



Senate Standing Committee on Community Affairs: National Cancer Screening Register Bill 2016

AIIA Response

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About AIIA

The Australian Information Industry Association (AIIA) is Australia's peak representative body and advocacy group for those in the digital ecosystem. AIIA is a not-for-profit organisation that has, since 1978, pursued activities to stimulate and grow the digital ecosystem, to create a favourable business environment and drive Australia's social and economic prosperity.

AIIA does this by: providing a strong voice on policy priorities and a sense of community through events and education; enabling a dynamic network of collaboration and inspiration; and curating compelling content and relevant information.

AIIA's members range from start-ups and the incubators that house them, to small and medium-sized businesses including many 'scale-ups' and large Australian and global organisations. We represent global brands including Apple, Adobe, EMC, Deloitte, Gartner, Google, HP, IBM, Infosys, Intel, Lenovo, Microsoft and Oracle; international companies including Optus and Telstra; national companies including Ajilon, Data#3, SMS Management and Technology and Technology One. While AIIA's members represent around two-thirds of the technology revenues in Australia, more than 90% of our members are SMEs.

Our national board represents the diversity of the digital economy; more detailed information is available on our [web site](#).

Overview

AIIA welcomes the opportunity to provide a submission to the Senate Standing Committee's enquiry regarding the National Cancer Screening Register Bill and the National Cancer Screening Register (Consequential and Transitional Provisions) Bill 2016.

AIIA strongly supports establishment of the National Cancer Screening Register (NCSR). We understand that establishment of the Register is complex, exacerbated by tight delivery timeframes and we are acutely aware of the privacy and security implications for any government or non-government organisation responsible for the service. Given the sensitive nature of the information stored, we acknowledge the need for information contained in the Register to be stored in Australia.

However, we are deeply concerned by the proposed amendments excluding the private sector at the conclusion of a rigorous and, as we understand it, transparent procurement process.

We are also concerned that amendments fly in the face of broader government commitments to work more closely and collaboratively with industry to achieve improved (and innovative) citizen facing services and outcomes, more efficiently and cost effectively.

Undermining of Procurement and Probity Arrangements

The proposed amendments excluding the private sector, notwithstanding the completion of a rigorous and fully compliant procurement process, undermines the integrity of government procurement processes and risks industry confidence to engage with government.

AIIA has been a vocal advocate of improved Commonwealth procurement arrangements. Existing arrangements are fragmented, onerous and inefficient - with multiple panels, requiring multiple, different requirements, refreshed at different and sometimes ad hoc intervals and with no guarantee of any return on the investment made by companies. This is exacerbated by protracted tender, evaluation and approval processes. The cost for business to compete in the government marketplace is high - for all businesses, large and small. This is notwithstanding that it is in the interests of government to drive a contested, competitive market environment.

To seek to exclude a contracted provider from a procurement outcome which was subject to an open competitive process on the basis that it is a private company, some 13 months after the release of the Request for Tender (RFT) seriously undermines the procurement process. As we

understand it, there were no caveats for respondents, other than they meet the compliance requirements of the bid, including stringent privacy and security mandates in accordance with the Commonwealth's Protective Security Policy Framework and the Privacy Act. The proposed exclusion of the private sector in the current circumstances and on the basis that the contract has been awarded to a private firm raises serious alarm bells for industry.

First, it puts into question the impartiality of government procurement processes, particularly where government procurement practices have been adhered to and an informed decision has been made.

Second, it disregards the considerable cost and resource effort of businesses that participate in and comply with the Government's own procurement processes.

Third, it is at odds with broader government (and Opposition) pronouncements of the need to engage industry to promote innovation, drive value for money and quality service outcomes.

Fourth, it puts in jeopardy the many other government services which are delivered into market by 'for profit' private sector organisations, irrespective of the longevity of such arrangements. For example, the MyHealth Record, various hospitals systems, telecommunications systems and services delivered on behalf of agencies including the ATO, Department of Human Services etc - operated without incident by private sector organisations.

Alla is deeply concerned about the precedent this action sets for future procurement and more importantly, the impact on industry and individual supplier confidence in doing business with government.

