Australian Government
Digital Transformation Agency

Digital Transformation Agency

Annual Report

2016–17

dta

Page intentionally left blank

Digital Transformation Agency

Annual Report

2016–17

dta

Our vision

Government services are transformed to better meet user needs.

Our mission

We partner with departments and agencies to transform government services. We inspire, demonstrate, enable and assure successful service transformation.

Enquiries about the content of the annual report and the use of this document are welcome at:

Communications and Engagement Branch
Digital Transformation Agency
PO Box 457
Canberra ACT 2601
Email: dtacomms@digital.gov.au
Website: dta.gov.au

The electronic version of this report is available at
www.dta.gov.au/annual-report-2016–17
email: dtacomms@digital.gov.au

ISSN: 2208-6951 (Print)
ISSN: 2208-6943 (Online)

© Digital Transformation Agency 2017

With the exception of the Commonwealth Coat of Arms and where otherwise noted, all material presented in this document is provided under a Creative Commons Attribution 3.0 Australia licence.

The details of the relevant licence conditions are available on the Creative Commons website (creativecommons.org/licenses/by/3.0/au), as is the full legal code for the licence (creativecommons.org/licenses/by/3.0/au/legalcode).

This document must be attributed as the
Digital Transformation Agency Annual Report 2016–17.

Visual design by Digital Transformation Agency
Layout by giraffe.com.au
Printing by Elect Printing

Australian Government
Digital Transformation Agency

dta

PO Box 457
CANBERRA ACT 2601
dta.gov.au

11th December

The Hon Angus Taylor MP
Assistant Minister for Cities and Digital Transformation
Parliament House
Canberra ACT 2600

Dear Minister

I am pleased to present the inaugural Digital Transformation Agency's Annual Report for the year ending 30 June 2017.

The report has been prepared in accordance with applicable obligations of the *Public Governance, Performance and Accountability Act 2103* (PGPA Act).

The report information contains details of the Agency's general organisation, administration and performance to 30 June 2017, as well as the DTA's audited financial statement as required by section 43(4) of the PGPA Act.

In accordance with Commonwealth Fraud Control Framework, the agency has appropriate fraud risk assessment and plans in place.

I wish to acknowledge the dedication of all DTA employees and their continuing commitment to supporting the government's vision of digital across Australia.

Your sincerely

Gavin Slater
Chief Executive Officer

Contents

01 **Agency overview** 1

Chief Executive Officer review 2

Evolution of the DTA 4

Organisation structure 7

Leadership team 8

02 **Agency performance** 11

Agency overview 12

Whole-of-government transformation 17

03 **Management and accountability** 27

Management and accountability 28

04 **Financial** 41

Financial performance 42

Purchasing and procurement 44

Consultancies 45

Advertising and market research 47

Financial statements 48

05 **Appendices** 81

A: Order to establish the DTA 82

B: Agency performance statement 83

C: Publications and speeches 97

D: Environmental performance 105

E: Information Publication Scheme 106

F: Glossary 107

G: List of requirements 109

H: Index 113

01

Agency overview

Section content

Chief Executive Officer review	1
Evolution of the DTA	3
Organisation structure	7
Leadership team	8

Chief Executive Officer review

I am pleased to present the 2016–17 annual report for the Digital Transformation Agency, which outlines the progress we have made to move more government services to digital channels, improve the user experience and achieve better returns on the government's Information and Communications Technology (ICT) spend.

I was delighted to be appointed as Chief Executive Officer on 1 May 2017 and thank my predecessor Nerida O'Loughlin for her leadership while she was interim CEO.

Over the past year, the agency has delivered and progressed important programs of work and has taken on new ICT and digital functions as a result of a new and strengthened remit.

This included taking responsibility for ICT procurement, a new oversight and advisory role of the government's major ICT projects and managing the government's ICT entry-level programs.

Among our achievements, we set up a Digital Investment Management Office to provide oversight and advice to government on its whole ICT and digital project portfolio.

We developed and delivered a performance dashboard for agencies to publicly report on how their services are performing and we expanded our Digital Marketplace platform to deliver better opportunities for government and the private sector to do business.

We have progressed a whole-of-government content strategy to improve the content government websites deliver to users, and a strategy to move more government agencies onto secure cloud.

Our partnerships work with agencies to develop, deliver and improve their service delivery has helped to build digital skills capability in public service teams.

By adopting agile project methodologies, applying the Digital Service Standard and drawing on our stock of tools and guides, skills are transferred to public service staff working in joint project teams. Our work with the Department of Human Services to deliver important improvements to the myGov portal is a good example of this.

With the ICT entry-level programs moving within our remit, we have also supported the recruitment of exciting new talent joining the public service as ICT apprentices, cadets and graduates. The new recruits are part of our digital future and will play an instrumental role in helping to uplift digital capability across government.

I believe the DTA is well positioned to support the government's key objectives, which are to:

1. move more services to digital channels
2. improve the user experience for individuals and businesses
3. improve the return on ICT and digital investment.

For the coming year, we will focus on:

- developing a digital transformation roadmap
- delivering and improving shared digital platforms
- overseeing and advising on ICT and digital investment
- transforming ICT procurement
- building Australian Public Service ICT and digital capability.

I look forward to working with our colleagues across the public service and the private sector to deliver on these priorities.

I am excited about the opportunities ahead and thank the DTA for its commitment to leading the transformation work.

Gavin Slater
Chief Executive Officer

Evolution of the DTA

Demand for digital government services has been rapidly growing for many years. People are more reliant on digital channels than ever before, and expect a quick and simple engagement with government, just as they have with business.

The DTA was established in response to this user need. It was also important to break down government siloes that limited innovation and instead benefit from shared experiences, insights and platforms. By building digital capability within government we can ensure that our people and infrastructure are prepared for the digital innovations of the future.

January–March 2015

Establishment of DTO announced

On 23 January 2015, the Prime Minister and the Minister for Communications jointly announced that a Digital Transformation Office (DTO) would be established. The Order to Establish the Digital Transformation Office as an Executive Agency was signed by the Governor-General on 12 March 2015.

1 July 2015

DTO CEO appointed

The DTO was established as an executive agency under the *Public Service Act 1999* and housed within the Department of Communications. Paul Shetler was appointed inaugural Chief Executive Officer of the Digital Transformation Office.

21 September 2015

DTO transferred to Prime Minister and Cabinet portfolio

The DTO was transferred to the Prime Minister and Cabinet portfolio overseen by the Assistant Minister for Cities and Digital Transformation.

14 October 2016

DTA announced

The government announced the formation of the Digital Transformation Agency (DTA) to absorb the DTO and extend its functions to include oversight over major ICT projects, increasing transparency of these projects and accelerating the delivery of the digital transformation agenda.

24 October 2016

DTA Interim CEO appointed

Nerida O'Loughlin started as interim CEO of the DTA.

27 October 2016

Orders to rename agency signed

The order to rename the Digital Transformation Office and specify functions for the Digital Transformation Agency was signed by the Governor-General and came into effect. (*Appendix A page 82*)

15 December 2016

Machinery-of-government change one

Machinery-of-government changes transferred responsibility and resources for whole-of-government ICT policy and strategy functions from the Department of Finance to the DTA.

April–May 2017

DTA CEO appointed

On 5 April 2017, the appointment of Gavin Slater as Chief Executive Officer of the Digital Transformation Agency was announced. He took up the role as CEO on 1 May 2017.

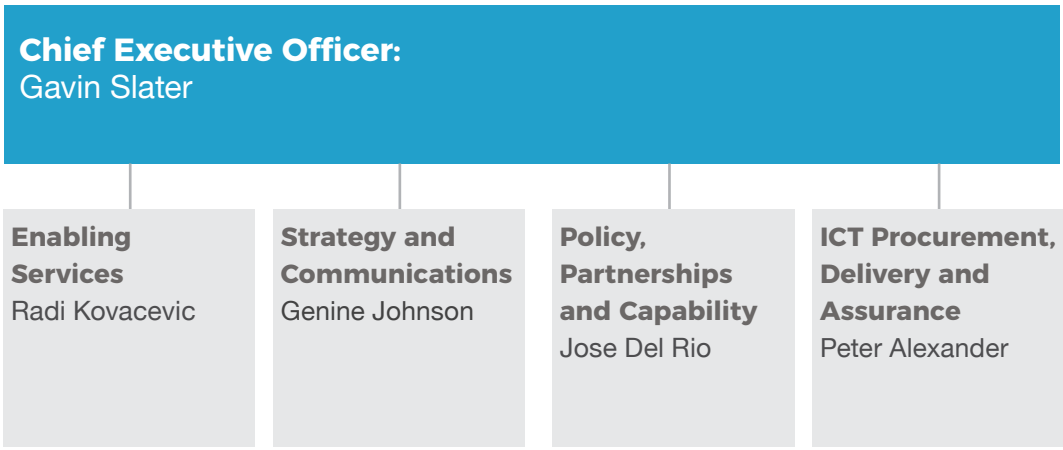
18 May 2017

Machinery-of-government change two

Machinery-of-government changes transferred the whole-of-government ICT coordinated procurement functions from the Department of Finance to the DTA.

Organisation structure

Figure 1 Organisational structure as at 30 June, 2017



Leadership team

Chief Executive Officers 2016–17

Gavin Slater
Chief Executive Officer

Commenced role at the Digital Transformation Agency on 1 May 2017

Nerida O'Loughlin
Interim Chief Executive Officer

Digital Transformation Agency
24 October 2016–30 April 2017

Paul Shetler
Chief Executive Officer

Digital Transformation Office
1 July 2015–22 October 2016

Radi Kovacevic
Enabling Services

Genine Johnson
Strategy and Communications

Jose Del Rio
Policy, Partnerships and Capability

Peter Alexander
ICT Procurement, Delivery and Assurance

02

Agency performance

Section content

Agency overview	12
Whole-of-government transformation	17

Agency overview

Absorbing the role and functions of the former Digital Transformation Office (DTO), the Digital Transformation Agency (DTA) was established on 27 October 2016.

An executive agency under the *Public Service Act 1999,* the DTA is a non-corporate Commonwealth entity subject to the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

Placed in the portfolio of the Prime Minister and Cabinet, the DTA is accountable to the Prime Minister, through the Assistant Minister for Cities and Digital Transformation.

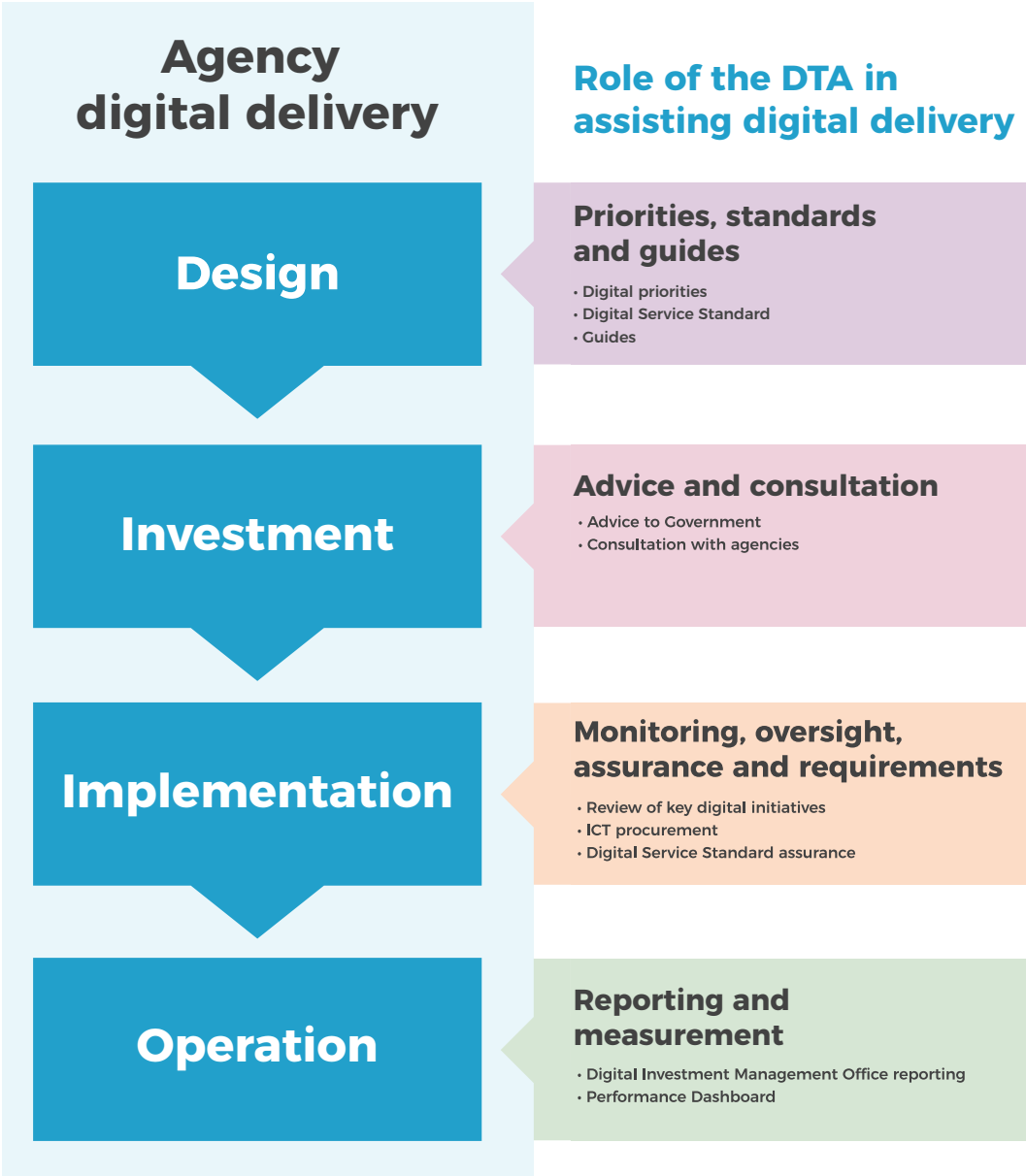
The agency does not administer any legislation.

Assisting digital transformation

Working in partnership with other agencies, the DTA's mission is to enable the transformation of government services to better meet user needs. The DTA is also tasked with making the benefits, costs and risks of the government's ICT and digital investments more transparent.

