PROCUREMENT AND MANAGEMENT OF ICT SERVICES IN THE NSW PUBLIC SECTOR

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INTRODUCTION

The Australian Information Industry Association (AIIA) is the peak national body representing suppliers and providers of a wide range of information technology and communications (ICT) products and services. Its membership comprises approximately 400 of the top international corporations as well as small to medium enterprises currently supplying innovative applications in all economic sectors in Australia. AIIA's National Board of Directors includes major multinational corporations doing business in Australia.

AIIA on behalf of its members who provide Information Communication and Technology (ICT) products and services to the New South Wales (NSW) Government is pleased to have the opportunity to provide these comments to the Public Accounts Committee review into ICT procurement in NSW.

EXECUTIVE SUMMARY

While the PAC and the NSW Auditor-General raise concerns about previous ICT project issues, AIIA notes that much has been achieved in the past 1-2 years to address these concerns and to introduce a more strategic approach to ICT generally.

AIIA supports the NSW Government's objectives to put the citizen at the centre of Government decision making and to transform the way it provides services with a particular focus on:

- Delivering valuable and appropriate services to citizens at any time, any place and in a manner suited to the citizen needs
- Efficient service delivery and in a reduced risk manner
- Growing the local ICT industry as a by-product of the strategy

The meteoric increase in the number of citizens frequently accessing non-government services via mobile devices such as smart phones and tablets combined with ever increasing access to the Internet from homes provides a significant opportunity for the NSW Government. Further, similar opportunities exist for the Government to the advantages of cloud based computing which amongst other benefits provides a strong alignment with the *open government* and *open data* initiatives the Government is championing.

AIIA is the peak representative body and advocacy group for the ICT industry in Australia. AIIA has for 34 years pursued activities to stimulate and grow the ICT industry, to create a favourable

business environment for our members and to contribute to the economic imperatives of our nation. Our priorities are to:

- Grow and Develop the ICT Industry

- Drive the Digital Economy to the benefit of our nation

- Build Industry Capability

Achievements to Date

In NSW, AIIA is committed to continuing to build on its reputation having delivered the following:

- Procure IT input and advice including ICT industry workshops

- Input into the Procurement Reform process through a number of workshops

- ICT Strategy Launch and Service NSW Forum

- Successful NSW Gov / ICT Industry collaboration on Citizen Centric Service Delivery held on 13th July 2012

- AIIA has responded to a series of draft Industry Plans, released by the Deputy Premier of NSW, Andrew Stoner. The plans, which cover specific topics including Advanced Manufacturing, Digital Economy, Professional Services and Education and Research, have been developed by separate Taskforces, each made up of members representing relevant expertise in the respective subject areas.

We represent over 400 member organisations nationally, including global brands such as CSC, EMC, Google, HP, IBM, Microsoft and Oracle; international companies including Telstra; national companies including Data#3, SMS Management and Technology, Technology One and Oakton Limited; and a large number of ICT SMEs. Our national board comprises representatives from hardware, software, and services companies and represents the diversity of our industry. AIIA membership is open to all organisations involved with the ICT industry in Australia.

AIIA commends the Government's desire to "move with the times", while managing risks associated with change. AIIA has suggested 5 key initiatives to assist the NSW Government with progressing the ICT Strategy 2012 which are all forms of industry engagement with government. These suggestions and programs will go some way towards addressing the concerns expressed about ICT projects in the past.

ICT Working Group Service

AIIA will collaborate with and participate in the ICT Strategy 2012 Working Groups. This collaboration will align with the 5 priority Service Capabilities at the appropriate time in the planning and implementation stage of the ICT strategy;

- Services anytime, anywhere
- Community and industry collaboration
- Citizen-focused services
- Better information sharing
- Financial & performance management

ICT Industry Early Engagement Service

Prioritisation of a set of issues within the ICT Strategy that would benefit from ICT Industry advice *before key decisions are made* to:

- position NSW Government with a fast "time to market" approach with implementing ICT Strategy 2012
- avoid costly mistakes through learnings from experiences available from previous ICT industry projects to efficiently achieve the core objectives of ICT Strategy 2012
- allow the market to better understand the needs of the Government whereby early stage consultation with the ICT industry *as an industry,* leads to a framework whereby solutions eventually proposed are better aligned to Government requirements and needs
- Provide a forum for NSW Government to provide updates to industry in order to decrease the amount of individual meetings required to do this

