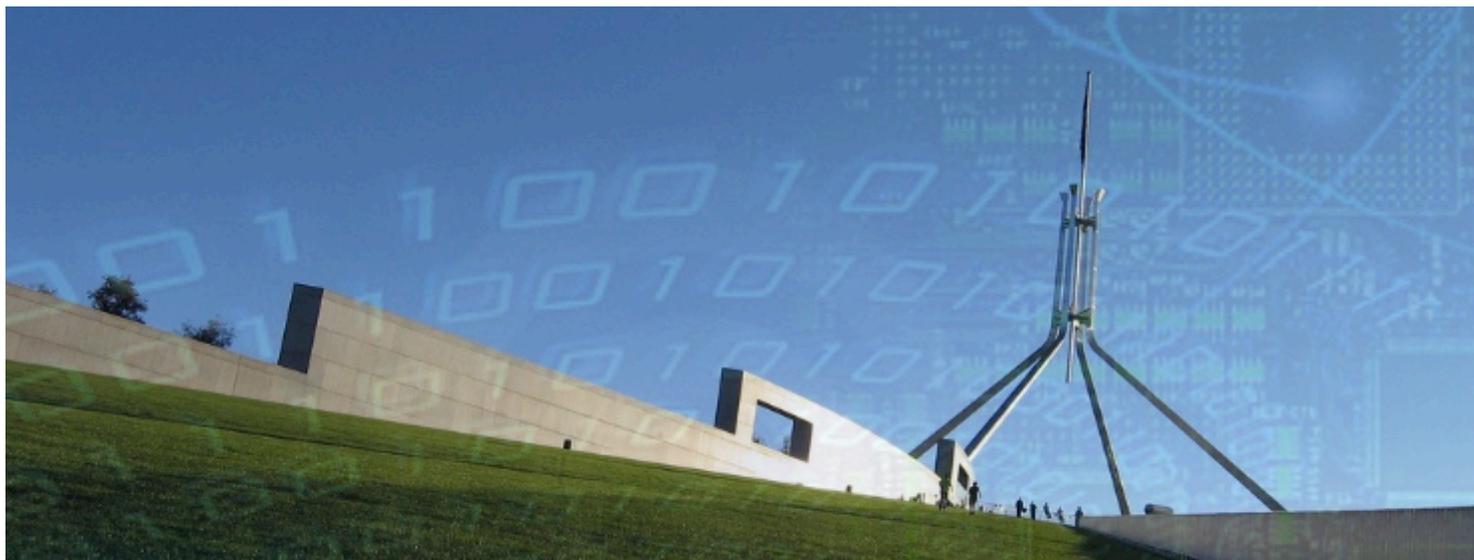


Government Services Communiqué

2013 Australia 3.0 Government Services stream examined what the obstacles to digital transformation are across the public sector



In a digital society, with access to information at our fingertips, we expect governments to be more open, more accountable and more efficient. Increasingly we demand that government services be available 'anywhere, anytime', similar to many other business services. In Australia, whole-of-government reforms have continued in the past decade, aimed at improving the efficiency of the economy and government service delivery.

Both State and Federal governments are recognising that there are significant benefits to be gained, both for citizens and for government, in taking a more strategic and citizen-centric approach to service delivery. This implies a service delivery transformation, a greater reliance on evidence based policy and decision making, and a much greater degree of information sharing.

2013 Government Services Moderators

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The Challenge

Australia's Gross Domestic Product is currently just over \$1.5 Tn (ABS - Sep 2012). Of this, approximately 6.4% is federal spending, 10.8% is State and Local Government spending, and 4.5% is public capital expenditure. Total Government (excluding defence) contribution to GDP (i.e. spending on capital projects, goods, services and salaries) is approximately 23% of GDP or \$345 Bn. This highlights:

- The relative importance of State and Local Government spending, even though the majority of revenue is raised federally
- The relative importance of capital expenditure

Based on Productivity Commission data, there is an estimated productivity gap of 10 to 15% of total expenditure in the provision of Government Services. Despite the repeated demand on governments at all levels to deliver a productivity dividend, this gap remains stubbornly high.

There are many factors associated with productivity in services, ranging from management skill to use of innovative work practices. Critically, there are major gains to be made using digitally enabled technologies. We have become used to the relentless march of Information and communications technologies (ICT) transforming industry sectors. The community expects Government Services to keep pace with the service innovation they see in other areas. ICT can not only make delivery of services more efficient, they can also be used to transform *how* services are delivered, *how* personalised services become, and can put *data driven evidence* into the hands of those making policy. The opportunity also exists to reduce the cost of complexity for SME's when engaging in Government Tenders and provide the opportunity for much greater engagement of local companies in addressing government ICT challenges.

