Division 3: Premier and Cabinet — Service 5, Innovation and ICT, $13 046 000 —

Mr I.C. Blayney, Chair.

Mr D.J. Kelly, Minister for Innovation and ICT.

Ms R. Brown, Acting Director General.

Mr G. Italiano, Chief Government Information Officer.

Mr G. Meyers, Director, Corporate Services.

Mr P. Bouhlas, Chief Information Security Officer.

Mr J. Petersen, Chief Digital Officer.

Mr A. Degli Esposti, Chief Technology Officer.

Ms N. Arrowsmith, Chief of Staff.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available tomorrow. The Chair will ensure that as many questions as possible are asked and that both questions and answers are short and to the point. If an adviser needs to answer from the lectern, will they please state their name prior to their answer. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall only be examined in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee, and I ask the minister to clearly indicate what supplementary information will be provided. I will then allocate a reference number. Supplementary information should be provided to the principal clerk by Friday, 30 October 2020. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge that through the online questions system.

I give the call to the member for Roe.

Mr P.J. RUNDLE: I refer to the service summary on page 68, and service 5, "Government Policy Management—ICT". The actual total of $9.2 million in 2019–20 is going up to $13 million, roughly. Can the minister just give some sort of indication of what the increase of $4 million is attributed to?

Mr D.J. KELLY: It is increasing funding to the Office of Digital Government. The Office of Digital Government is a creation of this government. For the first time it got permanent funding of about $34 million. Since that original funding, we have also provided additional money for cybersecurity. I might describe it as the flavour of the month, but it is certainly a heightened state of concern for governments around the world. Unfortunately, we are not immune from that, so in the last budget we had an increase of staff for cybersecurity, and that has been reflected again this time around. We want to make sure government agencies have their house in order, so for the first time the office has a cross-government responsibility. One of the things that I identified as a weakness when we came to government was that there was not an agency that had a clear mandate. Obviously, what the Office of Digital Government does not replace agencies' cybersecurity preparedness. Agencies still have a responsibility to have their house in order, but the Office of Digital Government now plays a more enhanced role in providing advice and dealing with incidents. We made the announcement a few weeks ago about a cybersecurity operations centre, or a SOC, as they are called. For the first time, we will have real-time visibility of what goes on in agencies. As well as agencies' own staff, there will be eyes in the Office of Digital Government who are monitoring traffic and identifying anything unusual. Often someone can be doing things on the network and they could be there for months before they actually reveal themselves. Often by the time that happen, the damage has already been done. My understanding is that the technology that the Office of Digital Government, through the SOC, will have is some of the best that is available. They are the major reasons for the increase in funding. It is unfortunate, but it is absolutely necessary.

Mr P.J. RUNDLE: It is about giving the public increased confidence in transacting with the government, so can the minister point out—obviously there is the operations centre et cetera—any other sort of methods of increasing that confidence? What are those particular items?

Mr D.J. KELLY: There are recommended industry standards around security controls—for example, requiring agencies to eliminate weak passwords from their network. That is something that agencies are required to do. We have introduced penetration testing for the first time; I will withdraw that. Individual agencies have been doing that. This is the first time within government that there has been an ability to do that sort of work, so that capacity is now in the Office of Digital Government. There is a range of things, member. A lot of it is also about culture. There was a time when cybersecurity was seen to be something that the IT department looked after—those funny people in the corner who did things that no-one really understood. Those days are gone. Cybersecurity preparedness is

something that directors general have to be aware of and talking about and realising that that is their responsibility; they cannot rely on someone else to do it. I am really pleased with the way that this director general in particular has led that amongst other DGs. Yes, I have appreciated the response I have had at the most senior levels of government on this issue. But the member is right; it is all about giving people confidence. It is not just government; it is also private enterprise. When people deal with their bank or an airline, or when they hand over their credit card when they shop online, they have to have confidence that all their details will not end up for sale somewhere in a faraway place. It is all about confidence, but it is not just a government responsibility; private enterprise has the same responsibility. We all know what people reveal on Facebook and Google and those sorts of things, so it is everybody's responsibility.

Mr W.R. MARMION: It is a very topical area at the moment. The minister mentioned that the cybersecurity operations centre now has extra capacity to monitor—that might not be the right word—other agencies. I wonder to what extent that would be. Will it be able to monitor in real-time threats to not only the Department of the Premier and Cabinet, but also all agencies initially, or gradually as they come on board?

