Submission to the Digital Delivery of Government Services Inquiry in the Australian Senate	
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Introduction

The authors led the Australian Government's Digital Transformation Office (DTO) between its establishment in July 2015 and its merger into the Digital Transformation Agency in late 2016.

Our submission provides an aspirational but achievable vision for digital government. This vision is grounded in reality, rather than speculation: we have drawn on our own public and private sector experience of international best practice in providing high-quality digital services.

Additionally, our submission provides historical context to the Committee on the formation, strategy and products of the DTO, which led the Australian Government's attempt to digitise government services. The DTO's successes illustrate the potential for digital government to significantly improve Australians' experiences in dealing with government online, while the blockers the DTO faced indicate the challenges that need to be overcome in order for the Australian Government to adopt modern, digital-first best practice.

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What would good digital government look like?

Our Australian and international experiences have shown that digitally transforming services is the first step towards restoring the perception that governments can deliver on their promises and competently execute their plans.

Digitally transformed government services would keep pace with the quality and convenience of modern commercial services people use today. They would be easy to use and designed around helping the user get to outcomes in real life situations like starting a business or moving to Australia (for an example, see New Zealand's SmartStart service for newborn children) without requiring you to learn how government works or to navigate through multiple government agencies (see the GOV.UK website).

A digitally transformed government would remember information users have provided before, without any need to give the same information over and over again. Government would proactively let users know when they need to do something, and not wait for them to remember. Services would be able to securely verify the user's identity, while protecting their privacy and giving them control over how their data is used. When decisions about a user are made by algorithm, it would be easy to see how and why a decision was made, with straightforward rights to review and correct data if an error has occurred.

Government would be underpinned by systems and processes that were highly-automated, with all but the most complex cases processed straight-through without manual intervention (as in most transaction banking and brokerage back offices). Under the hood, government would make use of internal and external platforms for highly-commoditized functionality like payments, notifications, and analytics, enabled by open standards and transformed procurement processes. These platforms would be disposable, so that government could switch between them as appropriate without having invested large sums in sunk costs.

Digital transformation refers not just to delivering good services now, but adopting the practice and culture of continuous improvement required to continue iterating digital services in the future. The public service would be capable of delivering government services in the digital age, with policy and delivery specialists working side-by-side in multi-disciplinary teams (similar to the DTO 'delivery hubs'), empowered with the data, technology and understanding to respond to changes in user needs and government priorities.

For those outside government, the public service would be an attractive place to work, providing not only a compelling mission and purpose, but a reputation as a centre of excellence (as was the case for the United Kingdom's Government Digital Service in the years after its founding). Specialists would line up to complete a 'tour of duty' in government, then take the skills and experience they had learned back out to enrich Australia's digital economy. As a result, Australia could become an international leader in the emerging market of civic technology and also seed the broader nascent digital industries here with the tech and design talent they so need.

None of these ideas are groundbreaking – in fact, almost all of them are already starting to happen elsewhere. For example, the growth of common platforms and the upskilling of public service capability is well-advanced in the United Kingdom. In the United States, a growing community of civic technologists from the U.S. Digital Service and 18F are founding new startups and transforming city and state governments, a trend also seen in Estonia's technology industry. Outside of government, the financial services sector has already heavily adopted automation and straight-through processing. Commercial services regularly provide notifications to users — for information ranging from identity verification to estimates of traffic time. Biometric identity is becoming commonplace in China, as are modern, mobile digital payments platforms.

After a decade of international experiments in digital government, Australia is well-positioned to take advantage of the opportunity to create a government fit for the digital age. Digital transformation will improve users'

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experience of government, and accelerate the development of private sector technology firms — but it will require the will and hard work to overcome the internal barriers digital transformation faces.

What are the challenges to transformation?

In any given four-week period, more than 1 in 8 Australians — around 2.5 million people — will seek to access government information and public services online.[1] According to a recent survey, 46 per cent of Australians experience problems using those services.[2] The result is that only 16 per cent of Australians regard the government as doing a good job in providing digital services.[3] While citizens' expectations are informed by the ease of using Uber, Netflix and Amazon, government services continue to fall behind.

Dissatisfaction with digital services has contributed to falling citizen trust in government. In many cases, governments have proven unable to credibly promise and deliver digital services that satisfy user needs.

