Driving e-Payment in Singapore

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e-Government Action Plan

Singapore is currently one of the most advanced e-Governments in the world, with about 90% of all government services feasible for e-delivery are made available to its citizens and businesses.

Riding on the 4th Wave of the National IT Plan, the e-Government Action Plan I (eGAP I) was launched back in Jun 2000 with a funding of US$850M. Three years later in Jul 03, eGAP II, a 3-year project backed by US$743M investment continued with its initial momentum.

In just over 5 years, the eGAP project delivers accessible, integrated and value-added public services through its Public Services Infrastructure (PSi), one of the world's first Government-wide, 24X7 Internet-based service delivery platforms. Besides making it easier for members of the public to communicate with government agencies online, payment services were introduced as early as 2001.

Initially only Virtual Cash card and credit card payment were offered but by late 2002, eNETS direct debit (using Internet Banking account of banks) became available and last year, the FlexiPay (GIRO On-Demand) payment mode which can be used for all online government agency services was introduced using SingPass (Singapore Personal Access) as the authentication mechanism.

Integrating Public, Private and People

With the aim to bring a far higher level of e-service delivery and convenience to individuals and businesses, the Singapore government announced in late Oct 2004, the "3P (Public-Private-People) Integrate" program. With 3P Integrate, integration of e-services would go beyond government services and public agencies were challenged to actively look for service integration opportunities with the private and people sectors.

One of the initiatives under 3P Integrate is the establishment of a national electronic payment hub that serves all billing organisations and consumers in Singapore. The objective is to provide a one-stop portal for the payment and presentment of both government and private sector bills through electronic means so that consumers no longer have to go to different websites to pay different types of bills.

Jointly driven by the Ministry of Finance (MOF) and the Infocomm Development Authority of Singapore (IDA), the system will consolidate all billing organisations under a central hub that offers secure and trusted electronic bill payments and related services to consumers.

The national payment hub has a relative bumpy ride dating back to 2001 with the original project undergoing several evolutions....

Inspired by some initial success in US, Australia and Norway in implementing the Electronic Bill Presentment and Payment (EBPP), Singapore started its journey with

SPRING Singapore and the IDA supporting an initiative to establish the technical standards for EBPP in Singapore.

Commissioning Gartner in 2001, the study was to identify the business framework and business practices that are required to support EBPP as well as developing a draft local technical standard that will promote inter-operability amongst the different market players. Following the completion of the study, the EBPP Business Workgroup was set up in Mar 2002.

Bank-Centric EBPP

The EBPP Workgroup led by the Association of Banks in Singapore (ABS) comprised 9 members from banks, billing organisations and bill consolidators so that private entities rather than the government would lead and pursue the initiative. The charter of the Workgroup was to develop a national framework, code of business practice and technical messaging standards to support EBPP in Singapore.

During the same period, Singapore saw the wide spread adoption of internet services and the emergence of many local e-service providers. Amongst these e-commerce companies were bill consolidators and billing service providers such as VPost, Can.com and ezBill eyeing the potential market size of 200M paper bills that were sent to consumers and business each year.

While there was general consensus that a "bank-centric" EBPP model would instill trust amongst consumers to adopt EBPP and make online payment; there were divergence in views regarding the business viability and the readiness of the general consumers to switch to viewing and paying electronic bills online. Funding cost of the infrastructure, revenue sharing model, ambition of individual organisations wanting to have a greater pie of the local EBPP business were some of the reasons that thwarted the progress of the EBPP initiative.

Assessing the stalemate situation, the government decided to take rein of the project and in 2003, the Technical Reference (TR 14:2003) for Singapore Electronic Bill Presentment and Payment (EBPP) shared infrastructure was published. Request for proposal was also initiated by the Ministry of Finance (MOF) and the IDA to work with partners to develop and operate the national payment hub.

Driving e-Payment

The government believes that electronic bills payment is a vital component to bring about widespread adoption of e-commerce. Being one of the biggest billers in Singapore, the government's involvement is deemed vital to jumpstart the process, and to bring together players from different sectors to establish a national e-payment hub that provides open access to all service providers and users in Singapore.

Recognising that EBPP will take time to be embraced by consumers and businesses, the national payment hub will initially include only online payment for governmental services with the later phase involving private sector bills. Electronic bill presentment will be added in subsequent phases.

Notwithstanding this phased approach, fundamental questions on whether consumers will switch to electronic payment for government related services remain. In Mar this year, the Ministry of Education (MOE) decided to implement online application and e-payment for the 40,000 students applying for post-secondary education but only to discover numerous hitches.

Firstly, many students either forgotten or misplaced their SingPass which were issued a year ago and then the eleventh hour rush for re-issuance of the SingPass and application brought the Joint Application System (JAS) down to a crawl. MOE also realised that many students and their parents don't have an internet banking account or credit card to complete the online payment process.

With lessons learned, the MOF launched a year-long programme to increase awareness of the various e-government services and to spur Singaporeans to transact with the government electronically.

As part of the campaign, a 6-month joint promotion by IDA, MOF and NETS which started last month will give online users a chance to win attractive prizes when they make government payments online via two modes of payment under the eNETS payment infrastructure.

The two modes of online payment include credit card and direct debit (via internet banking accounts). Online users can look forward to bagging home prizes sponsored by NETS, which include iPOD mini and HP notebooks in the weekly and monthly draws respectively. A 42" Plasma TV is also in the line-up for the grand prize draw in December.

With the government now in the driver's seat, we can be assured to see more public awareness and incentives programmes to promote usage of online government services in the months ahead. Viewing your electronic bills online and making e-payment using various payment modes may be a reality for Singaporeans after all.

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