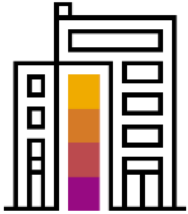


SAP Innovation Awards 2021 Entry Pitch Deck

Delivering New Payments capability to Australians when they need it the most
Services Australia

PUBLIC



Company Information

Headquarters	Canberra, Australia
Industry	Public Sector (Social Services)
Web site	www.servicesaustralia.gov.au

- Services Australia is responsible for delivering a range of health, social and welfare payments and support services through Centrelink, Medicare and Child Support.
- In 2019-20, Services Australia administered A\$203.7 billion in payments - the majority on behalf of the Department of Social Services, the Department of Health, and the Department of Education, Skills and Employment. In the same financial year, the agency processed more than 4.9 million claims for social security and welfare. The agency received additional funding of A\$521 million to support the response to the COVID-19 pandemic. At 30 June 2020, Services Australia employed 31,753 people.
- The Welfare Payments Infrastructure Transformation (WPIT) is a seven-year program that will fundamentally transform Services Australia's delivery of welfare payments and services. It is an important long-term investment in addressing the challenges facing Australia's welfare system.

Delivering New Payments capability to Australians when they need it the most

Services Australia



Australian Government

Services Australia



Our new Payment Utility, based on SAP S/4HANA, simplifies the end-to-end automation of both inbound and outbound payments, and provides the ability to deliver combined, same-day payments to Australians receiving emergency payments, pensions and other social benefits.

**Charles McHardie
Deputy CEO
Transformation Projects**

Challenge

The legacy system (ISIS), which is integrated into finance systems and the Reserve Bank, has done an amazing job in delivering payments for many years, however Services Australia needed a more modern, extensible and agile solution. The current platform is 30 years old and constrains the government's ability to rapidly enact new policy proposals.

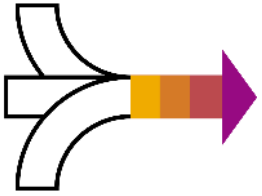
Solution

The Payment Delivery Capability project (as part of the WPIT program) is creating a new Payment Utility platform for Centrelink social welfare payments, based on SAP Public Sector Collection and Disbursement (PSCD) on SAP S/4HANA. As a payments infrastructure asset, the Payment Utility has the ability to deliver payment services on behalf of other government agencies.

Outcome

Services Australia recently achieved a landmark when it successfully migrated the Parenting Partnered Payment from the legacy system. This paved the way for Pension to be progressively migrated to SAP S/4HANA, and now Pension Payments to Australian citizens are delivered by the Payment Utility. The project will continue to migrate Centrelink payments from the legacy systems.

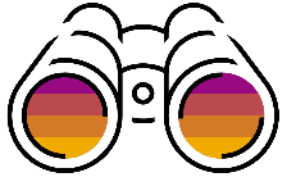




Business Challenges and Objectives

- The Payment Utility platform needs to deliver a centralised payments platform for the 'Master Programs' within Services Australia and for re-use to other Australian government agencies and departments.
- The Payment Utility platform supports the existing payment schemes and the emerging New Payments Platform (NPP) for real-time payments, which is intended to be the future modern payments scheme for banking in Australia.
- The Payment Utility needs to be flexible and scalable to support Centrelink and other Federal Government requirements, as well as supporting State Government with payments capability (e.g. Housing Stimulus Payments as part of the COVID-19 response).

-
- Creation of a re-usable 'national infrastructure asset' supporting payment-as-a-service capabilities, integrated with Australian banking payment schemes (distributing and receiving money between financial institutions and their customers) and support for the delivery of international payments.
 - Multi-program and multi-agency 'white-label' support via a modular and reusable technical architecture leveraging rules-based payment management functionality.
 - Segmentation of customer data from different consumer agencies to protect the integrity and privacy of customer data and provide the required data-set isolation.
 - Integration into existing financial systems to improve and automate reconciliation and reporting.
 - APIs and G2B system integration services to a range of government systems supporting citizens and staff.
 - Highly available and scalable technology providing 24x7x365.



