

myGov Digital Services

Department of Human Services

Digital Transformation Agency

Australian Taxation Office

© Commonwealth of Australia 2017

ISSN 1036–7632 (Print)

ISSN 2203–0352 (Online)

ISBN 978-1-76033-266-2 (Print)

ISBN 978-1-76033-267-9 (Online)

Except for the content in this document supplied by third parties, the Australian National Audit Office logo, the Commonwealth Coat of Arms, and any material protected by a trade mark, this document is licensed by the Australian National Audit Office for use under the terms of a Creative Commons Attribution-NonCommercial-NoDerivatives 3.0 Australia licence. To view a copy of this licence, visit

<http://creativecommons.org/licenses/by-nc-nd/3.0/au/>.

You are free to copy and communicate the document in its current form for non commercial purposes, as long as you attribute the document to the Australian National Audit Office and abide by the other licence terms. You may not alter or adapt the work in any way.

Permission to use material for which the copyright is owned by a third party must be sought from the relevant copyright owner. As far as practicable, such material will be clearly labelled.

For terms of use of the Commonwealth Coat of Arms, visit the *It's an Honour* website at <http://www.itsanhonour.gov.au/>.

Requests and inquiries concerning reproduction and rights should be addressed to:

Senior Executive Director
Corporate Management Branch
Australian National Audit Office
19 National Circuit
BARTON ACT 2600

Or via email:

communication@anao.gov.au.



Canberra ACT

27 June 2017

Dear Mr President
Dear Mr Speaker

The Australian National Audit Office has undertaken an independent performance audit in the Department of Human Services, the Digital Transformation Agency and the Australian Taxation Office titled *myGov Digital Services*. The audit was conducted in accordance with the authority contained in the *Auditor General Act 1997*. Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present the report of this audit to the Parliament.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's website—<http://www.anao.gov.au>.

Yours sincerely



Grant Hehir
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office (ANAO). The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits, financial statement audits and assurance reviews of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Australian Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

For further information contact:

**Australian National Audit Office
GPO Box 707
Canberra ACT 2601**

Phone: (02) 6203 7300

Fax: (02) 6203 7777

Email: ag1@anao.gov.au

ANAO audit reports and information about the ANAO are available on our website:

<http://www.anao.gov.au>

Audit Team

Judy Jensen
Alex Doyle
Lisa Elkner
Donna Burton
Elenore Karpfen

Contents

Summary and recommendations.....	7
Background	7
Conclusion.....	8
Supporting findings.....	8
Recommendations	11
Summary of entities' responses	11
Audit Findings	13
1. Background	15
Introduction.....	15
Business case	15
myGov launch and statistics.....	20
International efforts.....	22
Audit approach	22
2. Governance.....	24
Were fit-for-purpose governance arrangements established?	24
3. Delivering expected outcomes	28
Was the expected uptake achieved and key functionalities delivered?.....	29
Did myGov deliver more streamlined business processes and agreed common standards?.....	31
Does myGov provide a basis for improved service delivery for individuals?.....	36
4. Project implementation.....	39
Did system performance meet targets and were suitable security and privacy measures in place?.....	39
Did Human Services have processes to monitor feedback and inform myGov's roll-out?	42
5. Value for money	45
Was the myGov project delivered within agreed funding?	45
Were the expected savings realised?	48
Appendices	53
Appendix 1 Entities' responses	54
Appendix 2 Research and surveys on myGov	57

Summary and recommendations

Background

1. The myGov digital service (myGov) is an entry portal for individuals to access the services of participating government entities. It was launched in May 2013 to provide individuals with secure online access to a range of Australian Government services in one place. It was expected to provide a whole-of-government digital service delivery capability and to improve the experience for individuals who choose to self-manage their interactions with government services. The four year myGov project (2012–13 to 2015–16) was to provide:

- a single username to access member services¹;
- search ability to identify available government services;
- the ability to notify multiple services about changes of personal contact details;
- the ability to submit data online to validate facts, including for proof of identity; and
- lower costs and more timely communications from services via a digital mailbox.

2. The Digital Transformation Agency is responsible for myGov service strategy, policy and user experience.² The Department of Human Services (Human Services) is responsible for administering and hosting myGov, including processes and procedures for system development and testing, security and operational performance.

3. By November 2016, myGov supported nearly 11 million active accounts and ten member services.³

Audit objective and criteria

4. The objective of the audit was to assess the effectiveness of the Department of Human Services' implementation of myGov as at November 2016. To form a conclusion against this objective, the ANAO adopted the following high level audit criteria:

- suitable governance arrangements were in place;
- myGov delivered a whole-of-government online service delivery capability;
- myGov improved service delivery for individuals;
- myGov provided an adequate level of performance, security and privacy; and
- myGov delivered value for money.

1 'Member services' are government programs that offer online services through myGov.

2 In October 2016, the Hon. Angus Taylor MP, Assistant Minister for Cities and Digital Transformation, announced the establishment of the Digital Transformation Agency. The Agency would absorb the Digital Transformation Office that was set up in July 2015.

3 The member services available to individuals as at November 2016 were: Human Services' Centrelink, Medicare, and Child Support; Australian Taxation Office (ATO); Australian Digital Health Agency's My Health Record; Department of Veterans' Affairs (DVA) My Account; National Disability Insurance Scheme; Department of Employment's Australian JobSearch; Department of Health's My Aged Care; and the Victorian Government's Housing Register Application.

Conclusion

5. The Department of Human Services' implementation of myGov as a platform to deliver whole-of-government online services has been largely effective.
6. Fit-for-purpose strategic and operational governance arrangements operated for the first three years of the myGov project, followed by a one year gap in strategic governance when interim arrangements had a largely operational focus. This gap was addressed in July 2016 with the re-establishment of a strategic governance board.
7. There were 9.5 million user accounts registered in myGov by the end of the four year project—nearly double the business case forecast of 5.1 million. myGov has contributed to improved delivery of government services for individuals by providing three key functionalities—single digital credential, Update Your Details and Inbox—to reduce the time spent transacting with government. Several requirements to improve usability have only recently been implemented and a small number of requirements are yet to be delivered. As at November 2016, there were ten government services available through myGov. While it is not mandatory for member services to participate in myGov, the effectiveness of myGov as a whole-of-government capability has been hampered by government services not joining myGov and not fully adopting the myGov functionalities.
8. Since late 2015, the myGov platform has been hosted on high-availability infrastructure, which has improved performance, especially during peak demand periods, with performance targets consistently met. Suitable security and privacy measures were in place to control access and protect sensitive data stored in myGov.
9. In 2012, the Government approved a budget for the myGov project of \$29.7 million for 2012–13 to 2015–16 based on the functionalities set out in the business case. The myGov project was not delivered within this original agreed funding, with actual expenditure to June 2016 totalling \$86.7 million. Over the four years of the project an additional \$37.8 million in funding was approved by Government, and Human Services funded the remaining \$19.2 million from a pre-approved ICT contingency fund. Departmental records indicate that the increase in operating expenses over the four years of the project—from \$8.5 million in 2012–13 to \$37.3 million in 2015–16—was primarily driven by the costs associated with supporting the large number of user accounts (nearly double the forecast) and the improved high-availability infrastructure.
10. Performance metrics to enable the quantification of actual savings in the six areas identified in the business case were not developed. In the absence of such metrics, it is not possible to determine whether the expected savings have been realised in all six areas.

Supporting findings

Governance

11. Fit-for-purpose governance arrangements and sound planning processes were in place between 2012 and June 2015 to support the implementation of myGov. The governance framework had both a strategic and operational focus and featured: clearly defined roles and responsibilities; policies and processes that enabled consistent reporting on project implementation status, risks and issues, and performance; and arrangements to engage with government stakeholders.

12. In June 2015, these governance arrangements ceased and interim arrangements were established. The interim governance arrangements had a largely operational focus resulting in limited strategic oversight for myGov as a whole-of-government capability until July 2016. Revised governance arrangements were introduced in July 2016 which featured a new board to provide strategic direction and the retention of key operational committees.

Delivering expected outcomes

13. By June 2016, myGov had exceeded the expected uptake with over 9.5 million user accounts registered compared to the business case forecast of 5.1 million. myGov had almost 11 million accounts by November 2016.

14. Of the five functionalities expected to be delivered in myGov:

- Human Services delivered three key functionalities in myGov that enable individuals to: access government services online using a single digital credential; notify changes of personal contact details; and receive digital correspondence securely. A small number of requirements within these functionalities, which were considered mandatory for go-live, have not yet been implemented.
- The expected search functionality was partly delivered through an interim solution which enables individuals to perform structured searches of government services; however the expected free text searches envisaged by this functionality are not able to be performed in myGov.
- The data validation functionality was designed, but not delivered in myGov. Human Services advised the ANAO that this functionality was available via the Centrelink member service and that the use of this existing functionality was considered more efficient. As a consequence, a myGov user must link their account to Centrelink and access that service to use the data validation capability.

15. myGov was built using open standards, is scalable and is an authentication platform which can be integrated with member services. Centrelink, Medicare and the ATO member services are using all the available myGov functionalities, the adoption of which was expected to streamline business processes and improve the user experience. Three government services identified in the business case elected not to participate in myGov. Of the ten member services that decided to participate in myGov, six use some but not all of the available functionalities.

16. The myGov platform has provided a basis for improved service delivery, including a reduction in the time spent by individuals interacting with government. This benefit accrues where individuals use the myGov functionalities to receive correspondence or update their details, and in particular, where individuals link their account to at least two member services. Where individuals already had multiple online credentials, they incur a one-off time cost to join myGov. Individuals who do not have their account linked to multiple services do not receive the potential time saving benefits to the same extent.

Project implementation

17. In December 2015, Human Services introduced high-availability infrastructure to support the increased demand for myGov during peak periods. Since this time, Human Services has reported that myGov's performance has met or exceeded the monthly availability target of 99.5 per cent.

18. Suitable security and privacy measures were adopted for myGov, leveraging existing Human Services arrangements to control access and protect data. In addition, myGov stored only limited sensitive personal data and did not facilitate data sharing between member services.

19. Human Services and participating entities captured feedback through surveys and usability testing to inform myGov's roll-out. The feedback was used to correct faults and enhance myGov functionalities, but some resolutions were not delivered in a timely manner. From July 2016, the Digital Transformation Agency has had responsibility for the myGov user experience and, with Human Services, has developed and progressed a program of work based on a prioritised backlog list of fixes and enhancements.

20. A Closure Report has been prepared identifying lessons learned from the project, and two post-implementation reviews were conducted on specific aspects of the project as they were delivered. A post-implementation review for the project as a whole has not been completed.

Value for money

21. The total cost of the four year myGov project was \$86.7 million. The Government:

- initially approved a budget of \$29.7 million and authorised Human Services to fund any shortfall on the project from a pre-approved ICT contingency fund; and
- approved an additional \$37.8 million in funding during the project.

22. Departmental records indicate that the increase in project expenditure was primarily the result of higher expenses associated with supporting the large number of user accounts—nearly double the forecast—and the improved high-availability infrastructure.

23. Six areas of savings for government, accruing to the member services, were identified in the business case. It is not possible to determine whether all the expected savings were realised as Human Services and the Australian Taxation Office did not define performance metrics to enable the quantification of actual savings. Human Services has calculated actual savings for one measure—avoided postage costs. The department estimated that the myGov Inbox saved government \$109.2 million, a figure that may be overstated as there were existing email capabilities provided by member services although not with the same level of security as myGov's Inbox.

Recommendations

Recommendation No.1 The ANAO recommends that the:

Paragraph 3.17

- (a) Digital Transformation Agency implement a strategy to target ‘service delivery’ Australian Government entities to provide services through myGov; and
- (b) Department of Human Services review existing transition support and guidance materials for entities to ensure that they effectively support targeted government entities to interface their systems with myGov functionalities.

Digital Transformation Agency’s response: *Agreed.*

Department of Human Services’ response: *Agreed.*

Recommendation No.2

Paragraph 3.27

The ANAO recommends that the Digital Transformation Agency, in consultation with the member services, establish a performance framework, including key performance indicators focussing on outcomes, to enable an assessment of the extent to which myGov is delivering expected outcomes for users and member services.

Digital Transformation Agency’s response: *Agreed.*

Summary of entities’ responses

24. The Department of Human Services’, the Digital Transformation Agency’s and the Australian Taxation Office’s summary responses to the report are provided below, with the full responses at Appendix 1.