Worse, in a context in which users can easily share their stories online, it is easier for Australians to regard gaps in service delivery as evidence of malfeasance, rather than individual occurrences. These ongoing, shared and amplified experiences of substandard service compared to what citizens enjoy in the rest of their lives (e.g. myGov, ATO, Census, Centrelink) corrode public faith in the ability of government to deliver what it has promised to citizens.

Radical improvement of government services - to focus on user outcomes instead of agency-by-agency interactions — is required to restore trust in government and help avert a similar crisis of legitimacy to those seen across other Western democracies, where previously unseen competitors — both electoral and commercial — are increasingly feeding off public discontent.

During our time at the DTO (and later at the DTA) we identified several structural, cultural and skills-based blockers which continue to impede transformation efforts in government.

Strong digital leadership

Digital transformation requires active leadership from both ministers and departmental secretaries. This leadership will help provide a clear mandate for change, and overcome institutional inertia to introduce appropriate business, funding and delivery models, build capability in the public service and sponsor delivery of cross-government programs and reforms.

In 2010, the UK Government brought focus to digital transformation. Providing a single minister with overall responsibility for the civil service, as well as whole-of-government digital transformation, gave the digital transformation agenda the clout it required to be successful. At a political level, the appointment of an experienced senior minister, Francis Maude, to the portfolio ensured there was a strong champion for digital transformation. Maude's vision and tenacity ensured the creation of a Government Digital Service with the mandate, freedom and support to deliver whole-of-government platforms and standards, to radically upskill the civil service and build strong digital teams in the departments, to restructure the way that IT was done, and to drive reforms such as the introduction of spend controls.

In addition to the strong political leadership provided by ministers, departmental secretaries and the Senior Executive Service also have a significant role in leading the digital transformation of their business, from vision through to execution and delivery. Digital skills should be seen as requirements for all senior public servants in

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[1] Research by Roy Morgan, July 2015 –
roymorgan.com/findings/6327-going-online-for-government-information-or-services-march-2015-201507070247
[2] *BCG Submission to the National Digital Economy Strategy*, Boston Consulting Group, December 2017
[3] *AIIA Technology and Government Study 2017* – www.aiia.com.au/__data/assets/pdf_file/0019/75034/gov-study.pdf

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agencies providing significant transactional services to the public — rather than only being needed by IT specialists.

Recommendations

- Government should increase the level of competition for senior appointments, and indicate that promotion to SES Band 3, 4, CEO or secretary roles requires proven digital leadership qualities.

- A cross-government board of senior digital champions at the deputy secretary level, all of whom are identified as candidates for promotion to secretary, should act as the prime cross-governmental digital governance group. Members of the group should be incentivised to meet transformation objectives: healthy competition between ambitious public servants will help to transform public services, whereas existing governmental structures and practices may deter risk-taking and encourage stasis — and, in some cases, penalise cross-government collaboration.

- Senior leaders should be encouraged to attend immersion tours to businesses in Silicon Valley, London, Israel and China to see digital delivery and best emerging practice in the commercial world.

- Chief Digital Officers should be hired for each agency that provides significant transactional services to the public. The CDOs should be responsible for reforming the services in their entirety: the ensemble of policy, systems, people and interfaces that comprise the service from the perspective of the end user.

Capability development

Years of outsourcing to contractors and integrators have progressively deskilled the public service to the point that it lacks the digital and commercial skills needed to deliver services that citizens expect. Government urgently needs to conduct capacity and capability planning for the future public service. As part of this, the public service should establish a widespread digital capability program, working across all levels of seniority.

On joining the DTO in 2015, we found that there was, in general, a shortage of digital specialist skills in both the public service, and to a lesser extent nationwide. Most public servants sought to do the right thing for users, but lacked the skills or experience to do so effectively.

This lack of skills was driven by both the absence of digital capability programs in government, and by the low retention rates for digital specialists. In our opinion, no skills program currently available properly equips Australian public servants with the skills required to lead digital transformation in their agencies. Additionally, federal government agencies are relatively unattractive to technologists, especially in highly-demanded areas such as digital transformation. This will continue to be the case until a technical stream is introduced to APS grades, to reflect high private sector demand for these positions. For technologists located outside Canberra, the lack of a city loading can be a further disincentive.