[7.30 pm]

Mr D.J. KELLY: It is a gradual process, but it can have the ability to look at any agency. It is not intended that it will be just a Premier and Cabinet resource or capability. It is day one; we are not quite there, but we are certainly working to that end.

Mr W.R. MARMION: Is it located in the CBD? Where is the location? Is it physically located in a separate building or is it a virtual centre?

Mr D.J. KELLY: I do not think I am divulging any secrets because we had a media launch and we invited the television cameras up there. It is located in Dumas House. It is not as big as the member might think it might be. Some people from the media were expecting hundreds of people sitting behind hundreds of computers. It does not work like that.

Mr W.R. MARMION: Are all the staff who work in that centre located there or do other people come in online virtually?

Mr D.J. KELLY: There are staff located there, but we do have staff who will go out to other agencies and assist, so they are not all office bound. Part of it is very much working with other agencies on these issues, so we do let them out of the building occasionally!

Mr W.R. MARMION: I know that this may not be information that the minister wants to make public, but can he give us an indication of whether cyberthreats are increasing and whether any certain areas of government are more vulnerable than others in terms of what has been monitored? As The minister has probably been to Edith Cowan University where everything can be seen happening in real-time. I imagine that this centre will be a similar sort of operation. I do not mean that I have the visually spectacular scenes that they have, but can the minister give us an idea of what threats are happening to government at the moment?

Mr D.J. KELLY: We very much work with the commonwealth on these matters, because, yes, we try not to do these things on our own. The commonwealth has a lot of capability that we do not, and state governments would not be expected to. All the advice we are getting from the commonwealth is that the threats are increasing. That is why the Prime Minister has made comments on these issues. It is very much, unfortunately, an evolving environment, but if I were to say what is the general trend, I would say that the general trend certainly is that the threats are increasing.

Mr W.R. MARMION: In terms of threats to the government network, are there also threats by the purchasers of hardware outside the department? Does this centre also provide advice to departments on the purchase of particular ICT apparatus, and are there limits on that due to security concerns?

Mr D.J. KELLY: I will just ask Greg Italiano whether he wants to provide some information.

Mr G. Italiano: It is the case that probably every device manufactured in the world has the capability of having vulnerabilities within it, so we do not assume that with any particular device or hardware. The strong advice of course is that that hardware is kept up to date, that it is patched and that the relevant software updates are applied. Indeed, that testing of hardware and understanding any vulnerabilities is part of the service we offer in terms of doing vulnerability assessments and the like Of course, it is a fact that agencies are not always able to replace and update their equipment in exactly the time frame they would like, which is the strength of moving to a service arrangement whereby that equipment is maintained as part of the service that agencies receive.

Mr W.R. MARMION: Presumably, the commonwealth has more resources in this regard, and that the government would link in with any advice it might get from the commonwealth, which would help save costs?

Mr D.J. KELLY: As I said, we work very closely with the commonwealth—we would be foolish not to. We do work with the commonwealth and we consider its advice.

Dr D.J. HONEY: Who has oversight of the overall ICT budget, or at least the program over the whole of government? What I see through the budget papers is that hundreds of millions of dollars must be being invested in any given year in computer systems. In some areas, it might be questioned. I do not expect the minister to answer

this question; this is just an example to illustrate my question, but if the Department of Water and Environmental Regulation spent, I think, $20 million on a computer system to manage approvals, yet approval times still are not as good as they were in 2016–17. I appreciate that there is a subtlety to that and I do not expect the minister to answer that particularly, but it strikes me that there must be an opportunity to leverage efficiencies through a central group having oversight of computer programs in other government departments. Does this department provide that service or any sort of service, or is there a thought to do that?

Mr D.J. KELLY: ICT services has contracts with each individual department; that is, it receives advice from the Department of Finance, like any other area of procurement. The Office of Digital Government does provide assistance and advice, but it is very much the responsibility of the individual agency—not overseen by, because that overstates it—in conjunction with the Department of Finance.

