Government of **Western Australia**
Department of **Education**

Your ref :
Our ref : D15/0343732
Enquiries :

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Dear Mr L'Estrange

Thank you for your letter dated 14 July 2015 regarding the opportunity to make a submission to the Inquiry into Information and Communications Technology (ICT) Procurement and Contract Management. I regret the lateness of this submission.

Government has recognised there is a need for reform in the way technology is acquired, used and applied within the public sector. Government must take advantage of the economies of scale that can be achieved through a more collaborative and joined up approach between individual agencies. The current approach sees agencies all acting independently of each other and consequently the purchasing power of government is significantly diluted.

The recent creation of the Government Chief Information Officer has the potential to be a positive influence on the better use of technology in Government. There has been a need for a consolidated ICT Strategy for the Western Australian Public Sector. This can put in place a solid framework for agencies to look to more efficient ways of acquiring and using technology. Initiatives such as Government use of "Cloud computing", consolidation of Government data centres and other collaborative approaches will be enabled through a central strategy for Government. This will assist in ensuring that Government is taking advantage of the scale of Government procurement of technology and associated services.

In the attached document, I have made comment on each of the areas outlined in your invitation to make a submission.

Yours sincerely

SHARYN O'NEILL
DIRECTOR GENERAL

25 SEP 2015

Att.

SUBMISSION TO THE PUBLIC ACCOUNTS COMMITTEE

Inquiry into Information and Communications Technology (ICT) Procurement and Contract Management

DELIVERY OF ICT:

- **What are the common problems witnessed in public sector delivery of ICT goods and services?**

  Technology is now an everyday tool for the great majority of the community. As such, significant change has taken place in the way many industries deliver their services. This is particularly evident with financial institutions. Online banking and 24 hour access to automatic teller machines have completely reformed the way customers access services and interact with their institution.

  Demand for more flexible and accessible delivery of government services is growing. This demand will require a significant change to the way government acquires and applies technologies to the delivery of its services to the community.

  A major hurdle to overcome is the disparate nature of public sector agencies. This results in a siloed structure that delivers services in many different ways and consequently at high cost across government.

  The key is to deliver services using technology that is accessible, reliable, sustainable and easy to use. To achieve this requires a highly disciplined and tightly managed approach through good governance and oversight. In my department's case, we were an early adopter of two key methodologies. In terms of service level management, the Department adopted the Information Technology Infrastructure Library (ITIL) service delivery methodology. The key processes we concentrated on included Change, Incident, and Problem management. All relevant IT staff, and contractors, were provided with ITIL training to ensure that everyone understood the key to successful service delivery.

  The second methodology related to project management. The Department adopted the Prince2 Project Management methodology for Project management. Again, all staff involved in project work were trained in the PRINCE2 program. This has been the driver behind successful projects. In the years since it was introduced, no single project has failed with very few projects exceeding budget or time constraints and, where they did there were exceptional circumstances.

  The advice to government would be to ensure agencies adopt consistent approaches to managing ICT projects and how it ensures services are delivered in the most efficient manner.

  A further issue is the need for greater standardisation of technology across government. As an example, my department delivers services to 800 schools. In terms of the ICT platform, through which many of its services are delivered, we have adopted a standard operating environment. The success of the Department's Standard Operating Environment (SOE) can be attributed to customer input, and in particular the benefit of removing the burden of managing the basic core infrastructure from schools, and allowing schools the flexibility at the local level to make decisions about unique and innovative solutions for better learning outcomes.

The success is also reflected in other ways such as more efficient and less costly delivery of services and an ability to improve support for technology in schools.

For government, the adoption of standards in all agencies would bring significant benefit.

Until recently, there has been a lack of clear direction from Government. The lack of a whole of Government Technology Strategy has resulted in agencies implementing solutions in a siloed manner. This lack of direction results in an uncoordinated provision of services to the community and runs the risk of duplication resulting in unnecessary cost to government.

It is anticipated, the new Government Chief Information Officer (GCIO), through a release of a whole of Government ICT Strategy will rectify this situation.

On a more specific level, the Government procurement arrangements have, in some instances, reduced the capacity of agencies to negotiate better pricing and services. A solution would be for the Department of Finance to arrange Common Use Arrangements (CUA's) to address terms and conditions of each contract to establish an authorised panel of contractors, and avoid focussing on types of technology and price. Agencies should be able to negotiate price based on business need and scope.

In summary the direction government must take revolves around four issues.

1. Collaboration between agencies to ensure government can achieve the economies of scale provided by volume.
2. Sound and consistent project management practice across government.
3. A robust governance framework for technology in government.
4. More standardisation on technology.

- **What elements represent best practice in ICT Delivery?**

Adoption of proven methodologies to manage projects (eg Prince2) and deliver and properly support services (IT Infrastructure Library) is good practice. It is also important to ensure that all appropriate staff are trained in the application of these methodologies.

These actions need to be supported by strong governance processes to ensure the technology directions are fully aligned to the business directions of the agency.

Guiding the work of information and communications technology through a clear strategic plan and associated policies is also essential together with a strategic sourcing approach that ensures that agencies achieve best value for money

- **How do we best measure or define success in ICT delivery?**

The Department's chosen project management methodology, PRINCE2, incorporates mechanisms to support and achieve project success. Other measures include:

- Achieving or exceeding agreed service levels in contracted service delivery arrangements.

- Ensuring that project objectives are achieved within quality, time and financial tolerances.
- Measuring customer satisfaction with ICT delivered services.

The success of the Department's Standard Operating Environment (SOE) can be attributed to customer involvement, which is also a key to success. In this case, the outcome in terms of benefit to schools included removing the burden of managing the basic core infrastructure from schools, and allowing schools the flexibility at the local level to make decisions about unique and innovative solutions for better learning outcomes.

The Department will ensure that every school adopts the SOE.

GOVERNMENT ICT SOLUTIONS FOR WESTERN AUSTRALIA

- **What are the latest developments (domestic and/or international), in the area of Government ICT systems?**

  Adopting centralised Data Centre services and/or Cloud computing as a solution for Government are developments that the government must explore. Owning and operating Data Centres is not core business for any government agency and should be outsourced as a higher priority, or through adopting an "as a service" model.

- **What jurisdictions (domestic and/or international) have adopted the latest developments in Government ICT systems that have demonstrably reduced the cost, and improved the delivery, of Government services?**
  - **Could such systems be incorporated into Western Australia?**

    From an Education perspective, one could argue that Western Australia leads in terms of its implementation of ICT. The Department has a very small footprint in schools as a result of its SOE. There are a minimum number of network domains within the SOE, from two per school down to eight agency-wide. The Department is already adopting Cloud solutions for student use and could move all staff to that solution reasonably quickly. We have reduced the Total Cost of Ownership of technology significantly yet are providing improved service and support for schools, and is ready to look at shared common services with other agencies e.g. Office 365 including email.

  - **If so, what factors need to be taken into account to ensure successful implementation?**

    There needs to be a strong push for agencies to collaborate on common IT services, such as technical support, e-mail services and adoption of "as a service" solutions. It is anticipated that the new GCIO role will provide the impetus and leadership for this to occur.