The DTA is not responsible for the delivery of every ICT and digital project across government. Departments and agencies are responsible for developing and implementing these projects.

Figure 2 Assisting Agencies



Performance outcome

In 2016–17, the DTA worked towards a single program outcome, which also applied to the DTO in the first months of the reporting year:

To improve the user experience for all Australians accessing government information and services by leading the design, development and continual enhancement of whole-of-government service delivery policies and standards, platforms and joined up services.

The DTA's first structured planning and reporting framework was introduced in March 2017. Identifying the agency's vision, values and immediate strategic priorities, the Corporate Plan will continue to be developed during 2017–18.

Functions

The DTA supports government digital transformation through policy leadership, product delivery, program management and building capability. This is mandated by an establishing order and guided by program outcome.

The agency's functions include:

- providing strategic and policy leadership on whole-of-government and shared ICT procurement and digital service delivery
- working with agencies to develop whole-of-government strategies to make it easier for people to access, understand and use government services
- developing a whole-of-government ICT strategy and digital transformation roadmap
- monitoring all major in-flight ICT and digital initiatives, and engaging in those initiatives that are high risk to help improve confidence in benefits delivery
- building infrastructure and expertise to support agency and whole-of-government digital transformation efforts and delivery of high volume services
- coordinating funding of whole-of-government and shared ICT and digital service delivery platforms that can be reused across government

- facilitating access to government contracts for businesses and informing government procurement of digital and technology services
- providing advice to government on proposed new ICT and digital initiatives
- implementing workforce and training initiatives to increase the capability of the public service to deliver digital transformation
- engaging with Australian Government agencies, state and local governments, overseas governments and industry to build productive working relationships
- advocating within and beyond government for ICT and digital transformation.

Digital service design and delivery

The DTA designs and delivers digital services using Agile methodologies.

This approach allows teams to respond to unpredictability by working in short 'iterative' and 'incremental' stages.

Discovery

Start mapping the broader service landscape, researching the real needs and problems faced by your users, and understanding the policy intent and technology constraints.

Alpha

Test out your hypotheses by building prototypes in code to explore different ways you might be able to meet your users' needs. Explore multiple ideas. Do user research to learn which approach works best and iterate your solution as you learn more.

Beta

Define a minimum viable product from the successful prototype in Alpha. Build this as an accessible and secure service. Allow the public to trial the beta alongside the existing service. Use their feedback to improve the service.

Live

Put the team and processes in place to continue operating and improving the service. Phase out the old services, and consolidate existing.

Whole-of-government transformation

Australia's digital transformation agenda focuses on reforming policies and processes to improve the way government interacts with and provides services to users. While the DTA has been assigned leadership responsibility, the agenda is owned by all federal government agencies. Agencies are accountable for planning and delivering their ICT and digital projects. Services they provide are expected to align with other whole-of-government reform agendas.

With its renaming in 2016, the DTA's role in overseeing and assisting agencies with transforming digital services was expanded. This enabled the DTA to contribute expert assistance and professional advice earlier in the life of projects, as well as giving greater transparency to ICT and digital investments.

The DTA used this foundation to create policy and standards, develop best practices and boost digital leadership, capability and culture across government agencies. Some achievements during the year reflect work done over the life of the agency as both the DTO and the DTA.

Monitoring performance and investment

As part of its expanded remit in October 2016, the DTA was tasked with reviewing large new proposals for technology investments to make sure the government gets best value for money and delivers real benefits to users.

In November 2016, the Digital Investment Management Office was established within the DTA to carry out this function, and conduct a Digital Investment Review. This examined, for the first time, the costs, progress, benefits, and potential risks of all federal government ICT projects worth more than $10 million.

Digital Service Standard

The Digital Service Standard went live in May 2016. It is a best-practice framework that ensures digital teams across the Australian Public Service (APS) build government services that are simple, clear and fast for all users.

During 2016–17 the DTA worked with agencies to meet the standard, provided guidance, training and advice to assist them to upskill staff and increase their digital capability to develop and redesign their services in-house.

ICT procurement

Under machinery-of-government changes in 2016–17 the DTA was given expanded responsibilities around the procurement of ICT products and services.

On 15 December 2016, responsibility for whole-of-government ICT policy and strategy functions were transferred to the DTA from the Department of Finance.

Administrative responsibility for an ICT Procurement Taskforce transferred from the Department of Prime Minister and Cabinet to the DTA in February 2017.

From 18 May 2017, whole-of-government ICT coordinated procurement functions also moved from the Department of Finance and integrated into the DTA.

This brought responsibility for overseeing procurement processes across government as well as government panel arrangements, including for cloud services.

Digital Marketplace

An expansion to the DTA's Digital Marketplace was announced on 23 February 2017. The marketplace is an online platform where government agencies can readily procure digital services and where industry sells their digital services to government.

Through ongoing work on the Digital Marketplace, the DTA continues to remove barriers to doing business with government.

Figure 3 Digital Service Standard

Digital Service Standard

The Digital Service Standard helps digital teams build government services that are simple, clear and fast.

01
Understand user needs. Research to develop a deep knowledge of the users and their context for using the service.

02
Establish a sustainable multidisciplinary team to design, build, operate and iterate the service, led by an experienced product manager with decision-making responsibility.

03
Design and build the product using the service design and delivery process, taking an agile and user-centred approach.

04
Understand the tools and systems required to build, host, operate and measure the service and how to adopt, adapt or procure them.

05
Identify the data and information the service will use or create. Put appropriate legal, privacy and security measures in place.

06
Build the service with responsive design methods using common design patterns and the style guide.

07
Build using open standards and common government platforms where appropriate.

08
Make all new source code open by default.

09
Ensure the service is accessible to all users regardless of their ability and environment.

10
Test the service from end to end, in an environment that replicates the live version.

11
Measure performance against KPIs set out in the guides. Report on public dashboard.

12
Ensure that people who use the digital service can also use the other available channels if needed, without repetition or confusion.

13
Encourage users to choose the digital service and consolidate or phase out existing alternative channels where appropriate.

dta.gov.au @DTA
Date: 1 May 2016
dta.gov.au/standard

Strategic partnerships

Prior to October 2016, the DTO worked with other agencies to deliver six exemplar services, demonstrating methods for achieving digital transformation and embedding the Digital Service Standard within agency projects.

Throughout 2016–17 the DTA continued working collaboratively and providing expert advice, undertaking partnerships on strategically significant delivery projects with a number of agencies. These partnerships aim to avoid duplication, improve uplift of digital capability, increase cost effectiveness and enable better integration of services across government.

Digital Roadmap

The Digital Roadmap provides a framework for describing how the government's digital initiatives will make it easier, simpler and faster to access government services. The aim is to enable people to interact with government as a whole, without having to understand the services provided by individual agencies.

A Digital Transformation Vision and Roadmap, prepared by the DTA in collaboration with other agencies, was published in December 2016. The roadmap sets out the vision, user experience shifts, key pieces of work and timelines for the government's transformation agenda over an 18-month period.

This work will continue in partnership with agencies across government.

Whole-of-government platforms

The DTA works with agencies to deliver whole-of-government digital platforms. Providing common solutions means that agencies don't need to reinvent individual systems. Shared platforms also reduce maintenance and support costs.

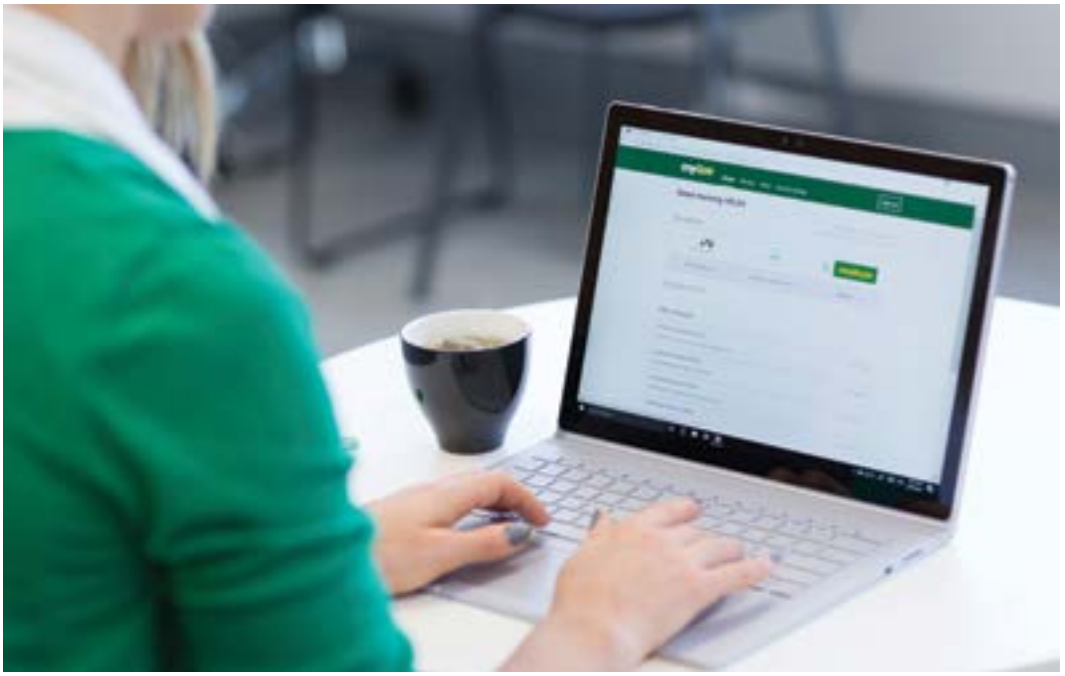
Between June and December 2016, the whole-of-government Digital Platforms Taskforce developed a strategy and concepts for four digital platforms. The taskforce identified mitigation strategies for barriers to whole-of-government collaboration, including those in governance, funding and delivery. Additionally, the DTA developed design solutions and obtained funding to build the four new platforms, with work starting in the next financial year.

In March 2017, the DTA embarked on a Discovery process for a secure cloud strategy in consultation with 26 other agencies, industry and key policy stakeholders. The completed strategy will make it easier for agencies to use cloud technologies, adopt best practices in releasing software and simplify the security accreditation process.

Whole-of-government content strategy

Since October 2016, the DTA has undertaken extensive consultation with agencies about a realistic and cost-effective approach to achieving a whole-of-government content strategy. Building on the research and learning from the GOV.AU project, the DTA is working with agencies to bring a greater level of consistency to government websites.

In March 2017, a content strategy working group was established by the DTA. The working group is made up of members from federal, state and local governments. Membership is by nomination from agencies with a common interest in delivering simpler, clearer and easier to use government services.



Release of myGov 2.0

myGov digital service

From 1 July 2016, oversight for service strategy, policy and user experience of the myGov digital service (myGov) was transferred to the DTO. This included any changes to myGov service capabilities relating to policy objectives or user needs, and the on-boarding of new member services. Responsibility for myGov's operational design, development, build, performance and the operation of the myGov shopfronts remains with the Department of Human Services (DHS).

A project to modernise myGov was established in late December 2016. The first stage focused on improving the look and feel of myGov and the user experience across a range of devices. A new site, featuring simpler language, larger logos and a more mobile-friendly design, was launched on 20 May 2017.

New governance arrangements were developed by the DTA and DHS, and put in place through the myGov Governance Board.

Digital identity

During 2016–17 the DTA continued work on a national digital identity solution. This program of work, Govpass, aims to improve the user experience of identity verification when dealing with government services.

In the initial stages of the program, user research was conducted with more than 500 members of the public, as well as with privacy groups and government agencies.

Govpass will deliver a framework, rules and guidelines for the operation and management of a secure digital identity solution in Australia.

The Digital Identity Governance Committee was set up to oversee the Govpass project.

Performance Dashboard

In line with criterion 11 of the Digital Service Standard, product teams are required to measure and report on the performance of services under development.

The DTA has developed a performance framework and dashboard platform to help agencies to meet criterion 11. The Performance Dashboard helps agencies to measure the performance of their digital services against specified criteria and publicly report the results.

The DTA also works with product teams to publish other outcome-focused metrics to their dashboard.

A dashboard to measure the DTA dashboard's own performance was released on 2 February 2017.

As more high volume digital services become subject to assessment against the standard, the number of services publishing performance information to dashboards will grow. The DTA has released self-service tools to meet this need and enable other agencies to maintain their own dashboards.

Building APS capability

In collaboration with the Australian Public Service Commission (APSC), the DTA has responsibility for making digital skills a core capability of the APS. This collaboration aims to make the APS less exposed to increasing market rates, avoid the high costs of relying on contractors and to reduce design and delivery risks, as well as unlocking further potential for innovation.

The DTA's experts in content design, user research, technology development, and agile project management work in cross-functional teams within the agency. They share their skills and experiences across the public service in a variety of ways:

- Open source code repositories to share features and ideas between developers.
- DTA staff embedded into agency project teams to assist with transformation and transfer skills.
- Digital transformation education and awareness programs.
- Entry-level recruitment programs for apprentices, cadets and graduates focusing on areas where there are known skills shortages. The process of recruiting trainees for the largest intake yet in 2018 began on 6 March 2017.

Nerida O'Loughlin with the ICT entry-level graduates of 2016

Adrian Yee filming Gavin Slater

Communications and engagement

The DTA has a team of communications and engagement specialists who work with all DTA teams to provide strategic advice, communicate the agency's work, undertake issues management and media liaison, manage the agency's visual identity, website, and social media channels.

During 2016–17, we reviewed and improved the way we engage with government and industry. The team works to better coordinate engagement activities across the DTA and provide a consistent engagement experience for stakeholders.

DTA staff sit on a large number of forums and committees both in Australia and internationally to share information and learn about successful digital transformation efforts.

Agency performance statement

The agency performance statement is at *Appendix B page 83*.

03

Management and accountability

Section content

Management and accountability 28

Management and accountability

Enabling services

Enabling services is made up of multiple teams: people services, finance, ministerial, parliamentary and business services. These teams work together to make sure the DTA is able to support the digital transformation agenda.

