Australian Government

**Digital Transformation Agency**

dta

# Annual report
## 2017–18

**Simple, clear and fast
digital government services**

# Annual report

## 2017–18

**Simple, clear and fast
digital government services**

dta

# Letter of transmittal

The Hon Michael Keenan MP
Minister for Human Services and Digital Transformation
Parliament House
Canberra ACT 2600
Dear Minister

I am pleased to present the *Digital Transformation Agency Annual Report 2017–18.*

The report covers our agency's performance for the financial year ended 30 June 2018 and includes audited financial statements. It was prepared for the purposes of section 46 of the *Public Governance, Performance and Accountability Act 2013*, which requires me to provide you with an annual report for presentation to the Parliament.

I certify that the Digital Transformation Agency has prepared fraud risk assessments and fraud control plans, has in place appropriate fraud prevention, detection, investigation and reporting mechanisms, and have taken all reasonable measures to appropriately deal with fraud relating to our agency.

Yours sincerely

Randall Brugeaud
Chief Executive Officer, Digital Transformation Agency
28 September 2018

# At a glance

## Our work during the year

In 2017–18 we worked with stakeholders across government and industry to deliver simple, clear and fast digital government services, to build capability and to improve return on digital investments across government.

## Reporting on our performance

This report explains our work and achievements during 2017–18, in particular our performance against the purpose and priorities set for the year in our *Corporate Plan 2017–21.*

## Purpose in 2017–18

We accelerate the transformation of government by:

- encouraging investment in digital services
- helping to transform the user experience for people and business
- improving the return on information and communications (ICT) and digital investment.

Source: *Corporate Plan 2017–21*

## Priorities in 2017–18

To help us achieve our purpose, we had five priorities:

- develop a digital transformation roadmap
- deliver and improve digital platforms
- oversee and advise on ICT and digital investment
- transform ICT procurement
- build Australian Public Service ICT and digital capability.

Source: *Corporate Plan 2017–21*

# 2017–18 highlights

## Digital transformation roadmap

➔ Began work on a digital transformation strategy and roadmap for the Commonwealth:

  ✔ canvassed views of 500 stakeholders in 30 agencies

  ✔ developed specific transformation roadmaps for individuals and businesses

  ✔ assessed digital maturity of 28 agencies

➔ Delivered Secure Cloud Strategy and Content Strategy

➔ Started work on whole-of-government platforms and hosting strategies

## Digital platforms

➔ Updated Trusted Digital Identity Framework and released for public consultation

➔ Consulted with stakeholders and prepared to pilot GovPass digital identity ecosystem

➔ Researched and began trialling prototypes of Notifications and Tell Us Once platforms

➔ Improved data.gov.au and National Map

## Return on investment

➔ Advised on proposals for new ICT and digital investment to check they:

  ✔ aligned with government direction for digital services, procurement and improved returns

  ✔ reduced risk by moving to smaller, more easily managed ICT projects

➔ Advice led to agencies considering whole-of-government services or infrastructure for shared capability instead of in-house systems

➔ Monitored 84 projects valued at $7.76 billion:

  ✓ 63 per cent investing in major transformation—up from 58 per cent last year

➔ Four whole-of-government platforms already delivering positive return on investment:

  ✓ Secure Cloud Strategy and cloud.gov.au, Google Analytics, data.gov.au, National Map

# Transform procurement

➔ Delivered the ICT Procurement Taskforce report and began implementing recommendations—including working with government agencies to co-design Digital Sourcing Framework

➔ Total of 643 procurement opportunities published on the Digital Marketplace

  ✓ $134 million in contracts, 74 per cent awarded to 171 SMEs

➔ Established new whole-of-government arrangements with IBM, SAP and Concur Holdings, started preparing whole-of-government arrangement with Oracle

# Improve capability

➔ Delivered training to more than 2000 public servants to increase ICT and digital capability

➔ Placed 135 new people in 16 agencies through Digital Entry Level Programs

➔ Published Design System framework and tools to improve government websites:

  ✓ 186,000 components downloaded, 13 live projects using system

# 2017–18 performance summary

| Priority 1: Develop a digital transformation roadmap | |
| --- | --- |
| **Success measure 1.1**: Increase the proportion of services that are delivered digitally and improve the user experience. | **Achieved.** We provided advice on possible future investments and guidance on digital transformation priorities and areas where investment could drive high-value changes. |
| **Success measure 1.2**: Improve the user experience with existing digital services. | **Achieved.** We collected baseline data on high volume services and began work to improve user experience for life events that require access to government services. |
| **Performance criteria**: Develop a whole-of-government ICT strategy and digital transformation roadmap. | **Partially achieved.** We consulted widely to develop and circulate the alpha (first) draft of the strategy for comment. We also began updating the supporting Digital Transformation Roadmap and developed two sector-specific roadmaps for digital transformation for business and individuals over the next two years. |
| **Performance criteria**: Develop and deliver a detailed DTA engagement plan that will be implemented around key initiatives. | **Partially achieved.** Rather than developing an engagement plan around key initiatives, we improved our engagement approach with the flexibility to update our planning in line with the changing nature of our work. |
| **Priority 2: Deliver and improve digital platforms** | |
| **Success measure 2.1**: New whole-of-government digital platforms are developed to provide better infrastructure for government agencies. | **Achieved.** We produced alpha prototypes of new platforms related to government notifications and allowing people to tell government once about changes in their personal circumstances. We also began work on the federated data exchange and digital identity ecosystem. |
| **Success measure 2.2**: Improve return on investment for Government from digital platforms. | **Achieved.** Several platforms are already providing an improved return on investment, and we began compiling a baseline of platforms and identifying those in direct competition. |
| **Success measure 2.3**: Improve the user experience for myGov. | **Achieved.** We continued to improve the user experience for myGov. |

| Priority 3: Oversee and advise on ICT and digital investment | |
| --- | --- |
| **Success measure 3.1**: Oversight of significant ICT and digital investments and recommendations provided to agencies to improve design, prioritisation and delivery of ICT projects. | **Achieved.** We reviewed and monitored significant projects, provided advice on new investments, assessed the wider digital investment portfolio, and directly engaged with agencies to help with design and set up major ICT projects for best success. |
| **Performance criteria**: Establish a whole-of-government ICT and digital program management office to design and build reporting requirements, improve governance, and risk management standards. Provide analysis and advice to government on ICT and digital investments. | **Achieved.** We established an ICT and digital program management office, called the Digital Investment Management Office. We began regular data collection and provided targeted governance advice to agencies. |

| Priority 4: Transform ICT and digital procurement | |
| --- | --- |
| **Success measure 4.1**: Greater value for money delivered on government ICT spend and improved procurement practices across government. | **Achieved.** We delivered the ICT Procurement Taskforce report. We worked with agencies to co-design the Digital Sourcing Framework for ICT Procurement, increased competition through the Digital Marketplace, and established whole-of-government ICT arrangements. |

| Priority 5: Build Australian Public Service ICT and digital capability | |
| --- | --- |
| **Success measure 5.1**: In partnership with the APSC, improve the digital capability of staff across the APS to better position government to develop and maintain quality digital services. | **Achieved.** We developed and delivered training to more than 2000 employees, developed learning standards, brought in fresh talent through Digital Entry Level Programs and published tools and guidance. |

# Contents

# 01
# Agency overview

We work with agencies to create digital services that are simple, clear and fast to use

# CEO's review

**This is an exciting and challenging time to be involved in digital transformation. Digital disruption is changing the way we live, the way we work and the way we expect to interact with government.**

**Our role is to lead the transformation of government services to efficiently deliver digital services that are simple, clear and fast. During the past 12 months—the first full year operating as the Digital Transformation Agency—we delivered on many fronts.**

## Mapping Australia's digital future

In late 2017–18 we commenced the development of a whole-of-government Digital Transformation Strategy to achieve the Australian Government's goal of becoming one of the leading digital governments in the world by 2025. By the end of June we had engaged directly with 30 government agencies, canvassing the views of more than 500 stakeholders, to develop and circulate the alpha (first) draft of the strategy for comment. The strategy aligns with existing strategies including for platforms, cloud and hosting, and digital identity. To further ensure that we are taking a holistic approach to the development of the strategy, we aligned the direction with other whole-of-government strategies including the Digital Economy Strategy.

