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**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

ChooseCBR Evaluation and Review Report

**Presented by
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Minister for Business and Better Regulation
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Evaluation and Review

October 2021

David Butler Consulting

Choose CBR Evaluation and Review

Terms of Reference

This review is to consider the efficiency and effectiveness of the administration of the ChooseCBR stimulus program. This is to include both the December 2020 pilot and the June 2021 full rollout. The Terms of Reference for this review is at Attachment 1 to this report.

How this review was conducted

During this review, a broad range of documents relevant to the development and implementation of the ChooseCBR program were considered. A number of staff, including senior staff, involved in this program were interviewed and follow up discussions were undertaken as necessary.

When needed, additional research was undertaken and information relating to similar stimulus programs was considered.

This review of ChooseCBR commenced in late July 2021 and was completed in October 2021.

Background and purpose of the ChooseCBR Program

The development and launch of the ChooseCBR program occurred during a time when Australia and the ACT were experiencing the economic and social impacts of the Coronavirus disease (Covid-19) pandemic. Unfortunately, these impacts are still being felt.

The ACT Government was interested in finding ways to stimulate small business economic activity by leveraging community spending at local small businesses which were heavily affected by Covid-19. Other jurisdictions in Australia had undertaken programs to improve economic activity and the ACT Government was particularly interested in a program developed by the City of Darwin called “myDarwin”.

There were limited options available to consider how to best deliver the targeted economic stimulus the ACT Government was aspiring to achieve. It made a lot of sense, therefore, to follow the broad design aspects of a similar stimulus program and following consideration of the various options available, the myDarwin web based system was seen as offering the best opportunity to “re-use” an already developed approach.

The ChooseCBR program was based on several aspects of the myDarwin program and used, under licence, the same web based application for business and customer registration, claiming voucher credits. For ICT security reasons a separate ICT system was used to make payments to small businesses. A trial of the ChooseCBR program was launched on 23

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November 2020 which ran for about one month. After further refinement of the program, it was rolled out on 9 June 2021.

Performance issues with the web based application arose quickly and the program was paused on 10 June 2021. Investigation of the issues impacting the performance of the application, rectifying the identified problems and further testing was undertaken over several days. The re-release of the program was well promoted and the re-release was at 7.00 am on 18 June 2021.

Following the re-release, the web based application operated efficiently and uptake by small businesses and the community was very high. Given this, the remaining vouchers were quickly utilised and by 8.00 am on 19 June 2021, the program was closed because all remaining vouchers had been redeemed. The ACT Government had made a total of \$2 million available to customers through digital vouchers.

There was considerable media attention given to the ChooseCBR program and the reasons why the system was paused. Questions were also raised about the effectiveness of the program and which businesses made claims. A list of the Top 100 businesses, where the greatest number of ChooseCBR vouchers were redeemed, was released on 25 June 2021 and this attracted further media attention.

Efficiency and Effectiveness of the administration of the ChooseCBR Program.

Overall Governance of the ChooseCBR Program

There were several examples of good governance practices evidenced during the development and implementation of the ChooseCBR program. A cross directorate Governance Committee (Project Board) was used to guide, prioritise and consider progress during the development and implementation of the program. The Project Board considered policy, budget, marketing, communications, registration as well as business and customer support. A good practice risk management approach was utilised and careful thought given to the risks the program may face.

An example of this is commissioning a major consulting firm to carry out a high level threat and risk assessment across the technology to be used in the ChooseCBR program. A report highlighting key technology risks and risk treatment options, was provided in September 2020. Risks identified in this report flowed through to the overall governance practices with risk mitigations or treatments actioned.

A senior officer was appointed to the role of Chair who was also the project owner. Regular meetings were held and there is a comprehensive record of matters discussed and decisions made. When necessary, relevant experts were involved as the project developed. Almost all meetings were conducted virtually which would have added an extra layer of complexity but over the last year and more, many people have become much more familiar with conducting meetings this way.

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A Project Manager was appointed for ChooseCBR but this role was different to what is commonly asked of a project manager. Typically a project manager would have defined decision making authority, look across the work planned and underway, test that work is meeting an appropriate standard, ensure risks were being mitigated and reporting whether the overall project is running on time and to budget. The Project Manager for ChooseCBR had a more limited role and many of the responsibilities described above were disbursed to various members of the Project Board.

The more limited role of the Project Manager for ChooseCBR did not achieve the sharper focus of a dedicated project manager. Consequently, greater responsibility sat with the Chair and Project Owner. The Project Manager for ChooseCBR was responsible for organisational matters such as meeting arrangements, rather than delivery issues.