Without radical development, our view is that the public service will not be equipped with the capabilities required in the digital age. These capabilities extend across the range of responsibilities of government — from understanding how the rise of digital platforms affects competition policy to designing work programs providing digital skills and expertise to citizens.

As the public service has become progressively more deskilled in modern IT and design, government has grown to heavily rely on external contractors to deliver ICT outcomes. This reliance has been increasing over the last five years as digital service delivery accelerates. Reliance on vendors in turn further deskills the public service, to the point that it is not uncommon for public servants to seek advice from vendors about what they should be buying. The Average Staffing Level cap that restricts the overall number of public servants contributes to the dependence on vendors and deskilling. Despite their intention to reduce costs, these caps often shift work from

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government employees to more expensive contractors: the average cost of a government technologist in 2015/16 was $132,000, which is $180,000 lower than the cost of a contractor.

In 2015/16, the contingent workforce accounted for 16% of total Federal ICT spend.[4] During the same period, the government spent a mere 0.5% on ICT staff training. We believe that internal development would be a substantially more cost-effective approach to ensuring the public service has the skills required to deliver.

In our opinion, it is inevitable that automation will have significant effects on the shape of the public service, including reducing the need for some low-skilled roles that exist today. Delaying this process will not be enough to avoid it.

Recommendations

- As a matter of priority, government needs to conduct capacity and capability planning for the future public service, to define the anticipated impact of of automation, the anticipated roles in the workforce, the skills that will be required, the gaps between those future skills and existing skills, the size and composition of its workforce and the resulting training, hiring and transitioning required to meet the obligations of the public service in future.

- The government should establish a widespread digital capability program, working across all levels of seniority. At a bare minimum, those in generalist roles will require training to understand how to engage with, manage and support digital programs of work. Others will need internal and external support to retrain into specialist digital and technology roles. ICT training expenditure will also have the indirect benefits of boosting the overall capability of Australia's digital workforce. We recommend the formation of a digital academy, along the lines of the GDS Digital Academy in the UK.[5]

- Government needs to go further and establish modern digital and technology professions, with market-tested pay scales and specialist career paths – creating a genuinely compelling offer to work in digital or technology roles in the public service.

- Average Staffing Level caps, which can incentivise the use of expensive contractors and consultants, should be relaxed to allow for more digital specialists to join the public service and to lower costs.

- Spend on services, including outsourced and managed services in 2015/16 accounted for 64% of the total ICT expense. We agree with the CPSU's proposal to cap and cut departmental expenditure on consultants and to use the savings to fund increased staff and capability.[6]

More competitive and accountable technology procurement

Although the Australian government is the country's largest customer, existing technology procurement is slow, ill-suited to agile project delivery, favours established vendors, and tends to lock out smaller, more nimble Australian startups.

Technology procurement in government is process-driven, slow and unsophisticated. In our experience across the public and private sectors, we have found that government procurement is relatively less capable of understanding and controlling costs, managing significant supply relationships, and accelerating the introduction of new technologies.

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[4] Report of the ICT Procurement Taskforce, May 2017 –
ict-procurement.digital.gov.au/assets/documents/ICT-procurement-taskforce-report_WCAG.pdf
[5] Whilst at the DTO, the authors developed a joint policy proposal with the Australian Public Service Commission for a digital academy, and we look forward to its formation in 2018.
[6] CPSU submission to the *Digital Delivery of Government Services* inquiry, September 2017

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Government procurement emphasises process compliance and probity over successful outcomes. This emphasis results in a bias towards "tried-and-tested" methodologies. Though these methodologies are appropriate in some cases, they are typically ill-suited to delivering user-facing digital products, which requires experimentation and iteration to discover what users require. Contrary to this, experimentation and iteration is ruled out by lengthy requirements documents and rigid procurement systems.

Additionally, the current mode of procurement favours large international technology vendors and consultants over small-to-medium enterprises (SMEs) and new technology models that are regarded as unproven. Large, established firms who understand the sales process, and who can afford the heavy costs of the legal and sales teams, are the winners in this landscape. Over time, their products become increasingly embedded and their requirement to be competitive decreases as smaller and newer competitors are locked out.

Currently, the Australian Government aims to commit a percentage of its overall ICT spend to SMEs. This is a crude approach that downplays public sector procurement's potential importance as an instrument of economic policy. Government's own $6.2B spend can be used to underwrite the development of a dynamic and resilient domestic tech sector. As Australia's largest buyer of ICT, government can provide the customer, cash flow, and experience that will help small Australian ventures to succeed. Government-as-customer can be a more effective way of investing in the sector than startup grants.