This will enable us to take advantage of opportunities as they arise more broadly and position the Australian Government as a globally competitive digital leader. We intend to deliver the strategy before the end of 2018.

This work is supported by the development of a roadmap that outlines the journey for digital transformation over the next two years with a particular focus on service improvements for people and businesses.

## Developing platforms to improve digital services

We develop whole-of-government platforms based on user needs. Agencies can use these platforms to transform the way they deliver their services so they are simple, clear and fast.

Under the GovPass program we consulted with a wide range of stakeholders to update the Trusted Digital Identity Framework. This provides the foundations required for consistent, secure and reliable digital identity. We released the framework for two rounds of public consultation during the year and worked with partner agencies to establish the underlying digital infrastructure for piloting the digital identity platform in 2018–19.

We also researched and began trialling prototypes of the Tell Us Once and Notifications platforms. These platforms help people to easily advise government of changes in their personal information and enable government to provide timely notifications to users through channels based on user preferences. The discovery phase of the project uncovered user expectations and pain points around the existing capabilities for these two products delivered through myGov. To increase adoption of the services by agencies and use of the service by end users, we undertook an alpha phase to consider what could be done to improve the service. The private beta phase for the project will begin in 2018–19.[1]

1   The service design and delivery process has four stages: discovery (research); alpha (testing hypotheses and building prototypes); beta (trialling prototypes); and live (making platforms available and continually improving).

We continued to improve the myGov user experience including
making myGov more accessible. This provides users more options to
authenticate using the myGov Access mobile app, and makes it easier
for users to regain access to their account without having to contact
a service centre. myGov usage has increased, with over 13 million
accounts at the end of 2017–18. During 2017–18 we developed
the foundational capability to connect more services to my Gov,
including the National Redress Scheme.

## Providing a strategic view of digital investments

Our Digital Investment Management Office oversees and advises
on government investment in ICT and digital services. Our advice
assists agencies to set up and deliver their projects in the right way.
During 2017–18 we had oversight of 84 projects (68 were active as at
30 June 2018) and provided strategic advice to assist decision-makers
on proposed new investments. We engaged with 20 agencies and
continue to monitor costs, benefits, risk and status to inform our
advice to government. We improved our data collection and analysis
capabilities to provide greater transparency and better advice to
government on digital and ICT investments.

## Improving government's digital sourcing

Our sourcing program has been driving improvements in government
procurement of digital products and services, while also making it
simpler for industry to sell to government. Our aim is to achieve better
value for government and major suppliers, provide more opportunities
for small to medium enterprises (SMEs) and encourage competition
and innovation.

To improve procurement practices, we released the ICT Procurement
Taskforce report and have been working to implement the
10 recommendations. For example, we co-designed the Digital
Sourcing Framework for ICT Procurement, which is underpinned by
policies, principles, guidance and tools to help agencies to be more
informed buyers of digital products and services.

We also released the 'Capped Term and Value' Policy and started developing the Panel and Fair Criteria Policies.

Through the Digital Marketplace, we provided more opportunities for SMEs to compete for Commonwealth, state, territory and local government contracts—with 74 per cent of the 643 new opportunities awarded to SMEs.

We also leveraged the government's purchasing power to establish new whole-of-government arrangements with IBM, SAP Australia and Concur Holdings. Whole-of-government arrangements are now being worked through with Oracle.

## Building capability across the public service

We work with agencies across government to build digital capability. In the past 12 months we trained more than 2000 Australian Public Service employees through various channels, brought in fresh talent by placing 135 new starters into 16 agencies through the Digital Entry Level Programs, and provided coaching and mentoring for 98 women in information technology, through the Women in IT Coaching program and Women in IT Executive Mentoring (WITEM) program.

Through our partnership with the Australian Public Service Commission, we are improving access to digital training. In 2017–18 we developed a skills blueprint, identified 12 learning design standards and piloted training in user research, the first of these standards.

We also supported the exchange of ideas through several communities of practice, workshops and guest speaker pop-ups, and through our engagement with agencies and industry.

In addition, we encouraged innovation and tested thinking with projects such as a blockchain trial, which is exploring how we might securely and efficiently deliver government services in new and innovative ways.

# Looking ahead

The Digital Transformation Agency has undergone significant transformation in the three years since it was established. Changes include a move to a new portfolio, establishment as an executive agency and an expanded set of accountabilities. The past year in particular has seen rapid changes in priorities, leadership and increasing expectations on what we can deliver.

Throughout this time, staff have adapted and continued to work with enthusiasm and dedication to progress the government's digital transformation agenda. I would like to take this opportunity to thank members of 'Team DTA' for their commitment and support.

Having the opportunity to act in the DTA CEO role for two months, I was pleased to be able to return to the role permanently to shape and deliver on the government's ambitious digital transformation agenda.

Our path ahead is clear. In the coming year we will focus our resources on the highest priorities—the Digital Transformation Strategy and Roadmap, myGov, Digital Identity, our platform and hosting strategies, transforming ICT procurement, driving innovation, and building capability across government.

Australia is a recognised leader in eGovernment—ranking second in the United Nation's eGovernment development index, just behind Denmark.[2] We can't stand idle though. To deliver on our mission, we must constantly review our priorities in the context of our current and future operating environment, and engage and learn from our domestic and international counterparts.

Australia needs to seize the opportunities and adapt to challenges of digital transformation. The Digital Transformation Agency is helping government do this to ensure that the experiences people and businesses have in their interactions with government are simple, clear and fast.

**Randall Brugeaud**
**Chief Executive Officer**
**Digital Transformation Agency**

---

2    This index was released soon after the 2017–18 reporting period, in August 2018.

# About us

## Purpose

Our purpose is to accelerate the transformation of government by:

- encouraging investment in digital services
- helping to transform the user experience for people and business
- improving the return on ICT and digital investment.

## Approach

In 2017–18 we worked with stakeholders across government and industry to deliver simple, clear and fast digital government services, to build capability and to improve return on digital investment across government.

People are at the centre of everything we do and we work with agencies to create digital government services that improve their experience of dealing with government.

## Functions

We provide strategic and policy **leadership** on whole-of-government and shared ICT and digital services, including digital and ICT procurement policy.

We **deliver** policies, standards and platforms for whole-of-government and shared ICT and digital services.

We **build** Australian Public Service ICT and digital capability through programs that **support** the introduction of new talent and reskilling of current staff.

We also **coordinate** funding for whole-of-government and shared ICT and digital service delivery platforms, **oversee** significant ICT and digital investments through a whole-of-government ICT program management office and **advise** on whole-of-government and shared ICT and digital service delivery proposals.

Our functions are formally set out in the Public Governance, Performance and Accountability Amendment (Digital Transformation Agency) Rule 2016.

## Priorities

During 2017–18 we focused on five priorities to help achieve our purpose:

**01** Develop a digital transformation roadmap to allow the government to identify and fund the digital transformation initiatives that will have the greatest impact on user experiences.