During this review, it became evident that accountability for sign off of key aspects of the delivery of the web based application itself was not clear. Again this responsibility was disbursed and strong reliance placed upon the developer to determine an approach in a number of areas. This included the test plan for the application where no one person other than the Chair and Project Owner, was accountable for the user acceptance of the outcomes of testing.

Scope control is the enemy of the successful delivery of projects and programs. Achieving sign off and locking in scope was a challenge for ChooseCBR. This occurred during the lead up to the trial as well as before the rollout. An example is different web design options were being put forward in early May 2021 such as different “feedback buttons” and the possibility of receiving feedback from users ‘...as a live feed’. Further, at a Project Board meeting, also in early May 2021, reference was made to a “larger list of change requests which will need to be actioned”.

With rollout of ChooseCBR planned for early June, the scope of web design and functionality should have been signed off well ahead of rollout and any subsequent changes strongly resisted. Furthermore, during the lead up to rollout there was an increasing awareness that the developer was under considerable pressure to finalise coding and test the system, while change requests were still being put forward. Very deliberate and focused control of scope should have been stronger.

Selection of the voucher system and vendor

As noted, there were limited options available to consider how to best deliver the economic stimulus the ACT Government was seeking and to be able to do so in a relatively short timeframe. Given this, it made a lot of sense to follow the broad design aspects of a similar stimulus program and the myDarwin web based system which offered the best opportunity to “re-use” an already developed approach. Other states and territories have had economic stimulus programs but these were more directed at encouraging tourism, particularly regional tourism.

At the time the myDarwin option was being considered, ACT Government officials were advised this web based system had operated successfully without any known material issues and without any information technology security incidents. It had also operated successfully for similar programs run by other councils in the Northern Territory.

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Following the learnings from the trial of ChooseCBR, there was further consideration of other discount voucher initiatives. It was again concluded that use of the myDarwin based program was the best option. The decision making around this was sound.

It is important to note that the ChooseCBR web site and back end system, were hosted on an Australian based Cloud arrangement run by a major web services company (as was the case with myDarwin). Additional server capacity was arranged before the rollout, with the ability to dynamically expand capacity if needed. In other words, the system was scalable to cope with actually experienced peaks in demand and use. Further, a commitment for additional support from the developer was agreed for the period immediately following rollout. Finally, the licence fee paid for the use of the myDarwin application was modest and represented good value for money.

Internal review and application of lessons learnt from December 2020 Trial

During the trial vouchers were redeemed to a total of \$310,000.00, which generated spending in small businesses of over \$1.9M, a multiplier of 6.3. Although initially uptake grew relatively slowly, business registrations climbed to over 300 by the end of the trial period.

Broad customer research was undertaken about the trial and overall, feedback was positive. For example, nearly two-thirds of respondents indicated they would more likely shop at a Canberra business if they were participating in ChooseCBR.

Following the trial, a number of changes were made to the scope and design of the ChooseCBR initiative to make it more attractive for businesses and participants. For example, the value of vouchers that each participant could use were doubled (\$40.00 to \$80.00), business eligibility was modified to make it easier for business to participate, new communication approaches were developed to help business register and access the scheme and improved marketing and promotional material was developed.

An internal review of the trial concluded that there was a high level of compliance with the requirements of the program. Scrutiny of a representative sample of vouchers redeemed was carried out and although there were some transactions which were not consistent with specific terms and conditions, these were described as rare and there were no discernable patterns. Examples of this are alcohol which was included in total transactions when applying a discount and applying multiple vouchers from different customers to the same transaction (bill splitting). There were a very small number of businesses not keeping adequate records. A sample of unusual transactions were subject to more detailed scrutiny which resulted in a small number of businesses being removed from the scheme. This approach and analysis appears sound.

Overall, there was a thorough follow up on all of the key learnings and insights gained from the trial. A number of enhancements and improvements were made before the rollout on 9 June 2021. However, as noted below, the issue of performance of the web based system should have been given closer attention.

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Parameters for the trial and full rollout – Communication and Promotion

Business registration for the ChooseCBR program was available for any business which operated in the ACT, as long as it had an annual turnover less than \$10 M per Australian Business Number. Registration was only available to businesses which operated in the hospitality, retail, accommodation, personal services, arts or recreation sectors. ANZSIC codes were used to determine if a business operated in these prescribed sectors.