Dr D.J. HONEY: Is there a requirement around common platforms? I understand that no-one could tell us how many government employees we have; it would require getting information from individual departments. But if I went down the Terrace to the CEO of one of the big miners that is about the same size as the state government, they could tell me at the press of a button exactly how many employees they have, how many are full-time, how many are contractors and the wages bill for the week, yet government seems to be a light year away from that. Clearly, having common platforms and integrated systems would enable that at a government level and a Treasury level. I just wonder whether there is any thought of moving in that direction or whether there is any program to move in that direction?

Mr D.J. KELLY: I am afraid that those issues are outside my portfolio, so the member for Cottesloe might have to ask a different minister. It is certainly not within my responsibilities.

Dr D.J. HONEY: Does the minister not see this group as a group that could provide guidance in that space?

Mr D.J. KELLY: As I said, it is not currently within my portfolio. If the member would like me to pitch to expand my responsibilities —

Dr D.J. HONEY: We will lobby.

Mr D.J. KELLY: No, those issues that the member is raising are not within my portfolio responsibilities.

Mr W.R. MARMION: I refer to service 5 on page 72. Note 2 refers to the GovNext service delivery. My understanding is that when that program was set up, the idea was to try to achieve a lot of efficiencies I think the Department of Health had about 20 different ICT centres and different hardware bases and the idea was to try to move departments onto the cloud to get more efficiency and a lot of savings in ICT. From memory, we could not define how much was spent on ICT; I think it was upwards of $1 billion. We decided to just cut everyone's ICT budget by 15 per cent, knowing that if someone was desperate, they would come to see us and we would give them the money anyway. But no-one came and saw me. I was the minister in charge. We cut every department's ICT budget by 15 per cent and we expected would happen, but it did not. I think the idea of GovNext is to make sure that we get a handle on that and the actual time it is used is being paid for. I would be interested to know what the take up is of GovNext and, in fact, the cloud, and how successful it has been. Is it still an ongoing program to encourage or support departments going to the cloud?

[7.40 pm]

Mr D.J. KELLY: I remember when we came into government that the figure that was thrown at me when I asked those questions about agency spending on ICT services was $1 billion When I asked where that figure came from, yes, that was pretty much it. It seemed to me that was more of a guesstimate than anything else. As a former minister, the member is legendary for chopping people's budgets. I think out of those savings, he financed the old office of the chief information officer. That is my recollection. I could be wrong, but that is what I was told.

GovNext was going to save—I forget the figure that was thrown at me—many millions of dollars. Since then, the GovNext program has been reviewed a number of times. The latest figure I have is that 54 agencies have placed orders through GovNext, so GovNext is very much alive, and we would say alive and well. It needed some improvements, and, from recollection, they were made fairly early on in our term. There was some stronger governance put around it. Again, directors general were required to pay a bit more attention to it. Yes, it is still there. The advice I get is that it is delivering certainly a better quality of service. I do not think we could say that it has delivered the savings that the previous government envisaged. As I say, that billion-dollar figure was more of a guesstimate than anything else. If we do not have a proper baseline, it is very hard to figure out the perceived savings. As I say, it was a program conceived and partly implemented under the previous government. It is certainly delivering some results for agencies and we are currently working with it.

Dr D.J. HONEY: I refer to page 72, which outlines the number of full-time equivalent employees. In 2018–19, there were 24, and it is going to 69, which is an increase of 45. I did see note 2, but would the minister be able to provide a bit of a breakdown of where those jobs have gone in terms of numbers—for example, the new cybersecurity operations centre?

Mr D.J. KELLY: Yes, it is largely as a result of additional staffing within the Office of Digital Government, and in particular around cybersecurity. That is the bulk of those additional staff.

Mr W.R. MARMION: I noticed that the government has budgeted for 55 staff in 2019–20, but the actual figure was 44. Was that just because there was a slow take-up of the transition to introducing the cybersecurity operations centre or a slower uptake of service delivery in GovNext?

Mr D.J. KELLY: I am advised that there was also a change in the methodology around the way corporate overheads were allocated with the machinery-of-government changes and the like. As the member would know from when he was a minister, FTEs who provide corporate services across a range of agencies get divided up and they appear in those FTE numbers. That is my understanding of why there is that decrease. I would also ask Rebecca to add to that.

Ms R. Brown: I think in 2019–20 we also experienced some delays in recruitment as a result of COVID. There was a strong intent to recruit fully to a range of roles. It is fair to say that the team has increased its pace of recruitment over the last couple of months.

The appropriation was recommended.