**02** Deliver and improve digital platforms to save money, improve the experience of government services and increase familiarity with government digital systems.

**03** Oversee and advise on ICT and digital investment to make sure investments are delivering value for users and for the government.

**04** Transform ICT procurement to support best practice, inclusive markets, good working relationships between buyers and sellers, and modern, streamlined ways of doing business.

**05** Build Australian Public Service ICT and digital capability by partnering with agencies to raise the level of digital skills across the public service, reduce design and delivery risk, and encourage innovative thinking.

## Agency

We are a small agency originally established in 2015 with the enthusiasm of a start-up. We were tasked with extra oversight responsibilities in 2016. We aim to promote innovation and targeted disruption while at the same time operating effectively within government.

We support all Australian Public Service staff to build their capabilities and encourage them to work towards their career goals. This allows us to improve the capability of the public service and support the government both now and into the future.

During 2017–18, we had six groups covering digital services, ICT investment, ICT procurement, finance, people and communications.

**Figure 1:** Organisation structure as at 30 June 2018

| Chief Executive Officer | Chief Digital Officer |
| --- | --- |
| | Chief Investment and Advisory Officer |
| | Chief Procurement Officer |
| | Chief People Officer |
| | Chief Finance Officer |
| | Chief Communications Officer |

Details about our organisation and our senior executive are included under *Corporate Governance* in Chapter 3.

## Stakeholders

We work with stakeholders across government, industry, academia and the general public to challenge and change the way services are traditionally delivered. We do this to keep pace with user expectations and improve their experiences, and to maximise opportunities in the rapidly evolving digital environment.

Our partnerships help us lead and guide change across government agencies towards a common goal, and embed digital thinking at all levels of the Australian Public Service.

Our partnerships range from providing short-term specialist skills, support and training to long-term partnerships to deliver major new digital services.

We also lead communities of practice, manage in-house product delivery teams, and build agile delivery teams inside other agencies. As we are committed to improving people's experience of government services, we regularly do research with the people who will use these services, and user testing through both private and public trials with users.

## Establishment, portfolio and minister

The Digital Transformation Agency was established on 27 October 2016, expanding the role of the former Digital Transformation Office. This change strengthened our role and broadened our functions to include oversight of major ICT and digital investment as well as the original mandate to lead the transformation of government digital services.

We are an executive agency within the Prime Minister and Cabinet portfolio.

For the first half of 2017–18, we were accountable to the Assistant Minister for Cities and Digital Transformation, the Hon Angus Taylor MP.

From 20 December 2017, we were accountable to the Minister Assisting the Prime Minister for Digital Transformation, the Hon Michael Keenan MP.

## Operating environment in 2017–18

Digital transformation is a global phenomenon. Australians are more mobile and connected than ever. New markets and jobs are emerging that did not exist just a few years ago.

The Australian Public Service needs to adapt and the DTA has been tasked with digital transformation across government. Change is happening quickly and we need to position ourselves to respond.

Environmental factors that influence how we work and how successful we are include:

- **User expectations**—People expect government services to be as easy to access, simple to use and as reliable as those in the private sector. They want to interact with government as a whole, using channels that suit them. These expectations are increasing, and the gap between government and non-government services is widening. We are working with agencies to reduce this gap.

- **Return on investment**—The government makes a significant investment in ICT goods and services every year. A more coordinated and collaborative approach can deliver efficiencies and value for money, including platforms that can be reused across government. By overseeing ICT investment, and working with agencies on procurement reforms, we are helping to reduce risk and deliver products that deliver real benefits to users.

- **Innovation in service design and delivery**—The complexity of policy and regulation can affect service delivery and innovation. However, it is important to work in innovative ways, design services that reflect user needs and apply smart, efficient technologies. This can help address previously unsolvable problems and reduce the gap between government and non-government services. We are supporting collaboration between agencies and with industry to focus services around real life events, rather than government structures, to better meet the needs of users. Improved data collection and analytics will also help to improve services.

- **Australian public service capability**—To keep up with user expectations, government agencies need to attract, retain and develop staff with specialist digital skills, improve digital literacy among senior leaders, and give people the tools and resources they need to deliver better digital services. We are helping to build an innovative, curious and digitally savvy public service.

- **Design and delivery process**—We support agencies to use the Digital Service Standard that applies to all public-facing government digital products and services. This includes a four-stage process that helps teams to learn fast and create services that efficiently meet user needs. The four stages are discovery (research), alpha (testing hypotheses and building prototypes), beta (trialling prototypes) and live (making platforms available and continually improving).

# Outcome and program structure

Our *Portfolio Budget Statement 2017–18* describes our outcome and program structure.

In 2017–18 our outcome was:

> To improve the user experience for all Australians accessing government information and services by leading the design, development and continual enhancement of whole-of-government service delivery policies and standards, platforms and joined up services.

We worked to achieve this outcome through one program:

> The objective of this program is to support agency delivery of high volume services, build and contribute to whole-of-government platforms and increase capability of the public service to deliver digital transformation.

Our *Corporate Plan 2017–21* described how we planned to achieve our intended outcome and also went further to refine our purpose, reflect our expanded responsibilities and clearly articulate our priorities (see Figure 2).

## Performance reporting

Details of our performance against our Portfolio Budget Statement performance criteria and Corporate Plan success measures are in our *Annual Performance Statement* in Chapter 2.

We began collecting baseline data this year and expect to be able to report on trends in coming years. We will continue to demonstrate our performance delivering against the government's priorities by measuring, and clearly aligning our Portfolio Budget Statement, Corporate Plan and the activities of our people.

**Figure 2:** Corporate Plan mapped to Portfolio Budget Statement, 2017–18

| *Corporate Plan 2017–21* | | **Portfolio Budget Statements 2017–18** | | |
|---|---|---|---|---|
| **Purpose** | **Priorities** | **Delivery** | **Program 1.1** | **Outcome 1** |
| Accelerate the digital transformation of Government by encouraging investment in digital services, assisting to transform the user experience for individuals and business, and improving the return on ICT and digital investment. | Develop a digital transformation roadmap | Supporting agency digital delivery of high volume services so that these services are simpler, clearer and faster for users | Support agency delivery of high volume services, build and contribute to whole of government platforms and increase capability of the public service to deliver digital transformation. | To improve the user experience for all Australians accessing government information and services by leading the design, development and continual enhancement of whole-of-government service delivery policies and standards, platforms and joined-up services. |
| | Deliver and improve shared digital platforms | Delivery of whole-of-government common platforms<br><br>Supporting delivery of government-wide initiatives to join-up services | | |
| | Oversee and advise on ICT and digital investment | Providing advice to government and Commonwealth entities on ICT investment, delivery and implementation of ICT policies | | |
| | Transform ICT and digital procurement | Developing and managing whole-of-Australian-government procurement arrangements for entities | | |
| | Build Australian Public Service ICT and digital capability | Establishing communities, developing best practices, and building a digital culture<br><br>Creating policy and standards to support consistent service transformation across government agencies<br><br>Building digital leadership and capability across government agencies<br><br>Delivering high quality ICT Entry Level Programs to entities. | | |

# 02
# Annual performance statement

We lead the transformation of government services to better meet the needs of users

# Statement of preparation

I, as the accountable authority of the Digital Transformation Agency,
present the agency's 2017–18 annual performance statement,
as required under paragraph 39(1) of the *Public Governance,
Performance and Accountability Act 2013* (PGPA Act). In my opinion,
this annual statement is based on properly maintained records,
accurately reflects the agency's performance in achieving our purpose,
and complies with subsection 39(2) of the PGPA Act.