To participate in the trial a business had to be eligible for the Commonwealth Government's JobKeeper Program. This requirement was removed for the full rollout to allow more businesses to participate. There were a number of design features in the program which added to the ease of use but also strengthen the integrity of ChooseCBR. These included:

- Customers could only access three vouchers per day and could not use more than one voucher in a particular business
- When a participant registered they had to submit a unique mobile phone number and confirm it by submitting by text a one-time identification number
- It would be difficult but not impossible, for an individual to register more than once. To do this they would need multiple mobile phone numbers and register each one. That individual would have to make a number of transactions each in a different business, to redeem a digital voucher
- ANZSIC codes were used to ensure the sectors in the small business community were targeted along the lines the Government was most concerned about

The experience in myDarwin was that it was more difficult than expected to encourage small business to register. Knowing this, and based on learnings from the pilot, considerable effort was made to encourage registration by business and participation by the community. Clearly this was successful as there was a very strong response from business and the community and once the web based system was operating effectively, the balance of the available vouchers were redeemed very quickly.

Technical issues with the full rollout

Successful implementation of the ChooseCBR initiative was not only reliant on community and business participation but equally, the high level of technical performance of the web based application chosen. Unfortunately, both in the trial and the full rollout, technical problems were experienced with this application. These problems largely related to the data base design, which is not uncommon with small purpose built web applications. The problems experienced directly impacted on the efficiency of each transaction which slowed down performance.

During the trial, slowness in performance was related to customer verification which was quickly resolved when the developer identified and removed redundant code. Following that change the system largely performed well for the balance of the trial.

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During the rollout, the actual structure and design of the data base caused considerable inefficiency and slowness. The way data was stored and made accessible for every transaction progressing through the web application, caused slowness for each registration, verification of vouchers and redeeming vouchers by businesses. The weakness in the data base design was exacerbated due to the very significant number of transactions that were immediately experienced when rollout commenced on 9 June 2021. This was very different to what happened during the trial when transactions were spread over a number of days.

Given the system performance issues on the second day of the rollout, the system was paused and transactions stopped. There was no immediate understanding of what was causing the performance problems and ACT Government officials arranged for the major web service company, which hosted the ChooseCBR system, to help analyse the problems being experienced. It was quickly determined that the problems were not related to capacity of the system and therefore, further increasing server capacity was not the answer.

After further analysis it was concluded that the data base design was at fault and in essence, the data base had to be restructured. It took some time to do this and fully test the changes under load. The application was available again on Friday 18 June 2021. This delay understandably resulted in a considerable amount of media attention.

Looking back now, it is difficult to determine whether specific additional testing of the system prior to the rollout could have identified the root cause of the problems which materialised. It would have been difficult to predict the demand received, which was well above what was experienced during the trial and then replicate this in a performance and load testing environment. Testing was undertaken but with the already mentioned scope changes being discussed shortly before rollout, time for testing would have been adversely impacted.

As noted there was a high level threat and risk assessment undertaken of the technology to be used for ChooseCBR. If a similar review was undertaken on the broad fitness for purpose on the web based application, this may have revealed some of the technical issues which were faced when the system was under considerable load. At the very least, however, greater curiosity about what happened during the pilot and an examination of what this may mean for the robustness of the data base, should have been undertaken.

Stimulus outcome and spread across business

The ChooseCBR program was directed at stimulating economic activity during a difficult period. It was designed to help the small businesses most impacted by Covid-19. It had to be developed and implemented quickly while striving to make it easy to use, yet robust.

It was well received by the Canberra business community and a number of small businesses saw it as a real opportunity to increase their sales. Some appear to have actively promoted the program to their customers and were well set up with additional staff and extended business hours to take advantage of the opportunity to entice more customers into their premises. Media coverage at the time include photographs of customers lined up outside some stores, who were prepared to wait to use their digital vouchers.

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There was a comprehensive information and education program used to promote ChooseCBR which was successful given and by the end of the program over 900 businesses were registered. Further, customer registrations were over 100,000 by the end of the program and over 85,000 digital vouchers were redeemed.

As noted, during the trial, just over \$300,000 was redeemed with spending in businesses of over \$1.9 M. This equates to a 6.30 direct injection for every \$1 of government money spent. During the rollout, over \$2 M in vouchers were redeemed with spending of \$5.2 M. The direct injection during the rollout was 2.6 times each \$1 of government money. This would have been an important stimulus outcome for the over 800 small businesses that benefited during a difficult period.

The use of ANZSIC codes to help decide which businesses could participate was a good way to determine which industries should be the focus of the stimulus program. Limiting business registration to organisations with a turnover limit of \$10m per annum, was a sensible and appropriate way to target small businesses the Government was concerned to help.