Corporate governance

The DTA's corporate governance framework includes: committees, business planning, risk and fraud management, audit and assurance activities, Accountable Authority Instructions (issued by the CEO), policies and guidelines.

The system of governance and accountability for public resources in the DTA is shaped by the *Public Governance, Performance and Accountability Act 2013 (PGPA Act*), and associated legislative instruments.

Governance committees

The DTA has two formal governance committees, the Executive Group and the Audit Committee. The Executive Group is supported by a number of informal committees that meet regularly to resolve operational issues and provide advice on strategic issues.

Executive group

The Executive Group is the DTA's key governance body, determining strategic direction and monitoring and managing the overall performance of the organisation.

Audit committee

The Audit Committee reviews and gives independent advice and assurance about the appropriateness of the DTA's financial and performance reporting and systems of risk oversight, risk management and internal control. The committee comprises an independent chair, two independent members and a DTA Senior Executive Service (SES) officer as an internal member. The Audit Committee is directly accountable to the CEO.

Corporate planning and reporting

The DTA has a framework of policies supported by Accountable Authority Instructions that assure conformance to legislative requirements, expectations of probity, accountability and transparency.

The Corporate Plan is the DTA's overarching planning document. Organisational priorities are identified in the Corporate Plan and agency performance is reported in the performance statement in the Annual Report.

The Executive Group oversees the achievement of the Corporate Plan and the monitoring of the organisation's risks.

Risk management

Underpinning corporate planning, risk management is also supported by the DTA's fraud and corruption control plan and internal and external assurance processes.

During 2016–17 the DTA developed and implemented a Risk Management Framework and Policy which provides the basis to identify, prevent or mitigate the negative impact of uncertainty on the achievement of the DTA's business objectives. The framework is supported by an Enterprise Risk Management Plan.

The framework and plan are informed and supported by project and program risk assessments and other assurance activities that identify and mitigate risks across the agency.

Throughout 2017–18, the DTA will continue to develop, implement and evaluate risk systems and processes and further integrate them into business processes and performance monitoring.

Fraud prevention and control

In accordance with the PGPA Act, the DTA has conducted fraud risk assessments and prepared a fraud control plan, to minimise the incidence of fraud through appropriate fraud prevention, detection, investigation and reporting mechanisms.

The DTA's fraud control plan provides the basis for managing fraud for the Executive Group, management and individuals. It includes:

- potential internal and external fraud risks
- fraud prevention and detection mechanisms
- investigation, reporting, recording and response strategies for fraudulent activities.

No instances of potential fraud were substantiated by subsequent investigation during the year.

Internal audit

In 2016–17 the Audit Committee was assisted by DTA's internal audit function to deliver an internal audit program using contracted audit providers.

External scrutiny

During 2016–17 the DTA was one of three agencies included in an independent performance audit (myGov Digital Services Report Number 59 of 2016–17) by the Australian National Audit Office (ANAO). In November 2016, an audit was undertaken to assess the effectiveness of the myGov digital service.

The audit identified some areas needing improvement and made two recommendations relating to the DTA. In its report of 27 June 2017, the ANAO recommended that the DTA:

- implement a targeted strategy to enlist Australian Government services to join myGov
- establish a performance framework, including key performance indicators, to help assess the extent to which myGov is delivering expected outcomes.

In accordance with these recommendations, the DTA will continue to work closely with the Department of Human Services and member services to expand myGov's take-up among Australian Government services, and to develop a performance framework for the myGov digital service.

The DTA was not the subject of judicial decisions or decisions of administrative tribunals or the Australian Information Commissioner in 2016–17. Nor was it the subject of any reports by parliamentary committees, the Commonwealth Ombudsman or capability reviews.

During the reporting year, the DTA appeared before the Senate Estimates (Finance and Public Administration Legislation) Committee on three occasions, on 17 October 2016, 27 February 2017 and 23 May 2017.

Ethical standards

DTA employees are obliged to adhere to standards of integrity and behaviour governed by the APS legislative, regulatory and ethical framework. Their accountability for performance, financial probity and ethical behaviour is aligned with the APS Values and Code of Conduct, set out in the *Public Service Act 1999*.

Human resource management

As at 30 June 2017, the DTA had a total of 201 APS employees, including part-time and non-ongoing employees (based on headcount). Most of the DTA's employees were located in the Canberra office (88 per cent) with the remaining 12 per cent located in the Sydney office.

During 2016–17, the DTA's workforce increased, primarily because of the transfer of employees from the Department of Finance under machinery-of-government changes implemented in December 2016 and May 2017.

The DTA had an average staffing level (ASL) of 109 during the 2016–17 financial year. A detailed profile of its workforce is provided in Figure 4.

To ensure the DTA has the ability to attract and retain high-calibre candidates in a very competitive environment, the agency:

- provides significant workplace flexibility to enable employees to balance their work and personal commitments
- provides employees with the ability to improve understanding and experience in a whole-of-government environment
- offers competitive remuneration.

As a new agency, significant work was undertaken throughout 2016–17 to develop and implement strategic human resource management frameworks, policies and other requirements.

Workforce planning, recruitment, retention and turnover

The DTA uses a variety of strategies such as flexible working arrangements, targeted recruitment processes and skills development to increase employee engagement and reduce ongoing employee turnover. In 2016–17, the DTA had an employee turnover rate of 37 per cent.

The increase in the DTA's overall staffing level and employee turnover in 2016–17 resulted in a significant increase in recruitment activity for both ongoing and non-ongoing roles. Additionally, the DTA had a substantial contingent workforce with labour hire contractors engaged for their technical or specialist skills and capabilities.

In 2016–17 the DTA took a strategic approach to recruiting employees with the right balance of technical skills and capability along with the leadership qualities to enable the DTA to successfully deliver on its priorities.

Work started in 2016–17 to develop a DTA workforce plan, with a focus on identifying key roles and capabilities. Once complete, the plan will provide a strategic basis for recruitment, capability development and succession planning in the forward years to ensure that the DTA maintains a highly capable workforce.

Flexible working arrangements

The DTA is focused on delivering outcomes to provide Australians with better access to government services via digital channels, enabling them to access services from anywhere and at times that suit them. The DTA applies the same approach to its workforce by providing staff with reasonable flexibility in how, when and where they perform their roles. This allows staff to balance their work, personal commitments and interests.

This flexibility is assisted by:

- extensive mobile technology, including access to video conferencing from anywhere
- access to flexible working hours such as part-time, job sharing and compressed hours
- various forms of leave that can be accessed flexibly.

Figure 4 Staffing statistics – workforce profile as at 30 June 2017

		Type		Status		Location		Gender		
	Total	Ongoing	Non-Ongoing	Full Time	Part Time	Canberra	Sydney	Female	Male	Other
CEO	1	1	-	1	-	1	-	-	1	-
SES B2	1	1	-	1	-	1	-	-	1	-
SES B1	7	6	1	7	-	6	1	3	4	-
EL2	45	37	8	42	3	36	9	20	24	1
EL1	61	56	5	54	7	56	5	27	28	6
APS	86	72	14	78	8	77	9	56	30	-
Total	201	173	28	183	18	177	24	106	88	7

Employment arrangements

All DTA SES officers are employed under the terms of individual determinations made under section 24(1) of the *Public Service Act 1999*, supplemented by a common law contract detailing remuneration. The amount of remuneration received by SES officers in the DTA is determined on an individual basis by the Chief Executive Officer.

All DTA non-SES employees' terms and conditions of employment are provided in DTO Determination 2015/01 (non-SES), a group determination made under section 24(1) of the *Public Service Act 1999*.

The DTO Determination was developed and implemented as an interim instrument to provide for the terms and conditions of employment for non-SES employees until the DTA negotiates and implements an enterprise agreement for the new agency.

Figure 5 Details the salary ranges applying to all DTA employees in 2016–17

Classification	Minimum ($)	Maximum ($)
APS1	44,088	48,415
APS2	49,602	54,978
APS3	56,411	60,946
APS4	63,229	68,335
APS5	70,492	76,813
APS6	77,731	91,291
EL1	100,620	111,542
EL2	116,729	138,369
SES (all bands)*	187,000	329,289

*The SES salary range is based on the actual salaries of SES employees of the DTA as at 30 June 2017

Performance pay

The DTA did not pay performance bonuses to any employees in 2016–17.

Capability development

The DTA is committed to the personal and professional development of all staff. During 2016–17, the DTA provided employees with a variety of learning and development opportunities based on the 70:20:10 Model for Learning and Development. This follows the formula that people obtain 70 per cent of their knowledge from on-the-job experiences, 20 per cent from interactions with others, and 10 per cent from formal education.

Development opportunities included formal training and study, networking events and conferences, secondments, participating in working groups and taskforces and a range of in-house delivered training and information-sharing sessions.

In early 2017, the Deputy Australian Public Service Commissioner presented a session to all DTA staff on applying the APS Values, Code of Conduct and Employment Principles.

During 2016–17, the DTA made significant progress on the implementation of an online learning management system. The system will provide online compliance training and induction on a broad variety of subject areas including fraud, security, records management, APS values and work health and safety. Additionally, the system will provide development training spanning categories such as management, leadership and communications. The system is expected to be rolled out to all DTA employees in the second half of 2017.

Work health and safety

The DTA is committed to providing a safe workplace for all employees. The DTA recognises the importance of its legislative obligations under the *Work Health and Safety Act 2011* to prevent work-related injury and illness.

As part of its commitment to providing a safe working environment, the DTA has:

- developed and implemented work health and safety policies, procedures and guidance material
- promoted the use of counselling for staff and their immediate family members through the employee assistance program
- established a Health and Safety Committee and appointed health and safety representatives following a review of representative requirements for the expanded DTA
- provided workstation assessments and ergonomically appropriate workstation equipment, including sit–stand desks and dual monitors
- provided voluntary influenza vaccinations.

During 2016–17, there were no notifiable incidents that required reporting to Comcare, no directions or notices given to the DTA, and no work health and safety investigations. The DTA had one submitted but not determined workers compensation claim active as at 30 June 2017.

Supporting employees with carer responsibilities

The DTA fully supports employees with carer responsibilities. Carer support, which complies with the requirements of the *Carer Recognition Act 2010*, includes:

- family-friendly work arrangements such as access to flexible working arrangements and various forms of leave to meet caring responsibilities
- the DTA's Employee Assistance Program, which provides employees and their immediate family with free access to professional counselling and support services
- non-discriminatory definition of immediate family that recognises family members by blood, marriage, traditional kinship, current or former partner or de facto partner, and those in a genuine domestic or household relationship.

Disability and Indigenous reporting

The DTA is committed to a diverse workforce and provides reasonable adjustment and support to employees with a disability. Both the Sydney and Canberra offices are accessible for employees and visitors.

In 2016–17 the DTA had one employee who identified as Aboriginal or Torres Strait Islander. While the DTA has captured information from employees, it is not mandated and employees have not had self-service access to the HR system to enable them to amend or update their records.

As a new agency, the DTA has been developing processes and policies to support the attraction and retention of persons with disability or persons who identify as Aboriginal or Torres Strait Islanders. These processes will include regular communication with employees to encourage disclosure.

Technology strategy

The DTA uses multiple solutions to meet its ICT needs. Standing firm by a 'cloud first mentality' for corporate systems, the agency does not own any ICT infrastructure.

The DTA website is hosted on cloud.gov.au, the platform being developed to make it easier for government to build digital services. The cloud.gov.au website saves time and effort by managing infrastructure, so teams can focus on building a service.

The website is managed in accordance with the *Archives Act 1983* and following the National Archives of Australia guidance. With every change to the site tracked in version control, the DTA is able to go back and rebuild the site as it was at any point in time.

The DTA's primary 'unclassified' network is hosted by Google. The suite integrates with a wide range of agile products such as Trello, Slack, Github and Jira. All these products allow for real time collaboration across multiple locations.

The DTA's protected network is hosted by the Department of the Prime Minister and Cabinet. DTA staff are able to access the network via Direct Access, used anywhere and across the multiple locations of the DTA.

DIFFICULT
FIRST

04

Financial

Section content

Financial Performance	42
Purchasing and procurement	44
Consultancies	45
Advertising and market research	47
Financial statements	48

Financial performance

The DTA recorded an operating surplus of $6.4 million in 2016–17, excluding the change in the asset revaluation reserve, driven by the Trusted Digital Identity second pass business case underspend. This compares with a surplus of $1.9 million in 2015–16.

Under the Administrative Arrangements Order (AAO) of 27 October 2016, responsibilities for the whole of government ICT and ICT procurement policy and services transferred from the Department of Finance to the DTA.

The DTA established an ICT Procurement Special Account in June 2017 as a result of the transfer. The final balance of the special account, relating to the ICT functions specified in the AAO, was transferred from the Department of Finance's Coordinated Procurement Contracting Special Account during the first quarter of 2017–18.

The DTA's 2016–17 financial statements are presented in Part 4 on pages 48-78.

The Australian National Audit Office issued an unmodified audit report on 18 September 2017.

Table 1 Resource statement

	Actual available appropriation for 2016–17 $'000 (a)	Payments made for 2016–17 $'000 (b)	Remaining balance 2016–17 $'000 (a) - (b)
Ordinary annual services[1]			
Prior year departmental appropriation	9,411	9,411	-
Departmental appropriation[2]	45,217	29,493	15,724
s. 74 retained revenue receipts	15,414	15,414	-
s. 75 transfers	3,075	3,075	-
Total	**73,117**	**57,393**	**15,724**
Total ordinary annual services	**73,117**	**57,393**	
Total net resourcing for DTA	**73,117**	**57,393**	

1 Appropriation Act (No.1) 2016–17 and Appropriation Act (No.3) 2016–17.

Table 2 Expenses for Outcome 1

Outcome 1: To improve the user experience for all Australians accessing government information and services by leading the design, development and continual enhancement of whole-of-government service delivery policies and standards, platforms and joined-up services.