Randall Brugeaud
Chief Executive Officer

25 September 2018

# Purpose

We accelerate the digital transformation of government by:

- encouraging investment in digital services
- helping to transform the user experience for people and businesses
- improving the return on ICT and digital investment.

*Corporate Plan 2017–21*[3]

**Outcome 1:** To improve the user experience for all Australians accessing government information and services by leading the design, development and continual enhancement of whole-of-government service delivery policies and standards, platforms and joined-up services.

*Portfolio Budget Statement 2017–18*

# Success measures and performance criteria

We report against our performance for 2017–18 against the:

- **performance criteria**—related to Outcome 1, from our *Portfolio Budget Statement 2017–18*
- **success measures**—related to our four priorities, from our *Corporate Plan 2017–21.*

3   Our *Portfolio Budget Statement 2017–18* states our purpose as: 'Our clear mandate is to drive user-centered service delivery and improve transparency of the benefits, costs and risks of ICT and digital investments made across the Australian Government'. This is different because we varied our *Corporate Plan 2017–21* during the reporting period to take account of expanded accountabilities and machinery of government changes.

# Terminology

## Stages in our service design and delivery process

In our performance results we sometimes reference stages in our service design and delivery process.

There are four stages in this process, which focuses on users' experience to design and deliver better solutions:

### Discovery

Map the broader service landscape, research the needs of users, and understand policy intent and technology constraints.

### Alpha

Test hypotheses by building prototypes in code to explore different ways to meet user needs.

### Beta

Define a minimum viable product from the successful alpha prototype and build this as an accessible and secure service. Trial this alongside the existing service and collect user feedback. 'Private beta' is a trial with select group of users. 'Public beta' is a trial with the public.

### Live

Make the platform available to users, and continue to improve the service based on user feedback.

# Priority 1

## Develop a digital transformation roadmap

The roadmap will allow the government to identify and fund the digital transformation initiatives that will have the greatest impact on user experiences. Most digital services are designed to address the needs of a single portfolio or agency, but for many people, they will have to contact many different agencies to get one thing done. By tracking user journeys across government, we can assess what digital initiatives to invest in to improve users' experience of government.

*Corporate Plan 2017–21*

We measure our performance against this priority by assessing progress against:

- **success measures** related to the increase in digital services and improvements to user experience
- **performance criteria** related to developing the roadmap and delivering associated strategies that support the government's transformation agenda.

## Success measure 1.1

**Increase the proportion of services that are delivered digitally and improve the user experience**

Target: Annual digital transformation priorities start informing investment decisions

Source: *Corporate Plan 2017–21*

| Overall assessment | Achieved |
|---|---|

**Results**

- **Advice and guidance**—We provided advice to Government on possible future investments, and guidance on digital transformation priorities and areas where investment could drive high-value changes (the priorities are confidential to Government).

- **New proposals**—As part of our review of digital and ICT proposals for the 2018–19 Budget, we examined how proposals aligned to the digital transformation priorities:

  - This resulted in decision-makers gaining a better understanding of the technology needed to support improved government services, and the contribution to business and the economy.

  - Our advice focused on how agencies transform their approach to digital and ICT investment, to make a sizeable impact on how people and business interact with government services.

See more details in *Priority 3: Oversee and advise on ICT and digital investment*.

## Success measure 1.2

**Improve the user experience with existing digital services**

Target:  Baseline compiled of performance data of high volume services and an initial set of life event journeys

Source: *Corporate Plan 2017–21*

| Overall assessment | Achieved |
|---|---|

**Results**

- **Baseline data**—We collected initial baseline of performance data for high volume services, which we are continuing to augment. We will use this baseline performance data to track improvements to user experiences over time and identify future opportunities to improve services.

- **Life event journeys**—We researched eight life event journeys, such as 'looking for work', 'accessing aged care' and 'Australians travelling overseas'. We have analysed what services support people through these events and what their experience is when using those services. We are now working with the relevant agencies to identify opportunities to improve user experiences.

- **Services quality framework**—This year we developed a services quality framework to provide government agencies with a consistent method for measuring the quality of the services they offer.

- **Performance dashboards**—We published four additional public service dashboards on the gov.au Performance Dashboard. The Performance Dashboard aims to make data open and accessible by measuring the performance of Australian government services against the Digital Service Standard. This promotes government transparency and helps drive the ongoing improvement of government services.

## First performance criteria for priority 1

**Develop a whole-of-government ICT strategy and digital transformation roadmap**

Target:  Deliver ICT and digital strategies that support the government's transformation agenda and are put in place and taken up by departments and agencies

Source: *Portfolio Budget Statement 2017–18*
(This is also an Open Government Partnership commitment)

| Overall assessment | Partially achieved |
|---|---|

**Results**

- **Digital Transformation Strategy**—Late in 2017–18 we started drafting and consulting on a Digital Transformation Strategy for the Commonwealth to improve the experience of people and businesses accessing government services over the next seven years. By the end of June we had engaged directly with 30 government agencies, canvassing the views of more than 500 stakeholders, to develop and circulate the alpha (first) draft of the strategy. The overarching strategy brings together several existing and new elements including:

  - Secure Cloud Strategy—We published this strategy in February 2018, with agencies preparing plans to migrate to the cloud. Of the 58 agencies that responded to our inaugural cloud survey, 16 per cent already had a cloud strategy and 39 per cent were drafting one.

  - Hosting Strategy—We are developing this guidance on data centres, infrastructure and transition to cloud, due for delivery in October 2018.

  - Whole-of-government Platforms Strategy—We are developing this operating model governing the development and ongoing operation of reusable whole-of-government digital services platforms, due for delivery in September 2018.

  - Content Strategy—We released this strategy iteratively over a six month period during the year, providing guidance to better manage and improve the quality of government content.

  - Trusted Digital Identity Framework—We updated and released this framework for public consultation. It is a comprehensive set of requirements that establish a nationally consistent approach to accredit, govern and operate digital identities in Australia.

- **Digital Transformation Roadmap**—During the year we began creating the new the Digital Transformation Roadmap (first published in December 2016).

  - The updated Roadmap will complement the strategy.

  - We also developed two sector-specific roadmaps for digital transformation for business and individuals over the next two years.

Early in the year we focused on more immediate strategies, such as the Cloud Strategy, reprioritised as required and began work on other major projects as the year progressed—noting partial achievement of this performance criteria.

## Second performance criteria for priority 1

**Develop and deliver a detailed Digital Transformation Agency engagement plan that will be implemented around key initiatives**

Target:  All government agencies will have a clear understanding of the Digital
            Transformation Agency's role

Source: *Portfolio Budget Statement 2017–18*

| Overall assessment | Partially achieved |
|---|---|

**Results**

- **New approach to our engagement**—During the year we reviewed how we engage with government and industry including formally seeking stakeholder feedback to better understand their experience. As a result, we changed the way we engage with our stakeholders by introducing new processes, training and a flexible approach to planning that reflects the changing nature of our work.

- **Increased engagement across government and industry**—Our level of engagement across the Australian Public Service is growing, as is our external engagement with industry. In 2017–18, our engagements included:

  - working with agencies to develop whole-of-government platforms

  - collaborating with state governments to grow the Digital Marketplace (see success measure 4.1)

  - engaging directly with agencies on 17 major projects, providing in-depth advice through our Digital Investment Management Office (see performance criteria for priority 3)

  - increasing capability in the public service through training or coaching and mentoring individuals working in government (see success measure 5.1)

  - hosting a series of industry roundtables to consult on ICT procurement reform (see success measure 4.1)

  - delivering high quality, fit-for-purpose communications products including blogs, social media campaigns, media releases and our own beta website, which we released to trial new designs with limited content

  - growing our social media reach, with a 60 per cent overall increase in followers on LinkedIn, Twitter and Facebook, and a 14 per cent increase in blog subscribers.