Project or Use Case Details

- A new, streamlined platform for all Centrelink payments, allowing for increased automation and the ability to provide same day payment capability with more information (i.e. New Payments Platform 280 character messaging with payment into the citizens banking application).
- Standardisation of business processes and functions for outbound and inbound payments, and supporting functions for financial reporting and reconciliation.
- Technical capabilities to support future initiatives for the agency to re-use, innovate, and reduce costs via partnering with the Reserve Bank of Australia (RBA) on new and emerging payments capabilities.
- A foundation API and batch-enabled service, reusable by other government agencies and departments, designed and built to be agnostic of agency, providing leverage and scale through centralised processing.
- Creation of a managed service that allows the use of the Payment Utility by Services Australia and is reusable by other government agencies and departments.
- A new, scalable technical infrastructure designed to run 24x7x365 with high availability, full disaster recovery, and capable of processing all Federal Government payments.



Benefits and Outcomes

Business or Social

- Already dispersed over A\$3.5 billion in social benefits across 5.38 million payments.
- Successful pilot of payments with the Tasmanian Freight Equalization Scheme.
- Successful migration of Parenting Partnered Payment from legacy platform, paying A\$70 million across 75,000 transactions per day.
- Increased policy agility for Services Australia to respond to agency and government initiatives that provide stability through financial support.

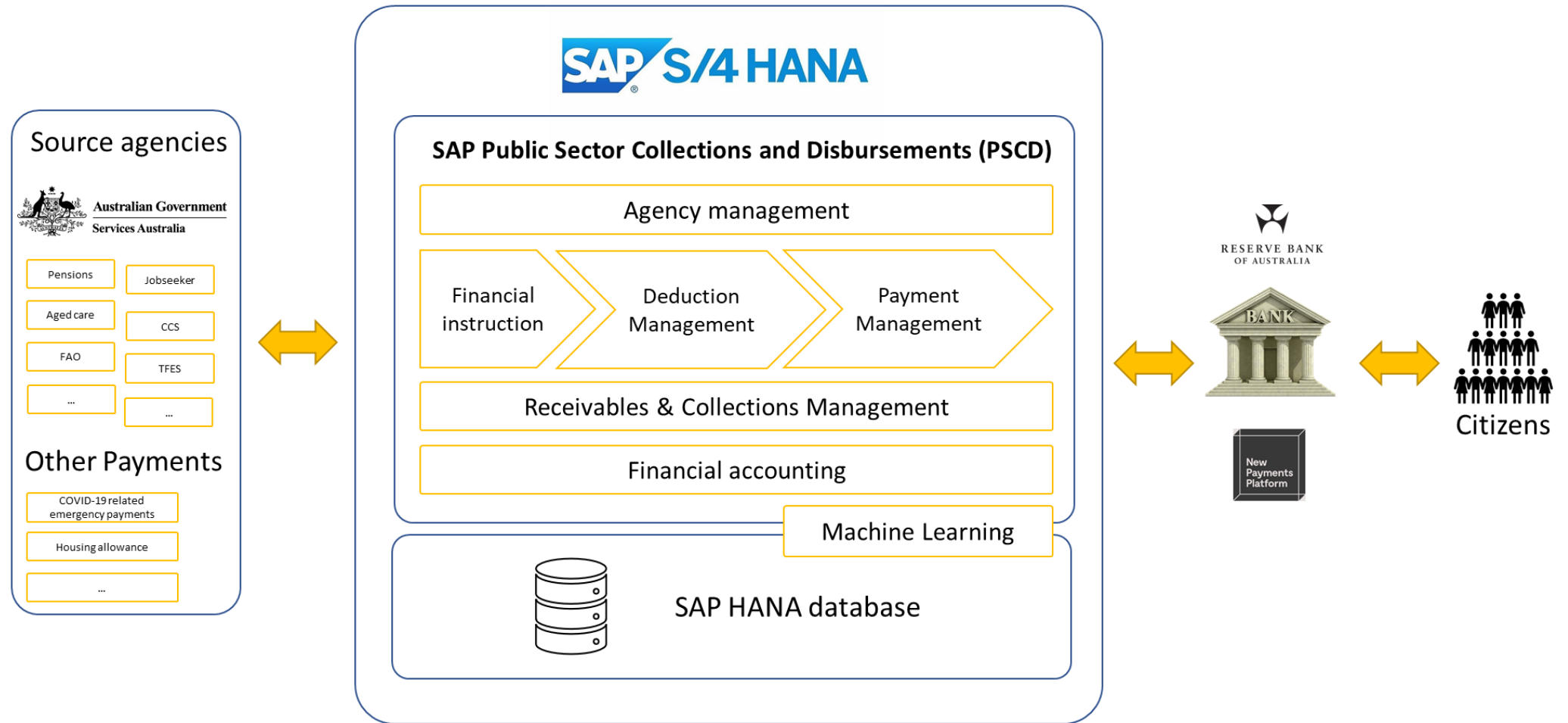
IT (optional)

