Digital Delivery of Government Services

AIIA Response to Finance and Administration Reference Committee Inquiry

September 2017

Ground suite B
7-11 Barry Drive,
Turner ACT 2612

GPO Box 573
Canberra ACT 2601

W www.aiia.com.au

About AIIA

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

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

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

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

Summary

AIIA welcomes the opportunity to input to the Finance and Administration Reference Committee Inquiry into Digital Delivery of Government Services. AIIA has provided responses previously on a range of issues related to the delivery of government services and specifically digital government service delivery. On this occasion AIIA would like to make observations in six key areas impacting the effectiveness of current arrangements. These comments relate to:

- The execution of government service delivery;
- Planning in support of government service development and delivery;
- Engagement with industry;
- Skills;
- Procurement; and
- The need for increased bipartisanship.

Comments

Over the years AIIA has actively contributed to and provided advice on a range of digital Government related issues. These include cloud computing, big data and data analytics, procurement, digital service transformation, digital identity, privacy and security, skills development, regulatory barriers to digital transformation etc. We have also provided advice on governance arrangements to oversee the digital transformation process, including the establishment of the initial Digital Transformation Office (DTO) – now the Digital Transformation Agency (DTA). The issues raised by the Committee in this current inquiry have also been the subject of many of these previous responses.

AIIA's response to these inquiries has always aimed to be constructive. AIIA has made it clear that we believe the key role of government is to ensure the right policy levers are in place to facilitate an effective and efficient digital economy – and in its own context, effective and efficient digital government.

AIIA has repeatedly made the point that government has a critical role to play in being an exemplar of a 'digital organisation/ business'. This includes in the way government does its own business and delivers services to citizens and in the policy settings it provides. Other organisations and markets respond to the way government behaviours, the decisions it makes and strategies and actions it executes.

AIIA commends both sides of Government for the progress that has been made to improve the Australian government's digital positioning in recent years, particularly from a policy perspective. While this progress has not been without issue (for both Government and industry), the inherent complexity of the transformation process, the breadth of change and the increasing pace of technological change and citizen expectations, is acknowledged.

The impending (if not already started) next wave of change is anticipated to be even more intense. The emergence of automation, artificial intelligence, machine learning, robotics etc will deeply challenge the way business is done, how labour and the workforce is structured and how services are delivered and accessed.

While there is always lessons to be learned by looking to the past, it is imperative that a conversation about Government delivery of digital services, especially this next wave of change, does not get bogged down in recriminations or party politics. Vigilance to be more effective and successful in the future must be front and centre. For this reason, AIIA offers the comments/advice outlined in the remainder of this paper – with an eye specifically on how to ensure, moving forward, Government delivers on its public commitment to world class digital government.

Execution

As noted above, AIIA commends both sides of Government for their respective focus on driving a digital government policy agenda. However, we would make the following key points regarding execution of that agenda. These observations apply irrespective of which government has been in office over the last 4 to 5 years.

The efficiency of moving a service online is, in most cases, only realized where the business process that supports the service is re-engineered. Maximising the efficiency of technology requires leveraging the capability of the technology to improve and transform the business process and delivery method. This has still not been addressed by a range of government agencies that deliver outward facing services to customers – while the technology is new the underlying processes remain antiquated.

For example, the plethora of forms, the way in which these are compiled, how they are required to be completed and submitted continues to reflect old processes and old ways of thinking.

Related to this - online services must be end to end. The value of undertaking a process or transaction online is only realized where it can be started and finished electronically. There is little if any incentive for citizens to undertake part of a process online where at some point they need to pick up a phone or go to an office both of which typically require waiting and queuing. Again, there is still some way to go before this is achieved by key customer/citizen facing agencies. Further, the issue is exacerbated by attempts to retrofit old and legacy systems to meet new service demands and customer expectations.

Greater investment by government in funding necessary ICT digital transformational projects to ensure uptake of best in class/end to end world leading systems and citizen centric outcomes is therefore critical.

Internal to government, competitiveness amongst some agencies vying to protect their own self-interest and/or internal investments has undermined the seamless and whole of government service delivery model articulated by successive governments. This continues to hamper the speed of digital adoption, typically at the expense of customers. Examples include approaches to digital identity, the proliferation and lack of interoperability of content between websites and agency specific procurement practices.

While the structure and operation of the original Digital Transformation Office was flawed, delaying progress on the Government's digital agenda, the renewed Digital Transformation Agency is heading in a more positive direction.