Rather than develop a set plan around key initiatives, we improved our engagement approach on a case-by-case basis with the flexibility to update our planning as needed to complement the changing nature of our work. We are confident our new engagement approach will help to improve understanding of our role. As a result, we assess that we partially achieved this success measure.

## Further explanation about our work under Priority 1: Develop a digital transformation roadmap

### Establishing a strategy for 2025

In late 2017–18 we commenced the development of a strategy to ensure Australia is one of the top three digital governments in the world over the next seven years. The strategy will be accompanied by a refreshed overarching roadmap, which will set out clear milestones showing how and when the Commonwealth will improve outcomes for people and businesses through digital transformation.

The strategy will outline clear goals and steps for engagement and service delivery, decision-making, and supporting structures and business models. It will also bring together work we are already doing to advance digital transformation in areas such as platforms, cloud, hosting, content, digital identity, and critical infrastructure.

We aim to deliver the strategy before the end of 2018, and have already consulted widely with jurisdictions, the private sector and the community.

By the end of the reporting year, we had engaged directly with 30 government agencies, canvassing the views of stakeholders, to develop and circulate the alpha (first) draft of the strategy for comment.

### Mapping priorities and milestones

The Australian Government's Digital Transformation Agenda aims to make services simpler, clearer and faster.

We published the first government Digital Transformation Roadmap in December 2016 as an 18-month framework to guide the transformation of government services. We are now refreshing this to recognise progress to date and support implementation of the strategy by mapping out the high level timeframe for digital transformation.

This year we also worked with relevant agencies to develop sector-specific digital transformation roadmaps for business and individuals. These roadmaps outline expected changes in experience for individuals and businesses as a result of digital transformation.

## Improving user experience

**Life event journeys**

We are researching high volume services to identify and track improvements to user experiences over time.

This year we looked at several life event journeys—events that lead people or businesses to engage with government.

We worked with people and government agencies to consider the services that support people through these life event journeys and better understand their experience of these services. The first five life event journeys we researched were:

- looking for work
- growing a business
- becoming a carer
- accessing aged care
- returning to work after having a child.

We analysed how these different events lead people or businesses to access services. We worked with relevant delivery agencies across government to develop a list of high volume services and engaged with agencies to identify more than 80 opportunities to deal with pain points and accelerate digital transformation. Nearly three-quarters of these opportunities are at least partially addressed by planned or current transformation projects.

Under our Government Experience (GovX) initiative, we researched a second set of events. These were:

- accessing commercial childcare
- coming to Australia to study
- Australians travelling overseas.

From our analysis of these life events we were able to identify
a set of global pain points for users and focus on systemic,
whole-of-government approaches to addressing these problems.
We have identified a set of solution hypotheses and begun a program
of experiments to start exploring and testing solutions.

## Performance dashboards

The Performance Dashboard is a place for government to publicly
report on how services are performing. We create a dashboard
for services as they reach their beta stage. The dashboards report
against indicators including user satisfaction, cost per transaction,
digital take-up and completion rate. There are now 11 service
dashboards ranging from tax and trade marks to newborn enrolments.

This year we published four more services on the Performance
Dashboard. We worked with service teams to help them identify
outcome-focused metrics for their service. By measuring and
reporting on the right metrics, service teams are able to find areas
of improvement to the experience for their users (for example,
if completion rates decrease it is likely to mean users are struggling to
successfully complete a transaction).

**Figure 3:** Screenshot of our performance dashboards product
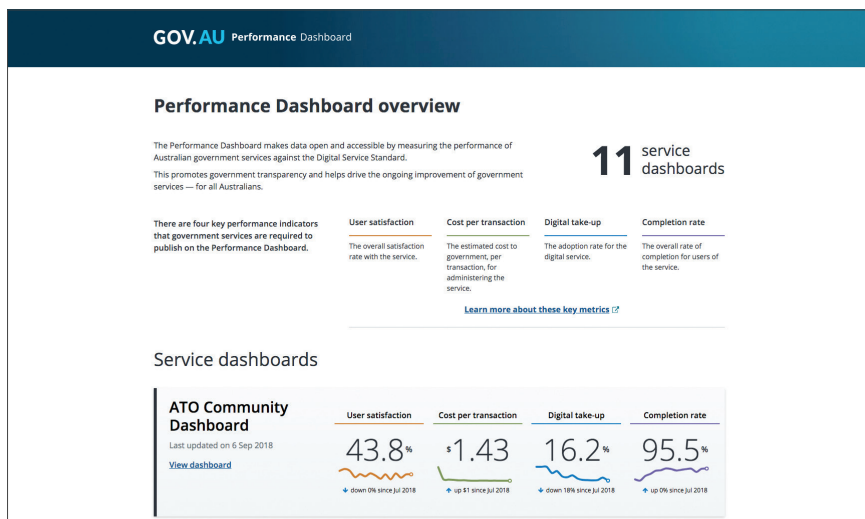
## Engaging more effectively

We engage with our stakeholders in numerous ways including:

- working directly with agencies on major ICT and digital projects, monitoring and providing in-depth advice through our Digital Investment Management Office
- collaborating with agencies and the private sector to improve the way government buys ICT and digital products and services, and help ensure more competition and better value for money
- working with stakeholders to develop and improve whole-of-government platforms to provide better infrastructure for improved digital services that meet users' needs
- building capability across the public service through training, recruitment and other opportunities to share knowledge, solve problems, showcase work and explore best practice
- developing a range of tailored communications products and materials, such as blogs and presentations, to engage stakeholders through information and thought leadership on digital transformation.

During 2017–18 we reviewed the way we engage with our stakeholders. Based on feedback we introduced a more effective and coordinated engagement approach across our agency (see *Spotlight on… Transforming our engagement*).

# Spotlight on…

# Transforming our engagement activities

The way we engage with our stakeholders is central to our ability to accelerate digital transformation in government. We lead, guide and collaborate with a wide range of stakeholders to improve digital services. That is why one of our performance criteria for the year was to develop and deliver a detailed engagement plan around key initiatives.

Our stakeholders' engagement experience is important to us, so we formally asked for their feedback to better understand our engagement landscape and experience. We found that while there was goodwill from our stakeholders, our previous engagement activities had been inconsistent and there was room to improve. As a result, we have changed the way we engage.

## More connected with industry

During the year, we signed a Memorandum of Understanding with the Australian Information Industry Association to strengthen and formalise our engagement with the information industry. As a result, regular meetings between the DTA, the Australian Information Industry Association and its members are providing more opportunities for critical feedback, strategic discussions and practical engagement.

## More strategic and coordinated

To coordinate the engagement happening across our agency, we have established engagement principles and set up an Engagement Guild. These principles guide our engagement and help us track and evaluate our activities. The guild brings together people responsible for engagement in their teams. The guild meets regularly to run through engagement activities, share experiences, ensure our engagement is coordinated and consistent and build our engagement capability.

## More skilled

We are uplifting our skills by rolling out International Association for Public Participation (IAP2) training for staff. The training focuses on defining issues, identifying stakeholders, planning and ensuring their involvement, and evaluating effectiveness.

## More social

To help reach our stakeholders on their preferred channels, we increased use of social media, growing our Twitter followers by 34 per cent, LinkedIn followers by 106 per cent, Facebook likes by 147 per cent and blog subscribers by 14 per cent.