Department of Human Services

The Department of Human Services (the department) welcomes this report, and considers that implementation of its recommendations as they relate to the department will enhance the department’s management and implementation of myGov.

We are pleased to note that the ANAO found that the department’s implementation of myGov as a platform to deliver whole-of-government services has been largely effective and has contributed to improved service delivery of government services for individuals. Currently, myGov has over 10 million active accounts and supports 10 member services compared to the original forecast of 5.1 million users and six member services.

Digital Transformation Agency

The DTA agrees with the ANAO's proposed recommendations and will continue to work closely with the Department of Human Services and member services to expand myGov's take-up among Australian Government services, and develop a performance framework for the service.

Australian Taxation Office

The ATO welcomes this review into the effectiveness of the Department of Human Services' implementation of myGov. Of the ten member services, the ATO has the highest number of clients using myGov. By the end of April 2017, six million ATO clients had linked their myGov account to their ATO client record. As a key stakeholder throughout the design and implementation of myGov, and as one of the primary users of the service, the ATO appreciates the opportunity to have provided input into the review.

The report recognises that the implementation of the myGov platform was largely effective, with higher than projected take-up of the service by the community but lower than projected take-up of the service by government agencies.

The ATO supports the finding that some features of the service are yet to be delivered and also supports the view that undelivered requirements should be considered as part of ongoing prioritisation and monitoring processes.

The report acknowledges the ATO's successful implementation of each of the services introduced within the myGov platform. The ATO has successfully leveraged myGov services including the digital mailbox, the update your details service and the myGov profile. Additionally, the myGov credential is now used as an alternative to AUSkey for access to online government services for business through Manage ABN Connections; a joint initiative led by the ATO in collaboration with the Department of Human Services and the Department of Industry, Innovation and Science. There are currently over 138,000 myGov accounts linked to one or more ABNs. Between June 2016 and May 2017, there have been more than 500,000 authentications to online government services for business with an ABN-connected myGov account.

The ATO supports the two recommendations outlined in the report and looks forward to working with the Digital Transformation Agency to develop a myGov performance framework as outlined in Recommendation Two.

Audit Findings

1. Background

Introduction

1.1 In the 2010 report, *Ahead of the Game: Blueprint for Reform of Australian Government Administration*, it was recommended that the Government simplify its service delivery and make access to government services more convenient for Australians through automation, integration and better information sharing.⁴

Business case

1.2 In 2011, the Department of Finance (Finance) commissioned the development of the Reliance Framework⁵ business case (the business case).⁶ The Reliance Framework was intended to encompass a set of policies, standards and infrastructure to enable more convenient access to government services while enhancing whole-of-government capabilities to deliver online services.

1.3 In August 2012, the Government agreed to the business case to improve individuals' access to online government services through the development of a whole-of-government ICT architecture.⁷ The Department of Human Services (Human Services) was designated as the lead delivery entity, supported by six stakeholder entities: the Australian Taxation Office (ATO); the then Department of Education, Employment and Workplace Relations; the Australian Electoral Commission; the then Department of Immigration and Citizenship; the Department of Veterans' Affairs (DVA); and the Attorney-General's Department (AGD).

1.4 To deliver on this whole-of-government reform, Human Services was expected to leverage its ICT capabilities as an extension of its existing Service Delivery Reform program. Human Services was also responsible for administering and hosting this new government digital service platform, including establishing relevant processes and procedures for development and testing, security, and operational performance.

1.5 In October 2012, the Reliance Framework platform was branded 'myGov'.

4 Advisory Group on Reform of Australian Government Administration, *Ahead of the Game: Blueprint for the Report of Australian Government Administration*, Commonwealth of Australia, March 2010, p. 33.

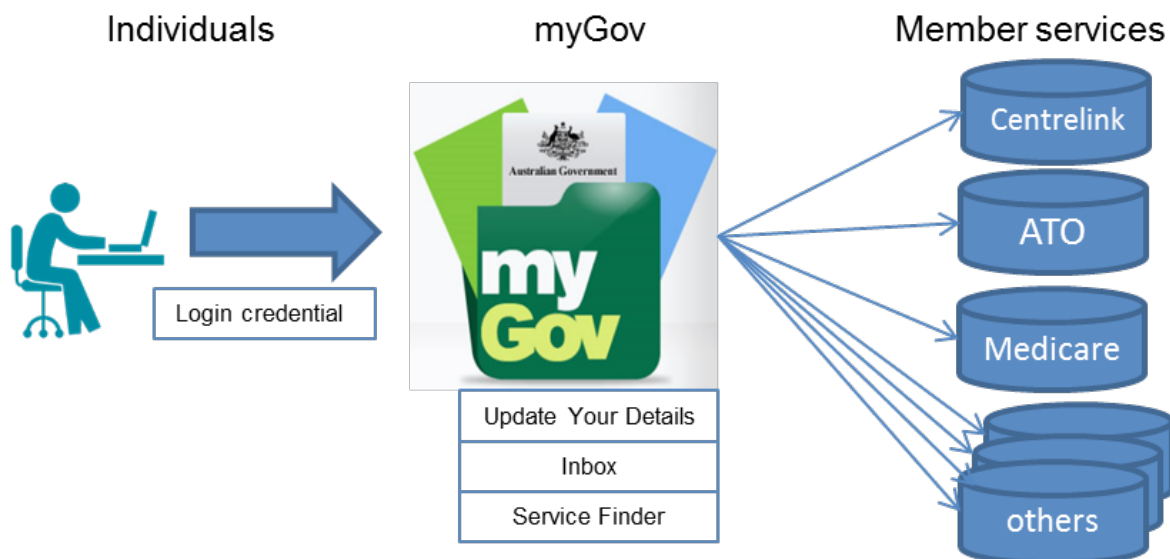
5 The Reliance Framework was so named because it involved entities 'relying' on each other in up to three ways: recognition that an individual has proved their identity to a particular level; confirmation that data has been previously provided and can be understood according to a common taxonomy; and confirmation that facts have been validated with the authoritative source.

6 Twelve entities collaborated for the business case: Australian Electoral Commission; Attorney-General's Department; Australian Taxation Office; the then Department of Education, Employment and Workplace Relations; Department of Foreign Affairs and Trade; Department of Human Services; the then Department of Immigration and Citizenship; Department of Veterans' Affairs; Department of Health; the then Department of Families, Housing, Community Services and Indigenous Affairs; Department of the Prime Minister and Cabinet; and Treasury.

7 ICT architecture is a blueprint for organisational change defined in models that describe (in both business and technology terms) how the entity operates today and how it intends to operate in the future.

1.6 Figure 1.1 illustrates myGov as the entry portal for individuals to access participating government services, referred to as member services.

Figure 1.1: Illustration of myGov as the portal to member services



Source: ANAO analysis of Human Services' information.

Expected outcomes

1.7 myGov was expected to deliver two major outcomes as outlined in the business case (discussed further in Chapter 3):

- improved service delivery for individuals supported by five key functionalities—single digital credential, Update Your Details, Inbox, discoverability, and data validation; and
- improved whole-of-government online service delivery capability supported by a governance framework, standardised business processes, and common standards.⁸

Benefits

Savings for government

1.8 Six drivers of savings for government, accruing to the member services, were identified in the business case. Savings were primarily expected from a reduction in contacts by individuals through traditional channels, such as face-to-face contacts at government shopfronts and through telephone calls. Table 1.1 lists these savings drivers and estimated annual savings expected from 2015–16.

⁸ Common standards include, for example, using the same taxonomy across government online offerings and similar design patterns, tools and systems to support service and program delivery.

Table 1.1: Business case—expected annual savings for myGov member services from 2015–16

Areas of savings for member services	Expected annual savings from 2015–16
• Reduction in rework or verification due to improved information from Update Your Details.	\$2.0 million
• Reduction in contacts as more transactions are completed online.	\$16.0 million
• Reduction in face-to-face contacts to become known to entities as entities can rely on individuals known to one service to become known to another service.	\$0.5 million
• Reduction in incorrectly addressed mail as Update Your Details encourages individuals to keep their addresses up-to-date.	\$0.5 million
• Fewer password resets as a result of individuals choosing their own username and password.	\$1.6 million
• Avoided postage costs due to correspondence sent electronically to the myGov Inbox rather than traditional mail.	Savings not estimated
Total expected annual savings from 2015–16	\$20.6 million

Source: ANAO analysis of the Reliance Framework business case.

1.9 Table 1.2 shows the expected annual savings during the four year project as presented in the business case. Savings for member services were expected to increase during the four year project and be fully realised in the fourth year of the project (that is, 2015–16). Savings totalling \$47.6 million were expected over the four years (2012–13 to 2015–16). By 2015–16 a target of 5.1 million user accounts was expected to be reached, and six government entities were to have joined myGov. A constant level of annual savings, \$20.6 million, were expected each year thereafter.

Table 1.2: Business case—expected savings for myGov member services by year

	2012–13	2013–14	2014–15	2015–16	Project Total
Savings	\$0	\$10.2 million	\$16.8 million	\$20.6 million	\$47.6 million

Source: ANAO analysis of the Reliance Framework business case.

Additional benefits

1.10 myGov was expected to deliver additional benefits for member services and individuals that could not be quantified but which the business case identified should still be considered. Table 1.3 summarises these additional benefits.

Table 1.3: Additional benefits considered in the business case

Additional benefits
<ul style="list-style-type: none">• Non-quantifiable benefits for government:<ul style="list-style-type: none">- Reduced outlays from reduced fraud and overpayment driven by better data;- Avoided or reduced future agency ICT costs enabled by the common architecture and standards;- Policy benefits and reputational benefits from improving Australia’s capabilities in delivering digital services; and- Scalability from streamlining government ICT, including being able to easily add other interactions or services to myGov.• Benefits for individuals:<ul style="list-style-type: none">- An individual would benefit from spending less time interacting with government.

Source: ANAO analysis of the Reliance Framework business case.

Funding

1.11 The 2012 business case estimated that the total cost to design, build and deploy myGov over the four years would be \$35.9 million—comprising \$16.4 million for capital costs and \$19.5 million for operational costs.

1.12 Based on Human Services’ leveraging its existing ICT infrastructure and programs, the Government agreed to total funding for myGov of \$29.7 million over the four year project (2012–13 to 2015–16), comprising \$10.3 million for capital costs and \$19.4 million for operating costs. Under this funding approach, Human Services would contribute \$26.1 million and the six stakeholder entities⁹ would contribute a total of \$3.6 million to support the delivery of myGov. The Government also agreed at that time that Human Services could access a departmental ICT contingency fund, available for its Service Delivery Reform Program, to provide the myGov project with funding flexibility.

1.13 Table 1.4 provides a summary of the original approved funding to implement myGov.

Table 1.4: myGov funding approved in 2012

myGov funding	2012–13 \$m	2013–14 \$m	2014–15 \$m	2015–16 \$m	Total \$m
Capital cost funding	5.1	2.2	1.9	1.1	10.3
Operating cost funding	7.2	4.7	3.8	3.7	19.4
Total myGov funding	12.3	6.9	5.7	4.8	29.7

Source: ANAO analysis of Human Services’ information.

Roles and responsibilities

1.14 In 2012, the Government agreed a multi-tiered governance structure. Table 1.5 summarises the roles, responsibilities and membership of the initial myGov governance arrangements (discussed further in Chapter 2).

⁹ The six entities were: Australian Taxation Office; the then Department of Education, Employment and Workplace Relations; Australian Electoral Commission; the then Department of Immigration and Citizenship; Department of Veterans’ Affairs; and Attorney-General’s Department.

Table 1.5: 2012 roles and responsibilities

Role	Responsibilities	Membership
Lead Minister	<ul style="list-style-type: none"> oversee the whole-of-government policy provide strategic direction for myGov 	Minister for Human Services
Secretaries' ICT Governance Board (SIGB)	<ul style="list-style-type: none"> promote entity use of myGov promote the use of open technical standards 	Secretaries of the ICT Governance Board ^a
Reliance Framework Board	<ul style="list-style-type: none"> support a whole-of-government policy plan, monitor and report establish and manage cost sharing arrangements establish a common architecture and standards promote myGov 	Human Services (Chair) ^b Finance ATO AGD
Reliance Framework Reference Group	<ul style="list-style-type: none"> advise on standards and entity requirements advise on service delivery issues advise on entity requirements promote myGov 	ATO (chair); AGD; Finance; Human Services; Prime Minister and Cabinet; Treasury; the then Department of Health & Ageing; the then Department of Families, Housing, Community Services and Indigenous Affairs; the then Department of Education, Employment and Workplace Relations; the then Department of Broadband, Communication and the Digital Economy; Foreign Affairs and Trade; the then Department of Immigration and Citizenship; DVA; the then Department of Industry, Innovation, Science, Research and Tertiary Education; and the then Department of Climate Change and Energy Efficiency.
Working Group	<ul style="list-style-type: none"> develop and deliver the work program 	Human Services (internal membership)

Note a: SIGB membership comprised: Finance (Chair); Department of Communications; Department of Defence; Department of Social Services; Human Services; the then Department of Immigration and Citizenship; Department of the Prime Minister & Cabinet; Attorney-General's Department (AGD); and National Archives of Australia.