The ultimate measure of success of digital delivery of government services is outcomes for the user, including ease of use, time required to complete the process, as well as other factors such as how many more people use the service/process. Key metrics should include:

- For citizen-facing services/systems:
    - Extent to which the user experience improved (objective measure)

- Extent to which it is easier for the citizen to engage with government
- Extent to which a government service been improved from the citizen perspective (subjective measure)
- For internal-facing services/systems:
  - Extent to which the user experience been improved
  - Improvements in speed/efficiency of the internal process
  - Savings to government.

If projects are accountable to these sorts of metrics and include user based outcome goals for digital projects, success and value is more likely.

Planning

Lack of a whole of government digital roadmap has seen bespoke, fragmented activities and investment across government and forced agencies to compete for the necessary investment and skills to build, deliver and support digital capability.

We note that such a plan is under development by the relatively new and strengthen mandate of the Digital Transformation Agency. This is a welcomed, though much overdue initiative. It is imperative that this Roadmap provide not just 'direction, but clarify investment and delivery priorities and include clear milestones, accountabilities and performance and outcome metrics.

Engagement

Service agencies, including under successive governments have has been notoriously poor at industry engagement – at a cost to both government and industry.

The inability or lack of preparedness to engage effectively with industry has:

- resulted in a range of internally built sub-standard and ultimately costly technology solutions, typically built on legacy systems or outdated expertise;
- hindered the ability of agencies to keep their knowledge of technology developments, solutions and skills up to date;
- compromised opportunities for effective service innovation;
- limited the ability of industry to respond in a timely way to government demands;
- increased risk and therefore cost for government;
- impeded industry's ability to work with government to deliver outcome based solutions; and
- undermined trust and limited any ability for an appropriate and effective risk sharing relationship.

AIIA is in discussion with the DTA to develop a Memorandum of Understanding to facilitate more effective industry/government engagement. This is being co-designed by industry and government and aims to address the issues above. Importantly, it will facilitate increased and open information, knowledge and skills sharing and support more collaborative policy and initiative development. The latter is particularly important given the critical role the ICT and digital industry is playing in shaping how products and services are developed and delivered, and more broadly how the future of work will be shaped as technologies such as automation, AI etc become more pervasive.

AIIA's goal is for the MOU to be a blueprint for more effective industry engagement and appropriate risk sharing and risk management related to technology across whole of government.

Skills

Over the last number of years AIIA has raised concerns about the deepening skills shortage in the ICT sector. This has also directly impacted government and is now being actively addressed by several agencies through graduate and other programs. We note the role of the DTA in taking this agenda forward.

However, we would make the point that generally government has been slow to address inherent skills issues across government in areas such as procurement, agile methods, cloud computing and data

analytics. This has undoubtedly impacted how some initiatives have been executed, the cost, quality and reliability of some solutions and the pace of digital take-up across government.

Procurement

AIIA has provided lengthy responses to government on procurement. We are pleased to see the recommendations included in the recent Report of the ICT Procurement Taskforce. Most of the substantial issues raised by AIIA have been acknowledged by the Taskforce with recommendations for action identified. AIIA is particularly pleased to see active support for small and medium sized businesses through proposed procurement reform.

While the detail of many of the recommendations is light, we welcome the fact that the Government has advised its intention to work with industry to develop the substance of the recommendations and their execution. AIIA members are keen for this process to commence and are committed to being actively engaged in the process.

We would highlight again specific concerns related to the current IRAP arrangements administered by ASD. As noted on multiple occasions current arrangements are complex, time consuming and costly and most critically not transparent or responsive to industry attempts to be more actively engaged in the process. While this has obvious impacts on industry, more importantly, it is inhibiting the operation of an effective and competitive cloud market across government and undermining the governments broader procurement reform agenda.

Bipartisanship

Overall AIIA strongly recommends a more bipartisan and strategic approach to building and executing a government digital service delivery agenda. Once a roadmap has been agreed and is executed government and agencies need to be more disciplined in delivering to plan. While it is acknowledged that plans and priorities are dynamic, and accountabilities may change, digital government capability building to date been both hampered and undermined by the absence of an agreed vision and commitment across government and party lines. The effective operation and execution of government business/services requires a laser focus on citizen outcomes and tax payer value for money. The lack of bipartisanship has diverted this attention elsewhere.