## More flexible

Our improved engagement approach enables the flexibility to update our planning as needed to complement the changing nature of our work, while supporting more strategic and coordinated engagement across our agency.

# Priority 2

## Deliver and improve digital platforms

A digital platform is a system that multiple agencies can use to deliver
services. By reusing and sharing digital platforms, agencies can
reduce duplication of effort and assets. This approach will save money,
improve the experience of government services and increase familiarity
with government digital systems.

*Corporate Plan 2017–21*

We measure our performance against this priority by assessing
progress against:

- **success measures** related to new platforms, improved return on
  investment and improved user experience
- **performance criteria** related to the development and integration of
  whole-of-government platforms.

## Success measure 2.1 and performance criteria for priority 2

**New whole-of-government digital platforms are developed to provide better infrastructure for government agencies**

Targets: The discovery and alpha phase for the Notifications, Tell Us Once and Payments In platforms are completed

The private and public beta phase for the Digital Identity platform and the Trusted Digital Identity Framework are completed

Source: *Corporate Plan 2017–21*

**Support the development and integration of whole-of-government platforms**

Target: Develop and/or deliver ICT and digital platforms that are successfully used across government

Source: *Portfolio Budget Statement 2017–18*

| **Overall assessment** | Achieved |
|---|---|

**Results**

- **Notifications**—We delivered the discovery report and alpha prototype and report for this platform.

- **Tell Us Once**—We delivered the discovery report and alpha prototype and report for this platform.

- **Payments In**—We delayed this platform in favour of work delivering the discovery report and alpha prototype for the **Federated Data Exchange**. This will lay the foundations for future work and at the same time allow Payments In to better align with emerging payment capabilities such as that being delivered by the Department of Human Services through the Welfare Payments Infrastructure Transformation Programme. We intend to begin discovery work for the Payments In platform in 2018–19.

- **GovPass digital identity ecosystem and Trusted Digital Identity Framework—** This year we released the first and second versions of the framework for public consultation, and worked with several agencies to prepare for beta trials in 2018–19.

## Success measure 2.1 and performance criteria for priority 2 (continued)

- **Other whole-of-government platforms successfully used across government**—We are providing better infrastructure for government through other platforms including cloud.gov.au, Google Analytics, data.gov.au and National Map.

  - Google Analytics—This platform attracts more than two billion hits per month across 16 agencies and their websites, mobile apps and services.

  - Data.gov.au and National Map—These platforms aim to make it easy to find, access and reuse public Government datasets, including map-based spatial data. Data.gov.au now hosts 26,927 public government datasets and National Map provides easy access to map-based spatial data from more 10,000 government agency datasets.

  - cloud.gov.au—This secure and resilient cloud platform for hosting government websites and applications sees more than 50 applications deployments daily.

- **Domainname.gov.au**—We manage 'gov.au' domain names (reserved for Australian, state and territory and local government entities) on behalf of registrants. We provide guidance and services related to applying for, managing, changing and removing gov.au domain names. We are working with the industry policy and self-regulatory body, auDA, as well as the state and territory domain administrators from across Australia. As at 30 June 2018, we had commenced a discovery phase on replacement of the self-service portal for gov.au domain registrants, which is expected to enter beta phase by the end of 2018.

- **Platforms strategy**—This year we began work on a whole-of-government Platforms Strategy that considers how to build on and link up existing platforms, and how they could be expanded and reused in the future.

## Success measure 2.2

**Improve return on investment for Government from digital platforms**

Targets: Baseline on the number and cost of existing and planned duplicate ICT and digital capabilities

Source: *Corporate Plan 2017–21*

| Overall assessment | Achieved |
|---|---|

**Results**

- **Return on investment**—Several platforms and related strategies are already providing a return on investment by saving agencies time, effort, resources and money. This includes the Secure Cloud Strategy and cloud.gov.au, Google Analytics, data.gov.au and National Map.

- **Baseline work**—We compiled baseline information related to Tell Us Once and Notifications.

## Success measure 2.3

**Improve the user experience for myGov**

Targets: Increased number of Australian Government entities providing services through, or interfacing with, myGov

Develop a performance framework to measure the extent to which myGov is delivering expected outcomes for users and member services

Source: *Corporate Plan 2017–21*

| Overall assessment | Achieved |
|---|---|

**Results**

- **myGov use**—myGov is a simple and secure way to access a range of government services. myGov usage has nearly doubled in the past two years, and at 30 June 2018 it had over 13 million accounts. In 2017–18, on average, myGov had almost 300,000 daily logins.

- **Services provided**—The focus of myGov is changing as we continue to learn more about user needs.

  - We laid the groundwork to connect an additional service to myGov during 2017–18, the National Redress Scheme.

  - We are working to improve myGov services by making it more accessible with options to authenticate using the myGov Access mobile app, and regain access to an account without having to contact a service centre.

  - We researched how myGov branding might improve user experience on new platforms Tell Us Once and Notifications, and researched how to improve the myGov experience for government agencies.

- **Performance framework**—We developed and implemented a myGov performance framework, following consultation with the Department of Human Services and myGov member services, to more effectively track and report on operational and overall performance. The framework will use expected outcomes reporting to enable member services to track myGov's performance.

# Further explanation about our work under Priority 2: Deliver and improve digital platforms

## Developing a platforms strategy

Whole-of-government digital platforms reduce the need for each agency to build their own capability. Sharing common platforms makes it faster, simpler and more efficient to deliver digital services. It also supports more consistent user experiences and frees up agencies to focus on how they can best meet users' needs. Implementing whole-of-government platforms will provide substantial ongoing departmental efficiencies.

As we work across agencies to plan and develop platforms, we find opportunities for alignment and improved integration.

This year we began work on a whole-of-government Platforms Strategy that considers how to expand and connect existing platforms, and how to ensure they align with the overarching Digital Transformation Strategy as it is developed.

## Building new platforms

During 2017–18 we worked on several new platforms:

- **Tell Us Once**—This year we completed the discovery (research) and alpha (prototype) phases for this platform, which will allow people to easily advise government of changes in their personal circumstances.
- **Notifications**—We also completed the discovery (research) and alpha (prototype) phases for this platform during 2017–18. This platform will allow government to communicate with people using services in a secure and timely way. It will be configured to users' needs and give people receiving the communication greater transparency and control over their interactions with government.

- **GovPass digital identity ecosystem and Trusted Digital Identity Framework**—This will allow people to set up a digital identity with their chosen provider and reuse**,** providing simple, safe and secure access to a range of government digital services.
  - We have done extensive research over the last two years to bring this together, working with Commonwealth, state and territory government agencies, privacy groups and financial institutions.
  - During 2017–18 we updated and released the framework for two rounds of public consultation. We worked with eight agencies to prepare to begin public beta trials for the platform in 2018–19 (see *Spotlight on…Developing a digital identity solution*).

- **Google Analytics**—During January 2018 we expanded this whole-of-government platform. It tracks more than two billion hits per month across 16 agencies and their websites, mobile apps and services. We also started offering monthly training, attracting 119 people from 62 government agencies in the first six months. Analysis of training results demonstrates significant improvement in participant knowledge and confidence.

- **Federated Data Exchange**—We completed discovery (research) work for this platform. The objective is to enable agencies to have real-time, direct access to each other's data through an exchange facility, without needing to build individual data exchanges, and while still complying with privacy and security requirements.

- **Government data initiative**—We are working on an initiative that supports finding, accessing and using government data. This initiative relates to developing application programming interface (API) standards. APIs are a set of clearly defined methods of communication between various systems.

