PUBLIC ACCOUNTS COMMITTEE

INQUIRY INTO INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) PROCUREMENT AND CONTRACT MANAGEMENT

TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 6 APRIL 2016

SESSION ONE

Members

Mr B.S. Wyatt (Deputy Chair)
Mr W.J. Johnston
Mr M.H. Taylor
Mrs G. Godfrey

Hearing commenced at 10.07 am

Dr TIMOTHY GRIFFIN
Acting Director General, Department of Mines and Petroleum, examined:

Mr MIETEK BANASZCZYK
Executive Director, Corporate Support, Department of Mines and Petroleum, examined:

Ms GEE LIGHTFOOT
General Manager, Information Services, Department of Mines and Petroleum, examined:

The DEPUTY CHAIR: Good morning, everybody. On behalf of the Public Accounts Committee, I would like to thank you for your appearance today. At this stage, I would like to introduce myself and the other members of the committee. My name is Ben Wyatt; I am the committee's deputy chairperson, and the member for Victoria Park. To my left are my fellow members: Glenys Godfrey, member for Belmont; Bill Johnston, member for Cannington; and Matt Taylor, member for Bateman. Today's hearing is a proceeding of Parliament and warrants the same respect that proceedings in the house itself demand. Even though you are not required to give evidence on oath, any deliberate misleading of the committee may be regarded as a contempt of Parliament.

Before we commence, there are a number of procedural questions I need you to answer. Have you each completed the "Details of Witness" form?

The Witnesses: Yes.

The DEPUTY CHAIR: Do you understand the notes at the bottom of the form?

The Witnesses: Yes.

The DEPUTY CHAIR: Did you each receive and read an information for witnesses briefing sheet regarding giving evidence before parliamentary committees?

The Witnesses: Yes.

The DEPUTY CHAIR: Do you have any questions relating to your appearance before the committee today?

The Witnesses: No.

The DEPUTY CHAIR: As you will have observed in the letter requesting your appearance today, the committee is conducting an inquiry into ICT procurement and contract management. Part of this inquiry is looking at how innovative ICT solutions can be used to reduce the cost and improve the quality of services delivered by public sector agencies. It is in this context that we have a few questions we would like to ask today about the digital DMP initiative undertaken by your department. Before we commence with our series of questions, would you like to make a brief opening statement?

[10.10 am]

Dr Griffin: Yes, please. The Department of Mines and Petroleum appreciates the opportunity to appear before the committee and answer questions regarding the ICT procurement contract management. By way of background and context, for over 20 years, the Department of Mines and Petroleum has relied on ICT systems to carry out its business. This was when the Tengraph system was introduced to record and track changes to mineral titles across Western Australia. DMP previously struggled to cope with the backlog of work that required plotting all title outlines on

paper maps. In those days, no-one else had software to do this work, so the Department of Mines and Petroleum built the system in house and is now in the process of replacing it with more modern computer technology. In those days, DMP was also archiving very large volumes of airborne geophysical data that industry was collecting and that DMP made available to the public. This storage of large magnetic tapes and distribution by making copies was done by a contractor, largely because it was their business model to stay up to date with the new ICT developments to achieve that outcome. The experience gained by working with these datasets—specifically, the computer processing and analysis by the Geological Survey of Western Australia—enable DMP to contribute to the success of initiatives of the Pawsey Supercomputing Centre. Geological mapping was also changing rapidly at this time, requiring the establishment of digital spatial standards and databases of all geological and mineral information that relate to spatial entities on the ground. Here again, much of the software was developed in house, whereas the replacement of computer systems in recent years has been with new, much cheaper, largely off-the-shelf systems. DMP is also totally reliant on ICT systems to store and track its files to manage its regulatory processes. This reliance on ICT systems means we are required to have a skilled information services branch to run and maintain our computing services that must be 100 per cent reliable and secure. The resources industry is based on having secure title for its investment of many billions of dollars.