	Budget[1] 2016–17 $'000 (a)	Actual expenses 2016–17 $'000 (b)	Variation 2016–17 $'000 (a) - (b)
Program 1.1: The Digital Transformation Agency			
Departmental expenses			
Departmental appropriation[2]	67,646	56,190	11,456
Expenses not requiring appropriation in the budget year	393	1,729	(1,336)
Total for program 1.1	**68,039**	**57,919**	**10,120**
Total expenses for Outcome 1	**68,039**	**57,919**	**10,120**

	2015-16	2016–17
Average staffing level (number)	**37**	**109**

1 Full-year budget, including any subsequent adjustment made to the 2016–17 Budget at Additional Estimates.

2 Departmental appropriation combines ordinary annual services (Appropriation Act Nos 1 and 3) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013.*

Purchasing and procurement

The DTA's purchasing activities were undertaken in accordance with the *Public Governance Performance and Accountability Act 2013* (PGPA Act), Commonwealth Procurement Rules and the Indigenous Procurement Policy.

The CEO's Accountable Authority Instructions (AAIs) support these principles by providing further direction to DTA officials when conducting procurements on behalf of the Agency.

The AAIs are based on the principles of a competitive, non-discriminatory procurement processes, proper use of government resources, and making decisions in an accountable and transparent manner.

DTA also has a centralised procurement team to provide guidance and advice for DTA officials undertaking procurement activities.

Consultancies

The DTA engages consultants where specialist or technical expertise is required. Consultants are typically engaged to:

- investigate or diagnose a defined issue or problem
- carry out independent reviews or evaluations
- provide objective advice
- provide recommendations to assist in decision making.

The engagement of consultants is assessed to ensure value for money and compliance with the PGPA Act, the Commonwealth Procurement Rules (CPRs) and AAIs.

During 2016–17, 13 new consultancy contracts were entered into involving a total actual expenditure of $1,941,298. In addition, one ongoing consultancy contract was active during the period involving a total actual expenditure of $13,200.

Annual reports contain information about actual expenditure on consultancy contracts. Information on the value of the contracts is available on the AusTender website: www.tenders.gov.au

There were no instances of contracts that precluded the Auditor-General from accessing the contractor's premises (17AG(8)).

In 2016–17, the DTA published the following on the AusTender website:

- details of publicly available business opportunities with a value of $80,000 or more
- details of all contracts awarded with a value of $10,000 or more.

By publishing on AusTender, the DTA ensures that information is available to industry, including small and medium enterprises (SMEs) while simplifying the way business interacts with government online.

There were no contracts in 2016–17 that were exempt from being reported on AusTender.

DTA supports small business participation in the Commonwealth Government Procurement market. SMEs and small enterprise participation statistics are available on the Department of Finance's website at http://www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/

The DTA procurement practices support SMEs by adopting whole of government solutions to simplify interactions with SMEs. This includes using the Commonwealth Contracting Suite for low-risk procurements valued under $200,000. This reduces process costs for SMEs by creating contracting consistency and simplifying liability, insurance and indemnity requirements.

DTA recognises the importance of ensuring that small businesses are paid on time. DTA applies the Government's Supplier Pay on Time or Pay Interest Policy to pay invoices no later than 30 days following the receipt of a correctly rendered tax invoice valued at $1 million or less.

Advertising and market research

During 2016–17, DTA did not undertake any advertising campaigns. DTA did make payments for market research services as shown below.

		2017–18
Firm	**Service Provided**	**Payments made in $ (incl. GST)**
Farron Research	User Research and testing sessions	28,824
Ogilvy	Immersion workshops, stakeholder research and communications review	50,320
Ogilvy	Retrospective Social listening analysis report	15,000
Farron Research	User Research and testing sessions	31,358
The Knowledge Warehouse (TKW Research Group)	Healthcare User Research	42,914
Red Rollers	User Research and testing sessions	41,250
Department of Human Services	User Research and testing sessions	21,660
Paper Giant	User Research and testing sessions	99,088

Digital Transformation Agency

Financial Statements

for the period ending 30 June 2017

INDEPENDENT AUDITOR'S REPORT

To the Prime Minister of Australia

Opinion

In my opinion, the financial statements of the Digital Transformation Agency for the year ended 30 June 2017:

(a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Digital Transformation Agency as at 30 June 2017 and its financial performance and cash flows for the year then ended.

The financial statements of the Digital Transformation Agency, which I have audited, comprise the following statements as at 30 June 2017 and for the year then ended:

- Statement by the Chief Executive Officer and Acting Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Digital Transformation Agency in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* to the extent that they are not in conflict with the *Auditor-General Act 1997* (the Code). I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the Digital Transformation Agency the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the Digital Transformation Agency's ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing matters related to going concern as

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

applicable and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

Jocelyn Ashford
Senior Executive Director

Delegate of the Auditor-General
Canberra
18 September 2017

Digital Transformation Agency
Statement by the Chief Executive Officer and Acting Chief Finance Officer

In our opinion, the attached financial statements for the year ended 30 June 2017 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Digital Transformation Agency will be able to pay its debts as and when they fall due.

Gavin Slater
Chief Executive Officer
18 September 2017

Sarah Johnston
Acting Chief Finance Officer
18 September 2017

Digital Transformation Agency
Statement of Comprehensive Income
for the period ending 30 June 2017

	Notes	2017 $'000	2016 $'000	Original Budget $'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	**17,207**	6,633	10,487
Suppliers	1.1B	**39,560**	20,423	24,404
Depreciation and amortisation	2.2A	**1,138**	848	208
Write-down and impairment of assets	2.2A	**3**	957	-
Finance costs	2.4A	**11**	-	-
Total expenses		**57,919**	28,861	35,099
Own-source revenue				
Contributions	1.2A	**10,000**	-	-
Rendering of Services		**5,431**	-	-
Resources received free of charge	1.2B	**577**	261	185
Total own-source revenue		**16,008**	261	185
Net cost of service		**41,911**	28,600	34,914
Revenue from Government		**48,292**	30,525	34,706
Surplus/(Deficit) attributable to the Australian Government		**6,381**	1,925	(208)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		239	-	-
Total comprehensive income/(loss) attributable to the Australian Government		**6,620**	1,925	(208)

The above statement should be read in conjunction with the accompanying notes.

Digital Transformation Agency
Statement of Financial Position
as at 30 June 2017

	Notes	**2017 $'000**	2016 $'000	Original Budget $'000
ASSETS				
Financial Assets				
Cash		**557**	145	250
Trade and other receivables	2.1A	**21,129**	10,451	621
Total financial assets		**21,686**	10,596	871
Non-financial Assets				
Leasehold improvements	2.2A	**2,063**	1,461	-
Plant and equipment	2.2A	**647**	572	1,179
Intangibles	2.2A	**-**	364	-
Prepayments		**595**	348	202
Total non-financial assets		**3,305**	2,745	1,381
Total assets		**24,991**	13,341	2,252
LIABILITIES				
Payables				
Suppliers	2.3A	**4,896**	5,926	410
Other payables	2.3B	**1,196**	210	-
Total payables		**6,092**	6,136	410
Provisions				
Employee provisions	4.1A	**6,313**	1,463	1,257
Make good provisions	2.4A	**549**	325	-
Total provisions		**6,862**	1,788	1,257
Total liabilities		**12,954**	7,924	1,667
Net assets		**12,037**	5,417	585
EQUITY				
Contributed equity		**3,492**	3,492	906
Asset revaluation reserve		**239**	-	-
Retained surplus (Accumulated deficit)		**8,306**	1,925	(321)
Total equity		**12,037**	5,417	585

The above statement should be read in conjunction with the accompanying notes.

Digital Transformation Agency
Statement of Changes in Equity
for the period ending 30 June 2017

	2017 $'000	2016 $'000	Original Budget $'000
TOTAL EQUITY - OPENING BALANCE			
Balance carried forward from previous period			
Contributed equity	**3,492**	-	906
Asset revaluation reserve	**-**	-	-
Retained earnings	**1,925**	-	(113)
Adjusted opening balance	**5,417**	-	(113)
COMPREHENSIVE INCOME			
Retained earnings			
Surplus/(Deficit) for the period	**6,381**	1,925	(208)
Asset revaluation reserve			
Other comprehensive income	**239**	-	-
Total comprehensive income	**6,620**	1,925	(208)
CONTRIBUTED EQUITY			
Transactions with owners - contributed equity			
Distributions to owners			
Returns of capital:			
Return of Appropriation (equity injection)	**-**	(2,226)	-
Contributions by owners			
Restructuring[1]	**-**	1,992	-
Appropriation (equity injection)	**-**	2,226	-
Departmental Capital Budget (DCB)	**-**	1,500	-
Total transactions with owners	**-**	3,492	-
TOTAL EQUITY			
Contributed equity	**3,492**	3,492	906
Asset revaluation reserve	**239**	-	-
Retained earnings	**8,306**	1,925	(321)
Closing balance as at 30 June	**12,037**	5,417	585

1 In 2017 a restructure with Department of Finance for the transfer to DTA of whole of government ICT and ICT procurement policy and services functions occurred with a nil impact on the DTA's equity balance, see note 6.1.

Accounting Policy

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other Distributions to Owners

The *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) requires that distributions to owners be debited to contributed equity unless it is in the nature of a dividend.

The above statement should be read in conjunction with the accompanying notes.

Digital Transformation Agency
Cash Flow Statement
for the period ended 30 June 2017

	Notes	2017 $'000	2016 $'000	Original Budget $'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		**42,391**	21,259	34,424
Contributions		**10,000**	-	-
Net GST received		**3,294**	778	268
Sale of goods and rendering of services		**5,414**	-	-
Total cash received		**61,099**	22,037	34,692
Cash used				
Employees		**16,153**	10,575	10,468
Suppliers		**43,532**	9,847	24,224
Total cash used		**59,685**	20,422	34,692
Net cash from operating activities		**1,414**	1,615	-
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment	2.2A	**1,002**	2,970	-
Total cash used		**1,002**	2,970	-
Net cash used by investing activities		**(1,002)**	(2,970)	-
FINANCING ACTIVITIES				
Cash received				
Contributed equity				
Departmental capital budget		**-**	1,500	-
Total cash received		**-**	1,500	-
Net cash from financing activities		**-**	1,500	-
Net increase in cash held		**412**	145	-
Cash and cash equivalents at the beginning of the reporting period		**145**	-	250
Cash and cash equivalents at the end of the reporting period		**557**	145	250

The above statement should be read in conjunction with the accompanying notes.

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ended 30 June 2017

Overview **58**

1. Financial Performance **59**

1.1 Expenses 59
1.2 Own-Source Revenue and Gains 61

2. Financial Position **62**

2.1 Financial Assets 62
2.2 Non-Financial Assets 63
2.3 Payables 66
2.4 Other Provisions 66

3. Funding **67**

3.1 Appropriations 67

4. People and Relationships **69**

4.1 Employee Provisions 69
4.2 Key Management Personnel Remuneration 71
4.3 Related Party Disclosures 72

5. Managing Uncertainties **73**

5.1 Contingent Asset and Liabilities 73
5.2 Financial Instruments 74

6. Other Information **75**

6.1 Restructuring 75
6.2 Budgetary Explanation of Major Variances 77

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ended 30 June 2017

Overview

Basis of preparation of the financial statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013.*

The financial statements have been prepared in accordance with:

a. *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) for reporting periods ending on or after 1 July 2015; and

b. Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except where certain assets and liabilities are recorded at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

New Australian accounting standards

All new, revised or amended standards and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material financial impact on the DTA's financial statements.

Taxation

The DTA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Events after the reporting period

There are no known events occurring after the reporting period that could impact on the financial statements.

Revenue from Government

Amounts appropriated for departmental ordinary annual services for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when DTA gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ended 30 June 2017

1. Financial Performance

This section analyses the financial performance of the Digital Transformation Agency for the year ended 30 June 2017.

1.1 Expenses

	2017 $'000	2016 $'000
Note 1.1A: Employee benefits		
Wages and salaries	**11,529**	4,961
Superannuation		
Defined contribution plans	**1,247**	620
Defined benefit plans	**887**	245
Leave and other entitlements	**2,774**	755
Separation and redundancies	**564**	5
Other	**206**	47
Total employee benefits	**17,207**	6,633

Accounting Policy

Accounting policies for employee related expenses is contained in the People and Relationships section.

	2017 $'000	2016 $'000
Note 1.1B: Suppliers		
Goods and services supplied or rendered		
Consultants, contractors and legal	**24,725**	9,037
Information technology and communication	**3,421**	2,163
Payments to other government agencies[1]	**3,002**	60
Secondments	**2,331**	4,914
Training, recruitment and other staff costs	**1,471**	492
Travel	**1,366**	1,033
Other	**1,526**	1,395
Total goods and services supplied or rendered	**37,842**	19,094
Goods supplied	**414**	739
Services rendered	**37,428**	18,355
Total goods and services supplied or rendered	**37,842**	19,094
Other suppliers		
Operating lease rentals	**1,665**	1,261
Workers compensation expenses	**53**	68
Total other supplier expenses	**1,718**	1,329
Total suppliers	**39,560**	20,423
Leasing commitments		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	**2,134**	1,242
Between 1 to 5 years	**2,391**	3,003
Total operating lease commitments	**4,525**	4,245

1 Relates to collaboration with other government agencies on digital capability design.

Note: Commitments are GST inclusive where relevant.

Operating lease commitment - leases for office accommodation

Office accommodation lease payments are subject to periodic increases in accordance with the rent review provisions in the lease agreements. The three leases entered into by the DTA all have renewal options which vary from 1 to 5 years.

Accounting Policy

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ended 30 June 2017

1.2 Own-Source Revenue and Gains

Own-Source Revenue	2017 $'000	2016 $'000
Note 1.2A: Contributions		
Contribution from PM&C[1]	**10,000**	-
Total Contributions	**10,000**	-

1 PM&C transferred $10 million to the DTA in 2016–17. PM&C was reimbursed for this transfer through the Trusted Digital Identity expense measure in the 2016–17 Mid-Year Economic and Fiscal Outlook (MYEFO).

Note 1.2B: Resources received free of charge		
Audit fee	**58**	60
Secondments	**519**	-
Assets received free of charge	**-**	201
Total resources received free of charge	**577**	261

Accounting Policy

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ended 30 June 2017

2. Financial Position

This section analyses the Digital Transformation Agency's assets used to generate financial performance and the operating liabilities incurred as a result.

Leasehold improvements and plant and equipment are carried at fair value in accordance with AASB 13 *Fair Value Measurement*. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy.

