



Submission to the National Commission of Audit by CollabIT

CollabIT – who we are

CollabIT is a joint initiative of the ACT Government and the Australian Information Industry Association (AIIA) and is delivered under contract by the AIIA. CollabIT is an engagement and business development initiative that links small and medium sized companies with multinational corporations (MNCs), large Australian companies (LA) and other stakeholders in the ICT sector.

The program is designed to assist companies to establish partnerships with other SME companies, to forge alliances with MNCs and LAs, and to build reputation with government buyers. This enables SMEs to tap into substantial business opportunities and in doing so, access new or locked markets.

The CollabIT program is based on the principle that collaboration between SMEs, MNCs and LAs enhances the capability and accelerates the business growth, of SMEs; and also positively contributes to the success of the MNC and LA.

Relevance of CollabIT to the National Commission of Audit

The NCOA terms of reference (ToR) include some specific options for achieving greater efficiency in government, for example:

- increasing contestability of services;
- adoption of new technologies in service delivery and within government;
- rationalising the service delivery footprint to ensure better, more productive and efficient services for stakeholders; and
- consolidating government support functions into a single agency.

At CollabIT, we believe that these options will be best served by the use of systems and technology available from private sector providers, including local software developers and vendors.

CollabIT considers that, where an agency has a need that can be satisfied using a commercial off-the-shelf (COTS) product or service, the agency should be required to use the available product or service rather than developing its own solution. Where no solution is commercially available, the agency should explore potential solutions collaboratively with industry using competitive proof of concept trials with two or more appropriate vendors. Where feasible, local companies should be given every opportunity to participate in such trials.

There are numerous examples of ICT SMEs providing solutions to agencies that not only enhance efficiency and productivity, but deliver innovation in a low-risk environment.

Mandating the use of commercial off-the-shelf products and services

Many Australian Government agencies have a policy of using COTS products and services to meet their systems and technology needs. Unfortunately, this approach is not universal. There are many examples of agencies spending large amounts on developing software where a suitable COTS offering exists and is being used by other agencies to meet the same needs.

For example, over the past few years, the former Department of Education, Employment and Workplace Relations (DEEWR) has been developing a Parliamentary Workflow System at a cost of around \$10 million. This project was approved and supported by the Australian Government Information Management Office (AGIMO). This is despite 3 working systems being available from Australian firms – all being actively used in both Federal and State Government agencies. These products are MINCOR from Bay Technologies based in Queensland, eMinisterials from TechnologyOne, also based in Queensland and ExecCorro from Random Computing based in Canberra.

The selection of any of the 3 available COTS products by DEEWR would have resulted in the following benefits:

- savings of millions in avoided development costs,
- immediate availability of significant functionality to meet agency needs, and
- a new customer for an Australian company with increased revenue, investment and employment as a result.

This example highlights that, even when a central agency such as AGIMO is involved, waste can result from decisions to in-source development. There are many others.

Fostering Innovation

Australian Government agencies have a long history of innovation in the use of technology to deliver services to stakeholders. For nearly 50 years, agencies have been at the forefront of best practice in using technology. For example, the eTax initiative has improved taxpayer satisfaction, reduced government costs and accessed the key expertise of the accounting profession to ensure tax is assessed and paid efficiently.

However, over the past 10 years, most agencies have fallen well behind equivalent private sector users of technology. Many governments around the world have recognised this shortfall in their own jurisdictions and have instituted digital government initiatives to catch up lost ground. In almost every case, they are doing this in collaboration with private sector firms who have experience in developing digital applications for corporate customers.

Both citizens and businesses now expect government services to give their customers the power to update their profiles and preferences online in the same way



as banks, airlines and telecommunications companies. In addition, these stakeholders expect to be able to interact 24 hours a day, 7 days a week.

Every transaction that is performed by the stakeholder on their own information is one less letter, phone call to a call centre or visit to a government shop front. Savings accrue to government in costs avoided and to the stakeholder through convenience and control.

Where digital solutions are not available from similar commercial uses, agencies should be required to work with industry to develop suitable systems. The firms chosen to develop these solutions should be given the right to sell them to other governments and to corporate customers. This will ensure that support costs are shared and that the firm develops its business in both local and export markets.

There are some examples of successful collaborative development of such solutions. Unfortunately, they only exist because of the tenacity of the founders of a firm combined with an innovative individual leader in an agency. The NCOA has the opportunity to ensure that collaborative development is the default rather than the exception.

Summary

The NCOA ToR state that the government should have respect for taxpayers in the care with which it spends every dollar of revenue. By mandating the use of commercial off-the-shelf digital products and services, and promoting collaborative development of solutions where no COTS product or service exists, the NCOA will ensure that money is spent wisely in the drive to give stakeholders more control of their digital information.

Contact regarding this submission:

[REDACTED]

A.C.T ICT SME Advocate

[REDACTED]