

**Division 3: Premier and Cabinet — Service 5, ICT, \$14 235 000 —**

Mr S.J. Price, Chair.

Mr D.T. Punch, Minister for Innovation and ICT.

Ms E. Roper, Director General.

Ms S. Black, Deputy Director General.

Mr A.P. Brender-A-Brandis, Acting Chief Financial Officer.

Mr G. Italiano, Government Chief Information Officer, Office of Digital Government.

Mr A.D. Esposti, Chief Technology Officer, Office of Digital Government.

Mr J. Petersen, Chief Digital Officer, Office of Digital Government.

Mr P. Bouhlas, Chief Information Security Officer, Office of Digital Government.

Mr T. Palmer, Chief of Staff, Minister for Innovation and ICT.

Mr H. Palma, Senior Policy Adviser.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. 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 be examined only in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by close of business Friday, 1 October 2021. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

The Leader of the Liberal Party.

**Dr D.J. HONEY:** I refer to page 64 of volume 1 of budget paper No 2. There is quite a significant increase in the total cost of service from the 2019–20 actual to the 2021–22 budget target of a little bit over \$5 million. Can the minister explain the change in that cost of service, please?

**Mr D.T. PUNCH:** There are a number of variations within that budget. In the interests of accuracy, I might ask the director general to go through and give the member the detail of those.

**Ms E. Roper:** The increase between the actual for 2019–20 and the budget for 2020–21 is reflected in 2021 for ServiceWA enhancements to wa.gov.au for the Bunbury ServiceWA pilot; agency contributions to progress digital ID; the establishment of the cybersecurity operations centre; the ServiceWA common platform for digital ID; cybersecurity testing capability enhancements; and in this financial year for cybersecurity testing capability enhancements and digital capability fund administration. These are offset by other underspends and carryovers in those years, but they are the main items.

**Mr D.T. PUNCH:** The ServiceWA pilot in Bunbury has been an outstanding example of technology and concierge services coming together and achieving some amazing results with customers who use that facility.

**Dr D.J. HONEY:** In relation to that investment in those services, is it anticipated that there will be any change or reduction in the number of employees required to carry out activities? Is there an efficiency dividend from that investment in those enhanced services that the minister discussed?

**Mr D.T. PUNCH:** This is far more about innovation and new ways of delivering services. No anticipated reduction in staffing is associated with this.

[8.40 pm]

**Dr D.J. HONEY:** Could the minister give me a specific example of a service that he believes will be enhanced through that investment?

**Mr D.T. PUNCH:** Where do I start? The digital capability fund administration is a shining example of the government's work to improve legacy information and communications technology frameworks right across

government. The Office of Digital Government has been charged with the responsibility for administering that fund over the forward estimates and is putting in place a very capable process for making sure that that funding is used wisely. I think that is one very good example of where the service improvements are occurring through the agency.

**Dr D.J. HONEY:** I have been in this place for only three and a half years —

**Mr D.T. PUNCH:** Seems a long time, member.

**Dr D.J. HONEY:** To some of us, a blink of an eye; to others, less so. One of the things I have observed is that there seems to be an almost idiosyncratic approach to ICT in departments; they seem to run their own show. I had a specific example in the water area of a massive investment of some \$300 million to supposedly improve licence processing times. In fact, the processing times trebled when the department moved from a manual system to a computer-based system. I also know of an example in Perth Children's Hospital. I know this is not the accountability here, but I am getting to a broader point. Hundreds of millions of dollars were invested in the new Perth Children's Hospital, yet one of my children was gainfully employed for a considerable time pushing trolleys of files around because the new system did not work. I believe that to this day it does not work and paper records are being used at significant expense to government on top of the cost of the computer service. I wonder what level of rigour goes into managing departments and their internal ICT policies. I assume that is the function under this; it is called government policy management in ICT.

My experience in my previous life, before coming into this role, involved working for a large global organisation that had extremely rigorous control. There was no way any part of the business could go its own way on process or system development. My observation is that that seems to be almost the norm in departments. Could the minister explain what level of control goes into the various arms of government in controlling development of programs and also the implementation and development of systems?

