

27 September 2017

Senate Finance and Public Administration  
Reference Committee  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Senators

## **Submission to the Senate Finance and Public Administration References Committee in relation to the Digital Delivery of Government Services.**

SCOA Australia, formerly the Superannuated Commonwealth Officers' Association (Federal Council) Inc., is concerned that Government capability to deliver efficient and effective services to the Australian public using information and communications technology (ICT) is becoming increasingly restricted as a direct result of administrative process, rapidly evolving technology and government policy.

### **Outsourcing**

During the past twenty five years successive governments at both Commonwealth and State/Territory level have pursued the outsourcing of both ICT infrastructure and the development and maintenance of new ICT applications projects supporting the delivery of government services. This outsourcing has been undertaken to reduce the expenditure required for ICT services, yet the actual cost of government ICT has increased dramatically.

This outsourcing has been undertaken to dramatically improve the technical ICT skills available to government departments, yet outsourcers have consistently hired departmental staff made redundant by the decision to outsource the work.

This outsourcing has been undertaken to enhance the opportunities available to the Australian ICT industry yet most outsourcing initiatives of significant size have resulted in multinational vendors being successful.

This outsourcing has been undertaken to reduce the ongoing headcount of the APS, yet the number and cost of contractors (non-ongoing) continues to rise.

As a result, the ICT knowledge and experience available internally to government departments has become limited.

Coincident with this steady loss of ICT skills, government departments have placed increasing importance, at managerial level, on people skills, change management experience and budget discipline. All necessary elements of the management role, but in seeking these attributes less attention has been focussed on the need for knowledge and experience of the "business" of the department, of the subject matter with which it deals.



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The generalist manager, the individual who is perceived as able to manage in any environment, is favoured and the culture and history of the department gradually recedes.

Add to this the dramatic and disruptive advances in ICT during those twenty five years, the internet, social media, the smartphone, robotics, Amazon etc.

So, many government departments are now faced with significant ICT operations and/or new projects with limited subject matter knowledge and experience for the task of specifying requirements, limited ICT knowledge and experience for appropriate involvement in the ICT design and development and little ability to test the developed product adequately or to manage the contracts regulating the projects.

Most digital delivery of Australian government services is now dependent on companies headquartered in other countries, most notably the USA (HP, IBM, ... but don't forget SAP from Germany) for ICT input and similarly dependent (E&Y, Deloitte, Accenture, KPMG, ...) for business process input.

Evidence of problems with large scale Government ICT is easy to find. Did you try to access the ABS on Census night? Do you know where your tax data is stored? Have you received an enquiry from Centrelink? Do you rely on the systems available to air traffic controllers? SCOA believes that the emphasis on outsourcing must be wound back; and that the availability of strong ICT and business knowledge unfettered by the profit motive is essential for all government departments.

## Data

The foundation of all Government policy is data, about the world in which we live and about the people of Australia. To design useful policies and to measure their effectiveness Government needs to collect data consistently, data that conforms to standard definitions and that is understood by all its users.

Unfortunately, in the large departments (e.g. ABS, ATO, DHS) funding pressure leads to constraints on data collection, compromising statistical validity and/or data definition and/or time series development. So, the ABS retains retail price data adjusted for quality, not the original unadjusted data; Centrelink matches its client income data to similar but incompatible income data from the ATO.

The data that Government uses should be defined, standardised, retained and maintained on a whole of Government basis by a central agency, most probably the ABS.

Retention of data by individuals must also be standardised across government services. Most Australians probably think that tax records should be retained for five years. By contrast, recent actions by Centrelink indicate their assumption that clients have retained data relating to their support claims for longer periods.

A major issue contributing to the way data is used is the ability to positively, uniquely, identify individuals.

Australians seriously considered this issue in the mid-80s when the introduction of an Australia Card was debated, and related debate has occurred intermittently since then.

There was then, and may well be now, significant opposition to the introduction of a unique individual identifier, largely because of the power to aggregate data on individuals from a wide

variety of sources, both government and private. However, in the 21<sup>st</sup> century we are much more accustomed and perhaps somewhat more uncaring about organisations collecting detailed data about us. And unique identifiers for individuals have been successfully implemented in other major economies, e.g. the Social Security Number in the USA.

The lack of a strong identifier has a significant cost, often unheralded. Organisations will attempt to data match and to mine large data sources irrespective, with the matching attempted on name, address, birthdate and other descriptive data. The twins, Mary and Margo Smith, therefore spend their lives being mistaken for each other, especially if they share a house and an occupation.

SCOA would support the introduction of a unique individual identifier.

### **The User**

As with any system, government systems must be designed and built so that they actually can be used by their intended users – seems obvious, doesn't it? But this simple statement requires some careful thought.

Firstly, users may be using a wide range of devices to access the system – Apple computer, Windows computer, ...; Mac OS, Windows 7-10, Linux ...; iPhone, Android, ... All these devices will be expected to work with the Government system.

Next, volume and timing of demand must be catered for – no matter what we do, hundreds of thousands of Australians will want to submit their tax return on 31 October and the ATO must be able to process those submissions without delay.

Finally, government processes must recognise that there will always be Australians who, for whatever reason, cannot or will not use an automated process to interact with government.

Picture pensioner Mrs Smith, aged 86, intimidated by the simple mobile phone forced on her by her family, who has never used a computer. Sitting her in front of a screen in a Centrelink office will be a disappointing and frustrating exercise for all concerned.

But it's not just Mrs Smith. There will always be Australians with disabilities, Australians for whom English is a 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> language, Australians in remote areas, Australians who just can't interact with the ICT systems. Systems must be developed such that the needs of all these Australians are supported.

And not to forget the obvious! The data that government has on all Australians must be kept securely and made available only to those with appropriate, legislated authority to access it. And, of course, we each need to be able to access the data the government has about us. When our Medicare numbers appear for sale on the dark web we all lose a little confidence in Government systems.

The data that government has on all Australians must be backed up regularly and safely – recent difficulties experienced by the ATO emphasise this. And there may be care necessary in choosing the location of data storage. Are Australians concerned about whether their tax data is stored in Canberra or in Dallas?

And systems must be tested, tested, tested! Errors removed now always mean failures avoided later.

## Summary

To summarise. Government at all levels must move from managing digital delivery of services on a minimising cost basis to managing the quality and effectiveness of the systems implemented.

Reducing the level of outsourcing overall and reducing the reliance on foreign companies for business process expertise will gradually improve system quality and effectiveness and may well reduce costs more successfully than crude measures like the efficiency dividend.

Data is fundamental to the quality of systems as are the less glamorous aspects of systems such as security, backup and testing. But perhaps most importantly, systems must be implemented that Australians, all Australians, can and will use.

It may be useful to consider My Health Record in the context of this inquiry and the issues raised in this submission. How will any Australian ensure that the data in their Health Record is complete and accurate at any point in time? How will their doctor, dentist, pharmacist, medical specialist, use their Health Record? How will the data be accessed? Where will the data be stored? What for-profit organisations are now, and will be, involved in the continuing development and maintenance of My Health Record?

Please accept this as a formal submission to your enquiry.

Yours sincerely



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