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Committee Secretary
Joint Committee of Public Accounts and Audit
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12 April 2024

Dear Committee

Inquiry into the failed visa privatisation process and the implementation of other public sector IT procurements and projects

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

KPMG notes the inquiry's expanded scope to look at public sector IT projects more broadly compared to the previously announced *Inquiry into the procurement of the Permissions Capability*. KPMG's involvement in the specific IT projects referenced in the Inquiry's Terms of Reference is limited and/or out of scope. Any work conducted by KPMG in relation to the permissions capability project commenced by the Department of Home Affairs¹ is subject to strict and ongoing confidentiality obligations.

To support the important work of the Committee, however, KPMG provides a submission at the [Appendix](#) containing general insights and lessons learned regarding the management of large IT systems that we consider relevant in the Australian Government context². The submission is provided through the lens of our work as an independent program assurer, with a strong focus on capability development.

KPMG supports large and complex transformation initiatives, including for government, which involve significant stakeholder management. We provide continuous assurance and informal insights across management, delivery and technical capability. Our work is often used to help identify emerging risks and issues and inform management decision-making.

KPMG Australia looks forward to continuing to support the work of the Committee.

¹ Terms of Reference, Item 1.

² Terms of Reference, Item 7.



Joint Committee of Public Accounts and Audit
12 April 2024

Yours sincerely,

Dean Grandy
Global Digital Government Lead Partner &
National Lead Technology Partner
Infrastructure, Government and Healthcare



Appendix: KPMG insights on 'lessons learned' as an independent program assurer

Introduction

All IT (technology, data and digital) projects are complex in their scale, technical requirements and change needs, particularly so in a government context. They typically take place over long timeframes, spanning changes in Government, leadership and technical currency. They require extensive engagement and support from all layers of government - ministerial, departmental, bureaucratic - and across agencies.

KPMG is also aware, both in our capacity as advisors to government and as beneficiaries of public services, of the enormous value that technology projects can deliver for the public sector and its many stakeholders.

However, delivering on the potential of technology projects is no small task. IT projects often combine the complexities of large, cross-agency programs – coordination, financial management and knowledge management – with the unique challenges of technical and specialist work. Through our work with government, KPMG has identified three strategies that, when implemented, can significantly de-risk and improve the success of large-scale technology projects, thus enhancing capability development:

Sponsorship

In our experience, the authorising environment in which a program sits is the most important factor for success. Not only do programs rely heavily on political goodwill for initial funding and initiation, but also for maintaining momentum, urgency and buy-in over the program's lifetime. Over the past decade, we have observed programs abandoned, descoped or redirected with changes in governments, ministers and policy agendas. As such, securing political sponsorship before program commencement, and being proactive in re-engaging in the face of environmental challenges, is essential for the successful delivery and completion of large ICT programs.

We have also learnt that support and buy-in across agencies is necessary for success. Although cross-agency collaboration can at times be challenging, co-sponsorship amongst executives can also enable quick decision-making, easily accessible consultation and engagement processes, and the sharing of data and resources.

Working with design and delivery partners

In our experience, robust, transparent and trusting engagement with delivery partners on an ongoing basis enables government to explore the capabilities of suppliers, better define the scope of work and increase the government's knowledge base about industry capability. This ongoing dialogue is a key part of ensuring fit-for-purpose responses, decreasing duplication, de-risking large-scale IT procurement and increasing efficiency for the Australian Government.



In our view, current procurement processes can limit the ability of the Australian Government to engage with suppliers, sometimes impacting the ability to maximise value for money. Procurement practices could be enhanced to facilitate closer, more confident engagement and fast iteration between government and delivery partners, without undermining the capacity of those practices to deliver fairness and probity.

Program design and decision-making

In our experience, outcomes-focused leadership, decision-making and program structures are critical for the success of IT programs. High-level and common project architectures should be designed to facilitate and enable fast, high-quality decision-making.

Leadership

Over time, we have observed a broad range of program leadership styles, with different balances of business and technical experience. However, in a large IT program of work, it is often technical trade-offs that will drive changes in scope, cost, time and feature parity. Appointing Senior Responsible Officers who are tech-literate with relevant experience should generally ensure that these decisions are made with appropriate expertise and help achieve the program's objectives in line with government expectations and priorities.

Facilitative Governance

Governance must be facilitative, fit-for-purpose and enable rather than delay decision-making. We have observed programs hindered by one-size-fits-all, process-heavy governance structures and reporting cadences. This can lead to continuous reporting (often incorrect and out of date) from working levels that do not effectively relay key information to decision-makers and leadership. Over time, this can slow or prevent decision-making, and reduce accountability at all levels. Together, this can significantly slow or impede program progress and obscure real risks and issues requiring mitigation and action.

Governance should be designed on a trust basis to fit the program's needs, so that working levels feel empowered to escalate as required, and leaders can make confident and informed decisions.

Authority

Over the past decade, we have observed a tendency by governments to separate program functions, roles and responsibilities, assigning each to multiple, separate suppliers. While KPMG appreciates that this has probity advantages, it also introduces significant delivery complexity for the Australian Government, which must procure,



manage and integrate these separate functions. Often, the integration role is also outsourced, further diluting governmental authority and reducing long-term government capacity.

In our view, a balance must be struck between probity practices and the ability to retain strong integration and coordination capability for the Australian Government. This balance needs to be right for each individual program but should be considered with the successful outcomes of the program in mind.

Managing complex IT programs in the Australian Government requires a focus on capability development. Compact and fit-for-purpose program design, tighter coupling of all levels of government, and a renewed focus on outcomes will lead to more successful programs. By emphasising capability development, the Australian Government can enhance its IT systems and continue to deliver favourable outcomes for the public sector and its stakeholders.