Infosys Technologies submission

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT
Inquiry into the failed visa privatisation process and the implementation of other public sector IT procurements and projects

26 April 2024

GENERAL COMMENTS

Thank you for your invitation to Infosys Technologies (**Infosys**) to make a submission to the Joint Committee of Public Accounts and Audit (**Committee**) Inquiry into the failed visa privatisation process and the implementation of other public sector IT procurements and projects (**Inquiry**).

Infosys has reviewed the Inquiry's terms of reference (**Terms of Reference**) and has identified that it can assist the Committee by providing information in relation to:

1. The Department of Home Affairs' attempt to privatise the visa processing system;
2. The Department of Defence's Administration of Enabling Services – Enterprise Resource Planning Program: Tranche 1; and
3. Lessons learned.

The information provided by Infosys in this submission has been sourced to the best of our endeavours, noting the historical timeframe of some of the information being gathered, and we are committed to assisting the Committee with its Inquiry (including by providing any further relevant information that may become available to Infosys).

Infosys is a global leader in next-generation digital services and technology. With over four decades of experience in managing the systems and workings of global enterprises and government agencies, we guide clients in more than 56 countries. We enable them with an AI-first core, empower the business with agile digital at scale and drive continuous improvement with always-on learning through the transfer of digital skills, expertise, and ideas from our innovation ecosystem. We are deeply committed to being a well-governed, environmentally sustainable organisation where diverse talent thrives in an inclusive workplace.

Infosys has been conducting business in Australia for over 20 years and is proud of the work we do for the Government of Australia and other Australian clients.

With our Australian Head Office located in Melbourne and additional offices in Brisbane, Canberra, Perth and Sydney, we support clients across various sectors in Australia as they navigate their digital transformation powered by cloud and AI. Since opening our first office in the region in 1999, Infosys has experienced consistent growth, and now employ a team locally of over 5,000 employees.

> ### Terms of Reference – 1
> *Lessons from the failed attempt to privatise the visa processing system covering both stages:*
> *a. The abandoned first stage commenced by the Department of Home Affairs in 2017 for a new IT workflow system including the conduct of entities or persons involved—or interested—in that procurement process and any related matters; and*
> *b. The abandoned second stage including matters contained in or connected to Auditor-General Report No. 34 of 2022–23 - Procurement of the Permissions Capability;*

Response

We refer to clause 1 of the Terms of Reference.

First Stage – Global Digital Platform Tender

In around May 2017, Infosys responded to the Department of Home Affairs (then the Department of Immigration and Border Protection) market consultation paper in relation to the "Global Digital Platform". Infosys also responded to the subsequent request for expression of interest, progressing to Phase 2 (Scenario Based Design and Evaluation), however did not progress to Phase 3 (Co-design process).

In around April 2018, Infosys first engaged with Australian Visa Processing (**AVP**) (which later became known as "SecureFast"). Infosys understands that AVP had also participated in the Department's request for expression of interest process, including Phase 3 (Co-design process).

In around September 2018, AVP selected Infosys to be a subcontractor as part of its response to the Department's request for tender for the "Global Digital Platform". Infosys' role was to be system integrator of the technology behind AVP's tender proposal. AVP envisaged that Infosys' role as system integrator would include program management, integration of the platform technology, and technological support services (application and infrastructure management).

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AVP responded to the Department's request for tender.

In March 2020, the Department terminated the Global Digital Platform Tender.

Second Stage – Permissions Capability Tender

In October 2020, the Department issued a request for tender for a "Permissions Capability".

Infosys understood that the "Permissions Capability" tender was for a whole-of-government workflow processing capability.

In response to the "Permissions Capability" tender, AVP (which had become known as "Securefast Pty Ltd" (**SecureFast**)) again engaged Infosys to subcontract as systems integrator if it was to win the tender.

It was intended by SecureFast that it would remain the prime contractor supported by a number of subcontractors which included Infosys, PwC (intended business integrator), and Oracle (intended cloud platform provider).

SecureFast submitted a response to the Department's request for tender, however it was not successful, and the tender was ultimately awarded to another tenderer.

> ### Terms of Reference – 3(a)
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> *Lessons arising (likely considered via desktop review) from earlier Auditor-General's reports relating to IT procurement including:*
> *a. Report No. 1 of 2021–22 Defence's Administration of Enabling Services – Enterprise Resource Planning Program: Tranche 1*

Response

We refer to clause 3(a) of the Terms of Reference which concerns the Enterprise Resource Planning (**ERP**) Program: Tranche 1.

Infosys responded to an early Market Sounding Questionnaire, published by the Department of Defence in January 2016, in relation to the ERP Program.

Infosys ultimately decided not to pursue the ERP Program: Tranche 1. Instead, it decided to partner with IBM as part of IBM's response to the tender in the role of a subcontractor to IBM.

During IBM's response to the tender, Infosys supported IBM in developing its tender proposal, specifically regarding parts of the tender proposal which concerned testing and participated in other related activities as required by IBM.

The IBM tender proposal was successful, and Infosys performed testing services in relation to the ERP Program: Tranche 1, as subcontractor to IBM, during the period from around September 2019 to around December 2023 at which time Infosys' work on the ERP Program: Tranche 1 ended.