Note b: From 2013 the membership of the Reliance Framework Board was extended to include: Department of Health; Department of Communications; and Department of Social Services.

Source: ANAO analysis of the Reliance Framework business case.

myGov launch and statistics

1.15 In May 2013, myGov was launched with 1.3 million user accounts—transitioned from australia.gov.au—and three Australian Government entities providing five member services.¹⁰

1.16 By June 2016, there were over 9.5 million user accounts¹¹ and seven Australian Government entities providing nine member services through myGov.¹² Three government entities identified in the business case did not join myGov.¹³

1.17 In August 2016, the first state government member service joined myGov,¹⁴ and five myGov shopfronts were operating in Brisbane, Sydney, Adelaide, Perth and Albury. By November 2016, myGov had almost 11 million user accounts.

1.18 From its launch to June 2016, myGov has supported:

- 160 000 daily log-ins to myGov¹⁵;
- 15.4 million links¹⁶ created to member services;
- 4.1 million user accounts linked to two or more member services;
- 163 million navigations¹⁷ to linked member services, with Centrelink and ATO the most accessed member services; and
- 67.9 million correspondence items sent to the myGov Inbox in 2015–16.

1.19 Figure 1.2 illustrates when member services became available through myGov and example activities.

10 The member services available at the launch of myGov were: Human Services' Centrelink, Medicare and Child Support; Department of Health's Personally Controlled Electronic Health Record System (changed to My Health Record in March 2016); and DVA's My Account.

11 The number of user accounts does not necessarily equate to individual users, as one user may have more than one account.

12 The additional member services available as at June 2016 were: Australian Taxation Office; National Disability Insurance Scheme; Australian JobSearch; and My Aged Care.

13 The entities identified in the business case that did not join myGov were: Department of Foreign Affairs and Trade, Australian Electoral Commission and the then Department of Immigration and Citizenship.

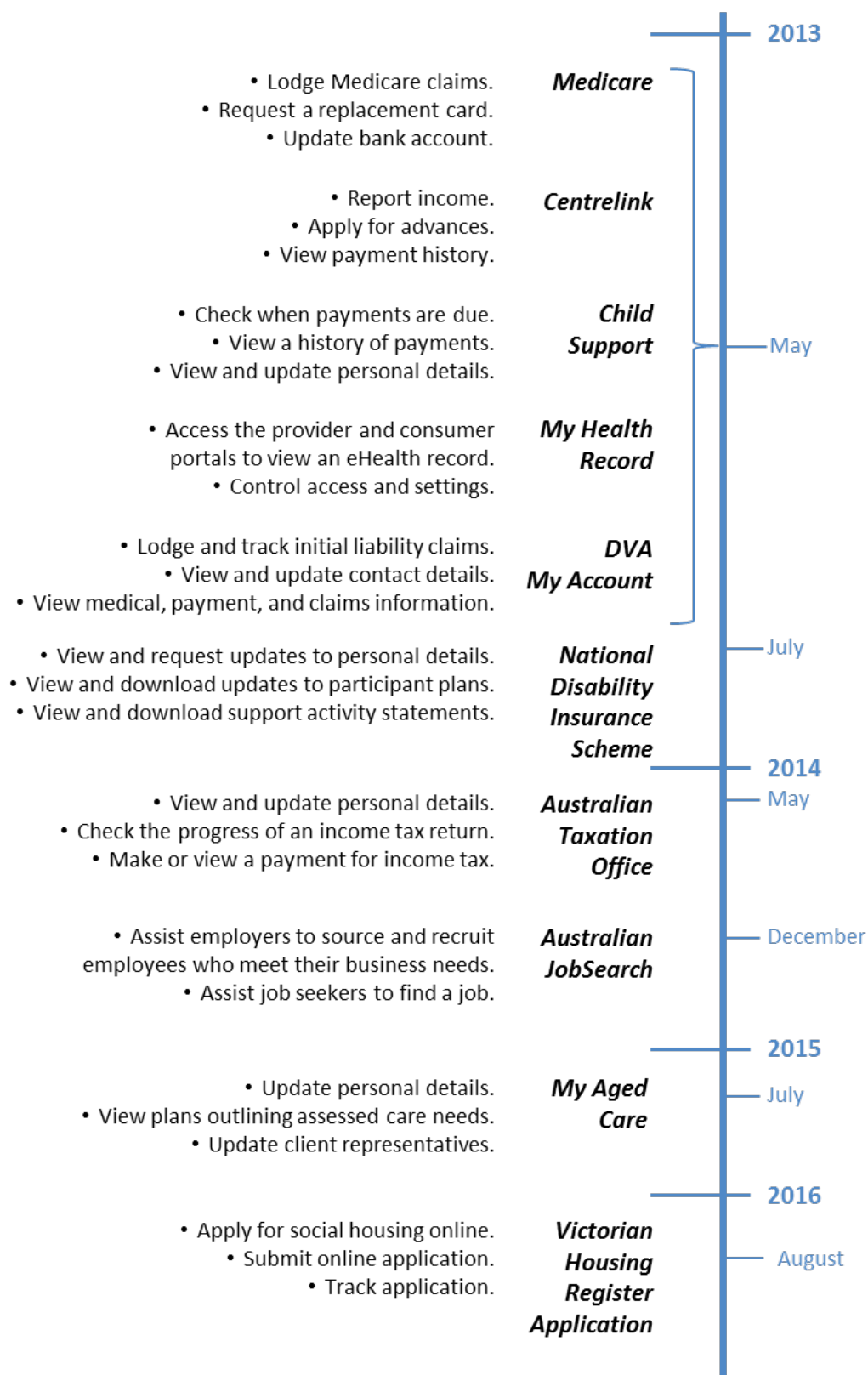
14 The Victorian Housing Register Application.

15 Department of Human Services, *2015-16 Annual Report*, Human Services, Canberra, 2016.

16 Linking is the process for an individual to establish a connection to their government service online account and may involve answering questions to confirm proof of account ownership.

17 Navigation refers to the process where an individual opens their linked member services account or is directed to the member service website.

Figure 1.2: Timeline when member services (and example activities) became available through myGov



Source: ANAO analysis of Human Services' information.

International efforts

1.20 Governments around the world have implemented initiatives with similarities to myGov, generally as part of a wider e-government strategy. Table 1.6 summarises some comparative functionalities and services.

Table 1.6: International efforts

Country	Statistics	Functionalities within the platform	Member services
United Kingdom – <i>Tell Us Once</i> (online in 2012)	14.6 million unique visitors, as at 29 January 2017; and 2.45 billion completed transactions per year.	'Tell Us Once' functionality for births, deaths and bereavement	One service delivered over many UK authorities, including Country Council and Districts
New Zealand – <i>igovt logon</i> and <i>RealMe</i>	3.01 million users, as at December 2016; and 56.6 million completed transactions, as at 30 January 2017.	igovt logon service identity verification service (RealMe)	Department of Internal Affairs and New Zealand Post, on behalf of 88 services, as at Dec 2016
Canada – <i>Service Canada</i>	Number of users and transactions unknown.	An integration of agency front-ends, leaving agencies and their back-ends unintegrated.	Consolidates service delivery into a single government website that contains 90 per cent of the most popular information and forms.
Singapore – <i>Singapore Personal Access (SingPass)</i>	Over 3 million users as at July 2016; and 60 million transactions per annum.	Online authentication system and 'Tell Us Once' functionality.	Used by citizens to access over 60 government agencies and 270 e-services.

Source: ANAO analysis of: UK's Tell Us Once; New Zealand's igovt and RealMe; Canada's Service Canada; and Singapore's SingPass.

Audit approach

1.21 The objective of the audit was to assess the effectiveness of the Department of Human Services' implementation of myGov as at November 2016. To form a conclusion against this objective, the ANAO adopted the following high-level criteria:

- suitable governance arrangements were in place;
- myGov delivered a whole-of-government online service delivery capability;
- myGov improved service delivery for individuals;
- myGov provided an adequate level of performance, security and privacy; and
- myGov delivered value for money.

1.22 The ANAO examined the design, build and deployment phases of the myGov project. In particular the ANAO:

- reviewed project documentation, including approved funding and actual costs;
- reviewed the implementation of the agreed key functionalities in myGov;
- examined myGov research, surveys and usability testing conducted to assess individuals' experiences, feedback and issues with myGov;
- examined Human Services' monitoring and reporting of myGov performance, IT security and privacy measures; and
- interviewed Human Services, ATO and Digital Transformation Agency staff.

1.23 The audit was conducted in accordance with the ANAO Auditing Standards at a cost to the ANAO of approximately \$620 000.

1.24 The team members for this audit were Judy Jensen, Alex Doyle, Lisa Elkner, Donna Burton and Elenore Karpfen.

2. Governance

Areas examined

This chapter examines the governance arrangements and planning processes established for myGov at a whole-of-government and operational level.

Conclusion

Fit-for-purpose strategic and operational governance arrangements operated for the first three years of the myGov project, followed by a one year gap in strategic governance when interim arrangements had a largely operational focus. This gap was addressed in July 2016 with the re-establishment of a strategic governance board.

Areas for improvement

There would be benefit in identifying undelivered requirements from the original myGov specifications for member service consultation and securing a decision by the myGov Governance Board on whether they are still required. The Board can then incorporate the agreed undelivered requirements into its prioritisation and monitoring processes.

Were fit-for-purpose governance arrangements established?

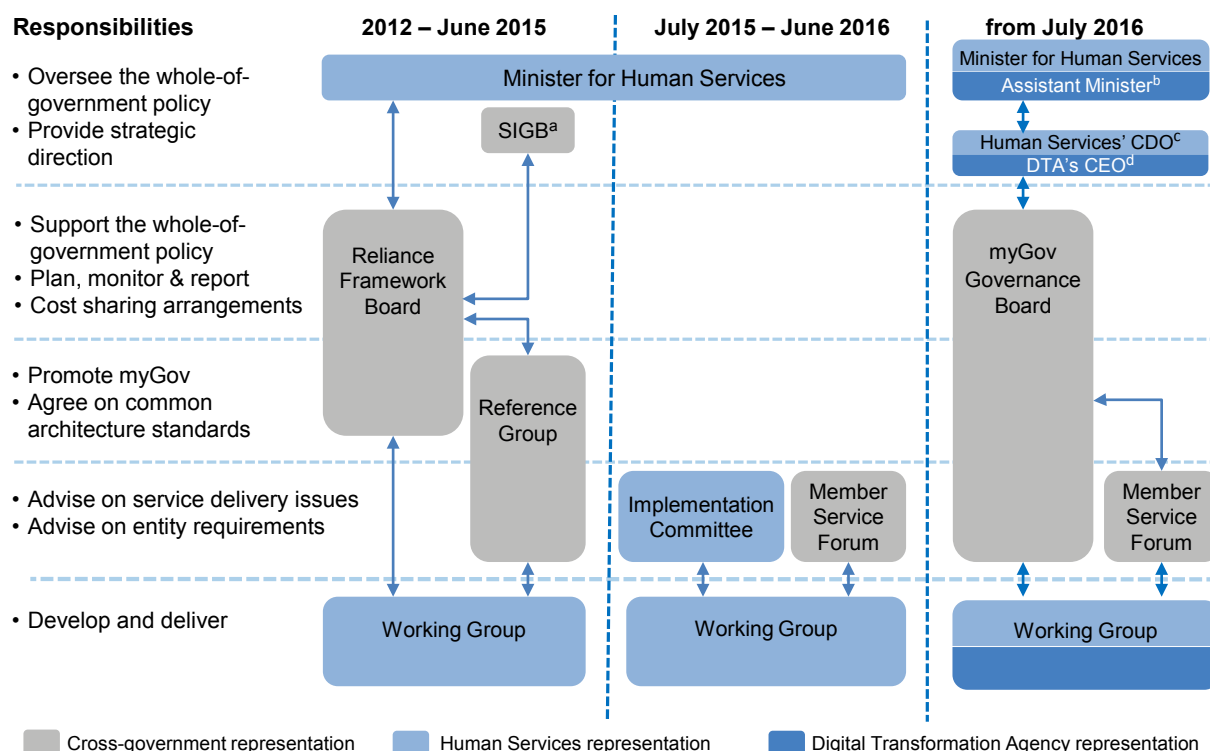
Fit-for-purpose governance arrangements and sound planning processes were in place between 2012 and June 2015 to support the implementation of myGov. The governance framework had both a strategic and operational focus and featured: clearly defined roles and responsibilities; policies and processes that enabled consistent reporting on project implementation status, risks and issues, and performance; and arrangements to engage with government stakeholders.