Recommendations

- The Australian Government should invest in strategic procurement expertise. This investment means recognising procurement as a career specialism and providing a career path for commercial procurement professionals in government. In the short-term, an infusion of external talent will help kick-start this transformation. Where possible, procurement teams should report to qualitative and quantitative targets for Australian SME and startup spend.

- Government agencies should dismantle panels in favour of rapid digital procurement pathways. The Digital Marketplace should be rebooted as the first of these pathways. Additionally, agencies should dedicate resources to interfacing with agency enterprise resource planning (ERPs) so that transactions can be end-to-end digital.

- The public service should increase the level of procurement coordination and collaboration across government using a centre-led model. Sharing forward procurement plans will reduce duplicative procurements and provide better demand aggregation.

- The public service should invest in understanding the real-time whole-of-government procurement spend picture (eg. using invoice data collected from agencies each month). This will ensure an accurate and timely picture of government's spend versus its contractual commitments and identify the most significant suppliers.

- Procurement processes and contracts should be radically simplified. As part of this process, agencies should formally adopt and publish standards regarding the government's risk appetite in matters relevant to procurement, including contractual, commercial and delivery risk. To guide agencies, a best-practice risk mitigation playbook should be developed.

- The public service should new funding formats, including seed funding for prototypes and a review of "value for money" in the context of procuring innovation. These prototypes will help ensure appropriate funding and governance for agile development.

- A strategic unit should be established to analyse the effects of government procurement on social and economic policy outcomes and to actively manage policy implementation, including collecting more granular data on the current landscape of government procurement.

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A cross-government reference architecture and shared patterns

Teams across government currently progress their digital transformation initiatives in isolation, rather than drawing upon shared resources and practices. The absence of a standard architecture and shared patterns for technology leads to duplication and waste, and makes it more difficult to share data, provide consistent user experiences and ensure best practice across government. For example, there are more than 1500 different government websites, numerous payment platforms, and huge duplication in agency ERP systems.

It can be difficult for government agencies to migrate away from legacy technology, begin adoption of cloud services, and digitally transform internal processes. Agencies typically undertake these challenges individually, which introduces the risk that the Australian Government works without a coherent, concrete and realistic vision of where its technology is heading. Additionally, without a government-wide repository of shared patterns for policy, design and technology, agencies are forced to 'reinvent the wheel' for every project, and there is no forum to share lessons learned.

Modern organisations use reference architectures to define patterns of technology and application components across an organisation, in addition to how these components interact, and the best practices and standards that dictate how they are deployed.

Cross-government resources should also include best practices around digital development. Substantial progress towards these best practices has already been made with the release of the Digital Service Standard. However, the Standard does not currently apply to all user-facing programmes. We consider this to have been a contributing factor to recent high-profile failures in user-facing programmes, such as 'robo-debt' and the 2016 census.

Recommendations

- The public service should use the Wardley mapping methodology[7] to understand the existing technology and application estate, then identify patterns, redundancies and relative commoditisation of current technology. These maps should be used when planning future activities, to inform decisions over whether to build or buy products, and, in cases of contracting to vendors, to methodically break down the projects into rational chunks that separate components that will require continuous development from those that are highly standardised.

- The Australian Government should develop a modern technology vision and reference representation of government technology components, and how they relate. This reference architecture should define the technologies needed, touchpoints, common processes, data stores, technical standards, formats and protocols.

- The Australian Government should develop a clear understanding of legacy applications. Legacy applications are not limited to old technologies. They may include systems that are still current, but whose vendors are unable to support government's future technology vision. As a whole-of-government initiative, there should be clear pathways and timelines for transitioning to a modern technology architecture, with regular reporting to these plans.

- The public service should identify core and common transactions that can best be delivered using single, whole-of-government platforms, including notifications, in and outbound payments, and identity authentication. These platforms should be included as pillars of the reference architecture.

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[7] Wardley mapping is a value chain mapping methodology pioneered by Simon Wardley. It has been widely adopted in government and the private sector in the UK. A good introduction is published on Medium – medium.com/wardleymaps.

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- The work of the DTA in developing the Government Open Language for Design should be supported and mandated across government.