Under our transaction online program, called digital DMP, within DMP, we currently have 50 per cent of the 190 000 transactions each year with DMP customers now online, representing 50 per cent of transaction types. By the end of June, we expect 90 per cent of all our transactions to be online, representing 75 per cent of transaction types. In achieving this position, DMP has remained focused on the delivery of a better service to industry customers as the industry has grown from a production value of less than $40 billion in 2004 to over $100 billion in 2014 and employees in mine sites have increased from 50 000 to 100 000. These transactions are largely focused on approval assessments and compliance reporting. This has been achieved with no significant increase in DMP's total budget. The mining rehabilitation fund is a clear example of our proactive approach. When new legislation was introduced in 2013 and created for submission of information online to calculate the levy automatically, ICT was embedded in this activity from the start. DMP has achieved these results in a highly secure environment by understanding our business needs through consultation with customers, identifying priorities, taking small measured steps in a staged approach and delivering on commitments.

DMP also uses ICT for everyday internal activities to deliver efficiencies where requests and approvals are all done online, including requests and approvals to purchase and to travel, invoice processing, tracking ministerial requests, editing and approval sign-off and the provision to manage meetings and distribute agenda papers. For these, we have a mix of contracting and in-house development—whatever delivers the best value—and we use a variety of companies. DMP has worked closely with other agencies to assist them to provide smart data to DMP, such as the Department of Aboriginal Affairs to better constrain Aboriginal site locations and facilitate Aboriginal Heritage Act section 18 approvals, the Office of the Environmental Protection Authority to capture and exchange accurate information on its reports, and the Department of Lands to collect an accurate spatial footprint for proposed land tenure changes.

As you will appreciate, ICT is embedded in the way DMP does its business, and there is no reasonable alternative. Because of this, we are focused on getting value for money and understanding what new technologies have to offer. The big challenge is to ensure that DMP always has sufficient funds available to maintain our systems, along with making the minor upgrades that can have a big impact, and currently DMP's information services branch, which Gee leads, costs us $6 million per annum; secondly, the capacity to replace ageing systems using new technology, while recognising that both old and new systems have to be absolutely reliable before the old one can be shut down; and, finally, funds to introduce new concepts that provide a quantum shift in delivering the service that is needed to ensure that Western Australian resources sector remains at

the top in a highly competitive world. DMP received special budget allocations for new initiative work between 2010–11 and 2013–14 of between roughly $5 million and $7.5 million per annum.

The DEPUTY CHAIR: Thank you very much. You have actually gone through and dealt with a number of the questions I intended to ask you.

Dr Griffin: We are happy to expand on them.

The DEPUTY CHAIR: There are a few others that, if you do not mind, I will go through, and some of my colleagues might have some follow-ups or additionals. You made the point, Dr Griffin, a minute ago about the special budget allocations of, I think, $5 million to $7.5 million over that time. Have there been savings generated as a result of digital DMP; and, if so, how have they reduced transaction costs?

Dr Griffin: I will just give a broad one and refer back to the note there. The fact that we have been able to maintain our budget over those years at a constant level while the industry has more than doubled I think illustrates that the savings have gone back into building these systems and have allowed us to cope with a far larger number of applications.

The DEPUTY CHAIR: So clearly there have been savings generated, not captured in a figure as such?

Dr Griffin: No. I will pass it across to Mick. He will be able to answer in more detail.

Mr Banaszczyk: No, we have not actually captured the savings in a figure as such. What we have been able to identify is that when you look at the workload that we have had and the number of people that we have employed, the staffing numbers have remained pretty much constant—in fact, probably dropped a little bit—over that period of time. At that time, our workload, in terms of applications from industry, has doubled and tripled. We have also, during the period when there was a major growth in the industry, experienced a turnover of something like 30 per cent of staff in certain areas such as geologists, environmental officers, finance and HR people. For us to try to manage all of that, with that staff turnover, was just becoming impossible. By going electronic with our internal processes and external processes, we were then able to keep track of what was happening and deliver the services so that the systems are driving the processes rather than new people coming in; their job was mainly to value-add. That way, we managed the staff turnover, we managed the growth in industry and reduced our time for approvals. The average time taken to approve a mine site was around seven years. That has dropped to around three years. That is through the efficiencies that the industry has had, but also efficiencies we have been able to achieve. When all this was happening—it started about 2004—is around about the time I joined the department, and the department was really struggling. That is when the department went on a path of becoming electronic, because it just was not surviving.