In June 2015, these governance arrangements ceased and interim arrangements were established. The interim governance arrangements had a largely operational focus resulting in limited strategic oversight for myGov as a whole-of-government capability until July 2016. Revised governance arrangements were introduced in July 2016 which featured a new board to provide strategic direction and the retention of key operational committees.

2.1 The business case identified governance as one of the highest risks to the success of the proposed whole-of-government digital reforms. In this context, suitable governance arrangements were expected to be established to support the implementation and ongoing operations of myGov.

2.2 Over the course of the myGov project, the governance arrangements were significantly altered. Figure 2.1 depicts the governance arrangements over the four year project.

Figure 2.1: Governance arrangements for myGov 2012 to 2016



Note a: The Secretaries' ICT Governance Board (SIGB) was dissolved in December 2014.

Note b: Assistant Minister for Cities and Digital Transformation.

Note c: Human Services' Chief Digital Officer.

Note d: The Digital Transformation Agency's Chief Executive Officer.

Source: ANAO analysis of Human Services' *Reliance Framework and Authentication Project Management Plan* pages 16–17, Implementation Committee Minutes, Reliance Framework Board terms of reference, Reliance Framework Reference Group terms of reference, Member Service Forum terms of reference, and myGov Governance Board terms of reference.

2012 to June 2015

2.3 The agreed governance framework established in 2012 included oversight by the Minister for Human Services¹⁸, a Secretaries' ICT Governance Board, a Reliance Framework Board (the Board), a Reference Group, and a Working Group. The roles and responsibilities of these groups were clearly defined (see paragraph 1.14 and Table 1.5).

2.4 The Board, with members at the Deputy Secretary level from relevant entities, met monthly and provided direction on strategic matters and priorities, including cost sharing arrangements and issues with program delivery such as the intended design of key myGov functionalities. The Board also set out technical principles that made reference to common architecture standards. These technical principles were used to support the design and build of the myGov platform.

18 The Minister for Human Services was the responsible Minister throughout the four year project, providing strategic decision making for myGov.

2.5 The Reliance Framework Reference Group (Reference Group), chaired by the ATO, drew its membership from 15 entities¹⁹, and enabled regular engagement with key government stakeholders.

2.6 The Working Group was an internal Department of Human Services' (Human Services) forum that aimed to provide direction and leadership to project teams responsible for the delivery of myGov functionalities (discussed further in Chapter 3).

2.7 Human Services advised the ANAO that as myGov was hosted on its enterprise ICT systems the project was also subject to Human Services' internal ICT project governance policies and processes. Relevant planning documentation was developed to support the implementation of myGov, including: a project management plan; a risk management plan; and other documentation such as detailed requirements documents, implementation schedules and work programs.

2.8 The Board received regular updates on myGov implementation, risks and issues, and performance, to facilitate strategic planning, issue resolution and reporting.

2.9 These original governance arrangements and planning processes were fit-for-purpose and supported effective monitoring and decision making of the design and implementation of myGov until June 2015.

July 2015 to June 2016

2.10 In January 2015, the Government announced that the Digital Transformation Office (DTO) would commence operations from 1 July 2015.²⁰ In March 2015, the Government outlined the functions of the DTO, including to 'provide leadership on government service delivery' and 'govern the implementation and enhancement of whole-of-government service delivery platforms'.²¹

2.11 The Reliance Framework Board expected myGov governance arrangements to transition to the DTO. The Board agreed at its June 2015 meeting that both the Board and the Reference Group would cease to operate.

2.12 In September 2015, as governance arrangements had not transitioned to the DTO, Human Services tasked its Implementation Committee with providing oversight for myGov until new whole-of-government arrangements were established. The Implementation Committee provided an interim governance solution for operational decision making for myGov.

2.13 In June 2015, a myGov Member Services Forum, chaired by Human Services, was established, enabling existing member services to continue to exchange operational information and discuss myGov strategy.

19 Reference Group members were: ATO; AGD; Human Services; Finance; Prime Minister and Cabinet; Treasury; the then Department of Health & Ageing; the then Department of Families, Housing, Community Services and Indigenous Affairs; the then Department of Education, Employment and Workplace Relations; the then Department of Broadband, Communication and the Digital Economy; Department of Foreign Affairs and Trade; the then Department of Immigration and Citizenship; Department of Veterans' Affairs; the then Department of Industry, Innovation, Science, Research and Tertiary Education; and the then Department of Climate Change and Energy Efficiency.

20 The DTO was established as an Executive Agency under the *Public Service Act 1999* in the Communications portfolio. In October 2016 the Digital Transformation Office was absorbed into the Digital Transformation Agency which is an Executive Agency within the Department of the Prime Minister and Cabinet portfolio.

21 Order to Establish the Digital Transformation Office as an Executive Agency, 12 March 2015, page 1.

2.14 From July 2015 to June 2016, Human Services continued to deploy enhancements to the system in response to individuals' feedback and reported issues—supported by its internal Implementation Committee. While the Member Services Forum enabled stakeholder engagement, there was no cross-government body to provide strategic direction and oversight to progress myGov as a whole-of-government capability.

From July 2016

2.15 In May 2016, the Government defined the respective roles and responsibilities of the DTO and Human Services with regard to myGov. From 1 July 2016, the DTO was made responsible for myGov service strategy, policy and user experience including: any changes to the current myGov service capabilities that related to policy objectives or user needs; and the on-boarding of new member services. Human Services continued to be responsible for myGov's operational design, development, build, operation and performance and the operation of the myGov shopfronts.

2.16 In July 2016, new governance arrangements were established with the myGov Governance Board (myGov Board), chaired by the (now) Digital Transformation Agency (DTA)²², with membership drawn from 12 entities.²³ The Working Group included representation from the DTA. The myGov Board reported to both the DTA's Chief Executive Officer and Human Services' Chief Digital Officer. Ministerial oversight was provided by the Minister for Human Services and the Assistant Minister for Cities and Digital Transformation.

2.17 The myGov Board has been tasked to provide strategic direction and oversight, including: improving the alignment of myGov with the Digital Service Standard; discussing future system needs and service delivery requirements with stakeholders; and pursuing opportunities with other government entities. The myGov Board's terms of reference also include a responsibility to ensure member services' requirements are taken into account in the delivery of the myGov service.

2.18 Since July 2016, the myGov Board has overseen policies and processes to progress the implementation of outstanding myGov fixes and enhancements, including a prioritisation process to address proposed changes to myGov. At present, a complete list of undelivered requirements is not reported to the Board. There would be benefit in identifying undelivered requirements from the original myGov specifications for member service consultation and securing a decision by the myGov Governance Board on whether they are still required. The Board can then incorporate the agreed undelivered requirements into its prioritisation and monitoring processes.

22 See footnote 20.

23 Members of the myGov Governance Board as at July 2016 were: Human Services; Health; Immigration and Border Protection; Social Services; ATO; DVA; Industry, Innovation and Science; Finance; Treasury; PM&C; National Disability Insurance Agency; and Employment. In August 2016 the Victorian Department of Health and Human Services joined the Board as the Victorian Housing Register Application service became a member service in myGov.

3. Delivering expected outcomes

Areas examined

This chapter examines the uptake of myGov by individuals; the delivery of key myGov functionalities, more streamlined business processes and agreed common standards; and progress towards delivering the expected benefits for individuals.

Conclusion

There were 9.5 million user accounts registered in myGov by the end of the four year project—nearly double the business case forecast of 5.1 million. myGov has contributed to improved delivery of government services for individuals by providing three key functionalities—single digital credential, Update Your Details and Inbox—to reduce the time spent transacting with government. Several requirements to improve usability have only recently been implemented and a small number of requirements are yet to be delivered. As at November 2016, there were ten government services available through myGov. While it is not mandatory for member services to participate in myGov, the effectiveness of myGov as a whole-of-government capability has been hampered by government services not joining myGov and not fully adopting the myGov functionalities.

Areas for improvement

The ANAO has recommended that the Digital Transformation Agency implement a targeted strategy to enlist Australian Government services to join myGov, and for Human Services to review existing transition support and guidance materials to ensure that they effectively support targeted government entities to interface their systems with myGov functionalities. The ANAO has also recommended that the Digital Transformation Agency establish a performance framework, including key performance indicators, to help assess if myGov is delivering expected outcomes.

3.1 The business case forecast that over the four year project (2012–13 to 2015–16) 5.1 million individuals would register with myGov and two major outcomes would be delivered:

- the first outcome was improved service delivery for individuals following the implementation of the five key functionalities—single digital credential, Update Your Details, Inbox, discoverability, and data validation; and
- the second outcome was improved online service delivery capability for government, including: a governance framework (discussed in Chapter 2); streamlined business processes; and common standards.

Was the expected uptake achieved and key functionalities delivered?

By June 2016, myGov had exceeded the expected uptake with over 9.5 million user accounts registered compared to the business case forecast of 5.1 million. myGov had almost 11 million accounts by November 2016.

Of the five functionalities expected to be delivered in myGov:

- Human Services delivered three key functionalities in myGov that enable individuals to: access government services online using a single digital credential; notify changes of personal contact details; and receive digital correspondence securely. A small number of requirements within these functionalities, which were considered mandatory for go-live, have not yet been implemented.
- The expected search functionality was partly delivered through an interim solution which enables individuals to perform structured searches of government services; however the expected free text searches envisaged by this functionality are not able to be performed in myGov.
- The data validation functionality was designed, but not delivered in myGov. Human Services advised the ANAO that this functionality was available via the Centrelink member service and that the use of this existing functionality was considered more efficient. As a consequence, a myGov user must link their account to Centrelink and access that service to use the data validation capability.

3.2 By June 2016, there were over 9.5 million user accounts registered in myGov compared to the business case forecast of 5.1 million for the four year project. By November 2016, myGov had almost 11 million user accounts.

3.3 myGov was expected to improve service delivery for individuals through five functionalities. The Department of Human Services (Human Services) commenced work on the design and build of these functionalities in late 2012. The Government had originally agreed that these key functionalities would be delivered within a two year timeframe, that is, by June 2014. Table 3.1 provides the ANAO's assessment of the implementation and deployment of the key myGov functionalities.