- The Australian Government should create a future-facing unit whose role is to identify those emerging technologies that will deliver benefit to government - such as robotic process automation, blockchain and cognitive computing. Subsequently, the public service should develop a method for integrating these technologies into the reference architecture and for ensuring the architecture remains adaptive.

- The Australian Government should mandate that all user-facing services must pass the Digital Service Standard before going live.

Stronger controls to stop inappropriate technology spending (and encourage doing the right thing)

Despite adoption of the Digital Marketplace and the introduction of the Digital Service Standard (DSS), large parts of government find it difficult to move away from large, legacy technology contracts. Spend controls are a proven effective lever in driving successful digital transformation.

The Australian Government currently spends upward of $6bn per year on IT, yet user satisfaction with government digital services remains low. This is at least partially due to government delivering the wrong things, in the wrong ways, over wrong — and long — timelines.

Legacy, poor architecture and non-standard projects slow down or work against the transformation of government services; wrong methodologies, inappropriate outsourcing, wrong/incompatible/obsolete technology make things worse. Departmental inertia is such that spending needs to be controlled so that departments are delivering the right thing, the right way.

Our experience working in digital transformation in the United Kingdom has suggested that providing a single agency with spend controls over whole-of-government digital products is the best way to ensure coherent and consistent service delivery. Digital teams should be required to regularly report on project methodologies, timelines and achievements to date in order for funding to be continued.

Recommendations

- The Australian Government should define limits for contract lengths, amounts and renewal periods; requirements and schedules for realisation of hard benefits; and methodologies for projects based on where their components sit on a Wardley map. Additionally, the government should set decreasing caps on outsourcing spend, especially where the outsourcing relates to provision of front-line services..

- The Australian Government should build on the initial momentum of the Digital Investment Management Office, an approach first mooted in November 2015, by vesting the Digital Transformation Agency (DTA) with spend controls over technology projects. This would help ensure all new investment in technology is spent effectively, and provide pathways for agencies to decouple and move away from legacy contracts. DTA should review project plans for compliance with reference architecture, contract length/amounts, and feasibility of forecast benefits. In cases where DTA refuses spending for the project plan as presented, DTA should support the agency in revising its proposals to pass.

- To make it easier to work in an agile manner, new funding models should be introduced, such as 'drip-feeding'. This method would release small amounts of funding upfront, and only provide further funding once an approach has been tested and proven to be successful. This would make it simpler and faster for new ideas to be tested without the expense of a full business case. It would also avoid teams being forced to commit to a product's requirements at precisely the time they had the least

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information to do so: before they have built a prototype and found out how well their product meets user needs.

Reformed funding approach for whole-of-government platforms

*The current funding approach for **whole-of-government** platforms requires agency consensus and deters fast, iterative development. Instead, a centralised whole-of-government approach should be adopted.*

Developing whole-of-government platforms currently requires not only consensus among agencies, but additionally agencies to be willing to devote savings to funding new platforms. This approach makes it difficult to develop platforms which have a substantial up-front cost, but which potentially introduce substantial benefits in the future.

Additionally, the current funding approach requires full costings for programs over the forward estimates. This offers no incentive for fast, iterative development and business cases can too easily grow to seek hundreds of millions of dollars.

Recommendations

- The Australian Government should adopt a centralised whole-of-government funding and delivery approach for common platforms, driven from the roadmap and reference architecture and informed by whole-of-government Wardley mapping. This approach should not require individual buy-in from every agency, or for all agencies involved to contribute from their own existing budgets. This will allow government to define the digital roadmap strategically with a high level of confidence that platform delivery is on track and will deliver substantial value.

- The Department of Finance should conduct annual reviews of existing and ongoing departmental and agency NPPs (New Policy Proposals) to determine: how well the policy objectives are being met; expenditure on implementation and operations; the appropriate level of forward expenditure; and whether there are better ways of meeting policy objectives for the NPP. Where possible, the Department of Finance should identify potential savings to be made.

Closer policy and delivery functions in government

The separation of policy and delivery in government has led to slow, indirect or non-existent feedback loops. As a result, it is difficult to quantify the effect of policy and to understand the outcomes achieved.

In some cases, development of policy that informs a service and actually delivering the service has been split between separate agencies and ministerial portfolios (e.g. social services being split between DSS and DHS). In other cases, the delivery split is between federal and state governments. n many cases, there is a further split between government — federal or state — and the NGOs which actually deliver the services.

