



Public Accounts Committee

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

Further Information

Background to Inquiry

The Western Australian public sector now spends at least \$1 billion per year on Information and Communications Technology (ICT) goods and services. The ongoing procurement of ICT goods and services is critical to the efficient and effective delivery of government services. Yet the process of procuring these goods and services often proves challenging for individual agencies. Over the last ten years, consecutive governments have implemented a wide range of initiatives designed to establish a more robust ICT procurement framework. While these may have led to some progress, a series of reports from the Auditor General indicate that the evolution of this framework is yet to produce consistent improvement across the sector. To demonstrate, in 2007, the Auditor General concluded that ‘agencies have difficulty successfully delivering ICT projects’ and cited a list of common problems including ‘passive rather than active executive governance, changes to scope and requirements, technical complexity, inadequate costing and over-optimistic scheduling.’¹ These problems led to significant increases in project costs and delivery timeframes. Seven years later, following an audit of another ICT project, the Auditor General stated that ‘unless we get better at bringing in ICT projects on time and budget, the state will continue to spend millions more than necessary.’²

Scope of Inquiry

The problems in ICT procurement have been well identified and defined (and are not unique to this state). Hence, the Committee’s ultimate focus with this Inquiry is on exploring possible solutions. While the Committee will look to confirm the current policy framework applicable to ICT procurement and contract management in Western Australia (WA), it will concentrate on identifying models of best practice—ideally ones that have demonstrated a marked improvement in procurement outcomes over an extended period—and the extent to which elements of these models are evident within, or can be incorporated into, the WA framework?

The Committee notes the recent announcement confirming the appointment of the state’s first Government Chief Information Officer (GCIO). The GCIO will take office in July 2015 with an initial remit that includes ‘reducing the cost of ICT across government’, while working over a twelve-month period to develop a whole-of-government ICT reform plan that will include ‘smarter procurement models’.³ The Committee sees scope for its Inquiry to complement the early work of the GCIO, while also informing the Parliament of measures that might be adopted to improve the capacity of agencies to deliver ICT projects in a more timely and cost-effective manner.

¹ Auditor General Western Australia, *Second Public Sector Performance Report*, Report No. 3, April 2007, p. 6.

² Auditor General Western Australia, *Information Systems Audit Report*, Report No. 14, June 2014, Media Release.

³ Department of Treasury, *2015-16 Budget Paper No. 2 (Volume 2)*, 14 May 2015, p. 518.