Table 3.1: ANAO's assessment of Human Services' deployment of key functionalities

Single digital credential	
Proposal	Ability to create an account and transact with government services using a single digital credential. An individual could use the same credential across all services they interact with, and chose a username and password that they are likely to remember.
Approach	<p>Human Services proposed to repurpose its digital credential capability, built as part of its Connected Authentication project. In August 2012, Human Services designed and built the common credential capability. User names comprised two-alpha and six-numeric system generated identifiers (for example, AB123456). This project was transferred and completed under the myGov project in May 2013 when myGov was launched.</p> <p>In April 2014, the functionality was enhanced to enable individuals to create a profile to link to services and perform Update Your Details transactions.</p> <p>In June 2016, the ability to log in with an email address as the username was enabled.</p> <p>In December 2016, the option to use a mobile phone number as the username was enabled.</p>

Result	Deployed – April 2014 Functionality met the base level requirements for the single digital credential.
Update Your Details	
Proposal	Originally titled Tell Us Once (TWO), this referred to the concept where an individual can notify multiple government entities about a change in their contact details in a single transaction, subject to consent, rather than having to notify each government service separately.
Approach	Human Services took a phased approach to implementing Update Your Details functionality. Phase 1: The ability to update personal addresses and notify Centrelink, ATO and Medicare was released in December 2014. Phase 2: The ability to update personal email and phone numbers, and notify Centrelink, ATO and Medicare was released in June 2015. Phase 3: The ability to notify other services was released in April 2016. There are some requirements categorised as mandatory—that were expected to be delivered prior to TWO going live—that are yet to be implemented. ^a
Result	Deployed – April 2016 Functionality met the agreed intent.
Inbox	
Proposal	Inbox is a digital inbox and a central location for receiving official correspondence from government services. Individuals will be able to opt in to the option of receiving government communication from member services into their Inbox instead of by regular paper mail.
Approach	Inbox was released in March 2014 as a secure location for individuals to receive official correspondence. myGov does not store the correspondence issued by member services; instead, it holds a link to the message stored on the member services' own IT system. Since August 2014, individuals have the option of automatically forwarding myGov correspondence to their Australia Post MyPost Digital Mailbox. In June 2016, the ability to add and customise folders to group correspondence was introduced. There are some requirements categorised as mandatory— that were expected to be delivered prior to Inbox going live—that are yet to be implemented. ^b
Result	Deployed – March 2014 Functionality met the agreed intent.
Discoverability	
Proposal	Enhanced discoverability to easily find information and navigate to government services, via a search wizard where the individual can manually enter free text information.
Approach	In July 2014, the Minister for Human Services approved using Service Finder as an interim solution which was then deployed in myGov. Service Finder is directory listing of government services with grouped content boxes to assist individuals to navigate through to Australian, state, and territory government services. Service Finder does not support 'passive' discoverability or free-text searching. Service Finder is available after an individual has logged in to myGov. As at November 2016, the interim Service Finder search tool is still in place.

Result	Interim solution - July 2014 The deployed interim functionality partly met the agreed intent as it provided an improved search capability; however, it did not allow free text searching and it required users to be logged into myGov.
Data validation	
Proposal	The capability to validate facts submitted online, using the Document Lodgement System (DLS), reducing the need for documentation, includes validation of both identity and non-identity data. Data can be validated by an authoritative source such as the Attorney-General's Department's Document Verification Service (DVS). ^c
Approach	The capability to upload electronic files through DLS and have data validated through DVS was designed but not built in myGov. Human Services advised the ANAO that this functionality was available via the Centrelink member service and that the use of this existing functionality was considered more efficient. As a consequence, a myGov user must link their account to Centrelink and access that service to use the data validation capability.
Result	Not deployed in myGov This functionality is not available within myGov. The DLS and DVS capabilities previously existed for Centrelink and can be accessed by myGov users linked to Centrelink.

Note a: The Tell Us Once Baseline Business Requirements v1.0 3/9/2013 page 7, requirement TUO01 'The customer will have the ability to provide changes to profile information to the myGov service which will result in all participating linked member services being provided the new/changed information.' This is a mandatory requirement that had not been implemented as at November 2016.

Note b: The Inbox Baseline Business Requirements v1.0 3/9/2013 page 9, requirement MIB15 'Where a notification (email or SMS) is undelivered (bounces back) the Inbox will notify the member service/s ... of the delivery failure.' This is a mandatory requirement from September 2013 and scheduled for delivery in April 2017.

Note c: The Document Verification Service (DVS) is a national online system that allows organisations to take information from a person's identity documents (such as a driver's licence or passport number), with their consent, and compare against the corresponding record of the document issuing agency (such as the relevant Transport Authority in the state of issue or the Australian Passport Office).

Source: ANAO analysis of Human Services' information.

Did myGov deliver more streamlined business processes and agreed common standards?

myGov was built using open standards, is scalable and is an authentication platform which can be integrated with member services. Centrelink, Medicare and the ATO member services are using all the available myGov functionalities, the adoption of which was expected to streamline business processes and improve the user experience. Three government services identified in the business case elected not to participate in myGov. Of the ten member services that decided to participate in myGov, six use some but not all of the available functionalities.

3.4 The business case outlined that myGov, as a whole-of-government capability, was expected to deliver: a governance framework (discussed in Chapter 2); streamlined business processes and agreed common standards.

Streamlining business processes

3.5 As myGov was expected to be a whole-of-government initiative, the business case recognised that successful implementation would require substantial involvement from participating entities and the adoption of relevant functionalities. Six Australian Government entities were identified in the business case as ‘service delivery’ entities, as they delivered services within the scope of myGov. Further, it was acknowledged that these entities would need to streamline their business processes and supporting ICT to accommodate myGov, including to: recognise the myGov digital credential; receive and process Update Your Details transactions; and amend mailing workflows to send correspondence electronically to the Inbox.

3.6 The six service delivery entities, representing eight member services, identified in the business case are listed in Table 3.2.

Table 3.2: Entities identified in the business case as ‘service delivery’ entities

Entities identified in the business case	Joined myGov
Human Services: <ul style="list-style-type: none"> • Centrelink • Medicare • Child Support 	May 2013 (myGov launch)
Department of Veterans’ Affairs: <ul style="list-style-type: none"> • My Account 	May 2013 (myGov launch)
Australian Taxation Office	May 2014
Australian Electoral Commission	did not join myGov
Department of Foreign Affairs and Trade	did not join myGov
(then called) Department of Immigration and Citizenship	did not join myGov

Source: ANAO analysis of Reliance Framework business case.

3.7 Entities were not mandated or required to join myGov. The three Australian Government entities identified in the business case that elected not to join myGov²⁴ (see Table 3.2) provide services such as passport renewals, update contact details to the electoral roll, and visa and immigration applications. The absence of these services in myGov impacts on the ability of myGov to deliver a whole-of-government capability and requires individuals to continue to use other channels to interact with Australian Government.

3.8 Other service delivery government entities did join myGov. By November 2016, there were an additional four Australian Government services and one state government member service operating through myGov, as listed in Table 3.3.

²⁴ The audit did not assess the business decisions of those entities that decided to not participate in delivering their services through myGov.

Table 3.3: Other entities that joined myGov

Additional entities	Joined myGov
Australian Digital Health Agency's My Health Record	May 2013 (myGov launch)
Department of Employment's Australian JobSearch	December 2014
National Disability Insurance Scheme	March 2015
Department of Health's My Aged Care	July 2015
Victorian Housing Register Application	August 2016

Source: ANAO analysis of Human Services' information.

3.9 Even with these additional services, the public advertising stating that myGov delivers online government services 'All in one place', (see Figure 3.1), remains aspirational.

Figure 3.1: Cover of a 2015 myGov information brochure



Source: Department of Human Services' Information brochure, July 2015.

3.10 In respect to the services that did join myGov, not all have elected to use all of the available functionalities to streamline their business processes. Table 3.4 lists the Australian Government member services²⁵ and the functionalities they are using to support their online service delivery (as at November 2016).

Table 3.4: myGov Australian Government member services and the functionalities^a used as at November 2016

myGov member services	Single digital credential	Update Your Details	Inbox	Discoverability
Human Services' Centrelink	✓	✓	✓	✓
Human Services' Medicare	✓	✓	✓	✓
Human Services' Child Support	✓		✓	✓
Australian Taxation Office	✓	✓	✓	✓
Department of Veterans' Affairs My Account	✓		✓	✓
National Disability Insurance Scheme	✓		✓	✓
Department of Employment's Australian JobSearch	✓	✓		✓
Australian Digital Health Agency's My Health Record	✓			✓
Department of Health's My Aged Care	✓			✓

Note a: Data validation is excluded from this table as it is not being provided directly within myGov.

Source: ANAO analysis of Human Services' information.

3.11 As at November 2016, Centrelink, Medicare and the Australian Taxation Office were the only member services using all of the key functionalities within myGov. For the other six services: five services did not use Update Your Details and three services did not use the Inbox.

3.12 Human Services advised the ANAO that, at the time of joining myGov, member services made a commitment to use all key functionalities. Human Services further advised that the lower-than-expected take up of Update Your Details and Inbox resulted from a combination of member services' decisions regarding:

- *business processes*—to capture and store individuals' personal information submitted through Update Your Details;
- *business systems*—to issue letters in a digital format (such as PDF) to an Inbox; and
- *business priorities*—to adequately fund and resource activities needed to revise existing business processes, and enhance and/or interface ICT systems with myGov.

3.13 The Digital Transformation Agency advised the ANAO that member services' use of myGov functionalities is also driven by their users' needs and this may result in services opting to not use all functionalities.

²⁵ The Victorian Housing Register Application has been excluded from this table.

3.14 As a whole-of-government capability, myGov was intended to be the preferred channel for users to access government services using the myGov single digital credential. In March 2014, the ATO joined myGov offering its e-tax, myTax and mobile services. To ensure ATO users used myGov—with a myGov digital credential—the ATO removed direct access to its online services through the ATO web site and instead linked to myGov.

3.15 Other member services did not adopt the same approach; instead they allowed users to continue to directly access their services using other credentials—in particular, Centrelink and DVA's My Account. Individuals do not access the full benefits of myGov functionality while they continue to use alternative online channels to transact with government.

3.16 For myGov to realise its full potential as a whole-of-government online service delivery capability: a strategy should be developed to make more government services available through myGov; and member services should be encouraged to use the functionalities available, where aligned with business and user needs. The government services that provide the greatest benefits for individuals and government should be proactively targeted as part of future myGov on-boarding efforts.

Recommendation No.1

3.17 The ANAO recommends that the:

- (a) Digital Transformation Agency implement a strategy to target 'service delivery' Australian Government entities to provide services through myGov; and
- (b) Department of Human Services review existing transition support and guidance materials for entities to ensure that they effectively support targeted government entities to interface their systems with myGov functionalities.

Digital Transformation Agency's response: *Agreed.*

Department of Human Services' response: *Agreed.*

3.18 *The department has commenced work to simplify the current onboarding process to assist government entities to interface their systems with myGov functionalities.*

Common standards

3.19 The business case outlined that entities could retain their own online offerings but would establish common standards so that entities could 'rely' on each other.²⁶ These standards, for example authentication levels and common taxonomy, would streamline future changes to online service offerings and enable government to engage more quickly and more systematically with third-parties and emerging digital opportunities.

²⁶ The Reliance Framework business case was so named because it was to involve government entities 'relying' on each other to use and transmit information without requiring all entities to adopt a single architecture or platform.

3.20 The Reliance Framework Board (the Board) had responsibility for developing and documenting the relevant open technical standards, as agreed by government. The Board established a set of technical principles that referenced common architecture standards. These technical principles were then used in supporting the design and build of the myGov platform. myGov has delivered this outcome, as it was built using open standards, is scalable and is an authentication platform which can be integrated with member services.

3.21 In May 2016, the Digital Service Standard was released by the Digital Transformation Agency²⁷ (DTA) to define the service design and delivery standard for ICT projects across the Australian Government.²⁸

3.22 myGov was the first existing high volume service to be examined for alignment with the 2016 Digital Service Standard. A review performed by the DTA identified a number of areas where steps could be taken to better align the system with the Digital Service Standard. This review also noted that myGov is the entry portal and does not control the service design and delivery standard of its member services.

Does myGov provide a basis for improved service delivery for individuals?

The myGov platform has provided a basis for improved service delivery, including a reduction in the time spent by individuals interacting with government. This benefit accrues where individuals use the myGov functionalities to receive correspondence or update their details, and in particular, where individuals link their account to at least two member services. Where individuals already had multiple online credentials, they incur a one-off time cost to join myGov. Individuals who do not have their account linked to multiple services do not receive the potential time saving benefits to the same extent.

3.23 According to the business case, myGov was expected to improve service delivery for individuals who choose to self-manage their interactions with government, as they could spend less time transacting by using the myGov functionalities.

3.24 Table 3.5 summarises the circumstances in which individuals could expect to receive improved services. Individuals could expect to realise the full extent of the time-saving benefits where they had multiple member services linked to a single account, and where they were able to complete their transaction completely online without having to resort to an alternative service channel. Human Services reported in its November 2016 Performance Report that 46 per cent of myGov accounts were linked to two or more services.

27 On 23 January 2015, the Prime Minister and Minister for Communications jointly announced that the Australian Government would establish a Digital Transformation Office (DTO) within the Department of Communications, from July 2015. On 14 October 2016, the Assistant Minister for Cities and Digital Transformation announced the formation of the Digital Transformation Agency (DTA) to absorb the DTO and extend its functions.

28 In particular, Criteria 7 of the Digital Service Standard required all solutions to be built using open standards and common government platforms where appropriate.