Employee related information is disclosed in the People and Relationships section.

2.1 Financial Assets

	2017 $'000	2016 $'000
Note 2.1A: Trade and Other Receivables		
Services receivables		
Services rendered	**3,838**	623
Total goods and services receivables	**3,838**	623
Appropriations receivables		
Existing programs	**15,167**	9,266
Total appropriations receivable	**15,167**	9,266
Other receivables		
Statutory receivables	**317**	399
Other receivables	**1,807**	163
Total other receivables	**2,124**	562
Total trade and other receivables	**21,129**	10,451

Credit terms for goods and services were within 30 days (2016: 30 days).

Receivables have been assessed for impairment at the end of each reporting period. No allowance has been made as at 30 June 2017 (2016: nil).

Accounting Policy

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments and that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ended 30 June 2017

2.2 Non-Financial Assets

Note 2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2017

	Leasehold improvements $'000	Plant and equipment $'000	Computer software internally developed $'000	**Total $'000**
As at 1 July 2016				
Gross book value	1,687	717	841	**3,245**
Accumulated depreciation/amortisation and impairment	(226)	(145)	(477)	**(848)**
Total as at 1 July 2016	1,461	572	364	**2,397**
Additions				
Purchase	790	212	-	**1,002**
Make good	213	-	-	**213**
Revaluations recognised in other comprehensive income	147	92	-	**239**
Depreciation and amortisation	(548)	(226)	(364)	**(1,138)**
Write-down and impairments recognised in net cost of services	-	(3)	-	**(3)**
Total as at 30 June 2017	2,063	647	-	**2,710**
Total as at 30 June 2017 represented by				
Gross book value				
Fair value	2,206	647	841	**3,694**
Accumulated depreciation/amortisation and impairment	(143)	-	(841)	**(984)**
Total as at 30 June 2017	2,063	647	-	**2,710**

No significant items of property, plant and equipment are expected to be sold or disposed of within the next 12 months.

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ended 30 June 2017

Accounting policy

Asset recognition threshold

Property, plant and equipment is the generic term that covers leasehold improvements and plant and equipment. Purchases of property, plant and equipment and intangibles are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than $2,000, which are expensed in the year of acquisition.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the DTA where there exists an obligation to restore the asset to its original condition. These costs are included in the value of the DTA's leasehold improvements with a corresponding provision for the 'make good' recognised.

Intangibles

The DTA's intangibles comprise internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised on a straight-line basis over an anticipated useful life of 2 to 3 years.

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date, generally this will be on a three year cycle unless a significant event occurs that would impact the fair value of assets.

Fair values for each class of asset are determined as shown below:

Asset Class	***Fair value measurement***	***2017 $'000***	*2016 $'000*
Leasehold improvements	Depreciated replacement cost	**2,063**	1,461
Plant and equipment – Desktop hardware	Market selling price	**71**	-
Plant and equipment – other categories	Depreciated replacement cost	**576**	572

In 2017 a valuation of property, plant and equipment assets was undertaken by International Valuation & Property Services (IVPS). The fair value of these asset classes were adjusted by the values provided by IVPS resulting in a revaluation reserve of $239,000.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the DTA using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2017	**2016**
Leasehold improvements	Lease term	Lease term
Plant and equipment	3 to 10 years	2 to 10 years

Impairment

All assets were assessed for impairment during 2017. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

A write-down of $3,000 was recognised in 2017 (2016: $957,000) for the write-off of plant and equipment assets as a result of the annual asset stocktake process.

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ended 30 June 2017

2.3 Payables

	2017 $'000	2016 $'000
Note 2.3A: Suppliers		
Trade creditors and accruals	**4,896**	5,926
Total suppliers	**4,896**	5,926

Settlement is usually made within 30 days.

Note 2.3B: Other payables		
Unearned revenue	**765**	-
Salaries and wages	**158**	46
Superannuation	**27**	7
Lease liability	**23**	19
Statutory payable	**54**	15
Other	**169**	123
Total other payables	**1,196**	210

2.4 Other Provisions

	2017 $'000	2016 $'000
Note 2.4A: Provision for Make Good Obligations		
As at 1 July 2016	**325**	-
Additional provisions made	**213**	325
Unwinding of discount or change in discount rate	**11**	-
Total as at 30 June 2017	**549**	325

The DTA has entered into three lease arrangements (one under a Memorandum of Understanding agreement) for the leasing of premises. These arrangements have provisions requiring the DTA to restore the premises to the original condition at the conclusion of the lease.

Accounting Policy

Provision for the restoration of leased premises (make good) is based on future obligations relating to the underlying assets. The provision is disclosed at the present value of the obligation utilising the appropriate Government bond rate.

3. Funding

This section identifies the DTA's funding structure.

3.1 Appropriations

Note 3.1A: Annual Appropriations ('Recoverable GST exclusive')

Annual appropriations for 2017

	Appropriation Act	*PGPA Act*				
	Annual Appropriation	Section 74 receipts	Section 75 Transfers	Total appropriation	Appropriation applied in 2017 (current and prior years)[1]	Variance[2]
	$'000	$'000	$'000	$'000	$'000	$'000
Departmental						
Ordinary annual services	45,217	15,414	3,075	63,706	(57,393)	6,313
Total departmental	**45,217**	**15,414**	**3,075**	**63,706**	**(57,393)**	**6,313**

1 The Department of Employment (shared services, previously the Shared Service Centre) spent money from the Consolidated Revenue Fund (CRF) on behalf of DTA.

2 The variance in departmental ordinary annual services is mainly attributable to underspend on the Trusted Digital Identity second pass business case which was funded in MYEFO.

Annual appropriations for 2016

	Appropriation Act	*PGPA Act*				
	Annual Appropriation	**Section 74 receipts**	**Section 75 Transfers**	**Total appropriation**	**Appropriation applied in 2016 (current and prior years)[1]**	**Variance[2]**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Departmental						
Ordinary annual services	30,011	-	514	30,525	(20,715)	9,810
Capital Budget[3]	1,500	-	-	1,500	(1,500)	-
Other services						
Equity injections[4]	2,226	-	-	2,226	-	2,226
Total departmental	**33,737**	**-**	**514**	**34,251**	**(22,215)**	**12,036**

1 In 2016 the Shared Service Centre spent money from the Consolidated Revenue Fund (CRF) on behalf of DTA.

2 The variance in departmental ordinary annual services is mainly attributable to undrawn current year appropriations due a higher than expected accrued expense balance.

3 Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1,3,5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

4 The comparative year Equity injection is shown exclusive of the Section 51 Permanent Quarantine, which has reduced contributed equity by $2.226 million.

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ended 30 June 2017

Note 3.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2017 $'000	2016 $'000
Authority		
Departmental[1]		
Appropriation Act (No. 1) 2015-16	**-**	7,896
Appropriation Act (No. 1) 2015-16 - cash held by the department	**-**	145
Appropriation Act (No. 3) 2015-16	**-**	1,370
Appropriation Act (No. 1) 2016–17	**8,406**	-
Appropriation Act (No. 1) 2016–17 - cash held by the department	**557**	-
Appropriation Act (No. 3) 2016–17	**6,761**	-
Total departmental	**15,724**	9,411

1 Appropriations reduced under section 51 of the *PGPA Act* in 2016 included equity injection of $2.226 million. No amounts were reduced in 2017.

4. People and Relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

4.1 Employee Provisions

	2017 $'000	2016 $'000
Note 4.1A: Employee Provisions		
Leave	**6,313**	1,463
Total employee provisions	**6,313**	1,463

Accounting Policy

Liabilities for 'short-term employee benefits' and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the DTA's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. The provision is disclosed at the present value of the obligation using the short hand method that utilises the appropriate Government bond rate.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the DTA is estimated to be less than the annual entitlement for sick leave.

Superannuation

The DTA's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or another fund of their choice.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The DTA makes employer contributions to the employees' superannuation scheme. For Commonwealth defined benefits schemes, these rates are determined by an actuary to be sufficient to meet the current cost to the Government. The DTA accounts for the contributions as if they were contributions to defined contribution plans.

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ended 30 June 2017

4.2 Key Management Personnel Remuneration

Note 4.2A: Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Key management personnel (KMP) remuneration is reported in the table below:

	2017 $'000	2016 $'000
Short-term employee benefits	**1,716**	1,747
Post-employment benefits	**245**	254
Other long-term employee benefits	**226**	129
Termination benefits	**414**	-
Total key management personnel remuneration expenses[1,2,3]	**2,601**	2,130

1 The DTA has determined the KMP to be the Chief Executive Officer (CEO) and 4 Executive Officers as at 30 June 2017. This executive team in 2015-16 included 9 officers until the DTA was restructured from October 2016 on transition from the Digital Transformation Office (DTO).

2 The total number of KMP that are included in the above table is 12 (2016: 11) representing the people who individually occupied the KMP positions during the year.

3 The above KMP remuneration excludes the remuneration and other benefits of the Portfolio Ministers. The Portfolio Ministers' remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

4.3 Related Party Disclosures

Related party relationships:

The DTA is an Australian Government controlled entity. Related parties to the DTA are Key Management Personnel including the Portfolio Ministers and other Australian Government entities.

Transaction with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

- Significant transactions with related parties can include:
- the payments of grants or loans;
- purchases of goods and services;
- asset purchases, sales transfers or leases;
- debts forgiven; and
- guarantees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the DTA, it has been determined that there are no related party transactions to be separately disclosed.

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ended 30 June 2017

5. Managing Uncertainties

This section analyses how the DTA manages financial risks within its operating environment.

5.1 Contingent Asset and Liabilities

Note 5.1A: Contingent Assets and Liabilities

The DTA is not aware of any material departmental quantifiable or unquantifiable contingent assets or liabilities as at the signing date that would require disclosure in the financial statements.

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

5.2 Financial Instruments

	2017 $'000	2016 $'000
Note 5.2A: Categories of Financial Instruments		
Financial Assets		
Held-to-maturity investments		
Cash and cash equivalents	**557**	145
Total held-to-maturity investments	**557**	145
Loans and receivables		
Goods and services receivables	**3,838**	623
Total loans and receivables	**3,838**	623
Total financial assets	**4,395**	768
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors and accruals	**4,896**	5,926
Total financial liabilities measured at amortised cost	**4,896**	5,926
Total financial liabilities	**4,896**	5,926

Note 5.2B: Net Gains or Losses on Financial Assets and Liabilities

The DTA has no gains or losses on financial instruments.

Accounting Policy

Financial assets

The DTA classifies its financial assets in the following categories:

a. held-to-maturity investments; and

b. loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'. Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ended 30 June 2017

6. Other Information

6.1 Restructuring

Note 6.1A: Restructuring

Net assets received from or relinquished to another Australian Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

As part of the Administrative Arrangement Orders issued by the Government on 27 October 2016, responsibility for whole of government ICT and ICT procurement policy and services transferred from the Department of Finance (Finance) to the DTA. Assets and liabilities for this restructure occurred in two phases with phase one transferring on 15 December 2016 and phase two transferring on 18 May 2017.

The DTA's ICT Procurement Special Account was established on 6 June 2017 to facilitate the final transfer of assets and liabilities from Finance's Coordinated Procurement Contracting Special Account. The final transfer of the special account balance relating to ICT functions specified in the AAO will transfer from 1 July 2017.

Note 6.1A: Restructuring (Continued)

	2017	2016	
	Transfer from Department of Finance $'000	Set up of DTO from PM&C[1] $'000	GOV 2.0 from Finance[2] $'000
Functions assumed			
Assets recognised			
Appropriation receivable	**3,088**	-	431
Accounts receivable	**356**	-	-
Plant and equipment	**-**	989	-
Intangibles- internally generated	**-**	-	841
Other non-financial assets (prepayments)	**-**	-	162
Total assets recognised	**3,444**	989	1,434
Liabilities recognised			
Employee provisions	**2,637**	-	431
Unearned revenue	**807**	-	-
Total liabilities recognised	**3,444**	-	431
Net assets recognised	**-**	989	1,003
Income Assumed			
Recognised by DTA	**713**	-	-
Recognised by Department of Finance	**972**	-	-
Total income assumed	**1,685**	-	-
Expenses assumed			
Recognised by DTA	**3,528**	-	1,836
Recognised by Department of Finance	**3,793**	-	331
Total expenses assumed	**7,321**	-	2,167

1 During 2016, PM&C relinquished $0.989 million in plant and equipment to assist with the establishment of the then Digital Transformation Office (DTO) as its own Executive Agency on 1 July 2015.

2 Also in 2016, as part of the Administrative Arrangement Orders issued by the Government on 21 September 2015, the Gov 2.0 function (and associated assets and liabilities) was transferred from the Department of Finance.

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ended 30 June 2017

6.2 Budgetary Explanation of Major Variances

Note 6.2A: Budgetary Reporting

The DTA's financial statements report the original budget as published in the Department of Prime Minister and Cabinet 2016–17 Portfolio Budget Statements.

Where required, the original budget has been adjusted to align with the presentation and classification adopted inthe final outcome.

Explanations of major variances between the actual and original budgeted amounts for 2017 (that are greater than +/- 10 per cent of the original budget for a line item and greater than +/- $1 million) are provided below.