- **Data discovery tools**—We are creating data discovery tools for government, in partnership with CSIRO's Data61.

## Improving public data and spatial mapping platforms

In November 2017, the DTA became accountable for managing the data.gov.au and National Map platforms. We have begun delivering improvements to these platforms and how they are used:

- **Data.gov.au**—This platform provides an easy way to find, access and reuse public government datasets. It is part of the commitment to open government. Since we took on the platform, the number of datasets hosted has grown from 25,785 to 26,927, an increase of four per cent. We have also partnered with CSIRO's Data61 to build a new search and discovery interface that will make it easier for people to search and access the 6,927 datasets discoverable through data.gov.au. By the end of June 2018, a beta site with continuous iterations and improvements had been running for six months.

- **National Map**—This platform provides easy access to map-based spatial data from 10,000 Australian Government agency datasets. We assisted CSIRO's Data61 with new platforms for an open data proposal to improve user experience, ease of use, and agency access to this platform.

## Moving to cloud

Using cloud technology can lift productivity, improve agility and allow agencies to focus on delivering better services. We want to make it easier for government to invest in cloud. This year we worked closely across government and industry to develop the Secure Cloud Strategy, and to update the exemplar platform, cloud.gov.au:

- **Secure Cloud Strategy**—The strategy focuses on helping government agencies use cloud more easily to help them move to a more agile method of service improvement. It encourages rapid uptake of cloud services across government. It enables agencies to take advantage of the agility, flexibility and speed of delivery while maintaining availability, integrity and confidentiality. Agencies are required to have cloud strategies in place by 30 November 2018, and they are all on track to do this. As at 30 June 2018, of the 58 agencies that responded to our inaugural cloud survey, 16 per cent already had a cloud strategy and 39 per cent were drafting one.

- **cloud.gov.au**—Initially established in January 2016, cloud.gov.au is a secure and resilient cloud platform for hosting government websites and applications. The platform focuses on developer productivity and enables government agencies to rapidly prototype new ideas as well as run reliable services for their users. The cloud.gov.au platform uses industry leading open source technology that is comparable to those used in the United Kingdom and the United States. There are more than 200 applications running on cloud.gov.au and a typical workday sees more than 50 application deployments.

- **Assistance to agencies and information sharing**—We also continued to assist agencies to adopt cloud strategies and established an online Cloud Forum and monthly Cloud Showcase to share best practice and lessons learned across more than 40 agencies. In addition, we created a dashboard to display cloud insights.

- **Hosting Strategy**—We started working with government agencies to develop this strategy, which will set a clear direction for hosting. The strategy will balance sufficient oversight and guidance to safeguard the security of government systems and data, with the agility and speed to market needed to address policy changes and improve the service experience for individuals and businesses engaging with government. It will cover the wider ecosystem, encompassing data centre facilities, compute, storage and cloud (for classifications of Protected and below). It will also include standards addressing risks related to data sovereignty, ownership and control, and set minimum standards (system, legislative, policy) for government, hosting and cloud services suppliers.

## Delivering efficiencies through platforms

Platforms that are reused across government can deliver improved efficiencies, value for money and improved return on investment. Several platforms are already providing efficiencies:

- **Google Analytics**—To date, with 16 subscribed agencies, this platform is delivering a saving of around $1 million a year (compared with when those agencies ran individual contracts for these services). Further savings are expected through coordinated procurement.

- **data.gov.au**—This platform provides free public hosting to share data held by government, removing the need for agencies to operate their own public data catalogues. More than 300 agencies use this platform, spanning Commonwealth, state, territory and local government levels. Savings of up to $150,000 a year each in infrastructure costs have been found. There are also significant economic benefits in sharing government data. Research suggests that ready access to government data or other public information in Australia has the potential to generate up to $25 billion per year, or slightly more than 1.5 per cent of GDP.[4]

- **National Map**—Participating agencies save on the cost of individual software licences, and technical specialists needed to prepare high quality map-based data products. Non-participating agencies also save costs by having access to geospatial specialist advice and guidance via data.gov.au. A single license can cost between $500 and $1200 a year and the salary for a single specialist can be up to $180,000 a year.

- **Secure Cloud Strategy and cloud.gov.au**—Agencies, from large to small, are using our Secure Cloud Strategy and associated guidance and education. This means they do not have to investigate their cloud strategies from scratch. It is also helping improve the resilience and agility of their services. We have completed a baseline of the current investment on secure cloud solutions across agencies in order to track the financial benefits of the strategy.

4    Bureau of Communications Research, (2016) *Open government data and why it matters*, Australian Government Department of Communications and the Arts, Australia. Quoting research: Gruen, N. Houghton, J. & Tooth, R. (2014). *Open for Business: How Open Data Can Help Achieve the G20 Growth Target*, Lateral Economics for Omidyar Network, Australia. www.omidyar.com/sites/default/files/file_archive/insights/ON%20Report_061114_FNL.pdf

## Improving myGov

Our user research consistently shows that people want to interact with government as a whole, not individual agencies. myGov is a simple and secure way to access government online services, allowing users to link up to 10 different services using one system, with one login. Services linked to myGov accounts range from health and taxation to child support and aged care.

The DTA is the owner of myGov. We are responsible for developing myGov policy, strategy, user experience and bringing in new services.

Improving the user experience for myGov will make it even easier for people and businesses to access government services. With this goal in mind, this year we undertook the following activities:

- **Additional service**—We laid the groundwork to connect an additional new service to myGov, the National Redress Scheme.
- **Integration with platforms**—We developed strategies to integrate myGov with emerging whole-of-government platforms including Tell Us Once, Notifications, Payments In and the GovPass digital identity ecosystem.
- **Common branding**—We began discovery projects (research) on whether common myGov branding across new platforms will provide a better user experience. This will be implemented in the alpha prototypes for Tell Us Once and Notifications.
- **Agency experience**—We completed discovery (research) on how to improve the experience for government agencies working with myGov and overcome barriers to increasing the number of myGov services.

# Spotlight on...

# Leveraging digital identity for everyone

Accessing government services should be simple, safe and secure. To deliver on this, we need a trusted digital identity solution for secure online transactions.

At the moment, the government uses more than 30 different logins for digital services. Instead, we want people to be able to establish their identity once, and use it multiple times to access multiple government services. Through the GovPass program we are working with government agencies, the private sector and the public to develop the standard for digital identity.

## Setting the standard

The first step toward delivering a trusted digital identity solution is to develop the Trusted Digital Identity Framework. This provides the standard—the foundation for consistent, secure and reliable digital identity for everyone. We published the first component of the framework for comment in November 2017 and updated it based on more than 1000 comments from community and industry. The Trusted Digital Identity Framework outlines the standards of online identity services for individuals, including accreditation, authentication, fraud control, identity proofing, privacy, protective security, risk management, useability and accessibility. We invited consultation on the second release of the framework in mid-June 2018.

## Building the GovPass digital identity ecosystem

The GovPass digital identity ecosystem has been designed with privacy in mind. It features components to ensure people are in control of how their identity is used.

The Australian Government will have an identity provider called myGovID, which is being built by the Australian Taxation Office. myGovID will connect to a gateway between providers and services, called the Exchange. The Department of Human Services will build the Exchange. This protects user privacy, as service providers will not see any user identity information, and identity providers will not know what services users are accessing. Additional components used in the GovPass digital identity ecosystem will include an authorisation service for individuals acting on behalf of a business and the Facial Verification Service, managed by the Department of Home Affairs.