The DEPUTY CHAIR: Because of the volume of work?

Mr Banaszczyk: The volume of work. The volume of work was very, very high and growing, but also because of the demand for specialised people in the industry, a lot of our staff were leaving. By people leaving, you just could not do the work without having the people there and having that staff turnover. So the system has enabled us to monitor and track where approvals were at, and then be able to make sure that we got those approvals moving in a way that was appropriate to what was required. Over a period of time, as we progressively increased our dependence on technology, we have been able to get those efficiencies. Those are clear efficiencies, we believe, that we have achieved in being able to do that. We have not put a dollar figure on it. Had we not used the technology, the only way for us to achieve the same level of outcome would have been to significantly increase our employment of people.

Mr W.J. JOHNSTON: Dr Griffin, often ICT projects in government do not go so well as what appears to have happened here. Is there a finance committee or something like that at the top of the Department of Mines and Petroleum?

[10.20 am]

Dr Griffin: Yes, we have a finance committee that is chaired by the director general, and we have an ICT committee that is represented by the executive team that meet on that, and so all of us are on that committee. Below that we have a quite rigorous governance structure. Each section of the department has its own ICT, where they come up with their models and put up concepts. They come up to that committee and they are assessed and rated and prioritised. I guess the other big thing we look for is where there are synergies of ideas to avoid repetition, and to use existing systems that we have already developed in one part of the organisation and apply them elsewhere.

Mr W.J. JOHNSTON: In respect to the finance committee, you sit there and get a budget report from the various IT projects you have in the agency, and you are checking expenditures against what was approved and looking for variations and trying to control what you see in those areas.

Dr Griffin: Exactly. As you are alluding to, ICT projects are notorious for coming up with a new model of how we might do it. Maybe the time line is slipping and the achievement has not been reached, so we certainly get all those reports and we make some judgements about how we will progress through that. We are pretty tough on keeping the project in scope and not allowing it to expand out, so we have a staged approach to it and say there are some milestones we need to hit on. We have also been rigorous on occasions. Particularly if we have had a contract come in and offered to achieve something by a certain time line and we are not achieving that, we have cut the project. We might have suffered a potential loss of $40 000 or $80 000 but we saw that as a better thing to do than allow it to just go on and go on. Then we step back and say, "Well, what could we learn from that, and what can we take from that expenditure before we take the next step?" We are pretty rigorous about that and have been for some time.

I would like to add to Mick's comment. Many of you might know I was in the Geological Survey; I was an executive director of that for 10 years before my current role. We were into that ICT space, as you know from what I said earlier on, at a very early stage. Then when the new government came in, this current government, its first iteration was very focused on the approvals time line. That was one area where I took a leading role to try to address that and use that knowledge to make those improvements across the approvals processes.

Mr W.J. JOHNSTON: It is clear that for those members of the finance committee and the IT committee, you saw it as your responsibility to make sure there was a good outcome for those projects that you were working on.

Dr Griffin: Most definitely, yes. In fact, the director general has charged the ICT subcommittee with being really rigorous about this because he realises the potential risk associated with ICT spend.

Mr M.H. TAYLOR: Did you seek or at any time do you use in your projects third party advice from perhaps the Department of Finance or others around ICT planning and procurement, or is how you go about it wholly within house?

Dr Griffin: We certainly go and talk to other people and are well aware of what is happening across government, and try to find out what other people have done. I think, on occasions, we have gone out and sought their advice deliberately on special projects.

