



Australian Government

Australian Government response to the
Senate Finance and Public Administration References
Committee report:

Digital delivery of government services

APRIL 2019

RECOMMENDATION 1

With the increasing demands for government to improve the digital delivery of services and functions, the committee recommends that the government undertake a review of the digital, cyber and data policy functions performed across government—and then establish key digital performance measures shared and reported across departments and agencies.

Response

The Australian Government (the Government) notes the recommendation.

The Government has a coherent strategy to implement digital transformation and is committed to measuring performance. Delivery of digital transformation in government is supported by ministerial engagement and oversight through the Digital Transformation and Public Sector Modernisation Committee of Cabinet. One of the Committee's objectives is to modernise the Australian Public Service (APS) so that it is best structured to meet the challenges of digital delivery of government services.

In November 2018, the Government launched the Digital Transformation Strategy (the Strategy) and Roadmap, outlining a set of clear goals and milestones for delivering better government services through digital transformation. The Strategy sets out a clear Roadmap of initiatives over the next two years, along with objectives the Government will measure its progress against. The Government will hold itself to account through an annual report on progress. The Government's Digital Service Standard also includes a set of thirteen criteria to which government digital services are assessed and publicly reported against.

The Government notes that data policy and cyber security have been subject to recent comprehensive reviews. The Government response to the Productivity Commission's Inquiry into Data Availability and Use was released on 1 May 2018 and the Government is now implementing a series of data reforms including establishment of the Office of the National Data Commissioner, new data sharing and release legislation, and a Consumer Data Right.

The Government has also recognised the recommendations of the 2017 Independent Intelligence Review as a sound basis to reform Australia's intelligence, implementing major reforms as a result. This includes boosting the nation's cyber security functions and appointing a head of the Australian Cyber Security Centre (ACSC) as the single focus of cyber security accountability to the Government. The ACSC provides a co-location environment for specialists across Government to collaborate with industry representatives and staff from the Department of Home Affairs to support whole of government cyber security policy advice. Progress updates tracking implementation of the Government's four year Cyber Security Strategy are publicly available online.

Senior executives across the APS work closely together, such as through the Secretaries Board and the APS Reform Committee, to share best practice and to ensure a clear and coordinated approach to the Government's digital transformation.

RECOMMENDATION 2

The committee recommends that the success of government digital transformation should prioritise measurement of user experience—as this is likely to also drive process improvements beyond simply the application of digital technology.

Response

The Government supports the recommendation and notes it is already progressing action on this issue.

The Government agrees that user experience is critical to the success of digital transformation. The Government has placed user experience at the centre of its Digital Transformation Strategy. The Strategy outlines three strategic priorities: Government that's easy to deal with; Government that's informed by individuals and businesses; and Government that's fit for the digital age.

User experience is also a core component of the Digital Service Standard. The Government publicly reports on performance against the Digital Service Standard, including user satisfaction, through the Digital Transformation Agency's (DTA) Performance Dashboard.

RECOMMENDATION 3

The committee recommends that the government deliver an annual Ministerial Statement on Digital Transformation that reports on cross-portfolio progress to improve digital transformation, identifying leading performance in departments and agencies and also publicly explaining steps to lift performance on projects failing to meet budget or delivery expectations.

Response

The Government notes the recommendation.

The Government agrees it is important to identify and share examples of leading performance of digital transformation across the APS and be transparent in efforts to lift performance of projects. The Digital Transformation Strategy commits to an annual report that will demonstrate transparency on progress, including success and next steps for improvement.

The DTA leads development of strategies and guidelines to assist departments and agencies to digitally transform and share best practice across the APS. Clear and coordinated governance arrangements support senior executives across the Government to work closely together and share learnings on digital transformation.

The Government has convened the Australian Digital Council (ADC) to drive collaboration and deliver improved government services to people and businesses. Through the ADC, the Government is working with state and territory governments to share insights and experiences of data and digital transformation initiatives. The ADC is streamlining citizens'

engagement with governments by bringing all jurisdictions together and identifying best practices.

The Government recognises the importance of communicating the benefits of digital transformation to the public. The Government Senators' dissenting report notes several examples of recent digital success stories, including the installation of SmartGates which will allow 90 per cent of travellers to self-process at the border, and the myTax service which allows people to quickly and easily lodge tax returns online with information pre-filled from employers, banks and government agencies.

RECOMMENDATION 4

The Committee recommends that the government establish a regular timetable to independently audit ICT contracting and subcontracting arrangements to identify whether government is taking on a level of risk that is consistent with the contract price and community expectations - and to help identify or improve contracting standards or set better principles based approaches to future contracting.

Response

The Government notes the recommendation.

The Government agrees that accountability and transparency are critical to building public confidence in government. Individual departments and agencies are accountable for the management and delivery of their ICT and digital projects. Each agency is responsible for determining project risk, contracting or external vendor requirements and value for money considerations in line with Commonwealth Procurement Rules and the Commonwealth Risk Management Policy. When considering an appropriate level of risk to take, each agency should consider their appetite and tolerance for that risk and manage that risk in accordance with their agency's risk management framework.

The Auditor-General for Australia is responsible under the *Auditor-General Act 1997* for auditing public sector entities. The Auditor-General is assisted by the Australian National Audit Office (ANAO) to support accountability and transparency in the Australian Government sector through independent reporting to Parliament, and thereby contributing to improved public sector performance. Digital and ICT projects, including any contracting arrangements, are subject to ANAO processes.