Table 3.5 Expected service delivery improvements derived from myGov functionalities

Functionality	Expected service improvement	Expected to be realised by	Not realised by
Single digital credential	Individuals can create one account to access all services offered through myGov with one set of credentials.	Individuals who previously did not have online accounts with member services. Individuals who link their myGov account to more than one member service should derive greater time saving benefits through not having to create multiple credentials.	Individuals who previously held on-line credentials with the ATO, Centrelink and/or Medicare ^a were required to incur a one-off time cost to create new credentials with myGov. Individuals who have experienced a locked myGov account and have had to recreate myGov credentials and re-link to each of their member services.
Update Your Details	Individuals are able to update their contact details once and request to have this information shared with other participating services—Centrelink, Medicare, ATO and Jobsearch.	Individuals with an account linked to more than one participating member service and use this functionality to update their details should derive time saving benefits compared to using traditional channels.	Individuals who choose to link to only one member service would not realise the time saving benefit.
Inbox	Individuals are able to securely receive electronic correspondence from participating services—Centrelink, Medicare, ATO and NDIS—with improved timeliness than traditional mail.	Individuals with accounts linked to one or more of the participating services. This includes ATO, Centrelink, Medicare and Child Support. Some of these services did not previously have an inbox service and the myGov Inbox provides improved security allowing a greater range of communications to be sent electronically.	Individuals who do not have links with the participating services would not realise the improved service.
Service Finder	Individuals are able to more easily find information regarding government services.	All myGov account holders can access the Service Finder tool once they have logged in. Individuals are not able to perform free text searches using Service Finder.	
Data validation	Individuals able to provide documentation online to validate identity and facts, rather than having to use other channels.	Not applicable, as this functionality was not delivered in myGov.	

Note a: Some individuals were interacting directly with Medicare, Centrelink, ATO and other member services online prior to myGov.

Source: ANAO analysis of Human Services' information.

3.25 Performance monitoring conducted by Human Services has identified that less than one per cent of people signing on to myGov call the myGov Help Desk. There are no specific measures in place to quantify the transactions completed without reference to another channel, or to identify the reasons why a transaction may have been abandoned before it was completed. However, research sponsored by DTA and Human Services²⁹ identified the following as particular issues for people accessing member services via myGov:

- difficulties in remembering user credentials and passwords, leading to accounts being locked;
- difficulties in understanding the error messages or other feedback given by the system, leading users to seek assistance via another channel (call centre or shopfront); and
- a lack of feedback from the system about the status of the transaction, again leading to individuals seeking assistance via another channel.

3.26 While some data is publicly available on myGov performance³⁰, it does not extend to measuring user outcomes. The DTA has recognised the need to continually evaluate how the myGov service delivers on the expected user outcomes, by establishing and monitoring a set of key performance indicators (KPIs). Further, the DTA identified that KPIs should include an emphasis on the user experience, with both qualitative and quantitative sources to help highlight gaps in delivering the expected user outcomes. It is important to identify key performance indicators that are relevant, reliable and complete³¹ to demonstrate progress towards meeting outcome objectives.

Recommendation No.2

3.27 The ANAO recommends that the Digital Transformation Agency, in consultation with the member services, establish a performance framework, including key performance indicators focussing on outcomes, to enable an assessment of the extent to which myGov is delivering expected outcomes for users and member services.

Digital Transformation Agency's response: *Agreed.*

29 myGov Exploratory Project Report, April 2016.

30 myGov performance data is available from <<https://dashboard.gov.au/dashboards/1-mygov-dashboard>> [accessed June 2017].

31 Department of Finance's *Resource Management Guidance 131 Developing Good Performance Information*, April 2015, outlines the characteristics of good performance indicators—relevant, reliable and complete to enable stakeholders to assess how an entity's activities support the achievement of its purposes, and if there has been a proper use of public resources in undertaking these activities.

4. Project implementation

Areas examined

This chapter examines implementation of the myGov project with a focus on system performance, security and privacy, and whether feedback was monitored and used to inform system changes.

Conclusion

Since late 2015, the myGov platform has been hosted on high-availability infrastructure, which has improved performance, especially during peak demand periods, with performance targets consistently met. Suitable security and privacy measures were in place to control access and protect sensitive data stored in myGov.

4.1 In August 2012, the Government agreed that the Department of Human Services (Human Services) would be the lead entity for the myGov project implementation. Human Services administers and hosts myGov, including processes and procedures for system development and testing, security, and operational performance.

Did system performance meet targets and were suitable security and privacy measures in place?

In December 2015, Human Services introduced high-availability infrastructure to support the increased demand for myGov during peak periods. Since this time, Human Services has reported that myGov's performance has met or exceeded the monthly availability target of 99.5 per cent.

Suitable security and privacy measures were adopted for myGov, leveraging existing Human Services arrangements to control access and protect data. In addition, myGov stored only limited sensitive personal data and did not facilitate data sharing between member services.

System performance

4.2 The business case did not define system performance standards for myGov. According to international best practice proposed by ISACA³², maintaining IT system performance requires the implementation of processes that include:

- regularly reviewing the current performance and capacity of systems;
- achieving response time to the agreed availability target level, including reducing the downtime of the system; and
- delivering continuous improvements through monitoring and measurement.

4.3 Throughout the project Human Services regularly reviewed myGov operations, performance and capacity as part of its broader ICT operations, through the Human Services' Enterprise Network Operations Centre. Key aspects of these reviews were documented in monthly myGov Performance Reports, including IT incidents, actions taken and system availability. There was also real time

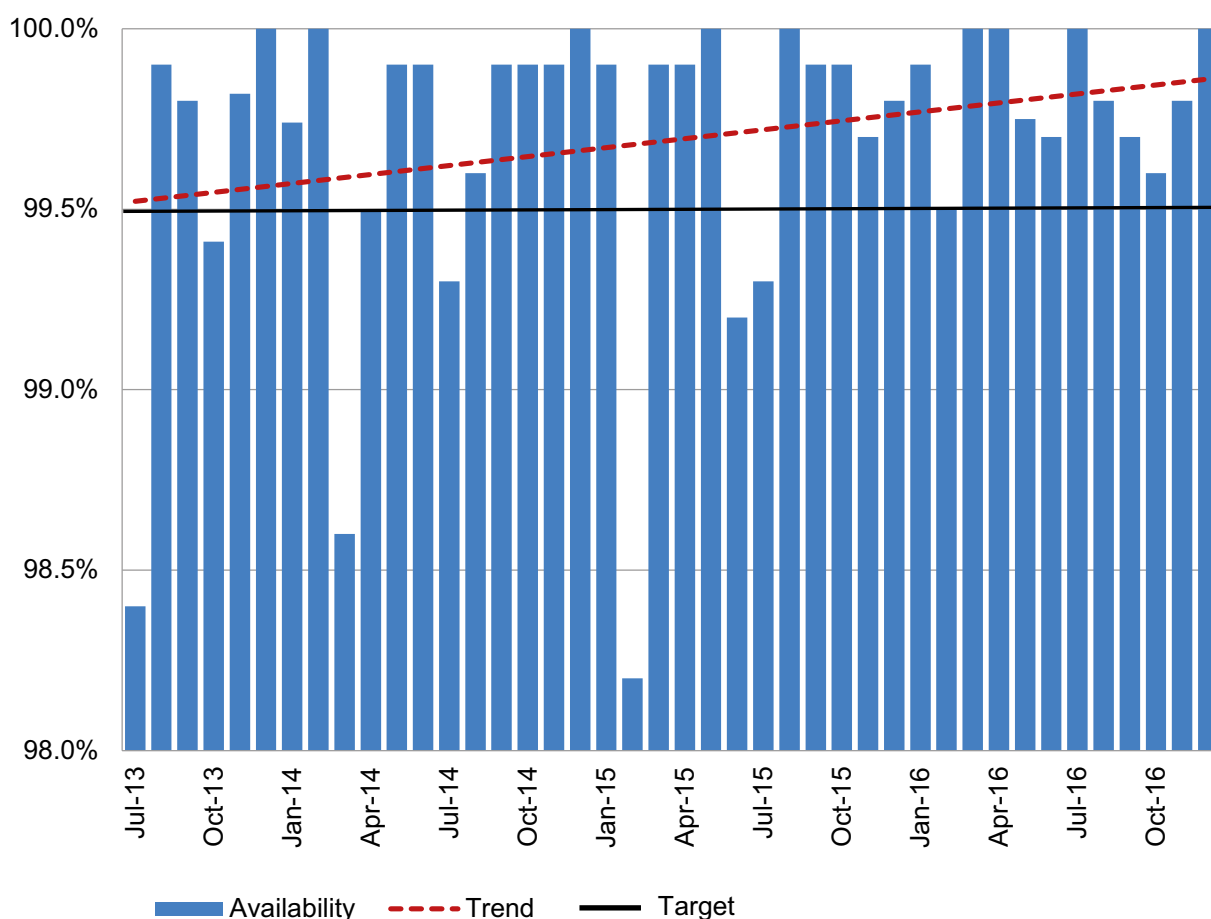
32 ISACA is a professional association that engages in the development, adoption and use of globally accepted, industry-leading knowledge and practices for information systems.

performance monitoring and additional reporting of performance and system availability during peak demand times.

4.4 In July 2015, during the taxation lodgement period, performance and availability issues with myGov were reported. During this month, myGov’s availability was 99.3%, falling somewhat below the availability target of at least 99.5 per cent—or less than 3.60 hours of downtime per month—set out in the relevant Service Level Agreements with member services.

4.5 In December 2015, Human Services moved myGov to new high-availability infrastructure and established processes to scale the system and accommodate increases in users and services. For the following year’s peak taxation lodgement period between July and October 2016, Human Services increased myGov’s system capacity to over 120 per cent of the average year capacity.³³ From August 2015 to November 2016, Human Services reported in its monthly Performance Reports that myGov achieved or exceeded the monthly average availability target. Figure 4.1 illustrates myGov system availability from July 2013 to December 2016.

Figure 4.1: myGov system availability 2013–2016



Source: ANAO analysis of Human Services’ reporting.

33 In July 2016 the system accommodated the increase in demand to access online services through myGov with almost 8.4 million navigations to the ATO at a rate of 269 700 navigations per day (up 572.2% from June 2016).

Security

4.6 Government entities must comply with security requirements as outlined in the Australian Government Information Security Manual. In ANAO Audit Report No. 42 2016–17 *Cybersecurity Follow-up Audit*, Human Services' ICT environment was assessed as having a high level of protection from: external cyber attacks; internal security breaches; and unauthorised information disclosures.

4.7 As myGov is hosted within Human Services' ICT environment, it is subject to Human Services' ICT security measures. Security measures in place for myGov have included:

- an endorsed System Security Plan that covers security management procedures for myGov;
- penetration testing and gateway vulnerability assessments. These were performed;
- Threat Risk Assessments and Risk Treatment Plans. These were in place;
- authentication controls to reduce the risk of unauthorised access and disclosure of personal data—sign-in to myGov requires a username and password, and answers to several security questions or a one-time verification code that is sent via email or SMS; and
- restricting the amount of personal data stored within myGov to key data required for identification purposes. A myGov profile is created only once an individual has successfully linked to Centrelink, the Australian Taxation Office (ATO) or Medicare. The following data is stored in the myGov profile: individual's legal first name; surname; and date of birth. Data provided during the member service linking process is not recorded in myGov.

4.8 Under the Service Schedule, it is the responsibility of the member service, rather than Human Services, to ensure that an individual's data held by the member service is secure from unauthorised access and disclosure. This audit did not assess the security measures implemented by other member services or their compliance with the Information Security Manual.

Privacy

4.9 Maintaining individuals' privacy was both a key aim of myGov and a key risk. It was recognised in the business case that the success of myGov depended, in part, on building trust and convincing individuals their personal information was secure.

4.10 myGov's release in May 2013 was subject to a Privacy Impact Assessment (PIA) to assess the privacy impacts of its design and operation. Human Services addressed all the PIA's recommendations prior to implementation. Human Services also adopted the 'privacy by design' approach for myGov whereby:

- individuals would be able to opt in and out of using myGov at any time;
- any flow of information would be controlled by the individual and not member services; and
- there would be no merger or linking of member services' databases, and no centralised national identity database.

4.11 The ability for an individual to hold multiple myGov accounts was a deliberate design feature of the system, to address privacy concerns.