The lack of feedback loops or common reporting mechanisms make it very difficult to understand effects of policy or the outcomes achieved by differing approaches (in the case of outsourcing to different NGOs). Additionally, these splits are a key impediment to cross-functional working, adding further complexity to transformation efforts.

Recommendations

- Where possible, the Australian Government should resolve structural issues in the public service to consolidate policy and delivery roles in the same departments and, where possible, co-locate policy, delivery and ministerial functions in the same location.

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- The public service should introduce new policy-making techniques so that policy can be developed in a more user-centred, open and iterative way, with greater involvement from those responsible for implementation. The Policy Lab initiative in the United Kingdom is a proven model on which this could be based.

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The DTO's approach

The Digital Transformation Office was established on 1 July 2015. This followed an 'interim' period while the organisation was being formed.

The DTO was initially established as a policy agency, with a staffing of ~90 largely seconded personnel. Most of these individuals were policy generalists without a digital background. The agency's role at that early point was primarily to oversee the delivery of the government's pre-existing Digital Transformation Agenda.

This agenda consisted mainly of traditional, large scale, long timeline IT updates. The delivery of these programs by government departments and agencies followed a waterfall funding and delivery approach (which is inappropriate for end-user facing services where user needs are typically not fully understood at the beginning of the project) and had long delivery timeframes. In most cases, they relied on existing large contracts with IT vendors for delivery.

Following the announcement of Paul Shetler as CEO on 2 July 2015, the DTO transitioned from an interim organisation to a permanent executive agency. The minister at this point directed us to closely follow the approach of the Government Digital Service (GDS) in the United Kingdom. GDS had a strong role in digital policy, governance and delivery, which included delivery of whole-of-government platforms as well as enabling other government departments to transform their own businesses.

The resourcing and focus of the DTO changed as we "rebooted" the DTO to meet the minister's objectives. From an organisation of mostly generalist roles (albeit with a small number of technologists), we shifted the balance towards specialist skills and experience, and began a high-profile recruitment drive. These specialist roles were needed to deliver DTO's own digital services and to support the DTO as a 'trusted advisor' in giving specialist support to other government departments and agencies.

We also established an office in Sydney, giving the DTO access to a broader and more mature talent pool. By late 2015, the majority of staff on secondment to the 'interim' DTO had returned to their home agency. Shortly before then, the DTO began work delivering exemplars, whole-of-government platforms and policy. DTO's revised work program added "people" and "platforms" streams to its continuing focus on policy so it could better support government agencies to radically improve their services.

People
The DTO's capability-building initiatives included:

- **Setting up a program of 'exemplar' transformation projects**. Based on the approach taken in the United Kingdom,[8] these projects were delivered by Commonwealth agencies and state and territory governments with direct support from DTO staff and, in most cases, co-located with the DTO in our offices in dedicated spaces (known as 'delivery hubs'). Each project sought to deliver a working service in 'beta' within 20 weeks. Working on an exemplar gave staff from other agencies on-the-job experience of building a digital service, and five out of the six exemplars delivered a beta. By 2017, APS staff whose first experience of digital had been gained on exemplars were applying to the DTO for digital specialist roles.

- **Establishing whole-of-government communities of practice for digital disciplines.** The DTO's communities for service design and content design took root in both Canberra and Sydney, and included practitioners from the Commonwealth and state governments. The communities of practice formulated best practice, shared ongoing work from different agencies, and allowed common problems

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[8] The UK Government worked on 25 'exemplar' services to demonstrate transformation in government. More information about these projects can be found at www.gov.uk/transformation.

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to be identified and addressed for the whole-of-government.

- **Laying the groundwork for a digital academy.** Together with the APSC, the DTO prepared a submission to access funding from the Commonwealth Government's Modernisation Fund to improve APS digital capability, including by creating a Digital Academy like the one developed by the UK's Government Digital Service. The proposed academy would provide training and accreditation for APS staff at all levels. This academy is being established in 2018.

The DTO welcomed visitors from any government agency into our weekly showcases, where transformation teams would report on the progress of their work. We also hosted education sessions in Canberra, and online, where staff from the DTO and other agencies could share insights and lessons learned.