The DTA is leading work to improve the Government's ICT procurement processes, in response to the findings of the ICT Procurement Taskforce in 2017. These procurement reforms include establishment of a Digital Marketplace to support small to medium enterprises engagement in Government contracts, the ICT Contract Capped Term and Value policy and the Digital Sourcing Framework.

RECOMMENDATION 5

The Committee recommends that departments examine project budgets to identify and eliminate unnecessary spend on contractors, consultants and external vendors. Further, it should consider developing a longer term strategy to build internal public service capability to help drive the development or in house build of digital activities regularly contracted out by government.

Response

The Government notes the recommendation.

The Government notes that the overall cost of government administration, which includes public sector staffing, consultants and contractors, is falling as a proportion of overall government expenditure, from 8.5 per cent in 2007-08 to 6.8 per cent in 2017-18, and to 5.6 per cent by 2021-22.

The Government understands that in order for the APS to deliver the best services to citizens, it must continually examine its capabilities to ensure they are fit for purpose. Under the *Public Governance, Performance and Accountability Act 2013*, Accountable Authorities are accountable for their ICT and digital projects, including decisions about the required capabilities to support delivery. Agencies make decisions on their internal digital development needs or the need to source external expertise.

Contractors may be the most appropriate delivery mechanism and provide best value for money in certain circumstances. It is appropriate to rely on contractors and consultants where there is a temporary need for particular expertise such as for short-term projects or pilots, to address temporary peaks in workload, or to acquire expertise or specialist skills from outside government.

To support individual agency activities, the Government has invested \$13.9 million over three years from 2017-18 to improving the digital skills of the APS and strengthening in-house digital capabilities. The DTA is working with the Australian Public Service Commission (APSC) to deliver the Building Digital Capability program, complementing the APSC's existing data literacy training. The DTA offers a range of support services and training to build APS digital capability. Capability improvement is a core part of the Government's Digital Transformation Strategy.

In May 2018, the Government commissioned a major independent review of the APS (the APS Review). Without pre-empting the Independent Panel's findings, the Government notes that the terms of reference state that the APS Review will examine the capabilities, culture and operating models to ensure the APS is fit for purpose for the coming decades. The Independent Panel will report back to Government in the first half of 2019.

RECOMMENDATION 6, 7 and 8

6 – The Committee recommends that the Australian Public Service Commissioner be tasked with developing a whole-of-government Australian Public Sector Information and Communications Technology career stream with mandated competencies and skill-sets for Information and Communications Technology professionals, government procurement officers, and Information and Communications Technology project managers.

7 – The Committee recommends that the government routinely report on how it intends to lift the number of digital apprentices and trainees that it is currently recruiting into the public service.

8 – The Committee recommends that the DTA be tasked with developing education and training initiatives to enhance the digital competency of all APS employees, including SES officers.

Response

The Government notes the recommendations.

The Government agrees that digital capability is a key skillset for the APS, and recognises the importance of providing pathways for ICT and digital specialists to join the APS workforce as well as education and training initiatives to build the digital capability of existing staff.

The DTA supports Digital Entry Level Programs to help APS agencies attract, select, uplift and retain digitally skilled employees. Since commencement of the first program in 2007, there have been 1135 participants in the program. One of the Entry Level Programs is the Digital Apprenticeship Program which supports year 12 graduates (or equivalent) to enter the APS and develop their digital skills. Apprentices work full-time while they study a range of ICT courses to support further development. Other Entry Level Programs include cadetships and programs for university graduates.

These programs are additional to department and agency specific programs to attract ICT specialists; for example the Department of Human Services' STEM (Science, Technology, Engineering and Mathematics) Scheme attracts ICT graduates.

As part of the Building Digital Capability program, the DTA and APSC have developed a series of learning design standards for specialist digital roles. A digital leadership program is also being delivered to support senior executives to drive digital culture across their agency. The DTA and APSC are also implementing a strategy to attract and retain digital professionals through:

- Tailored recruitment practices
- Clear career pathways for digital professionals within the APS
- Digital assessment methodologies and training to assist existing APS staff transition to digital careers

- Expanding entry-level programs.

The DTA provide a range of other digital education and training initiatives including:

- Digital Service Standard training and online help and guidance
- The Women in IT Executive Mentoring program which provides coaching and mentoring for women to develop leadership skills and to increase female participation in digital leadership roles
- Agency-specific partnerships to assist in the building or redevelopment of digital services
- Regular workshops and guest speakers in areas such as user research and service design
- Communities of practice across the APS.

In addition to these specific initiatives, the Government is committed to ensuring the APS is fit for purpose, including that the skills and capability of the APS support successful delivery of ICT and digital projects.

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ADDITIONAL COMMENTS BY THE AUSTRALIAN GREENS SENATORS

RECOMMENDATION 1

The Australian Greens support the recommendations made by ACCAN in their submission.

Response

The Government notes the recommendation made by the Australian Greens Senators. The Government notes that a key theme of the Australian Communications Consumer Alliance (ACCAN) submission is the importance of the accessibility of digital services. The Government agrees that its digital services must be accessible to citizens and notes it is already progressing action on this issue.

The Government's Digital Transformation Strategy has a strong emphasis on accessibility of services. This covers online services, including accessibility for people in regional areas, people with disabilities, and other barriers that may affect people's ability to access services online. Its objectives include providing access to alternatives where people are unable to access services in a digital way.

Accessibility of services is already being improved through initiatives such as the Digital Service Standard. It aims to help make government services easier, simpler and faster – including for vulnerable groups and those with a disability. As part of the Standard, services must be accessible to users regardless of their digital confidence or access to a digital environment.