4.12 Human Services commissioned a series of PIA reviews during the course of the myGov project. The findings from the January 2015 PIA confirmed the ‘privacy by design’ principles continued to be met. The findings included:

- design principles minimise the collection of personal information;
- collection of personal information was relatively limited, and was considered reasonable because it was voluntary and with consent as part of agreeing to mandatory terms of use;
- profile data—such as name and date of birth—was held separately and access was restricted;
- use of different names in different contexts was no longer possible due to the use of the profile. Failure to use the same name meant that the authentication process may fail; and
- myGov was not a central database and did not capture interactions between government services.

4.13 Human Services advised the ANAO that its staff are expected to comply with the *Privacy Act 1988* and are also expected to comply with the department’s internal Operational Privacy Policy requiring, for example, reading and signing the *Privacy and Confidentiality Responsibilities* document, and undertaking privacy training.

4.14 Data matching is conducted between defined government entities—under the *Data-matching Program (Assistance and Tax) Act 1990*—but is not facilitated by myGov. In addition, relevant service delivery transactions are performed within the member services’ own systems and not in myGov.

Did Human Services have processes to monitor feedback and inform myGov’s roll-out?

Human Services and participating entities captured feedback through surveys and usability testing to inform myGov’s roll-out. The feedback was used to correct faults and enhance myGov functionalities, but some resolutions were not delivered in a timely manner. From July 2016, the Digital Transformation Agency has had responsibility for the myGov user experience and, with Human Services, has developed and progressed a program of work based on a prioritised backlog list of fixes and enhancements.

A Closure Report has been prepared identifying lessons learned from the project, and two post-implementation reviews were conducted on specific aspects of the project as they were delivered. A post-implementation review for the project as a whole has not been completed.

4.15 Human Services was responsible for capturing, monitoring and addressing myGov feedback until June 2016. As noted in Chapter 2, the Government decided that from July 2016 the Digital Transformation Agency (DTA) would assume responsibility for the myGov user experience.

4.16 There were many channels for individuals to provide feedback or make complaints, including through myGov online, through the Human Services website, by calling the myGov Help Desk, at shopfronts, or through social media. The Australian Taxation Office (ATO) advised the ANAO that member services also provided feedback through an interagency change request process to request future enhancements.

4.17 Since January 2013, Human Services, ATO and the DTA have conducted multiple surveys and usability testing, to gather input on proposed functionalities, obtain feedback on ease of use and level of satisfaction, and to identify areas for improvement (see Appendix 2). Human Services advised the ANAO that this information was also incorporated into the feedback process.

4.18 Feedback, complaints and issues were also captured by Human Services in the Customer Feedback Tool. This data was used to inform future work activities, including correcting faults and enhancing myGov functionalities, and the identification of a Top Ten list of reported issues with myGov. The Top Ten issues list was periodically reported in the monthly myGov performance reports to the Reliance Framework Board and updated as issues were addressed and new issues arose. There were also issues reported about myGov's performance and usability that related to a member service, rather than directly to myGov.

4.19 While Human Services had procedures in place to capture, analyse and prioritise individuals' and member services' feedback and reported issues, some resolutions and corrective actions were not delivered in a timely manner. For example, Human Services was aware of the reported issues with the myGov sign-in process since September 2014. Resolving this issue was reportedly Human Services' top priority, as set out in its Top Ten list of reported issues. However, a resolution was not implemented until June 2016—more than 21 months later. Human Services advised the ANAO that the delay resulted from the need to apply to government for additional funding to deliver this requirement.

4.20 In March 2016, the Prime Minister directed Human Services and the DTA to deliver a high-level plan of work for myGov spanning the next 12 months and a future vision for myGov services.

4.21 In April 2016, the DTA conducted a research survey which included myGov user experiences and identified user issue themes. These themes were grouped into five categories:

- (a) sign-in was an entry hurdle particularly in recalling complex usernames and passwords, and there was a dependency on email addresses and mobile numbers for authentication;
- (b) users created workarounds to avoid regularly using myGov;
- (c) lack of feedback on what is going wrong made users anxious due to their inability to resolve issues themselves;
- (d) language was too complex and users struggled to understand instructions and self-serve; and
- (e) accessing services through myGov required a level of government knowledge and users believed they received a better level of services through non-digital channels.

4.22 The DTA findings also concluded that there needed to be a stronger focus on user outcomes, rather than specific myGov functionalities to provide the most value to users and government.

4.23 The ANAO invited members of the public to contribute information to this audit and received over 200 submissions. Over one-third of the submissions were complaints relating to a specific member service, and were not directly related to myGov. Some submissions related to member services' interactions with myGov. For example, the ANAO received a submission regarding how

the myGov Inbox has changed the way tax agents receive correspondence; resolution of this issue would require a change to the ATO's business processes rather than a technical fix to myGov.

4.24 Of the remaining feedback received by the ANAO, the top three issues identified were: login difficulties; problems with setting up an account or linking to a member service; and myGov being 'not user friendly'. These issues are consistent with user issue themes discussed in paragraph 4.21.

4.25 In July 2016, the inaugural myGov Governance Board meeting, chaired by DTA, included discussions on improving the myGov user experience and the delivery of enhanced functionality as well as developing a process for prioritising and managing myGov enhancements.

4.26 The DTA identified that although work was underway to address the most pressing user issues, a backlog of enhancements to the user experience remained. The DTA in consultation with Human Services has established a prioritisation process for the backlog list of myGov changes with a focus on user outcomes.

Post-implementation review

4.27 Post-implementation reviews were conducted for the Tell Us Once and Inbox functionalities as they were delivered. The single digital credential functionality was started under the Connected Authentication program, and was included in the Connected Authentication Closure's post-implementation review.

4.28 The four year myGov project officially ended on 30 June 2016. A myGov Closure Report was prepared in February 2017. The report included lessons learned and identified that Human Services' Digital Operations and Service Integration Branch is the business as usual owner of myGov operations. The report noted that the delivery of outstanding functionality has been transferred to other internal projects. For example, mandatory use of the myGov credential for Centrelink online users was assigned to the Centrelink Transition Project, Online Services Branch.

4.29 The myGov Closure Report also noted that a post-implementation review for the project as a whole has not been scheduled.

5. Value for money

Areas examined

This chapter assesses the value for money delivered by myGov through the realisation of the expected benefits and savings.

Conclusion

In 2012, the Government approved a budget for the myGov project of \$29.7 million for 2012–13 to 2015–16 based on the functionalities set out in the business case. The myGov project was not delivered within this original agreed funding, with actual expenditure to June 2016 totalling \$86.7 million. Over the four years of the project an additional \$37.8 million in funding was approved by Government, and Human Services funded the remaining \$19.2 million from a pre-approved ICT contingency fund. Departmental records indicate that the increase in operating expenses over the four years of the project—from \$8.5 million in 2012–13 to \$37.3 million in 2015–16—was primarily driven by the costs associated with supporting the large number of user accounts (nearly double the forecast) and the improved high-availability infrastructure.

Performance metrics to enable the quantification of actual savings in the six areas identified in the business case were not developed. In the absence of such metrics, it is not possible to determine whether the expected savings have been realised in all six areas.

Was the myGov project delivered within agreed funding?

The total cost of the four year myGov project was \$86.7 million. The Government:

- initially approved a budget of \$29.7 million and authorised Human Services to fund any shortfall on the project from a pre-approved ICT contingency fund; and
- approved an additional \$37.8 million in funding during the project.

Departmental records indicate that the increase in project expenditure was primarily the result of higher expenses associated with supporting the large number of user accounts—nearly double the forecast—and the improved high-availability infrastructure.

5.1 The four year myGov project received total project funding of \$67.5 million comprising the original (2012) Government agreed funding of \$29.7 million and an additional \$37.8 million³⁴ over the life of the project to deliver myGov enhancements and on-board government services.

5.2 The total actual project cost of myGov to June 2016 was \$86.7 million comprising \$14.8 million for capital costs and \$71.9 million for operating costs over the four years. Actual myGov project expenditure exceeded approved funding, \$67.5 million, by \$19.2 million. The original funding for the myGov project was based on:

34 The \$37.8 million funding included \$22.9 million for other Budget funded projects, including Centrelink Transition, Voice Biometrics, Digital Mailbox and Discovery & Alpha for myGov 2.0 and \$8.3 million charged back to the other member services.

- business case assumptions for ICT development and project management costs and did not factor in business as usual operating costs (including telecommunications and Smart Centres) and costs for legal or privacy reviews beyond the first year; and
- business case forecasts of 5.1 million individuals registering with myGov over the four year project 2012–13 to 2015–16. In the event, there were 9.5 million user accounts by June 2016.

5.3 The project’s actual operating expenses increased significantly every year over the four years of the initiative—from \$8.5 million in 2012–13 to \$37.3 million in 2015–16. For 2013–14 and 2014–15, the Department of Human Services (Human Services) funded the shortfall between funding and costs from its ICT contingency fund as agreed by Government in the original project funding proposal. In 2015–16 total operating costs were \$37.3 million, comprising \$23.2 million for myGov operating costs, \$3.9 million for corporate overheads and other expenses, and \$10.2 million for enhancements. The significant increase in myGov operating costs to \$23.2 million in 2015–16, compared to the prior year, was primarily driven by:

- increased telecommunication costs—up 72 per cent, reflecting increased logins and navigations to member services’ websites;
- additional corporate costs being apportioned to myGov for the first time in 2015–16, for example, costs relating to Privacy and Secrecy, and Corporate and Commercial Legal costs; and
- increased operating costs associated with the high-availability infrastructure installed in December 2015.

5.4 The Reliance Framework Board agreed in June 2015 that the member services would be charged the 2015–16 myGov operating costs of \$23.2 million. Of this, \$14.9 million was met by Human Services as the service provider for Centrelink, Child Support and Medicare, and the remaining \$8.3 million was recovered from the other member services based on an agreed costing model.

5.5 Table 5.1 provides a summary of the approved funding for myGov and the actual costs of implementing and operating myGov to June 2016.

Table 5.1: myGov approved funding and actual costs

myGov funding and costs	2012–13 \$m	2013–14 \$m	2014–15 \$m	2015–16 \$m	Total \$m
Funding					
Capital funding	5.1	2.2	1.9	1.1	10.3
Operating funding	7.2	4.7	3.8	3.7	19.4
Total original approved funding	12.3	6.9	5.7	4.8	29.7
Additional approved funding for enhancements ^a	0.3	1.1	0.6	12.6	14.6
Approved charge-back to member services of 2015–16 operating costs				23.2	23.2
Total funding	12.6	8.0	6.3	40.6	67.5
Actual costs					
Capital costs	3.9	7.8	1.8	1.3	14.8
Operating costs ^b comprised of:	8.5	9.8	16.3	37.3	71.9
• myGov operating costs	0.2	1.3	8.3	23.2	
• corporate overheads; business & ICT expenses	8.3	8.5	8.0	3.9	
• funded enhancements/additional functionality	0	0	0	10.2	
Total actual costs	12.4	17.6	18.1	38.6	86.7
Government approved funding less actual costs					
Net funding (shortfall)	0.2	(9.6)	(11.8)	2.0	(19.2)

Note a: Additional funding adjusted for the \$300 000 not received from Attorney-General's Department.

Note b: From 2012–13 through to 2015–16, 'myGov operating costs' comprised: myGov Strategy Branch, telecommunications and Smart Centre costs. In 2015–16 there were also other costs being attributed to myGov and included in the 'myGov operating costs'. Other operating costs included maintenance, planning and development work.

Source: ANAO analysis of Human Services' financial information.

5.6 In April 2016, the Government agreed to a funding model for 2016–17 to 2020–21, including funding for the foundational operating costs. These are costs that are required for operation of the core capability that allows individuals to have a myGov account and to use that account to access member services. The funding model also provides for charging member services for the variable costs associated with making their services available through myGov. The Government further agreed to \$5.4 million over two years for the proposed plan of work for myGov.

Were the expected savings realised?

Six areas of savings for government, accruing to the member services, were identified in the business case. It is not possible to determine whether all the expected savings were realised as Human Services and the Australian Taxation Office did not define performance metrics to enable the quantification of actual savings. Human Services has calculated actual savings for one measure—avoided postage costs. The department estimated that the myGov Inbox saved government \$109.2 million, a figure that may be overstated as there were existing email capabilities provided by member services although not with the same level of security as myGov's Inbox.