Policy
DTO was given a policy mandate in several areas:

- **Establishing the Digital Service Standard (DSS).** Adapted and repurposed from the UK Government's existing Standard,[9] the Digital Service Standard sets out 13 criteria specifying how government digital services should be delivered. Compliance with the DSS is now mandatory for new and redesigned Commonwealth government services.[10]

- **Administering a moratorium on all new investments in service delivery**. Investment in information and transactional websites that did not comply with the DSS was frozen. The DTO administered the moratorium, including a process for services to seek an exemption.

- **Develop a Trusted Digital Identity Framework.** The DTO defined policy to guide the development of the Commonwealth identity product so that it could interoperate between different agencies and tiers of government. The Framework established all requirements, structure, governance arrangements and standards for an Australian digital identity system that is scalable, secure, simple to use and fair.[11]

- **Provide policy leadership for myGov.** The DTO was given policy responsibility for myGov from July 2015. Operationally, there was little ability to make changes to the service, and responsibility for myGov strategy and user experience was added to DTO's responsibilities in recognition of this limitation. In mid-2016 the DTO began working with the Department for Human Services to improve the user experience of myGov.

Platforms
The DTO delivered five whole-of-government platforms. The platforms were chosen and prioritised according to their ability to allow departments to deliver digital services to users easily and cost-effectively.

- **Digital Identity**
  - In order to securely transact with government online, users need a secure, simple and private way to prove who they are to government. DTO established a platform to connect services with identity providers, and developed an identity provider for the Commonwealth Government. This was supported by the Trusted Digital Identity Framework described above. DTO completed an Alpha of the platform in August 2016. It has recently been renamed to 'Govpass' and is currently in Beta.

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[9] *Digital Service Standard*, GOV.UK – www.gov.uk/service-manual/service-standard
[10] *Scope of the Standard*, Digital Transformation Agency – www.dta.gov.au/standard/scope-of-standard
[11] *Digital Identity blog*, Digital Transformation Office –
www.dta.gov.au/blog/digital-identity-early-days-in-the-discovery-process

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- **GOV.AU**
  - GOV.AU was created to provide a single place where Australians could access federal government digital services and information. It aimed to consolidate over 1500 separate government websites into a single site. GOV.AU organised content around topics (such as 'Education' or 'Moving to Australia') and service outcomes (like 'Starting a Business'), so that most users wouldn't need to know how government is structured to get things done. It also provided a department-centric view of information for specialist users and press. An Alpha was delivered in December 2015 and a Beta was completed in August 2016. This program was ended in August 2016.

- **Performance Dashboard**
  - The Performance Dashboard allows citizens to see how government services are performing. The dashboard makes performance data accessible to the public to increase transparency and to drive the continuous improvement of government services. A Beta was delivered in August 2016. The dashboard is still in Beta.

- **Digital Marketplace**
  - Funded by the National Innovation and Science Agenda (NISA), the Marketplace's remit was to open up government procurement to a greater number of startups and SMEs, by making it easier for businesses of all sizes to contract with government. Its initial focus was to introduce a cohort of digital agencies and specialists to agencies seeking digital expertise. An Alpha was delivered in July 2016, and the Beta followed in August 2016. The Marketplace continues to be in Beta.

- **Cloud.gov.au**
  - Cloud.gov.au is a cloud infrastructure platform built to make it faster and easier for government digital teams to release, monitor and operate user-facing digital services. By providing common infrastructure across government, it frees up teams to deliver services that meets user needs, instead of re-building hosting and management facilities. The first services were hosted on the platform in February 2016 and it continues as a scaled-back development and staging platform for Australian government digital services.

Openness and the DTO's approach
DTO took an open and transparent approach to its work. We:

- shared regular progress updates on our blog, rather than making formal press releases, allowing for two-way conversation;

- released the source code to our projects into open repositories, allowing others to reuse and contribute;

- signed a Memorandum of Understanding with the UK Government, enabling collaboration on joint projects and staff exchanges; and

- engaged with the community, making our offices available for meetups and events, including open houses to which the public was invited.[12]

We believe that a delivery-focussed, practitioner-led and open approach to transformation improves services for both internal and external users, and grounds the transformation vision in the day-to-day reality of service delivery. Open communication with external stakeholders helps inform staff of whether programs are working, and makes it easier to find solutions when they are not. Promoting the DTO as a digital leader also assisted in attracting and retaining talent.