**Mr D.T. PUNCH:** I think we pursued this line of questioning at the estimates hearings in the last financial year. I recall having a read of that. Ever since ICT was introduced in the public sector many, many years ago, there have been successes and problems. There has been a very siloed approach to IT development. Our machinery-of-government agenda was essentially about bringing together the public sector in a less siloed way, and as part of that we looked at how we could improve administration across the board, but particularly how we could improve IT architecture. As the member may have seen, we recently released the *Digital strategy for the Western Australian government 2021–2025*. When we think about IT, we often think about an individual agency's particular need from its perspective, and that strategy firmly puts the perspective of the user, the person, the citizen at the centre of how we develop IT architecture and how, both within the administration of government and the citizen-facing part of government, it can work in a much more seamless way. I commend that strategy to the member because I think it is a very, very good read.

Within the framework of the digital capability fund, we have essentially brought IT expenditure within the public sector into one fund over the forward estimates. The Office of Digital Government is the guiding hand for how that fund is utilised, in conjunction with Treasury. We have established a governance framework that has internal and external representation so that we bring fresh perspectives into the recommendation process. Those recommendations, which will be based around the sort of guiding principles for the objectives of that fund, will go through an Expenditure Review Committee and a cabinet process and be subject to my sign-off. There is certainly a high degree of rigour in that process. We are embarking on a new process. It has been designed by the office. I have great confidence that we are on a pathway that will achieve the outcomes that we are after.

**Dr D.J. HONEY:** I thank the minister. I am always concerned when there is a sort of idiosyncratic nature to the individual systems. I have said it before, but it is simply the case that if I were to go to major corporations on the Terrace that have the same or greater number of employees than the state government—for example, Woodside, Rio or BHP—and I ask them their cash flow for the day, they could tell me as an entire global organisation what their cash flow was for the day. If I were to ask them how many employees they had, they could tell me how many full-time equivalent approved positions they had, how many employees they had and how many people they currently employed. They could also tell me how many contractors there are. In fact, for all those organisations I believe they could tell me which contractors were on their sites. My understanding is that the state government does not have the capacity to do any of those things in real time at all and that that information would require substantial effort.

The minister seems to have indicated in that last response that the government is now centralising the funding, which I thoroughly applaud. Now it is transparent. I suspect that how much was being spent on computer systems was a surprise to some. I assume that there will be some attempt to try to duplicate what has been commonly available in industry for now some significant time in organisations as big or bigger than the state government. I am interested in the minister's response.

**Mr D.T. PUNCH:** I am not going to comment on the qualities of the private sector up and down St Georges Terrace, but I take a view that most of those businesses, although they may have a cluster of activities, they generally have quite similar objectives within their organisational structure. When we look at the public sector as a whole, we see

that, first of all, we are not driven solely by profit; we are driven by service to the community. Secondly, the range of the services delivered in the public sector are incredibly diverse, and agencies have an incredibly diverse history and, equally, have been accountable to ministers who, over various terms of governments, had different views. There is a complexity in the public sector that is unfair to relate solely to the private sector. Having made that point, our aim is to improve consistency. In the digital strategy we have a focus on data analytics and how we might better use data to improve policy decision-making and use it in a way that helps to inform decision-making that is based on evidence and on science, as we have done in our term of government. There are some very good objectives in the strategy. The funding is there to drive it hard. There is passion in the agency to drive it hard, and I am looking forward to seeing some very good outcomes.

[8.50 pm]

**Dr D.J. HONEY:** I applaud that drive for some consistency. I understand why there might be a particular service delivery that may have a different look or feel depending on who it is interacting with—for example, a system that is specifically designed for the large businesses on the Terrace that I talked about would have one look. If a system were being designed that was supposed to be accessible to homeless people so they could use it without being intimidated or prevented from using it because of its complexity, it would be different. But with the back office, if you like, those fundamental management tools of managing costs, people and human resources, I would expect a universality of system across the whole of government. I assume that is perhaps what the minister was referring to when he talked about the subtle differences between the agencies.