Note 6.2A: Budgetary Reporting (Continued)

Explanations of major variances	Affected line items
Statement of Comprehensive Income	
Total expenses for 2016–17 were $57.9 million, an increase of $22.8 million compared to the original budget. This variance reflects additional expenditure for: • Additional measures announced in the 2016–17 Mid-Year Economic and Fiscal Outlook (MYEFO) including employee benefits ($3.9 million) and suppliers ($11.5 million) of which the Trusted Digital Identity measure was the largest component; and • The Administrative Arrangements Order (AAO) of 27 October 2016, whereby responsibilities for whole of government ICT and ICT procurement policy and services transferred from the Department of Finance to DTA, including employee benefits expenditure of $3.3 million and suppliers of $0.8m.	Employees and Suppliers
Total own-source income for 2016–17 was $16.0 million, an increase of $15.8 million compared to the original budget. This increase in revenue is due to additional rendering of services from the AAO of 27 October 2016 and the contribution revenue from PM&C for the Trusted Digital Identity measure. Details regarding the contribution were disclosed in the measure published in the 2016–17 MYEFO.	Contributions and Rendering of Services
Revenue from Government for 2016–17 was $48.3 million, an increase of $13.6 million compared to the original budget. This increase relates to the AAO of 27 October 2016 and from measures including the Trusted Digital Identity measure.	Revenue from Government
Statement of Financial Position	
The change in the actual balance sheet position as at 30 June 2017 compared to the original budget reflects the additional activities transferred to DTA from Department of Finance following the AAO of 26 October 2017.	All
Statement of Cash Flows	
The $26.4 million increase in cash received compared to the original budget relates the AAO of 26 October 2016, a contribution from PM&C and new measure including the Trusted Digital Identity measure.	Appropriation, Contributions and Rendering of services
The $25.0 million increase in cash used compared to the original budget relates to additional expenditure as a consequence of the AAO of 26 October 2016, PM&C contribution and the Trusted Digital Identity measure.	Employees and Suppliers
The $1.0 million increase in property, plant and equipment expenditure compared to the original budget relates to increased investment in leasehold improvements and plant and equipment purchases to support the increasing size of the agency.	Purchase of property, plant and equipment

Sprint rhythm

05

Appendices

Section Content

A Order to establish the DTA	81
B Agency performance statement	83
C Publications and speeches	97
D Environmental performance	105
E Information Publication Scheme	106
F Glossary	107
G List of requirements	109
H Index	113

A: Order to establish the DTA

Commonwealth of Australia
Gazette
Published by the Commonwealth of Australia
GOVERNMENT NOTICES

COMMONWEALTH OF AUSTRALIA

Public Service Act 1999

Order to Rename the Digital Transformation Office and Specify Functions for the Renamed Digital Transformation Agency

I, General the Honourable Sir Peter Cosgrove AK MC (Ret'd), Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council and under section 65 of the *Public Service Act 1999*, amend the Order to establish the Digital Transformation Office as an Executive Agency made on 12 March 2015 and amended on 21 September 2015, by omitting paragraphs (b) and (e) of that Order and substituting the following paragraphs:

(b) allocate the name Digital Transformation Agency to the Executive Agency;

(e) specify that the functions of the Digital Transformation Agency be as follows:

i. to provide strategic and policy leadership on whole-of-government and shared information and communications technology (ICT) and digital service delivery, including ICT procurement policy;
ii. to design, develop, coordinate, deliver and monitor policies, standards, services and delivery platforms for whole-of-government and shared ICT and digital service delivery;
iii. to co-ordinate the funding of whole-of-government and shared ICT and digital service delivery platforms;
iv. to manage a whole-of-government ICT program management office which will oversee all significant ICT and digital investments;
v. to provide advice to the Minister on whole-of-government and shared ICT and digital service delivery proposals; and
vi. to undertake other relevant tasks as the Minister may require from time to time.

Dated 27 October 2016

(signed Peter Cosgrove)

Governor-General

By His Excellency's Command

(signed Malcolm Turnbull)

Prime Minister

Government Notices Gazette C2016G01423 28/10/2016

B: Agency performance statement

DTA Annual Performance Statement 2016–17

Statement of preparation

I, Gavin Slater, as the accountable authority of the Digital Transformation Agency, present the 2016–17 annual performance statement of the Digital Transformation Agency, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act).*

In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of *the PGPA Act.*

Chief Executive Officer

2017–2020 Corporate Plan purpose

We constantly refresh and build upon our knowledge so we can lead and guide.

Over the next four years we will work *with* departments and agencies, not independently of them, to develop solutions together, which can then be shared across the rest of government.

This collaborative approach also helps us transfer skills and expertise, ideas and experience, and connects government to government, building greater capability across the Australian Public Service.

We bring to our role a unique set of capabilities. We are focused on user-centred design, use agile methodologies, have strong technology skills as well as assurance capabilities.

We are not responsible for every ICT and digital project underway in government, but we can help departments and agencies who are accountable to create and deliver their products effectively.

Outcome

The relevant outcome is included in the Portfolio Budget Statements 2016–17 Budget Related Paper No. 1.14. The Portfolio Additional Estimate Statements 2016–17 acknowledges the Order to Rename the Digital Transformation Office to the Digital Transformation Agency on 27 October 2016.

Outcome 1: To improve the user experience for all Australians accessing government information and services by leading the design, development and continual enhancement of whole-of-government service delivery policies and standards, platforms and joined-up services.

Performance results – Digital Transformation Agency

The Digital Transformation Agency performance statement is prepared according to the single outcome in the Portfolio Budget Statements 2016–17 and the Portfolio Additional Estimate Statements 2016–17.

The DTA's Corporate Plan was released in March 2017 and the measurement of the strategies outlined in that plan are currently being implemented. The agency identified five key priorities in the Corporate Plan and progress against each is as follows.

Criterion	1. Set ICT and digital vision and drive its achievement
Target	Deliver ICT and digital strategies that support the government's transformation agenda and are put in place and taken up by departments and agencies. Develop and/or deliver ICT and digital platforms that are successfully used across government. Advise government on progress in delivering its digital transformation agenda and roadmap.
Source	2017–2020 Corporate Plan
Result	Partial achievement. The initial Digital Transformation Roadmap was published in December 2016, and will be iteratively updated and expanded throughout 2017–18. Over time, the roadmap will be used to identify key priority areas, and measure the rate of change in digital maturity and service expansion. The whole-of-government ICT strategy and the Digital Transformation Roadmap continue to evolve as the DTA partners with Commonwealth agencies to deliver programs and products. The DTA led work on digital platforms, including for digital identity, and developed proposals for the testing and delivery of Tell Us Once, Notifications, Payments In and Federated Data Exchange platforms.

Criterion	2. Support government transformation through policy, product delivery, program management and capability
Target	Prioritise and assess areas for reform and develop strategies to drive activity towards them.
Source	2017–20 Corporate Plan
Result	Achieved. During 2016 to 2017, the DTA transitioned to an expanded remit that included policy responsibility for ICT Procurement. This mandate provides the DTA with the lead role for driving ICT procurement reforms and delivering better value for money from ICT spend for agencies and departments across the Commonwealth. Achievements reported for the year ending 30 June 2017 include whole-of-government ICT coordinated arrangements that met the government's objectives, through: • establishment of the whole-of-government Telecommunication Services Panel in December 2016 • refresh of the Cloud Services Panel, which concluded in December 2016, resulting in the addition of 80 new suppliers to the panel as of 30 June 2017 • providing more opportunities for small-medium enterprises to gain access to whole-of-government panels • the management of ten ICT coordinated procurement arrangements in accordance with appropriate contract management plans the conduct of two tender processes within expected timeframes and budgets • ongoing, complex negotiations with IBM and SAP to establish new coordinated procurement arrangements to achieve better value for money outcomes for the Commonwealth.

Criterion	2. Support government transformation through policy, product delivery, program management and capability
Result	Achieved. The Performance Dashboard, built by the DTO and DTA, promotes transparency and helps drive the ongoing improvement of government services for all Australians. In the initial rollout in 2016–17: • seven dashboards were published to dashboard.gov.au • one agency published cost per transaction information • six agencies are working on applying cost per transaction methodology. In 2017–18, the DTA will continue to work with agencies and departments to increase the number of digital services reporting and expects to see more government performance information made available through dashboard.gov.au.
Result	Achieved. To ensure all agencies are delivering digital solutions that are simple, clear and fast, the DTA produced the Digital Service Standard, a 13-step guide for agencies. Since May 2016, the standard has been mandatory for new or redeveloped public-facing services. Training on how to apply the standard has been provided to more than 1000 Australian Public Service staff in 2016–17.

Criterion	2. Support government transformation through policy, product delivery, program management and capability
Result	Achieved. The take-up in participating Commonwealth entities in the ICT Capability Program has increased. The benchmarks are: • 70 per cent of students annually accepted for the ICT entry-level programs remaining in government after one year, and • 50 per cent remaining after two years. In 2016–17, these benchmarks were well-exceeded: • 93 per cent of students accepted for the ICT Apprenticeship Program remained in the Australian Government after one year. Of the continuing students 94 per cent remained after two years • 94 per cent of students accepted for the ICT Cadetship Program remained in the Australian Government after one year. Of the continuing students 95 per cent remained after two years • 95 per cent of students accepted for the ICT Graduate program remained in the APS after one year.

Criterion	2. Support government transformation through policy, product delivery, program management and capability
Target	Deliver DTA specific products that aim to solve entrenched whole-of-government problems (i.e. procurement for small players, authentication, etc.)
Source	2017–20 Corporate Plan
Result	Achieved The Digital Marketplace opened in August 2016, providing opportunities for small and medium enterprises to compete for government work in an environment that is appropriate for smaller-scale, innovative procurements. In 2016–17: • there were 485 digital sellers on the Digital Marketplace competing for business from the 590 registered government buyers • a total of 190 opportunities have been posted on the Digital Marketplace • contracts to the value of $25.8 million were reported to AusTender, with 82% by value awarded to SMEs.

Criterion	3. Improve ICT and digital investment governance
Target	We will have an investment framework for ICT and digital investment that is more strategic, coordinated and rigorous. We will provide increased transparency of the government's ICT and digital products, their costs, risks and implementation progress. We will provide transparency of the benefits of ICT and digital project investment to both government and the community.
Source	2017–20 Corporate Plan
Result	Achieved. In 2016–17, the DTA established the Digital Investment Management Office, to improve how agencies initiate, plan and deliver digital and ICT investments across government, including two key functions, the Portfolio Management Office and the Digital Investment Office. The Portfolio Management Office identifies risks, clarifies benefits, monitors initiatives and provides oversight to increase the probability that the government's digital and ICT investments are successful. The Digital Investment Office provides advice to government on future ICT investments. The office engages early with agencies that are bringing forward new proposals to be considered by the government, to ensure they align with the government's agenda and priorities. The Digital Investment Management Office's advice and actions help the government modernise and maintain critical infrastructure, make the right investments in the right way, to produce the right benefits. As at 30 June 2017, the Digital Investment Management Office had prepared 11 Gold Briefs for government at a value of over $1.6 billion. As at 30 June 2017, the Digital Investment Management Office data collection had identified 55 projects with a value of over $10 million.

Criterion	4. Build productive relationships between the Australian Government, state and local governments, overseas governments and industry
Target	All government agencies will have a clear understanding of the DTA's role. Specialist cross-disciplinary teams working within the DTA and/or across government to successfully deliver on partner products in other agencies. We engage with departments and agencies at all levels to support the government's digital transformation agenda.
Source	2017–20 Corporate Plan
Result	Partial achievement. The DTA proactively engages with agencies, state/territory and local governments, industry and international organisations and governments to encourage best practice of digital service delivery and share information about successful digital transformation efforts. The DTA partnered with the DHS to successfully deliver myGov 2.0, a major platform re-design to address user needs and known customer pain points. myGov 2.0 delivered simplified content, improved accessibility and better responsiveness across mobile devices. The DTA contributed a specialist cross-disciplinary team of user researchers, content designers, interaction designers and agile development skills to the project, while the DHS contributed programmers, testers and other technical resources. The DTA coordinates three whole of government communities of practice in content design, service design and portfolio, program and project management. These communities collaborate to solve problems and explore best practice. They are open to anyone in local, state/territory and commonwealth government.

Criterion	5. Develop an effective, well-managed, and capable DTA
Target	The DTA is respected, highly skilled (across many areas) and can attract, grow and retain talented people. The DTA has effective governance and accountability arrangements that are 'light on red tape'. The DTA's leaders build capability and promote the organisation's culture.
Source	2017–20 Corporate Plan
Result	Partial achievement. The DTA continues to attract staff that are innovative, flexible, curious and digitally savvy. Staff are highly valued as they work together across the Sydney and Canberra offices to respond to the government's vision for digital transformation. The DTA upholds the APS values and works to ensure governance and accountability for public resources in the DTA in accordance with the *PGPA Act* and associated legislative instruments. DTA staff are ably supported through day-to-day operations by the following core functions: • Communications • People Services • Finance • Business Services • Ministerial, Parliamentary, Risk, Audit and Governance In 2017–18, the DTA will focus on implementing a performance management framework and commence enterprise bargaining activities.

Performance results – Digital Transformation Office

The former Digital Transformation Office contained the following performance criteria and targets in the 2016–17 Portfolio Budget Statements. The Digital Transformation Office was operational for the period 1 July 2016 – 27 October 2016. The results below reflect this period.

Criterion	Simpler and clearer government services and information for users and consolidation of the government's web estate
Target	Deliver a public beta of GOV.AU
Source	2016–17 Portfolio Budget Statements 2017–20 Corporate Plan — not applicable
Result	Not delivered. The program ceased in 2016–17. Work done for GOV.AU is being re-used for the development of a whole-of-government content strategy and a design system of reusable design components, including code, that can be used by agencies.

Criterion	Transformation of agency digital services in delivery hubs and public reporting against KPIs on a performance dashboard
Target	Services meeting the Digital Service Standard will deliver improved user satisfaction, increased digital take-up, higher completion rates and/or reduced cost per transaction.
Source	2016–17 Portfolio Budget Statements 2017–20 Corporate Plan — not applicable

Criterion	Transformation of agency digital services in delivery hubs and public reporting against KPIs on a performance dashboard
Result	The Performance Dashboard, built by the DTO and DTA, promotes transparency and helps drive the ongoing improvement of government services for all Australians. In the initial rollout in 2016–17: • seven dashboards were published to dashboard.gov.au • one agency published cost per transaction information • six agencies are working on applying cost per transaction methodology. In 2017–18, the DTA will continue to work with agencies and departments to increase the number of digital services reporting and expects to see more government performance information made available through dashboard.gov.au.

Criterion	Greater access to government contracts for businesses and support for government to become better digital and technology buyers
Target	Deliver an alpha and public beta of the Digital Marketplace.
Source	2016–17 Portfolio Budget Statements 2017–20 Corporate Plan
Result	The Digital Marketplace opened in August 2016, providing opportunities for small and medium enterprises to compete for government work in an environment that is appropriate for smaller-scale, innovative procurements. In 2016–17: • there were 485 digital sellers on the Digital Marketplace competing for business from the 590 registered government buyers • a total of 190 opportunities have been posted on the Digital Marketplace • contracts to the value of $25.8 million were reported to AusTender, with 82% by value awarded to SMEs.