Each priority issue has an **Early Engagement forum**

- Forums to include a professional MC / facilitator

- Advice back to Government in the form of a prioritised set of recommendations

- Forums held approximately every 6-8 weeks with a total of 5-6 per annum

- Outcome also includes recommendations on the ICT Industry capability areas required to successfully implement the ICT Strategy 2012

ICT Concept Viability Service

The NSW Government ICT Strategy 2012 recommends a new approach enabled by effective early engagement with the ICT Industry in the development of technology enabled business change projects in the public sector. One of the key challenges facing the public sector is how to transform policy ideas into the desired outcomes, particularly when this involves IT- enabled business change. Concepts that appear straightforward on paper can be extremely difficult or risky to execute, especially when the technology is new or emerging, or when transaction volumes are very high.

Early engagement of the ICT Industry:

- allows suppliers to show the client how the market can meet their need

- provides early visibility of key risks and issues

- gives suppliers the opportunity to manage expectations of what the market can and cannot contribute to the proposed programme

The earlier the concept is tested, the better; clients will gain greater understanding of the achievability of their ideas and high-risk proposals can be modified or abandoned before any substantial investment is made.

ICT Industry Capability Register Service

To assist the NSW Government have an intimate and up-to-date understanding of the ICT Industry's capability aligned to each of the 8 "vertical" initiatives, the 5 priority service capabilities and the 3 additional working group themes on infrastructure and managed services, technical standards and information security, AIIA is proposing to develop a tailored ICT Industry directory service by using existing directory service assets AIIA already has in place. Leveraging such assets not only keeps costs down but also ensures such a directory service is available in a timely manner.

The directory service would be indexed and searchable on topics directly aligned to the NSW Government's ICT Strategy 2012. For example, the directory service could list providers and broader capability linked to mobility providers required to deliver "anytime, anywhere" service with simple, outcomes focused case studies.

Key index categories to be developed by AIIA based on guidance from NSW Government. This could potentially be aligned to the proposed 2020 services panel categories and allow additional search capabilities for the agencies looking to source potential suppliers.

It is also proposed to help maximise returns on investing in such a directory service, that quarterly forums introducing NSW Government stakeholders to organisations listed in the directory service would be delivered. Some of these forums might be delivered using a "speed dating" model

The directory service would offer a "suggestions box" facility where by the ICT industry could make suggestions aligned to the ICT Working Groups and key areas of input those Working Groups are seeking ICT Industry guidance from. The "suggestions" could be submitted either privately or publicly (those submitting would select at the time of submitting suggestions). The facility would also allow authorised Working Group members to post comments to highlight areas of input the Working Groups would most value, to seek clarity on public suggestions that had been submitted by the ICT Industry and to also stimulate debate or further discussion on publicly suggested ideas.

SME "Speed Dating" Service

ICT SMEs would like to be able to offer their innovative products and services to the NSW Government. One of the challenges that a SME faces when attempting to engage with Government is simply getting a prospective buyers' attention.

With limited resources and a smaller market presence, it can be very challenging for a SME to gain the attention of a Government Department or Agency. Larger firms have established relationships and are known to the potential buyers. It is more likely for a large multinational firm to gain an audience with a prospective purchaser than for a smaller, unknown company.

Similarly, NSW Government Departments and Agencies are missing out on a broad range of innovative products and services as they do not get access to information about IT SMEs' products and services, often because IT SMEs simply do not bid in response to tenders as they perceive that they will not be selected.

This represents a lost opportunity for both IT SMEs and for the NSW Government, as well as a loss for NSW citizens, as SMEs can offer new innovated and cost effective solutions which may not be available from other sources in the market place.

To overcome the "access" challenge, AIIA is proposing a one day "Meet the Buyer" event where NSW Government buyers can identify potential products and services from IT SMEs and meet them in an informal environment. We also propose that NSW Procurement attends to provide an update on its procurement plans and answer questions on procurement policy.

which ICT fundamentally underpins business and drives capability development, efficiency and productivity improvements. Rather than incorporate ICT as an afterthought or 'add-on', AIIA is emphasising the need to ensure ICT considerations are integrated in industry planning from the outset. Failure to appreciate the transformative power of ICT across various industries will impede Australia's ability to continue to be a competitive force in the broader global digital economy.

AIIA recommends that the PAC keep this objective in mind in any of its recommendati ons from this Review.