Suppliers understand that they enter into competitive procurement processes at their own risk. They understand their market and that they may not be successful and make their investment decision in these processes accordingly. Their decisions however, are premised on the confidence that the integrity of the procurement process will be honoured and to the extent that government makes clear its requirements that they will be competing on a level playing field.

The proposed amendments excluding the private sector and the risk that a decision made by a major government agency in accordance with mandated procurement and probity processes could be overturned, will deeply undermine industry's confidence in, and preparedness to work with government. The implication of this over time will inevitably be less innovation, less competition, reduced choice, increased cost and ultimately reduced service quality.

Government has a public responsibility to ensure it fosters a competitive, high quality and sustainable marketplace in which industry can engage with confidence.

Government needs industry to drive innovation

The Commonwealth Government spends some \$5.6 billion annually on ICT.

According to the 2015-16 World Economic Forum (WEF) Global Competiveness Report, Australia ranks 70 out of 140 countries in government procurement of advanced technology products. In the WEF 2016 Global Information Technology Report, we rank 47th out of 139 in terms of government understanding the importance of technology to achieving their vision.

Despite the enormous investment the government makes in supporting its technology infrastructure, Australia's performance in leveraging contemporary digital technology falls well below some of our international peers.

The role of private industry in helping governments drive innovation and efficient and effective citizen outcomes is well documented. The adoption of cloud, specifically the 'Cloud First' commitments and 'as a service' procurement and operating models of all states and territories; the explicit public/private partnership commitments in the recent national Cyber Security Strategy; recognition of the need to draw on industry innovation to build more customer centric service



models - to name a few examples, demonstrate the critical role that industry plays in stimulating processes and services that enable government to operate more efficiently and effectively.

To remain competitive, companies and government need to innovate continuously. The imperative to find new approaches, products and services drives innovation on the one hand and cost competitiveness on the other. By heightening community expectations the private sector also drives innovation in the public sector by increasing the public's awareness of those areas where the public sector is not keeping pace.

Extrapolating research in the private sector that shows that customers and suppliers are leading sources of innovations ([Thornton 2009](#)), the same must apply to the public sector in terms of its partnerships with business.

By partnering with a diversity of small, medium and large sophisticated technology service providers, governments can access the expertise of industry to develop and deliver the best available technology to support new approaches to policy and program delivery. Industry can bring expertise from other jurisdictions, including offshore, and translate it into the Australian government environment. New capabilities can be developed as industry invests to advance the technology and create innovative new solutions. This model of engagement enables government to operate more flexibly and respond quickly to service delivery pressures and continually focus on the delivery of outcomes.

Further these partnerships allow governments to share risk and to leverage the investments that other organisations have already made in developing new ideas and systems.

In other words, business is not only an important supplier to government but a rich source of new ideas and innovation. For government to effectively exclude the private sector from working with it to provide complex and costly service solutions to citizens (or to do so at a whim), risks their ability to provide the scope and quality of services that citizens have come to expect.

In an increasingly hyper-connected, tech-savvy, globally-competitive economy, no single organisation, private or public, will likely have the ability to develop all necessary innovations in-house ([Eggers and Singh 2009](#)).

As noted earlier, many private sector businesses already assist government across a range of health support and service areas. Hospital systems for example, could not operate without system support from private companies. The MyHealth Record system (previously the Personally Controlled Electronic Health Record) has similarly engaged a range of private sector companies to build, support and operate key components of the system. To preclude a private business in the development of the NCSR would be at odds with existing practice. It would also risk undermining community confidence in existing health systems that have operated, without incidence, and in full compliance with privacy and security requirements for some time.

Given the nature and tone of the proposed amendments to the NCSR Bill, AIIA is deeply concerned that the crucial role business plays in driving innovative and cost efficient and effective services in government is at risk of being overlooked and that this will occur at the expense of future citizen-facing service innovation.

Conclusion

AIIA reiterates concerns on behalf of industry that the proposed amendments emanate from a decision to award a contract to a private business.

An amendment to the Bill which seeks to overrule what has been a transparent, competitive, open and compliant tender process, overseen by thorough and well-tested probity arrangements, not only undermines Commonwealth procurement policies and processes but raises industry concerns regarding the motivation behind these amendments, and hence the potential extension to existing agreements. Industry engages openly with government on the basis of mutual trust and confidence. The proposed amendments to the NCSR Bill put this at risk.