Criterion	Easier approach for users to prove their identity online when using government services
Target	Deliver a trusted Digital Identity Framework Deliver an Identity alpha
Source	2016–17 Portfolio Budget Statements 2017–20 Corporate Plan — not applicable
Result	Not delivered by the DTO

Analysis

Over 2016 to 2017, the change from the Digital Transformation Office to the Digital Transformation Agency occurred with the Administrative Arrangement Order on 27 October 2016.

During this year of change, the DTA continued to work to establish the framework to deliver on the government's ICT transformation agenda including:

- the digital transformation roadmap, ICT and digital strategies supporting the governments transformation agenda
- driving ICT procurement reforms and delivering better value for money from ICT spend for agencies and departments across the Commonwealth
- increasing the number of digital services that report on government performance information through dashboard.gov.au
- the Digital Marketplace that provides opportunities for small and medium enterprises to compete for government work
- working in collaboration with departments and agencies to improve online services such as myGov
- building ICT capability within the DTA and across the APS.

The agency continues to build its organisational capability in technology, design, delivery, strategy and policy.

C: Publications and speeches

List of content published on the DTA website [2016–17 Financial Year]

July 2016

15 July

Join us at the first Canberra DTO Open House, Helen Copley
https://www.dta.gov.au/blog/canberra-dto-open-house/

20 July

Event — A Practical Approach to Accessibility in Service Design, Jo Hill
https://www.dta.gov.au/blog/approach-to-accessibility/

27 July

DTO turns one — Our story so far, Paul Shetler
https://www.dta.gov.au/blog/dto-turns-one/

August 2016

2 August

DTO launches a new standard of reporting, Mariam Ibraheim
https://www.dta.gov.au/blog/new-standard-of-reporting/

29 August

Digital Marketplace goes to Beta, Catherine Thompson
https://www.dta.gov.au/blog/digital-marketplace-beta/

September 2016

6 September

Announcement of Peter Alexander as Chief Operating Officer at DTO, Paul Shetler
https://www.dta.gov.au/blog/announcement-peter-alexander/

October 2016

18 October

Performance Dashboard — Alpha assessment
https://www.dta.gov.au/standard/assessments/performance-dashboard-alpha/

Citizenship appointment bookings — Beta assessment
https://www.dta.gov.au/standard/assessments/identity-idp-exchange-alpha/

Identity IDP and Exchange — Alpha assessment
https://www.dta.gov.au/standard/assessments/identity-idp-exchange-alpha/

Improving child care attendance reporting — Alpha assessment
https://www.dta.gov.au/standard/assessments/childcare-attendance-alpha/

Digital Marketplace — Alpha assessment
https://www.dta.gov.au/standard/assessments/digital-marketplace-alpha/

Starting a business — Beta assessment
https://www.dta.gov.au/standard/assessments/starting-a-business-beta/

People Centred Connected Care — Alpha assessment
https://www.dta.gov.au/standard/assessments/assessment-pccc-alpha/

Citizenship appointment bookings — Beta assessment
https://www.dta.gov.au/standard/assessments/appointment-booking-service-beta/

Medicare newborn Enrolment — Beta assessment
https://www.dta.gov.au/standard/assessments/medicare-newborn-enrolment-beta/

Starting a business — Alpha assessment
https://www.dta.gov.au/standard/assessments/starting-a-business-alpha/

Medicare Newborn Enrolment — Alpha assessment
https://www.dta.gov.au/standard/assessments/medicare-newborn-enrolment-alpha/

Simplifying imports service — Alpha assessment
https://www.dta.gov.au/standard/assessments/simplifying-imports-service-alpha/

GOV.AU — Alpha assessment
https://www.dta.gov.au/standard/assessments/gov-au-alpha/

Business.gov.au — Beta assessment
https://www.dta.gov.au/standard/assessments/businessgovau-beta/

Citizenship appointment bookings — Alpha assessment
https://www.dta.gov.au/standard/assessments/appointment-booking-service-alpha/

21 October
Digital Marketplace: Sharing positive feedback from early adopters, Steven Berends
https://www.dta.gov.au/blog/marketplace-sharing-positive-feedback/

November 2016
9 November
How the Digital Marketplace is being shaped by user needs, Robyn Prince Gillot
https://www.dta.gov.au/blog/marketplace-shaped-by-user-needs/

18 November
Digital Marketplace: sharing ideas at the roundtable, Steven Berends
https://www.dta.gov.au/blog/marketplace-roundtable/

22 November
How the BOM put users' needs first, Jenny Hunter
https://www.dta.gov.au/blog/how-the-bom-put-users-needs-first/

30 November
Media Statement: resignation of Paul Shetler, DTA news
https://www.dta.gov.au/news/paul-shetler-resignation/

December 2016
15 December
Digital steps to benefit users, DTA news
https://www.dta.gov.au/news/digital-steps-to-benefit-users/

January 2017

13 January

Open source collaboration, Steven Berends
https://www.dta.gov.au/blog/give-and-take/

19 January

A/B coding — show, don't tell, Josh Mostafa
https://www.dta.gov.au/blog/ab-coding/

23 January

Performance dashboard — Beta assessment
https://www.dta.gov.au/standard/assessments/performance-dashboard-beta/

31 January

Early Marketplace adoption pays off, Steven Berends
https://www.dta.gov.au/blog/early-marketplace-adoption-pays-off/

February 2017

2 February

Performance Dashboard — Practising what we preach, James Broadbent
https://www.dta.gov.au/blog/dashboard-practising-what-we-preach/

DTA reports dashboard progress, DTA news
https://www.dta.gov.au/news/dashboard-progress/

9 February

Creating good content, Libby Varcoe and Darren Menachemson
https://www.dta.gov.au/blog/creating-good-content/

17 February

A new Digital Investment Management Office for the DTA, DTA news
https://www.dta.gov.au/news/digital-investment-management-office/

20 February

Making source code open, Alastair Parker
https://www.dta.gov.au/blog/making-source-code-open/

23 February
Digital Marketplace opens for new sellers, DTA news
https://www.dta.gov.au/news/marketplace-expansion/

March 2017

1 March
Doing the hard work to make it simple, Steven Berends
https://www.dta.gov.au/blog/doing-the-hard-work/

2 March
Hacking for good — What is security testing?, Stephen Bradshaw
https://www.dta.gov.au/blog/what-is-security-testing/

6 March
Matching ICT talent with an APS career, Michelle Norris
https://www.dta.gov.au/blog/ict-entry-level-programs/

8 March
Women of the DTA, Nerida O'Loughlin
https://www.dta.gov.au/blog/women-of-the-dta/

10 March
The value of security testing, Stephen Bradshaw
https://www.dta.gov.au/blog/value-of-security-testing/

16 March
Security testing in an agile environment, Stephen Bradshaw
https://www.dta.gov.au/blog/security-testing-in-an-agile-environment/

17 March
Making online access simple and secure, Drew Andison
https://www.dta.gov.au/blog/govpass/

23 March
How can developers assist security testers?, Stephen Bradshaw
https://www.dta.gov.au/blog/assisting-security-testers/

30 March
BloodNet — Alpha assessment
https://www.dta.gov.au/standard/assessments/alpha-assessment-bloodnet/

31 March
Rock star to tech star: an ICT grad story, Eloise Aitken
https://www.dta.gov.au/blog/ict-graduate/

April 2017
3 April
myGOv — Alpha assessment
https://www.dta.gov.au/standard/assessments/mygov-alpha/

5 April
DTA databases done differently with diffs, Robert Lechte
https://www.dta.gov.au/blog/databases-done-differently/

Gavin Slater announced as CEO of the Digital Transformation Agency, DTA news
https://www.dta.gov.au/news/ceo-announcement/

6 April
Address to the AIIA: Navigating Digital Government Summit 2017, DTA news
https://www.dta.gov.au/news/address-to-aiia/

13 April
Sketching in code to build online services, Simon Schwartz
https://www.dta.gov.au/blog/sketching-in-code/

20 April
A new approach to cloud, Andrew McGalliard
https://www.dta.gov.au/blog/a-new-approach-to-cloud/

28 April
The challenges of meeting the Digital Service Standard, Jacqui van Teulingen
https://www.dta.gov.au/blog/challenges-of-meeting-the-digital-service-standard/

Digital Marketplace — Beta assessment
https://www.dta.gov.au/standard/assessments/digital-marketplace-beta/

May 2017
2 May
Ensuring informed consent in user research, Gillian Bowan
https://www.dta.gov.au/blog/informed-consent-in-user-research/

5 May
The pitfalls of performance measurement, James Broadbent
https://www.dta.gov.au/blog/pitfalls-of-performance-measurement/

17 May
Govpass — Privacy by design, Jacob Suidgeest
https://www.dta.gov.au/blog/govpass-privacy-by-design/

18 May
Accessibility — going beyond the guidelines, Jonathan Conway
https://www.dta.gov.au/blog/Accessibility-going-beyond-the-guidelines/

22 May
Partnering to deliver better government services, Ashley Hutton
https://www.dta.gov.au/blog/parterning-to-deliver-better-government-services/

Agency partnership delivers myGOV improvements, DTA news
https://www.dta.gov.au/news/improvements-to-mygov/

23 May
Opening statement for Budget Estimates: Chief Executive Officer, DTA news
https://www.dta.gov.au/news/ceo-senate-estimate-opening-statement/

31 May
Building smarter communities, Catherine Thompson
https://www.dta.gov.au/blog/building-smarter-communities/

June 2017

22 June

Accessibility and the Digital Service Standard, Andrew Arch
https://www.dta.gov.au/blog/accessibility-and-the-dss/

23 June

Open source collaborating, Catherine Thompson
https://www.dta.gov.au/blog/open-source-library/

28 June

Which box is best?, Stephen Bradshaw
https://www.dta.gov.au/blog/which-box-is-best/

D: Environmental performance

The DTA is developing an environmental policy statement, which will support the principles of sustainable development in accordance with the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), section 516A. The DTA's day-to-day operations continue to look for practical ways to reduce its impact on the environment in the areas of energy efficiency and waste reduction. These include:

- supporting the use of electronic solutions to reduce our footprint, such as video-conferencing, fast tracking use of the Cabinet Plus platform
- minimising waste by recycling all printer toner cartridges
- purchasing carbon neutral and 100 per cent recycled resources from sustainable suppliers
- providing recycling bins and using recycled products and materials where practical
- reducing power consumption, by having lights automatically dim in workplaces following periods of inactivity.

E: Information Publication Scheme

The DTA publishes a range of information in accordance with the Information Publication Scheme, including requests under the Freedom of Information Act 1982. Details are available at the DTA website www.dta.gov.au/who-we-are/corporate/freedom-of-information/.

F: Glossary

Term	Meaning
Accessibility	Making digital services easy to use for people with disability. Criterion 9 of the Digital Service Standard specifies that services must be accessible to all users regardless of their ability and environment.
Agile	Approach to digital service design and delivery used by the DTA (see Figure 2)
Alpha	Stage 2 of the digital service design and delivery process used by the DTA (see page 16)
APS	Australian Public Service
APS Act	*Public Service Act 1999*
B2B	Business to business
Beta	Stage 3 of the digital service design and delivery process (see page 16)
CEO	Chief Executive Officer
Cloud	Internet storage and access to data and programs
Communities of practice	Groups in which people from similar fields across government can exchange ideas, collaborate on best practice, showcase ongoing work and solve common problems together.
Discovery	First stage of the digital service design and delivery process (see page 16)
DSS	Digital Service Standard (see Figure 2)

Term	Meaning
DTA	Digital Transformation Agency (since 27 October 2016)
DTO	Digital Transformation Office (prior to October 2016)
EPBC Act	*Environment Protection and Biodiversity Conservation Act 1999*
Exemplar	A bench-mark or model service, worthy of imitation
Guild	Groups of individuals with common interests
ICT	Information and communications technology
KPI	Key performance indicator – a measurable value that demonstrates how effectively an organisation is meeting its objectives.
Live	Fourth and final stage of the digital service design and delivery process used by the DTA (see page 16)
Open source	Software whose original source code is made freely available and may be redistributed and modified by anyone. Criterion 8 in the Digital Service Standard requires teams to make all new source code open by default.
PGPA Act	*Public Governance, Performance and Accountability Act 2013*
SES	Senior Executive Service
SMEs	Small and medium enterprises
User needs	Discovered by researching why users need a product or service and how they need to access it.
WCAG	Accessibility policy for Australian government digital services is aligned with an international standard, the *Web Content Accessibility Guidelines version 2.0* (WCAG 2.0).