Human Empowerment

- At the height of the COVID-19 pandemic, the Payment Utility was used to distribute urgent relief payments worth more than A\$1 million to 1,400 Victorians needing emergency support to isolate and quarantine. This took the agency just over four days from the time of the request by the Victorian Government, to the money arriving in the residents' bank accounts.
- The Payment Utility was also used to pay more than A\$1.2 million in one-off COVID-19 stimulus payments on behalf of the ACT Government to almost 5,000 people in hardship.



Architecture





Deployment

Deployment status Live

Date July 2020

Number of users Staff: Less than 1,000
Beneficiaries: 7+ million

SAP® technologies used:

	SAP product	Deployment status (live or proof of concept [POC])	Contribution to project
1	SAP S/4HANA	Live	Next generation business suite, based on the SAP S4/HANA in-memory database, allowing Services Australia to perform transactions and analyse business data in real-time. SAP MaxAttention utilised to safeguard design and implementation of IBM Power Series 9 platform.
2	SAP Public Sector Collection and Disbursement	Live	Public Sector specific characterization of Contract Accounts Receivable and Payable, used for processing of social benefit payments to citizens.
3	SAP Debt Collection Management	PoC	Targeted debt management to provide transparency into citizen debt status.
4	SAP Predictive Analytics	PoC	Machine learning; Processing unstructured input text and detecting anomalies in payment data.

If you have used one or more of the services or support offerings from SAP Services and Support during the implementation or deployment phase, please indicate which one(s) below with an

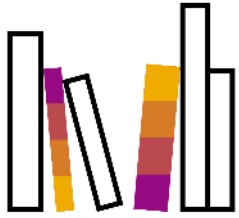
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| <input checked="" type="checkbox"/> SAP MaxAttention™ | <input type="checkbox"/> SAP ActiveAttention™ | <input type="checkbox"/> SAP Advanced Deployment |
| <input type="checkbox"/> SAP Value Assurance | <input type="checkbox"/> SAP Model Company | <input checked="" type="checkbox"/> Others: Safeguarding Services |
| <input type="checkbox"/> SAP Innovation Services | <input checked="" type="checkbox"/> SAP Innovative Business Solutions | |