Savings for member services

5.7 There were six quantifiable areas of savings for government identified in the business case. These savings were driven by reduced rework or verification, reduction in face-to-face contacts, reduction in incorrectly addressed mail, fewer password resets and avoided postage costs.

5.8 Human Services established performance metrics to monitor only the avoided postage costs.

5.9 A Benefits Realisation Strategy for myGov, to enable quantification of the savings for member services, was initiated in December 2015 by Human Services. As at November 2016 it was still in draft form. The Australian Taxation Office (ATO) advised the ANAO that it had not performed any quantification of savings achieved by them as a member service.

5.10 The business case savings for member services and Human Services' analysis of actual savings are outlined in Table 5.2.

Table 5.2: Expected areas of savings for member services

Areas of savings for member services	Expected savings to June 2016	Actual savings to June 2016
<ul style="list-style-type: none"> • Reduction in rework or verification due to improved information from Update Your Details. 	\$ 4.6 million	Savings not quantified
<ul style="list-style-type: none"> • Reduction in contacts as more transactions were completed online. <ul style="list-style-type: none"> - Individuals were able to update their contact details through Update Your Details online transaction rather than telephone, face-to-face or mail. There were 1.1 million Update Your Details transactions in myGov to 2015–2016. 	\$ 37.0 million	Savings not quantified
<ul style="list-style-type: none"> • Reduction in face-to-face contacts to become known to entities as entities could rely on individuals known to one service to become known to another service. <ul style="list-style-type: none"> - My Health Records did not require individuals linked to Medicare to reprove their identity. 	\$1.2 million	Savings not quantified
<ul style="list-style-type: none"> • Reduction in incorrect addressed mail as Update Your Details enabled individuals to keep their addresses up-to-date. 	\$1.2 million	Savings not quantified
<ul style="list-style-type: none"> • Fewer password resets as a result of individuals choosing their own username and password. <ul style="list-style-type: none"> - Individuals able to reset their password online through myGov and use their personal email address (registered with myGov) as their username. 	\$ 3.6 million	Savings not quantified
<ul style="list-style-type: none"> • Avoided postage costs as correspondence was sent electronically to the myGov Inbox rather than using traditional mail. 	Savings not estimated	\$109.2 million
Total savings for member services	\$47.6 million	\$109.2 million

Source: ANAO analysis of the Reliance Framework business case and Human Services' information.

5.11 The business case recognised, in respect to the saving *avoided postage costs*, that the Inbox had the potential to contribute to significant savings to government by accelerating the switch to electronic mail. However, it also noted that entities could independently implement electronic mail offerings (and Centrelink was already offering such a service in 2012) so this saving was not quantified in the business case.

5.12 The myGov Inbox was deployed in March 2014. Human Services calculated that \$109.2 million was saved from March 2014 to June 2016 by sending myGov correspondence items (from Centrelink, Medicare, ATO, Child Support and the National Disability Insurance Scheme) through myGov rather than by traditional post. There is a risk that this estimate of actual savings was overstated as it was based on the assumption that all correspondence items would have been mailed using traditional post if myGov had not been built, even though some member services, including its own Centrelink program, already had electronic messaging capabilities.³⁵

35 Not all electronic messaging capabilities had the same level of security as myGov's Inbox.

5.13 While the other five areas of savings have not been quantified by Human Services, some level of actual savings may have been realised as the functionalities required to achieve the saving were implemented.

5.14 Establishing key performance indicators to facilitate the calculation of savings, particularly for major expected savings such as the reduction in contacts, would have provided government with assurance regarding the value of myGov functionalities to deliver improved government services online (refer Recommendation No.2 paragraph 3.27).

5.15 The business case calculated that the cost-benefit for the four year project would be positive, with a net saving of \$11.7 million. This was based on estimated total project costs of \$35.9 million and expected savings for government of \$47.6 million. Human Services has not conducted a cost-benefit analysis for the myGov project.

Additional benefits for member services

5.16 Additional benefits from myGov, identified in the business case, were expected to be derived from: reduced outlays from overpayments due to better data; avoided or reduced future entity ICT costs enabled by the common architecture, standards and scalability from streamlining government ICT; and policy and reputational benefits from improving Australia's capabilities in delivering digital services.

5.17 Human Services and the ATO advised the ANAO that myGov has improved online service delivery with better data integrity of individuals' contact details and ease of sending digital correspondence. However, Human Services and the ATO have not determined whether there has been a reduction in fraud and overpayment with the availability of better data in myGov.

5.18 The ATO advised the ANAO that, as at November 2016 there were over 5.4 million myGov accounts linked to their individual ATO record; and between May 2014 and June 2016, almost 35 million transactions to ATO online services had occurred. The ATO further advised that it has:

- leveraged the myGov single digital credential to allow self-preparers to lodge their income tax returns online;
- increased the number of clients choosing to interact digitally; and
- decreased costs of sending paper correspondence by using the Inbox.

5.19 The ATO advised the ANAO that myGov enabled it to cease plans to develop its own digital credential for ATO users. While the ATO had not estimated costs for an ATO-issued digital credential, it did avoid duplication of functionality already available in myGov and reduced future ICT costs.

Benefits and savings for individuals

5.20 As discussed in Chapter 3, there were 9.5 million user accounts registered in myGov by the end of the four year project—nearly double the business case forecast of 5.1 million. By November 2016 myGov had almost 11 million user accounts. myGov has contributed to improved delivery of government services for individuals by providing three key functionalities—single digital credential, Update Your Details and Inbox—to reduce the time spent transacting with government.

5.21 The business case estimated the savings accruing to individuals from spending less time interacting with government. This was based on estimating the minutes saved by individuals using myGov with one less interaction with government per individual per year. The business case noted that this creates a notional economic productivity benefit, as the time saved by individuals can be re-invested into economically or socially productive endeavours, but the business case concluded that in practice this benefit is too small and uncertain to quantify.

5.22 Human Services advised the ANAO that each of the myGov functionalities had the potential to provide a time saving benefit for individuals. For example, the delivery of a single digital credential could be expected to save time in creating and maintaining multiple credentials to access different services. Similarly, the provision of a secure inbox could be expected to save time by allowing individuals to have a single location to receive and review correspondence securely from multiple services.

5.23 In 2014, Human Services and the ATO estimated the financial savings of these benefits in the *Annual Deregulation Report to Government*, which outlined the achievements of the Australian Government in delivering its commitment to reduce the costs and regulatory burden imposed by unnecessary red tape.^{36 37} Human Services and the ATO included red tape savings for individuals attributed to myGov totalling \$93.9 million per annum over ten years.

5.24 These savings calculations were focussed on three functionalities—single digital credential, Update Your Details and Inbox. Table 5.3 summarises the estimated savings for individuals as reported by entities in the 2014 Deregulation Reports.

36 Treasury Portfolio *Annual Report on Deregulation 2014*, page 42 and Social Services Portfolio (Department of Human Services) *Annual Deregulation Report 2014*, pages 11–12.

37 The ANAO recommended, in Audit Report No.29 2015–16 *Implementing the Deregulation Agenda: Cutting Red Tape*, that the Department of the Prime Minister and Cabinet (PM&C) implement the Australian Government's decision of December 2013 to assess the economic impacts of the Deregulation Agenda within three years. The Joint Committee of Public Accounts and Audit (JCPAA) also recommended, in Report 460 *Public Sector Governance* (February 2017), that PM&C report back to the JCPAA on progress implementing the Australian Government's December 2013 decision to review the economic impacts of the Deregulation Agenda.

Table 5.3: Red tape savings for individuals attributed to myGov

Member service	Estimated savings per year
Centrelink, Medicare, Child Support	
Single digital credential	
• Single account creation and linking to services	\$1.7 million
• Account management	\$28.0 million
• Using other linked services in the same session	\$9.0 million
Update Your Details	\$2.0 million
Inbox	
• Access to digital mail	\$2.2 million
• Management of digital mail	\$13.8 million
Australian Taxation Office	
Single digital credential	
• Simplifying tax return lodgement through the myGov credential	\$33.8 million
Australian JobSearch	
Single digital credential	
• single account and one set of credentials	\$3.4 million
Total myGov red tape savings for individuals	\$93.9 million

Source: ANAO analysis of Human Services' and ATO's 2014 Annual Deregulation Reports.



Grant Hehir
Auditor-General

Canberra ACT
27 June 2017

Appendices

Appendix 1 Entities' responses

Department of Human Services



Digital Transformation Agency



Australian Government
Digital Transformation Agency



PO Box 457
CANBERRA ACT 2601
dta.gov.au

5 June 2017

Mr Mark Simpson
A/g Group Executive Director
Performance Audit
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

Dear Mr Simpson

Thank you for providing the opportunity to comment on the Australian National Audit Office's (ANAO) proposed report on *myGov Digital Services*.

The Digital Transformation Agency (DTA) agrees with the ANAO's two recommendations and will work with the Department of Human Services and myGov member services to implement them.

Attachment A to this letter details the DTA's overall response to the proposed report and to each of the ANAO's recommendations.

If you would like to discuss the DTA's response further, please contact Mr Jose Del Rio, Head of Policy, Partnerships and Capability by email at jose.delrio@dta.gov.au or phone 0407 405 128.

Yours sincerely

Gavin Slater
Chief Executive Officer

Australian Taxation Office



Australian Government
Australian Taxation Office

Second Commissioner of Taxation

Mr Mark Simpson
a/g Group Executive Director
Performance Audit
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

Dear Mr Simpson

AUSTRALIAN NATIONAL AUDIT OFFICE PERFORMANCE AUDIT OF MYGOV
DIGITAL SERVICES

Thank you for your letter dated 3 May 2017 and for the opportunity to provide comments on the performance audit report on myGov Digital Services.

The ATO agrees with the two recommendations as presented in the section 19 report.

Attached is the summary of ATO's response (Annexure 1).

I would like to thank the Australian National Audit Office audit team for the cooperative and professional manner they have adopted in working with us on this matter. I look forward to continuing the good working relationship developed in this performance audit.

If you require further information on this matter, please contact Venetia Blackman, a/g Assistant Commissioner, Enterprise Solutions & Technology on 03 8601 9945.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. Katf'.

Ramez Katf
Second Commissioner
Chief Information Officer
Australian Taxation Office

Date: 7 June 2017

T +61 (0)2 6216 1111 PO Box 900 Civic Square ACT 2608 Australia ato.gov.au

Appendix 2 Research and surveys on myGov

Year	Research and surveys conducted by the Department of Human Services, the Australian Taxation Office and the Digital Transformation Agency
2013	
January	Reliance Framework Citizen Consultation Findings
April	Simplifying Customer Entry Pathways (SCEP) Final Report
April, May, May–June	Validated Customer Model (VCM) Usability Findings (three separate studies)
July	myGov Usability Testing Findings
November	myGov Inbox Internal Testing Results
November	myGov Authentication for e-tax - User Testing Round 1
December	myGov Authentication for e-tax - User Testing Round 2
2014	
January	Simplifying Customer Entry Pathways Engagement – Centrelink Transition
February	Customer feedback on My Profile beta
February	myGov Validated Customer Model user experience review
June	Digital by Default Report
June	Future Digital Servicing - Customer Engagement Activity
June	DHS Customer Relationship Survey
June	ATO Electronic Lodgement - User Experiences
June	myGov Inbox Survey
September	NSW Digital Government Survey
September	ATO Mobile App Usability Testing Report
September	myGov Usability Testing Report
September	Tell Us Once Customer Engagement Overview
November	eEcho Concept Customer Engagement
November	Usability Testing Report
December	DHS myGov Customer Satisfaction Survey
2015	
February	myGov Tell Us Once Customer Research Report
March	myGov Landing Page Customer Feedback
May	myGov Mobile App Beta Trial Feedback - High Level Summary
June	Tell Us Once User Testing Report
June	ATO Usability Testing
July	DTO Digital Transformation Index Baseline Report
September	Co-design Report - ATO-DTO Initiatives Round 1
November	Co-design Report - ATO-DTO Initiatives Round 2

Year	Research and surveys conducted by the Department of Human Services, the Australian Taxation Office and the Digital Transformation Agency
2016	
February-March	myGov Usability Testing and Customer Research
March	myGov Albury Regional Shopfront Evaluation
April	DTO-DHS myGov Exploratory Project Report
September	Modernising myGov – Discovery Deck
November	Modernising myGov – Alpha Full Report

Source: ANAO analysis based on information provided by Human Services, Australian Taxation Office and the Digital Transformation Agency.