Mr Banaszczyk: Yes, we consult with other agencies, but we also in some cases engage consultants who will undertake some work for us to be able to look at what is the best solution for the strategies and the problems that we have to address. When we do that, we have on occasion—the most recent was the replacement of our Oracle financial system—consulted with a number of agencies. We looked at the consulting advice we got—the Department of Finance was one of those that we looked at—and we ended up copying quite a lot of programming work that was done across government. A project that was projected to cost in the vicinity of $4 million cost us $1 million. That is because we were able to harness the benefits from other agencies that had already

implemented the system. We looked at the agencies that had processes that were similar to ours, and then we used the programming work that was done there to just copy into our system. Significant savings were achieved in relation to some of those things. Wherever we can, we utilise that.

Mr M.H. TAYLOR: Why does engaging consultants save you money and cost other agencies large amounts in blowouts? What is the difference?

Mr Banaszczyk: When you look at the financial system we had, the consultants gave us advice in terms of what it might cost. We then went out to tender and got certain proposals. But the tender that we put out was very specific about what our needs were. Rather than taking everything that the consultants initially recommended to us, we also have in-house expertise. Then we looked at what was the best approach for us. Gee has a team of people who also provide very good assistance and guidance in terms of what approach we might take, so we are not entirely reliant on the consultants in terms of the approach that we take. But also, when we engage these people, we do take a very rigorous approach to the way that we manage the contracting so that they have outcomes to be delivered, they keep rigorous time sheets about how much time they have spent on different components of the work, and if they start spending more than what we expected, then we start challenging all that.

Mr M.H. TAYLOR: Understanding and clearly defining the needs is critical to having a good tender process and ultimately end result. Defining the needs, you would achieve the wealth through internal capability in consultation with brought-in consultants?

Mr Banaszczyk: Yes.

Dr Griffin: And with other agencies. For example, Landgate is an area where we have a lot of similarities with the sort of spatial work we are heavily involved in. We discuss a lot with Landgate, and Landgate with their initiatives often come to us for advice and sometimes it is the case where they say, "You're a step ahead of where we would like the rest of government to be, and so can we work together to achieve that combined outcome?"

Mr W.J. JOHNSTON: Can I just ask about that? Is your data compatible, transferable, with the Landgate data? Obviously, as you say, you have tenements et cetera, and they have, you know, all the different land titles. Does your data match with theirs technically so that you could have a single map?

Dr Griffin: Yes, in fact, you could put on the screen and we could pull up the cadastre with the tenement information displayed on the same screen. One area we do have difficulty with is topographic information, and Landgate have lost the capacity to keep that up to date, as I understand. In the past where we have needed better topographic information that they have been responsible for, we have actually collected additional topographic data and given it to Landgate, and they incorporate it into their system. So, we understand each other's systems very well and we exchange data, and there are no issues around the compatibility of the data.

Mr W.J. JOHNSTON: I also understand that the Department of Water has a large —

Dr Griffin: Yes. The hydrogeology data came from the department originally and they are now managing that system.

Mr W.J. JOHNSTON: So their current database matches with yours?

Dr Griffin: It is compatible with ours, yes. And as I was saying, we are working with Aboriginal Affairs, Lands and obviously the EPA to make sure they have got the same sort of systems in place.

The DEPUTY CHAIR: Thank you. I think you have dealt with the questions of operational efficiencies and I think you have answered those. One question I will put to you is in respect of future savings. It may just be, and you can perhaps just confirm for me, that the future savings, if you like, are really expectations around staffing going forward. I understand your answer about

savings over the years. What are the future savings as perhaps identified in your budget forward estimates, for example? Are you expecting your FTE to stay pretty much as it is going forward?

