



SHARED SERVICES PROGRAM

Overview

The Shared Services Program is an Australian Public Service (APS) wide program focused on the provision of common services through centres of excellence (hubs) and the transition of agencies into these hubs.

The Program is part of the Government's vision for a smaller, smarter and more productive and sustainable public sector, which is helping transform the way the public service operates by reforming traditional operating models.

Led by the Department of Finance, it is the responsibility of Secretaries, Chief Executive Officers and APS staff collectively and individually to implement this operational transformation.

Further information about the Government's agenda can be found in the preface of Budget Paper 4 www.budget.gov.au/2017-18.

What are the Program's objectives?

The Program aims to ensure the APS is better positioned to respond to the challenges of a rapidly changing environment and tight fiscal circumstances.

The Program is standardising business systems and processes across the APS by consolidating service provision from 85 internal service providers (including agencies that provide to themselves) into six hubs.

The Program's vision for shared services is one where consumers have choices, providers are competitive and innovation is harnessed.

Over time, through the scale and standardisation of business systems and processes, agencies should be able to free up resources to focus on core government priorities and minimise costs required to maintain business processes and IT systems.

What is the Program's timeline?

The Program began on 1 July 2016, with the initial phase of consolidation and standardisation to continue until 2021. The focus is on core transactional services and Enterprise Resource Planning (ERP) software.

This may expand to include additional services as the Program matures.

Hub and consumer agencies have agreed to a transition schedule that will align with funding from the Public Service Modernisation Fund available between FY 2017-18 and FY 2020-21.

To date 14 agencies (including six hubs) have already transitioned with 60 agencies due to transition over the next four years.

Who is undertaking the Program?

The Program is being carried out across all non-corporate Commonwealth agencies in Australia. For a full list of agencies, please refer to the online the flip chart of commonwealth entities and companies at <http://www.finance.gov.au/resource-management/governance/>.

What is the implementation approach?

The Program approach is underpinned by a set of principles that guide delivery commitment and the broader Program. They articulate the fundamental goals that all decisions can be measured against and keep Program components moving.

The Program will be carried out in three phases (noting this is not necessarily a linear process):

1. **Consolidation** – establish provider hubs to begin to standardise and transition services and build economies of scale.
2. **Standardisation** – drive further standardisation across the hubs through cloud-based ERP systems and automated business processes where appropriate.
3. **Contestability** – encourage agencies to adopt more commercial approaches as necessary and improve the performance of existing or proposed government functions. This will be shown by measureable benefits and value for money across the APS.

Consolidation and standardisation are key to positioning the APS to understand whether we conduct our business more efficiently internally through hubs, or through a private sector provider.

How is the Program being delivered?

The Program is coordinated by the Department of Finance.

The Program is being delivered in a staged approach focussed on consolidation, standardisation and contestability.

Finance has been working closely with the hubs and over the next three to five years, the hubs will:

- focus on delivering consistent, reliable services
- implement whole of government standard business processes
- help drive down corporate service costs across the APS.

Core transactional services identified for initial consolidation include:

- accounts payable/receivable
- credit card management
- ledger management
- payroll administration
- ERP software.

Program governance

The Program is co-sponsored by the Department of Finance and the Australian Public Service Commission, and reports regularly to the Secretaries Board with advice from the governance bodies established to advise the Program. The Program team will provide clear and regular upward communication to ensure informed decision making.

The Program team also invest time into regular top-down communication to ensure the Program has the appropriate champions to encourage implementation and maintain momentum.

For more information about the Program:

Call (02) 6215 3466, or email scs@finance.gov.au.