



Commonwealth Bank revolutionises payments system for those most in need in Western Australia

With the successful implementation of a new web-based payment system and prepaid card solution, the Department for Child Protection of Western Australia is now well equipped to meet the needs of children, families and those in need of support.



Challenge

The need for a new end-to-end payments system

The Western Australia Department for Child Protection provides a wide range of child safety and family support services. It is also responsible for distributing financial assistance to people affected by an unforeseen crisis such as natural disasters including the Margaret River Bushfires of November 2011 (see case study overleaf).

In 2010, the Department was finding it increasingly difficult to efficiently provide funds to its clients. It was using an outdated paper voucher system to provide financial assistance and case related payments to the families, foster carers, young people and others that it helps support. The voucher system was inconvenient for recipients and suppliers, made it difficult to monitor payments and was prone to human error.

The system involved filling out either system generated or hand-written vouchers and finding suppliers, such as supermarkets and petrol stations, willing to accept them. In the case of a disaster, the vouchers were used to help citizens access essential items such as accommodation, food and clothing.

The voucher system generated a large amount of paperwork and the payment cycle – from when a recipient used a voucher to when a supplier was reimbursed by the Government – could take up to three months. In addition, the manual nature of the process meant various members were needed to check invoices before making payments to suppliers. While this double-checking reduced errors, it also created administrative backlogs and tied up large amounts of staff time.

The Department knew the system had to be upgraded, but it needed to do this without compromising the critical acquittal process staff used to assess child protection cases and approve financial assistance and case related payments.

The system also had to be flexible enough to allow for ad hoc events, such as providing support services during natural disasters. Further, with approximately 2,500 service delivery staff located in 50 offices across Western Australia, the system needed to be robust and easy to use to ensure the department could quickly deliver assistance when needed.

Solution

Innovative web portal and prepaid card program

To find a solution, the Western Australia Department for Child Protection turned to its long-term partner, the Commonwealth Bank. The Bank's Transaction Banking Solutions group developed a comprehensive solution through the innovative use of prepaid cards and an online portal.

The new payment system enables Departmental staff to load funds to a new form of MasterCard prepaid card via an easy-to-use web portal*. Recipients can use the card for multiple transactions, up to the loaded value.



The prepaid cards can only be used to purchase goods or services and cannot be used to withdraw cash from an ATM, increasing control over how the money is spent.

The solution includes a dedicated page on the Department's website where cardholders can log in to a customised Commonwealth Bank cardholder portal to view their card balance.

Smooth implementation

The new system went live in October 2011, fully replacing the paper voucher system. **The Department was the first government agency to use the MasterCard prepaid cards in its payments system and only the second organisation in Australia to launch such a program.** Even so, the project implementation phase caused negligible disruption.

In preparation for the new system going live, the Department kept its staff informed and provided training across the state. The training focused on the processes involved in making payments, recording requirements and the individual responsibilities of each staff member. The Bank's Transaction Banking team also worked with the Department to develop information packs including templates, user guides, information sheets and flowcharts to help staff understand each process.

Once live, the vast majority of support calls in the initial period related to simple queries about system access and data entry requirements.



Margaret River bushfires: \$1.5 million assistance distributed in 48 hours

The Western Australia Department for Child Protection's new payments system proved immediately useful following the Margaret River bushfires in November 2011.

- The fires destroyed more than 100 properties and had a devastating impact on local communities
- During the crisis, the Department allocated \$1.5 million of welfare payments during a 48-hour period using 3,000 MasterCard prepaid cards.

The Margaret River scenario clearly demonstrated the benefits of providing prepaid cards with a set expiry date. When the cards issued during the Margaret River disaster expired, **more than \$400,000 (26% of the total distributed) was returned to the Department unused.**

Benefits

Improved information management and reconciliation

The payment system's innovative web portal allows authorised Departmental staff to record details for each card, such as the amount, the expiry date of the funds and the name of the cardholder.

The Commonwealth Bank web-based payments portal has significantly increased the Department's ability to monitor how the funds it provides are used and by whom.

Staff can compare card usage reports against the Department's client record management system, immediately identifying any discrepancies in terms of who has used the cards or what they were used for.

By checking details on the Commonwealth Bank website portal, case managers can easily discover and follow up on cases of card misuse – for example, if a recipient is using a card to purchase alcohol or tobacco. If necessary, cards can be blocked or closed. If a card is damaged, the amount is returned to the Department automatically.

The card also helps create an audit trail. When a card is issued, the recipient and Department staff must sign a form to meet audit requirements. This creates a record of where and when a card was issued, who issued it and who signed for it, should Department staff ever require this information.

"Service delivery staff now better understand their connection to the financial acquittal processes and we're also trying to eliminate discrepancies, rather than spending time checking each and every transaction."

Teresa Tagliaferri, the Department's Project Manager Client Payment Options Project.

Supplier payment times reduced

Under the old voucher system, the process of reimbursement for suppliers was manual and paper-based, meaning receipt of payment could take up to three months from when the welfare recipient redeemed the voucher.

Moving to the web-based payment system has reduced the time taken to process payments to the time of a standard credit card transaction, greatly improving relations with suppliers.

Fast assistance for those in need

The streamlined payments system and prepaid cards means the Department can quickly provide financial assistance to Western Australia's most vulnerable citizens.

The prepaid cards can also be deployed quickly to provide emergency funds in a controlled manner during a crisis* (see case study). The cards can be used anywhere MasterCard is accepted, providing cardholders with increased choice and flexibility.

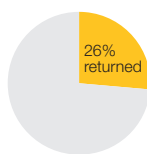


Further, the person using the card cannot be identified as a 'welfare' recipient, avoiding any potential embarrassment experienced under the previous system.

Cost savings

A significant benefit of the system is that if a client does not use all of the welfare funds during the allocated period, the money is automatically credited to the Department's account when the card expires. This avoids wastage and allows the Department to redirect funds to those most in need. In the case of the Margaret River fires (see case study), these savings totalled about a quarter of the funds issued.

When the cards issued during the Margaret River disaster expired:



\$1.5 million was allocated
\$400,000 (26% of the total distributed)
was returned to the Department unused.

Risk management

The web-based solution is designed to continue working even if Department staff experience issues with power or communications systems, which can occur in remote locations. If a Department office is experiencing difficulties, any other office can load a client's details onto a card. Each office keeps a small stock of inactive cards available for onsite loading.

"The Commonwealth Bank Transaction Banking system is fantastic. It meets our clients' needs on a case-by-case basis and can be used wherever MasterCard is accepted. The main benefit is that we can load payments online and suppliers are paid at the time the MasterCard prepaid card is used by the client."

Teresa Tagliaferri, the Department's Project Manager Client Payment Options Project.

Further Information

For further information, call your Relationship Executive
or visit **commbank.com.au/transactionbanking**

*Use of the prepaid card solution is subject to the Terms and Conditions as set out in the product application document. Contact the Commonwealth Bank for more information.

Important information.

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