A list of the Top 100 claimants was released and this was the subject of further media comment. A small number of businesses (26) had more than 400 vouchers redeemed and more than 130 businesses had more than 100 vouchers redeemed. As noted already, some small businesses actively embraced the ChooseCBR program and took steps to achieve higher sales which resulted in four businesses achieving over 1000 vouchers being redeemed.

Scrutiny of the use of vouchers was tested after the trial. This showed there was high compliance with the requirements of ChooseCBR and although there were a small number of cases where specific terms and conditions were not met, these were rare and no discernable patterns were apparent.

For the rollout, spot checking was undertaken which required businesses to provide evidence of a representative sample of transactions. Further, there was follow up checking of businesses which had redeemed higher numbers of vouchers or where there were unusual patterns of redemption. From the scrutiny undertaken of claims made during the rollout, there is no evidence of systemic misuse of the scheme by businesses or participants. It is important to again note that there were a number of good design aspects of ChooseCBR which would have added to the robustness of the program.

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Conclusion

The ChooseCBR program did achieve its key objective of stimulating economic activity during a difficult period. Over 30,000 Canberrans were able to receive discounts, over 85,000 discounts were redeemed and close to 800 small businesses benefited. On 18 and 19 June 2021, alone, \$4 M was spent in transactions where digital vouchers were redeemed and the total spent during the trial and the rollout, when digital vouchers were redeemed, was over \$7 million.

It was disappointing for businesses and participants that the rollout had to be stopped but given the complexity of the technical issues faced, there was no other option. Once these technical issues were understood, changes made and tested, the web based application performed very well, with a significant number of transactions being processed in a very short period of time.

There are several key lessons to be learnt about how to improve the likelihood of successfully delivering a program where there is a key dependency on a purpose built web based application, particularly if a program was originally designed for a smaller number of users. An enhanced role for a project manager who is appropriately skilled and empowered can be critical and would allow a Chair and Project Owner to focus on the more important issues and challenges. Scope control by empowering the Chair of a Project Board to make decisions about what is and what is not within scope. The value of early testing of whether a technology product is fit for purpose including seeking expert technical help to do this.

There is no evidence of any systemic misuse of the scheme. Key design features of the ChooseCBR program related to limits on the number of vouchers available for each participant, the ability to use one voucher only in a store, the use of verified unique mobile numbers for participant registration, all added to the integrity of the scheme.

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Recommendations:

1. In order to provide greater support to a Chair and Project Owner, consideration be given to clarifying and strengthening the role and accountabilities of a project manager where there is a cross ACT government initiative, particularly where there is an important information technology component. A project manager should be at a senior level and have clear decision making authority, be aware of the progress of all work, be confident of the quality of work, ensure there are clearly defined inter-dependencies and a described critical path, risks are clearly identified and mitigation plans developed and implemented where necessary.
2. Ensure Project Boards are aware of the importance of ongoing control of what is and what is not within the scope of project. This can often be difficult if there are a number of stakeholders with high expectations but a Chair and Project Owner would need to escalate concerns if delivery of a project could be compromised. Clear deadlines need to be set for finalising the scope of a project well before the planned delivery. This is particularly important where there is an information technology component to be implemented and perhaps integrated with other systems.
3. Project Board members should be skilled in understanding and identifying the importance of seeking early and independent verification of fitness for purpose of the technical aspects of an information technology program which may be under consideration. The potential threats and risks which may be faced with a new information technology program should also be the focus of independent scrutiny.

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Attachment 1 - Terms of Reference

Terms of Reference

The Head of Service is seeking to implement the Minister's commitment to conduct an evaluation of the ACT Government's Choose CBR program.

The consultant will report on the efficiency and effectiveness of the administration of the ChooseCBR stimulus program, both the December 2020 pilot and the June 2021 full roll out, including:

- selection of the voucher system and vendor and the onboarding and ongoing management of the vendor
- internal review of, and application of lessons learnt from the December 2020 trial
- setting of program parameters for the December 2020 trial and the June 2021 full rollout
- communications and promotion of the trial and full rollout
- changes made in the parameters of the program and adjustments to the website application and its capability and capacity between the trial and the full rollout
- stakeholder communication and engagement, including as to possible changes in the parameters of the program between the trial and the full rollout
- technical issues associated with the full rollout and the measures taken to address them
- the risk profile and risk management of the scheme, including the reporting and checking of transactions
- resources and funding
- the stimulus outcome achieved, including its spread across businesses.

A written report including recommendations will be provided by the consultant to the Head of Service within 3 months of commencing the engagement.