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[12] Gavin Heaton reported on the DTO's first Open House event: *"When was the last time – in fact – when was the first time – that a government department threw open its doors to reveal its inner workings."* – disruptorshandbook.com/getting-hands-on-with-the-australian-digital-transformation-office/

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Conclusion

Although digital transformation in Australian government is still in its infancy, we believe the Digital Transformation Office succeeded in demonstrating that government can deliver world-class digital services, quickly and inexpensively; in developing the design and delivery skills of public servants at all levels of government; and in producing platforms that are used by citizens and agencies across the country.

The Secretary of the Department of Prime Minister and Cabinet recently observed that total government spending in Australia accounts for more than 35% of GDP.[13] Digital transformation will inevitably impact all of government: the ambition and opportunity is immense, because there is still much work to be done.

We hope this submission provides the Committee with a vision and way forward for the future of digital government in Australia, and further insight on the work done to date. We look forward to the Inquiry's conclusions guiding the continued transformation of the Australian Government.

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[13] *Martin Parkinson: positioning Australia in the fourth industrial revolution*, The Mandarin, October 2017 – www.themandarin.com.au/85171-martin-parkinson-positioning-australia-fourth-industrial-revolution/

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Appendix: The DTO's key achievements

In its 15 months of existence, DTO delivered on all or part of many of its initiatives. We have detailed some of the highlights below:

- The DTO launched the **Digital Marketplace**, transforming how government agencies can procure digital and technology capabilities for projects. Government procurement is a regular blocker for technology projects, often favouring those who know how to navigate the system rather than those who can best deliver the service. At March 2018, there are 825 approved sellers available on the Digital Marketplace. (gov.au/marketplace) and $84m total contracted spend.

- The DTO created **Delivery Hubs** in Canberra and Sydney, where other federal and state government agency teams collocated with and worked alongside DTO digital specialists so that the skills and expertise within DTO were shared with other agencies and used to help train up their digital specialists, and so that we could collaborate with agencies to rapidly build five new exemplar digital services over 20 weeks. The services included:

  - a new enrolment process for Medicare, with the Department of Human Services

  - an online booking service for citizenship appointments and a new digital import permit service, with the Department of Immigration and Border Protection

  - an outpatient appointment booking service, with the ACT Government

  - an new service for starting a business, with the Department for Industry, Innovation and Science

- The first version of the **Performance Dashboard** was released (dashboard.gov.au), making the performance of government services more transparent to the public.

- The DTO set up **cloud.gov.au**, a government cloud infrastructure platform which makes it easier for government agencies to release and operate digital services. cloud.gov.au was the technical foundation for all of our services, and was critical to the success of the teams in our Delivery Hubs.

- DTO delivered an 'alpha' prototype of **GOV.AU**, demonstrating how moving from over 1500 federal government websites to one could make it easier for Australians to access government information and services. The discovery process and alpha were completed in 9 weeks; the alpha was presented to government ministers in December 2015, and was made available to the public in early 2016 (gov.au/alpha).

- The DTO commenced the discovery phase of the **digital identity program** in January 2016. The program will provide a platform that allows users to establish their identity once only when using different government services online. Later in 2016, the DTO progressed to begin building an alpha version of the service. To make it easier for identity providers to work together, the DTO also began development of the Trusted Digital Identity Framework.

- The DTO established the **Digital Service Standard**, a set of principles and criteria to shape the delivery of modern digital services, and an assurance process through which digital services could be assessed. The Standard was adapted from an equivalent project at GDS, for which compliance was mandated for any service with more than 100k users.

- The DTO (and later the DTA) built the **Whole-of-Government Transformation Agenda**, to set the direction for transformation of government services.

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- The DTO attracted some of **Australia's best digital talent to government**. Ensuring that digital practitioners think of government as a rewarding, innovative place to work is essential to having the capacity to deliver great services to users.

These accomplishments were significant, because they began or took place while the DTO was undertaking its reboot, completely re-shaping its workforce, and identifying and recruiting additional skilled talent in the global market.

At 30 June 2016, the DTO had 71 staff employed under the Public Service Act,[14] supplemented by contractors and external suppliers.

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[14] *DTO Annual Report, 2015-16* – www.dta.gov.au/files/annual-reports/dto-annual-report-2015-16.pdf