Dr Griffin: It is a challenging issue, because you can sit back and say, "Yes, we expect that could be the case, because there is clerical work that is done that will be replaced with electronic systems as we move forward." But I guess our experience has been that with every step we make in terms of changing the work environment in one area, there is an increasing demand in another. I suppose the best example I could use from recent times is the expansion of our role in terms of community engagement, which is something we were not heavily involved in in the past. That was because I guess in Western Australia there was a sense that the resources sector was great for the state and offered an opportunity to build infrastructure across the state, particularly in remote areas, and generally the community and everybody was accepting of it. In recent times we have seen some pushback from people seeing that the resources sector is going to have an impact on their comfortable lifestyle for whatever reason and also, I guess, the views of the community have been influenced by some negative elements worldwide, such as anti-fracking campaigns, for example. A lot of the information is misinformation, so we felt we have had to put more effort into explaining our business and correcting misinformation. That is an area that we did not expect would expand, so we have savings on one side and we end up finding we have to expand in another area. I guess what we would like to say, and I guess the evidence is there, is that as we move forward, we expect to maintain our budget at a pretty stable level, and the saving in one area will be diverted into achieving an outcome in another that we see is important as we move forward. But we are not actually capturing the inflation; inflation is what has been given up. Admittedly it is not a lot now, but it could be a lot.

[10.30 am]

The DEPUTY CHAIR: Okay, thank you. Does the department measure customer satisfaction regarding user experience with the digital DMP?

Dr Griffin: Yes.

Mr Banaszczyk: Yes, we do. In fact, we are proposing in the future to have a survey of users and stakeholders on a regular basis to get feedback from that. Currently we obtain feedback from users and stakeholders on, I guess, an ad hoc basis. When we introduce new systems, we get users to do some testing for our systems to see what their response is. We have had on occasion companies tell us what a great system we have and that it improves things for them. In some cases maybe people have not been as complimentary in terms of going digital, but we work with those people to get them onside, as has happened with the mining rehabilitation fund, where we went digital 100 per cent, and some of the feedback from that has been extremely positive, even though people have not used computers in the past. But the way we facilitated was to enable people to do that. In the future, we are proposing going forward to have a performance indicator based on stakeholder satisfaction.

Mr W.J. JOHNSTON: Can I just ask on that topic, when you transact that with some businesses, you do your online transactions and then the next thing is a request to participate in a satisfaction survey. You are not doing that style of feedback?

Mr Banaszczyk: No, because you can manipulate that to give someone a really good service and "Here you are—answer our questions for me", and then when you are not answering questions, you do not. It will be a different survey that is designed to provide independent feedback and is structured to get that. We expect that to be in our budget papers in the future, but we are just going through our approval processes now.

Dr Griffin: Just on that, there are a couple of surveys that come to my mind. One, a geological survey that is a survey on a regular basis and it is measured on the response to that in terms of how it is performing. We have embarked on a stakeholder engagement survey, and part of the value of

these is that we have got to repeat them on a regular basis and ask the same question so you can get a trend. We do have a couple of those, but I do not think we have a whole-of-department —

Mr Banaszczyk: The survey into next year will be whole of department.

Mr W.J. JOHNSTON: I get the survey on your email, because obviously I am on your subscribing service and you ask us questions, but in terms of the actual transaction process, you are not seeking the automatic feedback that some of the businesses are doing. There are two different issues there—total service of the agency and then the ease of each individual transaction.

The DEPUTY CHAIR: How is private user information stored on the online systems and secured?

Ms Lightfoot: At the moment we do not use cloud services to secure any of our private data, so it is all in-house. Some of it is encrypted, depending on the classifications of our data.

The DEPUTY CHAIR: Is there any attempt to use cloud services in the future, or not yet?

Ms Lightfoot: I think DMP is always looking at ways of becoming better through continuous improvement, so we are always looking for opportunities. If any cloud service does give us savings, we will use it. At the moment we only use the cloud for non-core business like collaboration and things like that that do not impact on our core business—so we do use the cloud. As we go along, we will always look at new opportunities. To me at the moment the cloud is not that mature yet. A lot of people have gone into it, but I have not seen the savings, so I tend to be a bit more conservative about the hype of the cloud or outsourcing-type things. I am looking and watching, and if there is an opportunity, definitely I will put a recommendation to all our executives.