> ### Lessons learned from procurement processes

Infosys' involvement in government procurement includes large information technology (**IT**) projects for governments in Australia, New Zealand, Canada, the United States of America (**USA**), the United Kingdom (**UK**) and India.

This extensive global experience in procurement matters enables us to suggest a number of options that could be considered by policy-makers as part of ongoing

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improvements to procurement processes across the public sector in Australia.

In Infosys' view, successful public sector procurement processes in any jurisdiction should adhere to several fundamental principles:

(a) Selection of the best tenderer for the project.
(b) Ensuring taxpayers receive value for money.
(c) Fair and transparent awarding of contracts without any actual or perceived improprieties.
(d) Proper scoping and definition of the project.

While these principles may seem straightforward, the reality of procurement processes and subsequent project implementation, in partnership with public sector entities, can be complex in nature and may hinder effective delivery.

Infosys believes that every procurement is an opportunity to learn how to improve both the next project and the processes that underpin the entire public sector.

Based on our global experience, all parties involved in a tender typically strive to achieve mutually beneficial outcomes and meet the aforementioned principles.

For the purposes of this submission Infosys has identified three major themes for the benefit of the Committee, based on our global experience.

1. Scoping:

Accurate scoping of a project at the beginning is foundational to its success or failure. A project's scope not only enables government procurers to assess deliverables and outcomes accurately but also ensures the tendering company can provide realistic cost and time estimates. This is especially critical in procurements aimed at replacing legacy IT systems, as these projects often harbour hidden complexities that may surface only after commencement. This can result in additional costs in terms of both money and time. To facilitate proper scoping, it may be beneficial to involve selected tenderers in the process early on, perhaps through Joint Business Discovery Sessions or other touch points during the initial stages. Relying too much on very rigid, written processes may not provide the best outcome.

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2.	Project Management:

An important lesson learned by Infosys is the effectiveness of implementing changes in multiple waves in larger projects, each with its own measurable outcomes and timelines. This phased approach allows both the procurer and the tenderer to accurately gauge success at each phase. Furthermore, employing a phased method enables the procurer to mitigate internal risks by aligning change management initiatives (if not already part of the tender) with the timelines of the IT project. Given the multi-year nature of some of these projects, a well-thought-out transition process for key leaders becomes imperative, particularly within the government side of the arrangement where rotations and exits are commonplace.

In the context of Australia, with its relatively smaller population and skills base, large projects may derive distinct advantages from accessing offshore skills or bringing required expertise onshore from larger jurisdictions. While projects involving sensitive data must manage security risks (with some projects being unsuitable for offshoring altogether), those with limited security concerns may find it more time and cost-effective to leverage overseas skills, knowledge, and experience to some extent. Despite the benefits of offshoring, Infosys' experience suggests that site visits during critical phases, co-location of government and tenderer team members, can have a significant beneficial impact on delivery and decision-making.

For example, in a complex program undertaken for one of our public sector clients, Infosys established a Project Management Office (PMO) to manage the program, including scheduling, release management, project reporting, and change management for the work owned by Infosys. The client, with their understanding of the myriad risks associated with legacy system migrations, took on the challenging role of primary Systems Integrator. This dynamic proved to be a key factor in the program's success.

In addition, within the program, a Project Director managed multiple tracks of work owned by Infosys. However, this role reported directly to the client's Program Director, who held overall accountability for the program. This reporting arrangement ensured clear lines of communication and accountability throughout the project lifecycle, with efficient coordination and alignment of project activities across all stakeholders.

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3.   Governance:

While Australia typically boasts robust governance structures, our international experience suggests room for improvement in this area. Infosys advocates for strong governance processes, including establishing a steering committee for each project, comprising representatives from the procuring agency, the successful tenderer, and external probity advisors. As part of this approach, Infosys also recommends implementing an ongoing audit process for larger projects to ensure adherence to both the tenderer's bidding and implementation requirements and the procurer's adherence to government regulations in project management. This ongoing oversight can help maintain accountability and transparency throughout the project lifecycle, ultimately enhancing its chances of success.

Infosys implements robust governance models for projects containing the following characteristics outlined below.

- Senior Executive Connects, conducted regularly, providing a platform for senior executives from both organisations to discuss and address major risks and issues. Collaborative identification of mitigation strategies to ensure proactive management of challenges.

- Monthly Steering Committees providing transparent forums, and facilitating constructive dialogue and collective problem-solving; fostering a culture of continuous improvement and shared accountability.

- Weekly Project Status Meetings across all program tracks, ensuring alignment, progress monitoring, and prompt issue resolution. This consistent communication cadence helps keep project activities on track.

- Product vendors' involvement in the Steering Committees play a vital role in program success. Their participation enables informed decision-making on product-related matters, enhancing overall program effectiveness.

- Clear ownership and collaboration within the client organisation across various teams, including infrastructure, PMO, and operations. Close collaboration with Infosys ensures seamless integration and alignment of efforts toward common program objectives.

In summary, this governance model facilitates effective communication channels, transparency, and collaboration.

Infosys is committed to assisting the Committee with its Inquiry and would be pleased to elaborate further on the important issues that shape procurement within government at the national level.

ENDS