**Mr D.T. PUNCH:** I referred to back office administration, and there is certainly a framework around how we build a better use of tools that enable comparisons and effective data analysis, but, equally, we need to design with the service to the consumer in mind, and that is why the digital strategy bridges both those gaps. I might ask Mr Italiano to give a bit of a view of the breadth and scope of that strategy, because I think it is a groundbreaking strategy and is well worth recognition in this place.

**Mr G. Italiano:** The strategy seeks to shift the government towards a position in which citizens and businesses accessing services perceive that access to be dealing with a single government. Obviously, government is delivered through the administration of a number of agencies, and by using common processes and key platforms such as a common identity and a single portal through which citizens and businesses can engage with government, we can present those services to citizens and businesses in a far more cohesive manner. It is also worth noting that many processes of government cross agency boundaries. We look at the design of the work we do through things like life events, like having a child, starting school or the death of a loved one. We look at all the different aspects associated with that from a customer's perspective. We still make citizens and businesses engage in lots of manual processes. We ask them to provide the same information to government on numerous occasions, so the strategy and the fund are being put in place to address those issues, create far more convenience and give people greater accessibility to those services. One of the fortunate things at our disposal is that technology improves and changes very regularly, so the options to solve some of these issues and the risks and costs of doing so improve over time. This is a good time to be moving forward with this strategy.

**Dr D.J. HONEY:** Is there any ongoing audit function to look at the success or otherwise of the implementation of systems? Again, it seems to me, from what I have seen and what has otherwise been reported to me by reputation, that over time there have been vast expenses—they would run into the billions of dollars—for computer systems, and a significant number of those computer systems simply have not worked. It seems as though they drift off into the ether and then with every new government or new budget, we see another initiative that says we are going to bring in a new ICT system that delivers all these improved benefits, and we have this awful sinking feeling that it will have the same fate in that we are not learning, if you like, as a government. I wonder, if there was an explicit audit and these matters were brought into the open, whether it might make sure that we learn from those past failings. It almost seems to be an activity of no consequence, in that we spend hundreds of millions of dollars on a system that does not work. I am happy for the minister to disabuse me, but I think the system in Perth Children's Hospital—I do not expect the minister to answer and know the numbers—was \$300 million, an enormous amount of money, yet people are pushing files around on trolleys and receiving requests for information by fax in a brand new hospital. I do not think that is an isolated example across the state government or historically. Is there an audit function that is part of this department or part of the minister's new initiative?

**Mr D.T. PUNCH:** I thank the member for that question. The member talking took me back to when I was in the public sector and Rhonda Parker was the minister. We embarked on an adoptions IT system that was just a nightmare in terms of capture theory by consultants at that time, and the costs just escalated. There are provisions for additional FTE in the Office of Digital Government. There are two aspects to this. One is effective implementation and project management, and that is something the office will have a keen role in overseeing. That will be part of the decision-making process when projects come forward for consideration. I think that will be pretty fundamental. Secondly, it will build evaluation criteria as part of that project management, so there will be an ongoing monitoring

evaluation aspect to the rollout. Again, I think the risk has been identified. This is a substantial amount of money, but I am confident with the capability going into the office that it will be able to drive that forward.

**Dr D.J. HONEY:** It is probably beyond the minister's individual scope, but it would almost be good as part of the Auditor General's annual report to keep track of this. I think the minister is exactly correct. I do not ascribe shortcomings in this area to any side of politics. I think both sides are equally as guilty at not getting the value out of this expenditure that they should. If the light is shone on it—it is not to punish people, but to make sure that there are positive learnings—it will be a very worthwhile thing. That does not necessarily need a comment.

**Mr D.T. PUNCH:** I will await the Leader of the Liberal Party's penetrating questions at next year's estimates!

**Dr D.J. HONEY:** I have made a tape recording, minister!

**The appropriation was recommended.**

[9.00 pm]