The problem is recognised and understood at senior levels of government and the inability to be able to innovate is often cited in terms of inability to accept risk, the lack of financial or other incentives to innovate, the need to impact areas or departments outside of direct control, and the cost of transformational change.

It was acknowledged that Federal, State and Local governments are taking steps to tackle the challenges identified in the Australia 3.0 forum and a need to better communicate existing activities was widely expressed. An overriding recommendation is that industry and government should operate in a more collaborative manner to develop better mutual understanding of the needs, challenges and existing activities of government, and the ability of industry.

It is further acknowledged that the challenge is not unique to Australia. The United States, United Kingdom and New Zealand have embarked on programs of reform for government services which address issues of open data, online engagement with citizens and reform of procurement processes (see for example "*A Smarter, More Innovative Government for the American People*"¹).

2013 Government Services Recommendations

The Australia3.0 online forum discussion regarding Government Services opportunities has been vibrant and featured a wide number of participants. The following areas of key priority focus have been identified during the online dialogue:

1. Reform to government procurement processes
2. Creating value by opening up government data
3. Realising real value from Government use of Cloud Services

These priority areas are further set in context by some key horizontal enablers identified during the online dialogue, which include:

1. Ubiquitous and safe online identification
2. Use of open standards
3. Better partnering and collaboration between government and industry to drive higher levels of innovation.

1. Procurement Reform

The National Cloud Computing Strategy identified that the Australian Government, with an annual procurement of over \$5 billion in ICT and associated services. The role of the Australian government as smart buyer is inhibited by existing procurement processes including the focus on acquiring solutions for existing system needs rather than anticipated needs, the limited ability to innovate, and mandate to limit risk to a very high degree. A major challenge identified by Government members of the group was the mandate to specify system requirements to very fine detail and then seek the lowest cost bidder, rather than take an outcomes or solutions focus where bidders address a stated challenge and work towards a known budget.

Recommendation:

Australian industry and Governments urgently must work together to accelerate the development of collaborative engagement models that lead to significantly better outcomes (i.e. lower cost, improved services, greater citizen satisfaction) through business innovation enabled by ICT. This will include the development of procurement and implementation practices with the associated development of consistent and sophisticated best-practice guidelines.

It is proposed that this recommendation be explored by working groups drawn from Government, the AiiA, ACS and Pearcey Foundation.

2. Opening up Government Data

Another major opportunity is to harness the “open data” revolution sweeping many sectors of the economy. There are benefits for industry, community and for different parts of government themselves. Despite calls from both Federal and State Ministers, Australian governments appear to be relatively slow to open up data sets, falling behind some countries such as the USA¹ and the UK¹. In August, the US government had available on the Data.Gov web site

- 200,442 datasets
- 349 citizen-developed apps
- 137 mobile apps
- 171 agencies and sub-agencies
- 87 galleries
- 295 Government APIs

In August, the Australian government had 515 data sets available¹.

Data custodians are concerned about the unintended consequences of release of data (in particular, the impact on individual privacy). Without clarification of existing relevant regulations, there is also real concern about personal liability. The cost of making data available, shifting from paper to machine readable electronic format for example, is a real consideration. Embarrassment about data quality and the conclusions which will be drawn from incomplete or inaccurate data also add to reluctance.

Proving simple guidelines for those who have curatorial responsibility for existing data sets will help clarify when and under what circumstances data can be shared. Looking forward, the explicit requirement to share new data collected or generated will help curators identify upfront the requirements for privacy, provenance or data format.

Recommendation:

That much greater priority should be given to opening up of existing and future government data sources in the current formats available. All levels of government should be encouraged to share best-practice.



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Government Services Stream
Co-leader

3. Realising real value from Government use of Cloud Services

The recent release of the Federal Government's National Cloud Strategy again puts the focus on Government use of Cloud Services. The National Cloud Computing Strategy identifies that the Australian Government has a role in providing leadership on the appropriate adoption of cloud computing and in the flow on effect from terms and products procured by the government to other organisations in the economy. There is also tangible benefit to agencies, taxpayers and citizens in the informed adoption of cloud services by government.

The National Cloud Computing strategy was complemented by the release of AGIMO's Document "Australian Government Cloud Computing Policy: Maximising the Value of Cloud". The AGIMO document states "The Australian Government will be a leader in the use of cloud services to achieve greater efficiency, generate greater value from ICT investment, deliver better services and support a more flexible workforce."

Nonetheless, AGIMO has been perceived to be conservative in the ways that it has addressed these issues. More broadly, the Australian Government's approach to the adoption of cloud services has been too conservative.

Recommendation:

That all levels of Government should seek an order of magnitude reduction in the cost of new systems and the cost of ownership of existing systems by exploiting new technologies such as open source software, software as a service and infrastructure as a service (cloud computing) where citizens' expectations of security and privacy can be achieved.



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Further Information

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