G: List of requirements

Requirement	Page	Part
Letter of transmittal	Page v	Letter of transmittal
Table of contents	Page vi	Table of contents
Index	Page 114	Part 5 Appendix H
Glossary	Page 107–108	Part 5 Appendix F
Internet home page address and Internet address for report	Page iv	Inside front cover
Chief Executive Officer's review		
Review by accountable authority	Page 2–3	Part 1 Agency overview
Summary of significant issues and developments	Page 2–3	Part 1 Agency overview
Overview of department's performance and financial results	Page v, 41–42	Letter of transmittal and Part 4 Finance
Outlook for following year	Page 2–3	Part 1 Agency overview
Departmental Overview		
Role and functions	Page 12–13	Part 2 Agency performance
Organisational structure	Page 7	Part 1 Organisation structure
Outcome and program structure	Page 12–15	Part 2 Agency performance
Purposes	Page 82	Part 5 Appendices A and B
Portfolio structure	Not applicable	
Where outcome and program structures differ from Portfolio Budget Statements, Portfolio Additional Estimates Statements or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Page 2–4, 12, 82	Part 2 Agency performance Part 5 Appendices A and B

Requirement	Page	Part
Annual performance statements in accordance with paragraph 39(1)(b) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*	Page 14, 83–96	Part 2 Agency Performance Part 5 Appendix B
Report on financial performance		
Discussion and analysis of the department's financial performance	Page 42–43	Part 4 Financial
Agency resource statement and summary resource tables by outcomes	Page 42–43	Part 4 Financial
Discussion of any significant changes in financial results from the prior year, from budget or anticipated to have a significant impact on future operations.	Page 42	Part 4 Financial
Management and accountability		
Information on compliance with section 10 of the *PGPA Act* (fraud systems)	Page v, 30	Letter of transmittal Part 3 Management and Accountability
Certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Page v, 30	Letter of transmittal Part 3 Management and Accountability
Certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place	Page v, 30	Letter of transmittal Part 3 Management and Accountability
Certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Page v, 30	Letter of transmittal Part 3 Management and Accountability
Statement of the main corporate governance practices in place	Page 28	Part 3 Management and Accountability
A statement of significant issues reported to the minister under paragraph 19(1)(e) of the *PGPA Act* that relates to non-compliance with the finance law and action taken to remedy non-compliance	Page 30	Part 3 Management and Accountability
External scrutiny		
Significant developments in external scrutiny	Page 31	Part 3 Management and Accountability
Judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner	Page 31	Part 3 Management and Accountability
Reports by the Auditor-General, a Parliamentary Committee, the Commonwealth Ombudsman or an agency capability review	Page 31	Part 3 Management and Accountability
Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Page 32	Part 3 Management and Accountability

Requirement	Page	Part
Statistics on staffing		
Enterprise or collective agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the *Public Service Act 1999*	Page 33–34	Part 3 Management and Accountability
Numbers of Senior Executive Services (SES) and non-SES employees covered by agreements	Page 35	Part 3 Management and Accountability
Salary ranges available for Australian Public Service employees by classification	Page 35	Part 3 Management and Accountability
Non-salary benefits provided to employees	Page 34, 36	Part 3 Management and Accountability
Information on aggregate amounts of performance pay at each classification level	Page 36	Part 3 Management and Accountability
Information on the average amount of performance payment, and range of such payments at each classification level	Page 36	Part 3 Management and Accountability
Information on aggregate amount of performance payments	Page 36	Part 3 Management and Accountability
Assets management		
Assessment of effectiveness of assets management	Not applicable	
Purchasing		
Assessment of performance against the Commonwealth Procurement Rules	Page 44	Part 4 Financial
Consultants		
A summary statement detailing the number of new contracts engaging consultants entered into during the period, the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST), the number of ongoing consultancy contracts that were entered into during a previous reporting period, and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST)	Page 45–46	Part 4 Financial
Prescribed statement on numbers and value of new and ongoing contracts	Page 45	Part 4 Financial
A summary of policies and procedures for selecting and engaging consultants, and the main purposes for which consultants were engaged	Page 45	Part 4 Financial
Prescribed statement noting that information on contracts and consultancies is available through the AusTender website	Page 45–46	Part 4 Financial
Australian National Audit Office access clauses		

Requirement	Page	Part
Absence of provisions in contracts allowing access by the Auditor-General	Page 45	Part 4 Financial
Exempt contracts		
Contracts exempted from publication on AusTender	Page 46	Part 4 Financial
Small business		
Prescribed statement on support for small business participation	Page 46	Part 4 Financial
Procurement practices to support small and medium enterprises	Page 46	Part 4 Financial
Prescribed statement of recognition for small business by material entities	Not applicable	Part 4 Financial
Financial Statements		
Financial Statements	Page 48–78	Part 4 Financial
Other mandatory information		
Advertising and Market Research (Section 311A of the *Commonwealth Electoral Act 1918*) and statement on advertising campaigns	Page 47	Part 4 Financial
Statement on grants	Not applicable	
Outline of the mechanisms of disability reporting	Page 38	Part 3 Management and Accountability
Reference to web address of Information Publication Scheme statement	Page 106	Part 5 Appendix E
Correction of material errors in previous annual report	Not applicable	
Work health and safety (Schedule 2, Part 4 of the *Work Health and Safety Act 2011*)	Page 37	Part 3 Management and Accountability
Ecologically sustainalbe development and environmental performance (section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*)	Page 105	Part 5 Appendix D
Compliance with obligations under the *Carer Recognition Act 2010*	Page 38	Part 3 Management and Accountability

H: index

A
Aboriginal and Torres Strait Islander employees, 38
access to information, 106
accidents and injuries, 37
accountability see management and accountability
Accountable Authority, 83
Accountable Authority Instructions, 28, 29, 44
administrative tribunal decisions, 31
advertising and market research, 47
advisory committees, 29
agencies, partnerships with *see* partnerships with departments and agencies
agile methodologies, 16
Alexander, Peter, 7, 8
APS capability building, 29, 33, 36
APS Employment Principles, 36
APS Values and Code of Conduct, 32, 36
Archives Act 1983, 39
Assistant Minister for Cities and Digital Transformation, v, 5, 12
Audit Committee, 28, 29, 31
Auditor-General
  access to contractor's premises, 45
  auditor's report, 49–50
audits, internal, 31
AusTender, 45, 46
Australian Information Commissioner, 31
Australian National Audit Office
  independent performance audit of DTA, 31
Australian Public Service *see* APS
Australian Public Service Commission, 24

B
benchmarking of government services, 23

C
Cabinet Plus platform, 105
capability building, APS, 29, 33, 34
capability reviews, 31
Carer Recognition Act 2010, 38
carer responsibilities, 38
Chief Executive Officer (DTA), 5, 6
  Accountable Authority Instructions, 29, 44, 45
  review, 2–3
  and SES remuneration, 35
  statements of compliance, v, 83
  see also Slater, Gavin
classification of employees, 34
cloud hosting platform (cloud.gov.au), 39
code of conduct, 32
Comcare, 37
common law contracts, 35
Commonwealth Contracting Suite, 46
Commonwealth Fraud Control Framework, v
Commonwealth Ombudsman, 31
Commonwealth Procurement Rules, 44, 45
communications and engagement, 25
  social media, 25
compliance index, 109–112
consultancies, 45–46
contact details, iv
content strategy, 21
contractors, 24
contracts, 45, 46
corporate governance, 28–32
corporate plan, 29
Corporate Plan 2017-2020, 84
corporate planning and reporting, 29

D
dashboards, 23
Del Rio, Jose, 7, 8
Department of Communications
  DTO in, 5
Department of Finance
  ICT policy, strategy and procurement functions transferred from, 6
  small and medium enterprises statistics, 46
  transfer of employees from, 32
Department of Human Services
  and Govpass, 23
  and myGov, 22 , 31

Department of Prime Minister and Cabinet
and DTA's protected network, 39
ICT Procurement Taskforce transferred from, 18
departments, partnerships with *see* partnerships with departments and agencies
digital identity, 23
Digital Identity Governance Committee, 23
Digital Investment Management Office, 17
Digital Investment Review, 17
Digital Marketplace, 18
digital roadmaps, 20
digital platforms, 14, 84
Cabinet Plus, 105
Digital Market Place, 18
Digital Platforms Taskforce, 21
DTA website, 39
Govpass, 23
Performance Dashboard, 23
strategic partnerships, 20
whole-of-government, 14, 21
Digital Service Standard, 18–19
embedding in agency projects, 20
and Performance Dashboard, 23
digital skills of employees, 24
digital transformation, 4, 17–18
agenda, 17, 20, 96
assistance for, 12, 13
building capability for, 24
exemplar services, 20
roadmaps, 13, 20
Digital Transformation Agency (DTA)
Chief Digital Officer, 5
Chief Executive Officer, 6
ethical standards, 32
evolution of, 4–6, 12, 17, 18, 82
financial statements, 48–79
interim CEO, 5
mission, iii
organisational structure, 7, 14
outcome, 14, 43, 84
overview, 1–9
performance (*see* performance DTA)
publications and speeches, 97–104
role and functions, 5, 6, 14–15
vision, ii
website, 39
Digital Transformation Office (DTO), 12, 17, 20, 22
Chief Executive Officer, 5
renamed, 5
transferred to Prime Minister and Cabinet portfolio, 5
Digital Transformation Plans, 20
Digital Transformation Roadmap, 20
Direct Access, for staff, 39
directions and notices, 37
disability reporting, 38
doing business with government, 18

E

ecologically sustainable development and environmental performance, 105
Employee Assistance Program, 38
employees
with carer responsibilities, 38
with disability, 38
employment arrangements, 35
ethical standards, 32
flexible working arrangements, 32, 33, 34, 38
numbers and workforce composition, 34
performance pay, 36
personal and professional development, 24, 36
recruitment, 24, 32
remuneration, 32, 35
retention and turnover, 32
workforce diversity, 38
Enabling Services, 7, 28
energy efficiency, 105
engagement *see* communications and engagement
enterprise agreement, 35
Enterprise Risk Management Plan, 30
Environment Protection and Biodiversity Conservation Act 1999, 105
environmental performance, 105
ethical standards, 32
Executive Group, 28, 29
exemplar services, 20
external scrutiny, 31

F

financial performance, report on, 42–43
financial statements, 48–78
flexible working arrangements, 32, 33, 34, 38

fraud prevention and control, v, 30
freedom of information, 106
Freedom of Information Act 1982, 106
functions *see* role and functions

G
G suite on Google, 39
glossary, 107–108
GOV.AU domain, 21
governance *see* corporate governance
governance committees, 28
government information and services, ii, iii, 14, 84
  access to information, 106
  digital service delivery, 12
  Digital Service Standard, 16
  GOV.AU, 21
  myGov, 22
  public satisfaction with, 24
government services *see* government information and services
Govpass, 23
graduate program, 24

H
health and safety *see* work health and safety
human resources
  management, 32, 33
  statistics, 34
  see also employees

I
ICT (information and communications technology), 4
  digital projects across government, 12
  entry-level recruitment program, 24
  infrastructure, 39
  investments, 17
  policy and strategy, 7, 39
  procurement, 7, 18
ICT Procurement, Delivery and Assurance, 7
ICT Procurement Taskforce, 18
identity of individuals
  verification of, 23
incidents (accidents and injuries), 37
Indigenous employees *see* Aboriginal and Torres Strait Islander employees
Indigenous Procurement Policy, 44
information, government *see* government information and services
Information Publication Scheme, 106
interim CEO (DTA), 5
internal audit, 31

J
Johnson, Genine, 7, 8
judicial decisions, 31

K
Kovacevic, Radi, 7, 8

L
leadership team, 8
legislation
  administration of, 12
letter of transmittal, v
list of requirements, 109–113
location of offices, 32, 34

M
Machinery of Government changes, 6, 18
management and accountability, 27–39
market research, 47
Minister for Communications, 5
ministers, v, 5, 12
mission, iii
myGov digital service, 22
  digital identity, 23
  independent performance audit of, 31
  performance dashboard, 23
myGov Governance Board, 22

N
National Archives of Australia, 39
non-SES employees
  employment arrangements, 35

O
objectives, government, 3
O'Loughlin, Nerida, 2, 5, 8
Ombudsman, 31
online learning system, 36
organisational structure (DTA), 7, 14
Outcome 1, 14, 84
  expenses, 43

P
parliamentary committees, 31
partnerships with departments and agencies, iii, 12
  assisting with digital transformation, 17
  with Department of Human Services, 22
  to meet Digital Service Standard, 18
  recruitment programs, 24
  strategic partnerships, 20
people with disability, 38
performance (DTA), 11–25
  building APS capability, 24, 33, 36
  communications and engagement, 25
  digital marketplace, 18
  myGov digital service, 22
  overview, 12–16
  performance dashboard, 23
  performance results and analysis, 85–95
  whole-of government transformation, 18
performance pay, 36
personal and professional development, 24, 36
personnel *see* employees
planning and reporting framework, 14
platforms *see* digital platforms
Policy, Partnerships and Capability, 7
Prime Minister, 5
Prime Minister and Cabinet portfolio
  DTA and, 12, 18
  DTO and, 5
procurement, 6, 18, 44
program outcome *see* Outcome 1
protected network, 39
Public Governance, Performance and Accountability Act 2013, v, 12, 29, 44, 45, 83
Public Service Act 1999, 5, 12, 32
  section 24(1) determinations, 35
Public Service capability, 24, 33, 36
publications and speeches, 97–104
purchasing and procurement, 44

R
recruitment, 24, 33
recycling, 105
remuneration, 32, 35
resource statement, 42
retention of staff, 33
review
  Chief Executive Officer, 2–3
risk management, 30
roadmaps, digital, 14, 20
role and functions, 5, 6, 14

S
section 24(1) determinations, 35
Senate Estimates (Finance and Public Administration Legislation) Committee
  appearances before, 31
Senior Executive Service (SES) officers
  employment arrangements, 35
services *see* government information and services
70:20:10 learning and development model, 36
Shetler, Paul, 5, 8
Slater, Gavin, v, 6, 7, 8, 83
small and medium enterprises
  and Digital Marketplace, 18, 96
  and DTA procurement practices, 46
staff *see* employees
statements of compliance, v, 83
Strategy and Communications, 7
structure *see* organisational structure (DTA)
succession planning, 33
Supplier Pay on Time or Pay Interest Policy, 64

T
Taylor, Angus, v
technology strategy, 39
Torres Strait Islanders *see* Aboriginal and Torres Strait Islander employees
transformation *see* digital transformation
tribunal decisions, 31
turnover of staff, 33

U
unclassified network, 39
user experience
  and digital identity, 23
  and digital platforms, 21
  digital reliance, 4
  and Digital Roadmap, 20
  and Digital Service Standard, 18–19
  and expansion of ICT, 4
  improvement of, ii, 12, 13, 14, 17, 84
  and myGov, 22
  and Performance Dashboard, 23

V
values, 32
vision, ii

W
waste reduction, 105
website, DTA, 39
whole-of-government environment
    content strategy, 21
    digital identity, 23
    digital platforms, 14, 23, 39
    employees experience of, 32
    ICT policy, strategy and procurement functions, 6, 14, 15, 17, 46
    service delivery, iii, 12, 14, 84
    transformation, 17–25
work health and safety, 37
Work Health and Safety Act 2011, 37
workers compensation claims, 37
workforce diversity, 38
workforce plan, 33
workplace agreements, 35
workplace flexibility, 32, 33, 34, 38

Y
year ahead, 3

Page intentionally left blank

dta.gov.au/**annual-report**

dta