Mr M.H. TAYLOR: Just to follow up on that, that is an interesting question, because I had someone come to my office and I was sure they had a vested interest because they are a service provider to government, and they were very critical of cloud service and that the savings that have been claimed are not realistic or not accurate. I asked Landgate, who we had spoken to before about savings, and they were able to give a couple of very clear examples where significant savings were made through going to a cloud service rather than in-house data storage and your own capability. I have been thinking about this for a few months now and I am still no clearer about whether there are efficiencies in cloud service provision. I know it is probably a case-by-case basis, but it is interesting that you are at the fore in many regards of ICT from government, particularly in Western Australia, but that you have not yet made that step to cloud when others like Landgate, for example, who you are saying you work very closely with, actually have moved in that space considerably and have savings. I am curious about that.

Mr Banaszczyk: It really depends on doing the analysis and looking at the cost–benefit of taking that step. Because we have used technology for quite a long time, we have a data centre that is established, so the cost of setting up is there; the infrastructure is there. If you are going to scrap that and go to the cloud, for us, at this stage, it is not beneficial. If we were in a situation where we had to set up the data centre right from scratch, then it could be a different proposition for us to make a decision to move into the cloud. Some of the things with the cloud for us are security. From what we have looked at so far, it is possible to have the security we need in the cloud. And some of the issues you need to look at —

The DEPUTY CHAIR: Sorry—it is possible?

Mr Banaszczyk: It is possible to have the security that we need by going to cloud, depending on who the provider is, where they are located. Then you have issues about if they are overseas, who takes ownership of the data, because if we save our data overseas, it could be subject to foreign laws that we do not know what applies, whereas if it is within WA or within Australia, then you have legal frameworks that you can rely on in terms of ownership—in the case of someone going bankrupt, for example, who gets what, and things of that nature. Some of our data could be quite valuable to individuals, so, for us, it is about being able to protect that data. We believe it is possible to do that, but our decision at this stage for not going to the cloud is because it is not an

economically viable option as yet. But depending on what expenditure we need to do on our data centre into the future, it may become viable. But what we have set up at the moment is quite efficient and if circumstances change, we will certainly be open to doing that.

Mr W.J. JOHNSTON: Do you own your own data centre?

Mr Banaszczyk: Yes.

Mr W.J. JOHNSTON: And, physically, where is it?

Mr Banaszczyk: At 100 Plain Street.

The DEPUTY CHAIR: Plain Street, so it is in your building, is it?

Mr Banaszczyk: It is in our building, yes.

Mr W.J. JOHNSTON: It is not in a —

Mr Banaszczyk: It is not out somewhere that we are renting or anything like that. We own the building, and it has been, like I say, set up for quite a number of years. It was set up before cloud existed or the concept of cloud, so because it is there, the infrastructure is there; it is a cheap way to look after it.

[10.40 am]

The DEPUTY CHAIR: Did the department procure all the relevant goods and services for the development of digital DMP from common-use arrangements or were any exemptions required? We are happy to take any answers on notice, if that is something you need to go and do.

Mr Banaszczyk: I am not aware of any exemptions. I cannot recall any exemptions that we asked for. It was all approved in the common-use contracts.

The DEPUTY CHAIR: How much has digital DMP cost to roll out, given the figure of the extra budget provided, if you like, over that $5 million to $7.5 million?

Mr Banaszczyk: The issue of DMP in itself is not a—it is a separate strategy from our technology strategy. It is something that we have been headed towards. The department was formed over a number of years from different bits and pieces, elements, from different agencies over time, and they have different systems. Since we have been as one department, everything has been brought together so that we can have the flow of information so that people can work on the same approval in different parts of the department at the one time, so we can get the time frames down. Digital DMP is really making virtually—initially, we have 70 per cent which will be online digital and progressively more, but we have been headed towards that with our systems development. So digital DMP is not another cost as such, but it is, rather, the concept of bringing it all together and going digital and it is a way of presenting the concept to the industry to say that this is the way we are going to work in the future. So when you look at what we have been doing and the approach we have taken, you know, you go back four or five years and our electronic creation of files was something like 35 per cent. Last year, it was up to 95 per cent of all the new files created were digital. That is where we are sort of going. We are trying to get that more and more digital because that is the efficient way to go. So we do not have a digital DMP budget as such in expenditure, but rather it is the ICT steering committee that Tim Griffin has talked about, and it is about putting everything together into one point so that it makes it an easier reference for the user.