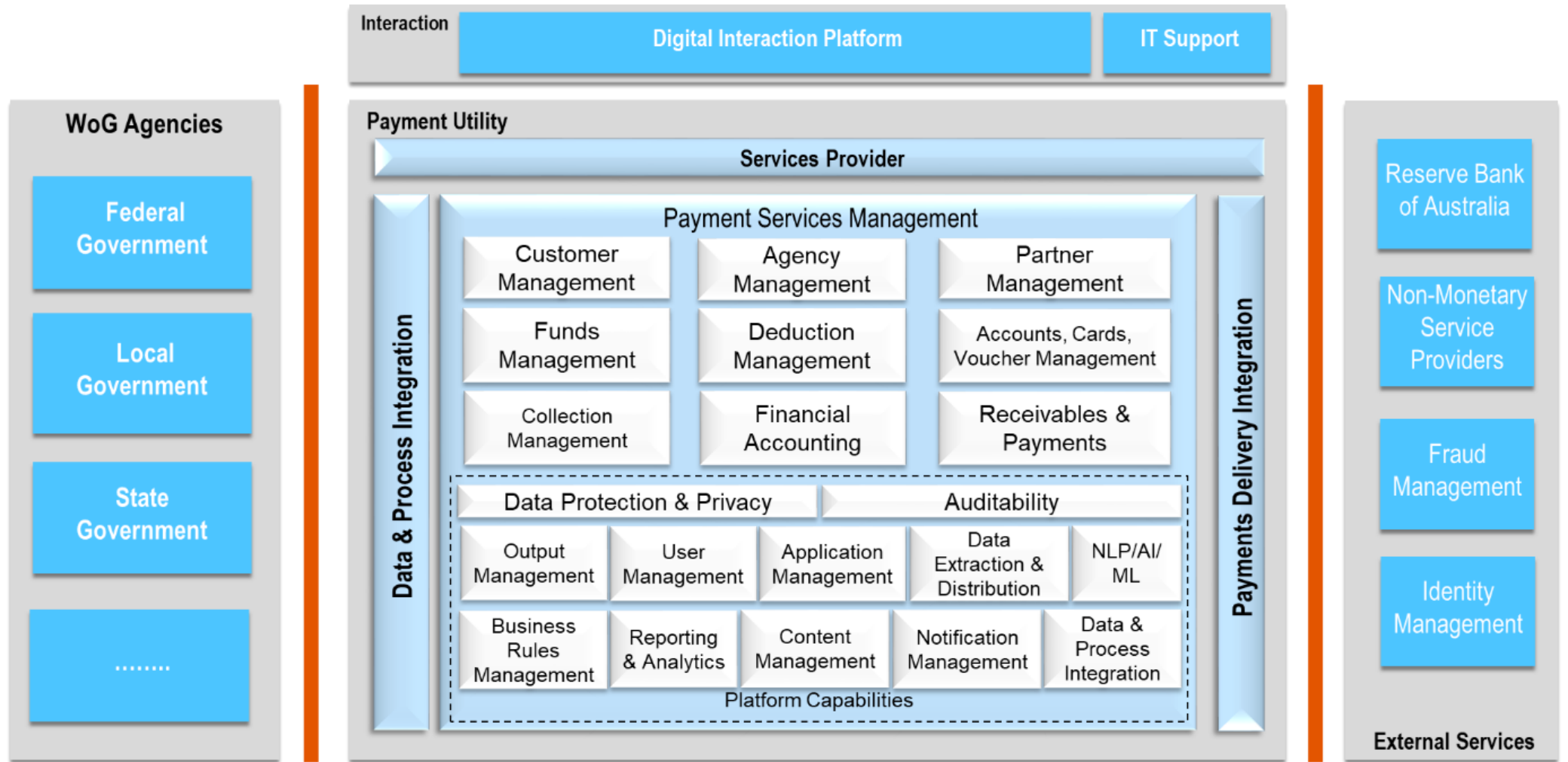
Advanced Technologies

The following **advanced technologies** were part of the project.

Technology or use case	Product used	Contribution to project and how product used integrates with SAP products
1 Machine learning or artificial intelligence	SAP AI Core	Service to process unstructured input text, for example to enable users to submit a query in plain English language. Uses Python Machine Learning Algorithms for Natural Language Processing (Deeppavlov).
2 Advanced and augmented analytics	SAP Predictive Analytics	Service to detect anomalies in payment (FID) data, for example to identify erroneous payments early. Uses SAP HANA, predictive option (Random Decision Trees).



Additional Information



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