context. The conclusions of management consideration can be different from the expectations of those with a perspective on only a portion of the project. Senior executive management alone is responsible for this synthesis.
- (2) Plans are under constant review. As we progress we gain a better understanding of the technical environment, of user demands and product interdependencies. The aim is to optimise within resource constraints the overall delivery of functionality.
- (3) It is frequently prudent management practice to set tight internal deadlines.

Yours sincerely



D VOLKER

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APPENDIX G

Letter to JPCPA from the Public Service
Board (undated) in response to further
written questions from JPCPA



Public Service Board

McLachlan Offices National Circuit Canberra A.C.T. 2600 Tel 72 3977

Mr M J Talberg
Secretary
Joint Committee of Public Accounts
Parliament House
CANBERRA ACT 2600



Dear Mr Talberg

PUBLIC ACCOUNTS COMMITTEE - REVIEW OF STRATPLAN

In your letter of 19 May 1987 you outlined 8 matters on which the Public Accounts Committee sought Board comment.

Question 1: Did the Public Service Board play an active role in the negotiations with the unions on Stratplan and the development of the Section 28 agreements in 1984/5?

RESPONSE

The initial negotiations on Stratplan were between the Department of Social Security and the unions without Board participation. However the relevant functional areas of the Board became involved in and were consulted by the Department on particular issues that arose in the negotiations. Because STRATPLAN was the first major technological reequipment on this scale, some of the issues, eg eyesight testing, required substantial work from the Board in developing a policy both in the context of the STRATPLAN negotiations and for more general application. The Board therefore kept across developments touching on such policy issues, in the Department's negotiations. Following industrial action which led to the notification of a dispute to the Conciliation and Arbitration Commission in October 1984 the Board participated in the negotiations which led to the S28 agreement, certified in the Commission on 3 January 1985 and was a signatory to that agreement.

Questions 2 and 3: Did the outcome of these negotiations meet with the Board's approval? (if yes - what documentary evidence can the Board provide to substantiate this claim?)

RESPONSE

The Board recognised the importance of the Department's role in servicing social welfare beneficiaries and the need to proceed with minimum disruption. Therefore, having regard to the history of the negotiation and the magnitude of the project, the Board saw the agreement as an acceptable outcome. There were, however, aspects of the agreement with which the Board saw some problems, eg radiation testing, particularly if they were to be regarded as establishing Service-wide standards.

As indicated above the Board was a signatory to the agreement which of course related only to Stratplan and made clear at the time that it was not to be regarded as a precedent for implementation of other major technical change. However there were areas where STRATPLAN became the vehicle for considering more general policy issues. In relation to eyesight testing the Board accepted that there was a case for the provisions included in the S28 STRATPLAN agreement to be extended to the Service as a whole, pending the outcome of the proposed expert study to be conducted by Worksafe, and this policy was promulgated separately.

In relation to the second agreement on Stratplan certified on 16 October 1985, the Board was a party to the negotiations which were commenced following a dispute in May 1985 about work organisation. The Board agreed to the payment of an allowance for a trial of the new working arrangements; the agreement made clear that "... is not to be used as a precedent by the unions to seek similar arrangements in other departments or state authorities" ~~that this arrangement was not a precedent for the future.~~ Once again the Board's position recognised the industrial history and the need to keep the project moving.

Question 4: Do the Board's new guidelines for consultation on the introduction of new technology stress the importance of planning for the impact of industrial negotiations in an environment of technical change?

Question 5: What particular benefits would the Department of Social Security have gained from being able to follow these guidelines during the implementation of Stratplan?

RESPONSE

Guidelines for the Management of consultation on technological change (copy attached) were issued by the Board on 29 April 1987. The guidelines recognise the importance of planning for the impact of industrial negotiation and state that:

"Careful, staged planning is an essential aspect of the effective management of technological change. These guidelines recognise that consultation with unions and staff should be managed as an integral part of this normal management process and that each project should be

considered on its merits. The costs associated with failure to consult adequately may include avoidable delays and purchase of inappropriate equipment as well as disruption to the industrial climate as a whole."
(Para 5)

The guidelines outline, as a basis for departmental level agreement, a framework for processes of consultation on technological change. They have not been agreed by the ACTU. The current guidelines describe the processes more clearly and in greater detail than the earlier Board guidance which was current in 1984/85 and should therefore assist departments considerably in developing appropriate consultative processes. The guidelines do not prescribe detailed standards (eg accommodation, staffing, occupational health and safety) which are to apply in a particular technological change project: these will need to be determined, within relevant Service-wide policies, separately for each project. It needs to be recognised however that agreement will not necessarily easily be reached on particular projects.

It is not possible to answer more precisely what might have been the course of Stratplan negotiations under the current guidelines; certainly these guidelines reflect experience gained by the Board, the union and the Department of Social Security in the implementation.

Question 6: Does the Board approve of the trend towards the use of more and more contractors in contrast to the expansion of in-house ADP staff?

RESPONSE

The Board considers that contract staff have an important role to play in the following circumstances:

- where they are more cost effective than Departmental staff;
- to meet short term peaks in workload; and
- to provide specialist expertise not available within a Department's own staff.

In the last case, if the requirement for specialist skills were an ongoing one, the Board would hope that the Department would take steps to ensure its own staff developed the required skills.

The current use of contract programmers appears to be based more on the inability to attract and retain skilled staff than the above considerations. The Board views this situation with concern.

*deleted
per telephone
call from
PCB 1-6-87
JM.*

Question 7: Given the continuing growth in this trend, what steps can Department's take to stem the movement of CSOs into the ranks of contractors?

RESPONSE

Contract programming is only one destination for resigning CSOs and this may not be the most frequent. Resignation rates are higher for CSOs than for administrative staff generally, but were high before contracting became prevalent in Canberra. Within the CSO group separation rates are highest at the more junior levels.

The CSO Task Force, established by the Public Service Board earlier this year, has identified broad initiatives to assist the Service in its management of this group. The areas being addressed are:

- . increased aggregate supply;
- . an increased share of APS share of supply;
- . increased supplementation from non-CSOs;
- . a reduction in turnover; and
- . more effective use of consultants.

Question 8: If market demand for these resources is dictating this situation, can the Service compete effectively, particularly in terms of monetary rewards?

RESPONSE

Management consultant remuneration data available to the Board suggests that remuneration is not as significant an issue in the recruitment/retention of APS CSOs as many people believe. To the extent that the APS is not as competitive as other areas, principally at senior levels, action to address the situation within the constraints of Government wages policy and NWC guidelines is being considered

The initiatives outlined in the response to Question 7 will alleviate the situation in both the short and medium term. The labour market situation for CSOs into the 1990s is by no means clear and the Board is pursuing an approach oriented to increasing overall flexibility on the supply side. Within this context remuneration needs to be considered in perspective. There is a tendency to understate the opportunities available to staff performing systems work within the Service. The broad technical requirements resulting from the diverse nature of Government activities and the flexibility demanded of both departments and individual staff provide benefits and interest not necessarily available elsewhere.

I hope these comments are of assistance to the Committee.

Yours sincerely


N W F Fisher
Acting Deputy Commissioner