Joint Committee of Public Accounts and Audit
ANSWERS TO QUESTIONS ON NOTICE
Inquiry into the failed visa privatisation process and the implementation of other public sector IT procurements and projects
Public Hearing – 24 April 2024

Department/Agency: Digital Transformation Agency
Topic: Investment advice on NPPs and digital profession
Asked by: Julian Hill
Type of question: Written
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Question:
1. In its submission the DTA notes that where DTA considers NPPs are falling short of government expectations, the DTA provides independent advice to de-risk proposals or defer consideration of the digital elements.
    a. How frequently does the DTA raise concerns about the quality of ICT-related NPPs?
    b. What are the main areas of concern observed/addressed by the DTA during this review (such as agency lack of capability, budget etc)?
    c. In the DTA's opinion what are the main issues impacting successful delivery of ICT projects by the APS?
2. What are the main areas of skills gap in the public sector to deliver large ICT projects (as observed by the DTA)?
3. How does the Digital Profession set measurable goals in relation to upskilling APS staff in this area and track progress against milestones/goals?

Answer:
1a) Entities must obtain the Digital Transformation Agency's (DTA) approval that the ICT elements of a New Policy Proposal align with whole-of-government ICT policies before it can be brought forward for consideration (see pages 8 and 28-29 of the Budget Process Operational Rules https://www.finance.gov.au/sites/default/files/2024-05/budget-process-operational-rules_0.pdf). This includes consideration of proposals as part of the ICT Investment Approval Process for digital and ICT-enabled investments which involves larger, more substantial digital and ICT-enabled proposals which have a total whole-of-life cost estimated to be $30 million or more, including total whole-of-life digital and ICT costs of $10 million or more. For further information, visit https://www.dta.gov.au/help-and-advice/digital-and-ict-investments/ict-investment-approval-process.

In terms of 'frequency' and DTA engagement, all agencies are required to engage with the DTA on every digital and ICT-enabled proposal to provide guidance on how the proposed investment could be improved, including options to strengthen delivery success of projects to scope, budget and schedule, prior to an investment decision being considered by ERC.

1b) and 1c) The DTA typically reviews and assesses (contests) several hundred proposals throughout the course of a Budget cycle. There is a requirement in the Budget Process Operational Rules that agencies engage with the DTA on all proposals. The degree of engagement depends on the size and risk of the proposal. Over time, the DTA has identified the following general themes areas that would benefit from some uplift in capability across government:

- Planning:
    - investment in developing user requirements, resource planning and potential skill shortages, and capacity challenges (of Government agencies and vendors)
    - sequencing concerns in delivery (e.g., trying to do too much at once or accelerating delivery of the digital solution ahead of the legislative requirements being clear.)
- General low level of project delivery capability across government

2) The 2022-23 State of the Service Report released in September 2023 by the Australian Public Service Commission (APSC) identifies that 76% of agencies have critical skill shortages in Digital and ICT making digital and ICT the number 1 reported capability shortage area. Specific roles within the digital job families that have been reported by agencies include systems analyst, cyber architect and performance tester. This is consistent with the DTA's understanding of project delivery risk with resourcing among the most common identified risk in projects with significant ICT or Digital spend.

Through the Data and Digital Government Strategy, released jointly by DTA and the Department of Finance in late 2023, the Government recognises the need for a variety of skills and capabilities to support the implementation of data and digital technologies across the APS and has committed to the development of a Whole-of-APS Digital Workforce Plan. The plan will represent an enterprise-wide view on how to equip the APS workforce to tackle immediate and emerging skills required for digital technologies. It will identify a suite of actions under key principles to guide Australian Government agencies to empower and skill their workforce with the capabilities needed to thrive in the digital space.

Experience shows that leaders of digital projects across the Australian Government play a vital role in giving these projects the best chance of successfully delivering expected outcomes. The DTA is currently working to identify mechanisms to better support these leaders. In partnership with Digital Victoria, the DTA trialled a senior responsible officer education program in 2023 with participants drawn from across 15 agencies. Work is underway to consider how this program might be rolled out more broadly as well as uplifted to best meet the needs of digital project leaders in the Australian Government.

3) The Australian Public Service Commission (APSC) has developed a comprehensive framework to monitor the digital capability of the APS workforce. The evaluation of learning programs (including those provided through the Digital Professions) is only one of the four objectives that are tracked: the other three are the attraction, retention, and deployment of digital talent. For each objective, the framework monitors a number of indicators which are gathered from multiple data sources. For the evaluation of learning programmes, for example, it measures attendance, learning gain and application of the material to the work context.