The DEPUTY CHAIR: Was there a set time frame to move to digital DMP when you started on this journey, let us say, or has it been evolving?

Dr Griffin: We made a decision, I guess, two years ago to try to achieve 100 per cent online transactions by the end of June 2016. As Mick said, it was not a separate project; it was a concept and an aspirational target we decided to focus on. As Mick said, if you go back, I guess, four years, in the petroleum division, they came up with the concept when a company put in an application for a pipeline licence in Western Australia that it would be more efficient to have that online, as

previously it was all paper documentation. They were able to achieve that as a special target group. I think there are 13 chapters in that application process when you get online to put in an application for a pipeline licence. It was structured in a way that the proponent filled out sections online and was able to shut the system down and come back to it at any point in time, including the capacity to send an email to their colleagues in the United States and say, "Can you fill out this section of the application form and tell us when you have done it? We'll open it up and check it through." It has things like not only the diameter of pipelines, but also the thickness of the steel, the quality of the steel and all that sort of very highly technical information. It was so successful as an online system that I understand one of the private petroleum companies is using a similar system in their own environment to actually collect information across different parts of the world. That was perhaps one of our most extensive online systems that was in place. We were saying that if we could do it for such a complex item as a pipeline licence, then we should be able to do it for a lot of other activities. We had already started it in many areas. As Mick says, it was a decision saying that we are making a lot of progress in this space.

We had also spoken to industry and they said that we would get an efficiency in the way that we carry out our business—it would be cost saving to us—in interacting with the department if we could deal with all this information online, largely because it allows them to put information to us and we can electronically check whether it is okay or not. If it is not, they get an instant message saying, "No, this isn't up to scratch or there is information missing", so they can provide it right away, rather than submitting the data, somebody going through it and weeks later coming back and saying, "You're missing some information; you need to provide extra information." It was all those ideas and thinking that came together and said that this would be a sensible way to go. I guess sitting on top of that was our recognition when we are filling out tax returns or doing our airline bookings or doing our banking, we are doing it all online and it is a way that we are heading as a community.

The DEPUTY CHAIR: Out of interest, though, were the intended benefits scoped beforehand, or have they effectively emerged as you have gone more and more into it?

Dr Griffin: There was some scoping, and we did prepare some material that identified how our customers interact with us and the cost of that interaction, and so we identified if we could make some significant savings to the customers in terms of that, and that was probably the most detailed area where we did some work around the cost of doing business with us.

Mr W.J. JOHNSTON: So your aim there was not necessarily to have cost savings for the government budget, but, rather, a better environment for investors.

Dr Griffin: The focus was on a better environment for investors.

Mr W.J. JOHNSTON: Is that because you are competing with other jurisdictions around the world?

Dr Griffin: That is right, yes. I guess associated with that was that we recognised that in doing that we were building internal systems where we were doing automatic crosschecking, and so that would free up some capacity and that would help fund going into this space.

The DEPUTY CHAIR: Can you confirm that DMP is currently not participating in the director general ICT council and the GovNext program, both initiated by the WA Government Chief Information Officer; and, if so, why has DMP chosen not to participate in these initiatives.

Ms Lightfoot: We have not said that we are not participating. Representatives are doing the evaluations of the tender and we are just waiting to see what the outcome was and the value for DMP. We have not said no; we are just looking and seeing. There are many other agencies that are not part of the evaluation panel, and we are one of them, but we have been in dialogue with the OGCIO constantly.

The DEPUTY CHAIR: Colleagues, I do not have any further questions. Does anyone have any other questions?

Mrs G.J. GODFREY: Just one question. You are at 100 Plain Street. Is that building to be sold? Are you shifting somewhere else?

Dr Griffin: That is not a decision for us.

Mrs G.J. GODFREY: No, but are you aware of that, or is that not the case?

Mr Banaszczyk: We have not received any advice to suggest that the building is being sold. We have received approvals from government to do things like replace the lifts and do other upgrades to the building, so that would suggest to me that perhaps it is not being sold.

The DEPUTY CHAIR: Sorry; I do have one other question, if I can. Does DMP undertake gateway reviews when rolling out major ICT projects?

Ms Lightfoot: Actually, I was part of the gateway reviewers at one stage. We have not asked the gateway reviewer to come because we have never had any problems with our projects, and we did not have any disasters.

Dr Griffin: Serious problems, I think.

Ms Lightfoot: We really have very strong governance, and, in my opinion, from all the industry and all the other companies I have worked with, our executives are actually very involved in the prioritisation, and in managing and actually articulating the scope, the budget and the way of doing things. It is not that they all meet and there are formalities; they actually get involved, and they do a lot of questioning. The roles and responsibilities are very clearly articulated. That is why we are able to manage the projects very well, and, like Tim says, we do not have multimillion dollars—we actually have a vision, and then it is on a staged approach. Depending on how well each stage has been delivered, then they say yes or no. That is why I think we have been quite successful in managing our ICT projects.

[10.50 am]

Mr M.H. TAYLOR: I have one final question. Given that you do consult with other agencies, and to the extent that you can provide an answer in this regard, based on your experiences, what are the common areas across government where, in your dealings with other agencies, there have been deficiencies around the way that they deal with ICT?

Dr Griffin: I think it comes back to lack of capacity in the agency to identify exactly what will fit for them, and generally our experience, particularly with the smaller agencies like the EPA and the DAA, I think they do not have that in-house skill and experience, and so we are able to help them with that, and provide solutions, which I guess we have had some experience with and can be adapted in their environment more readily. I think when an agency tries to do it by themselves, if it is a small agency, it does find it difficult to appreciate, I guess, the complexity of the offers that are made to them around alternatives. I think you highlighted the issue where one group is saying it is not working and another group is saying it does work in terms of the cloud. I think this becomes very difficult to resolve if you do not have a fair bit of skill and experience.

Mr M.H. TAYLOR: And your dealings with larger agencies that do not necessarily do it well either, but it would be for different reasons other than not having the capacity or expertise?

Dr Griffin: I do not think we have had any dealings with Health, have we?

Mr Banaszczyk: I do not know enough about other agencies I have dealt with to really be able to make substantial comment because I do not know enough about it. We go and talk about particular issues, and they are the sort of discussions that we have. But for us, when you look at the $5 million or $7 million that we are spending per annum on IT, our governance around that requires that when there is a variation of up to $50 000 in the expense or scope, it has to come back to the ICT steering

committee. So if people are looking at changing the scope of work, and if expenditure is going outside that, they need to come back and get that approved. We have got some fairly tight governance arrangements around that to make sure that things do not drift off somewhere else, because it can be very easy for these expenditures with contractors working on these things to have costs just to drift off, and people go off on a tangent away from the scope of work that was specified initially. It is really that clear focus, and the focus has a clear strategic direction about where we are headed with our technology, and then how we manage that. When the variation is at the $50 000 mark, it then also has to go to the director general for approval. That way, if people know that there is a lot of rigour around that, and then if they start deviating from that, then we can see it, and we monitor on a monthly basis in terms of expenditures to make sure that everything is on track, and that is done through our ICT steering committee, but also we have a finance committee that looks at that as well, and looking at what is there.

The DEPUTY CHAIR: Thank you for your evidence before the committee. A transcript of this hearing will be forwarded to you for correction of minor errors. Please make these corrections and return the transcript within 10 working days of the date of the covering letter. If the transcript is not returned in this period, it will be deemed to be correct. New material cannot be introduced via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. Thank you again.

Hearing concluded at 10.55 am