The first identity provider beta pilot is due to start in October 2018. This pilot will enable up to 100,000 users to apply for a Tax File Number online. The current process requires people to visit a service centre to verify their identity, with processing typically taking up to six weeks. The introduction of the GovPass pilot will reduce this to around 15 minutes, with no need to present at a service centre.

Other pilot services connected to digital identity during 2018–19
will include:

- AusKey
- Tax File Number (TFN)
- Australian Business Register (ABR)
- Grants Management
- My Health Record
- Unique Student Identifier
- Youth Allowance
- Newstart Allowance.

We are also encouraging more organisations to become accredited
identity providers, including Australia Post, state and territory
governments and from the private sector. This will mean more choice
for users to establish a secure and reusable digital identity with a
provider they trust.

By the end of 2018–19 we expect to roll out pilot services up to
2.1 million people and businesses to move from manual to digital
identity verification. This will improve safety and convenience for
government service users and improve government efficiency.

We will continue to consult stakeholders during this process to make
sure we can create a digital identity solution that meets the Australian
community's expectations and needs.

# *GovPass context: scope for next 12 months*

*8 pilot services*

**Taxation**
1. Tax File Number
Biometric Identity

*targeting up to* *100,000 users*

**Welfare**
Centrelink Online Account
5. Youth Allowance
6. Newstart Allowance
Biometric Identity

*targeting up to* *100,000 users*

**Taxation**
2. AUSkey alternative (ATO Services)
3. Australian Business Register
Non-biometric Identity

*targeting up to* *1,600,000 users*

**Health**
7. My Health Record
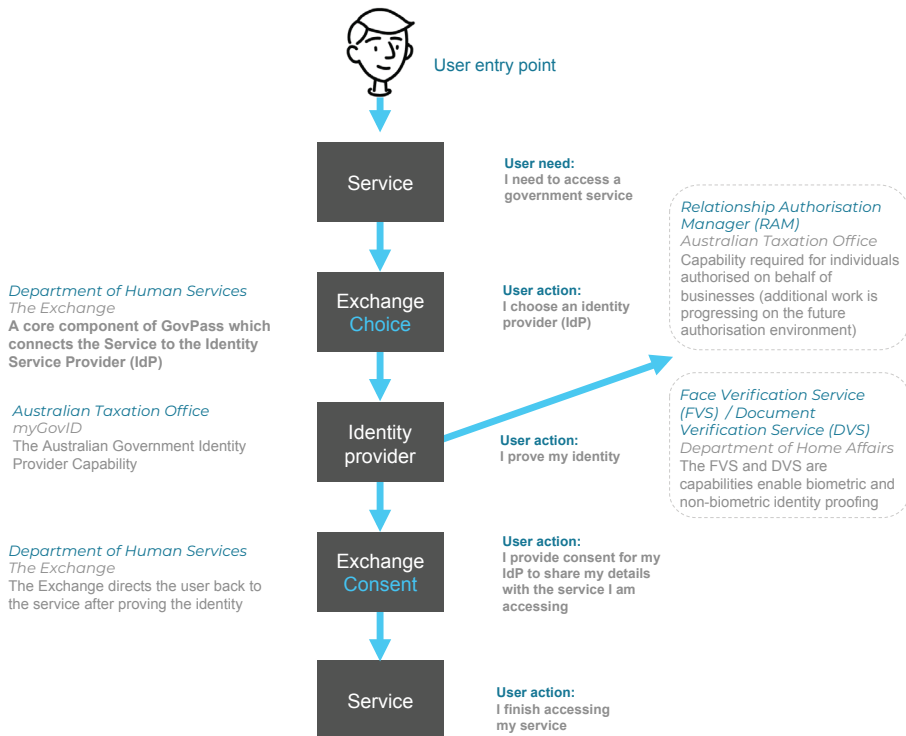Biometric Identity

*targeting up to* *100,000 users*

**Education**
4. Unique Student Identifier
Non-biometric Identity

*targeting up to* *100,000 users*

**Social services**
8. Grants management
AUSkey alternative
Non-biometric Identity

*targeting up to* *5000 organisations*
*10,000 users*

---

User entry point

**Service**

**User need:**
I need to access a government service

*Relationship Authorisation Manager (RAM)*
*Australian Taxation Office*
Capability required for individuals authorised on behalf of businesses (additional work is progressing on the future authorisation environment)

*Department of Human Services*
*The Exchange*
**A core component of GovPass which connects the Service to the Identity Service Provider (IdP)**

**Exchange**
**Choice**

**User action:**
I choose an identity provider (IdP)

*Australian Taxation Office*
*myGovID*
The Australian Government Identity Provider Capability

**Identity provider**

**User action:**
I prove my identity

*Face Verification Service (FVS) / Document Verification Service (DVS)*
*Department of Home Affairs*
The FVS and DVS are capabilities enable biometric and non-biometric identity proofing

*Department of Human Services*
*The Exchange*
The Exchange directs the user back to the service after proving the identity

**Exchange**
**Consent**

**User action:**
I provide consent for my IdP to share my details with the service I am accessing

**Service**

**User action:**
I finish accessing my service

# Priority 3

## Oversee and advise on ICT and digital investment

We have oversight of all significant government ICT and digital investments. This gives us the opportunity to consider potential risks, assess whether projects are cost effective and delivering their intended benefits, find opportunities to share platforms, and coordinate procurement so the government can make the most of its buying power. Our oversight helps to make sure investments are delivering value for the users and for the government.

*Corporate Plan 2017–21*

We measure our performance against this priority by assessing progress against:

- **success measures** related to oversight of significant investments and recommendations to improve the design, prioritisation and delivery of ICT projects
- **performance criteria** related to establishing a whole-of-government ICT and digital program management office and providing advice and to government on investments.

## Success measure 3.1

**Oversight of significant ICT and digital investments**

**Recommendations provided to agencies to improve design, prioritisation and delivery of ICT projects**

Targets: DTA advice to government informs proposed delivery approaches and investment decisions

Develop a data collection, analytical and reporting capability that informs and helps drive both transformation and improved outcomes for government and the nation

Delivery of the ICT and Digital Portfolio Investment Framework to accelerate user experience improvements and the delivery of benefits

Source: *Corporate Plan 2017–21*

| Overall assessment | Achieved |
|---|---|

**Results**

- **Digital Investment Review**—We engaged with 20 agencies through our review of digital investments, which is designed to help set up major ICT projects for best success.

- **Oversight and advice on projects**—As at 30 June 2018, we had oversight of 68 active ICT and digital projects and provided strategic advice to assist decision-makers on proposed new investments. We also provided more targeted oversight of several 'in flight' projects due to their complexity, the significant amount of money invested in them, or their strategic importance—equating to 43 per cent of the portfolio by budget.

- **Targeted advice**—During the year we provided targeted advice through various governance forums, workshops and drop-in clinics. We advocate for digital transformation through our involvement in senior committees, steering groups and project boards.

- **Data collection and reporting**—To inform and drive transformation and improved outcomes, and to inform a baseline for future performance periods, we collected data on the government's overarching portfolio of ICT and digital investments. We also provided regular advice on the health and trajectory of major investments in this portfolio. In addition, during the year we improved our data collection and analysis of government digital and ICT investments.

- **Principles and guidance**—We developed principles to guide agencies on transformation work, to help accelerate user experience improvements and the delivery of benefits. We also developed an initial set of requirements related to data collection, management and interoperability, for agencies to include in investment plans.

## Performance criteria for priority 3

**Establish a whole-of-government ICT and digital program management office to design and build reporting requirements, improve governance, and risk management standards**

**Provide analysis and advice to government on ICT and digital investments**

Target: Provide increased transparency of the government's ICT and digital products, their costs, risks and implementation progress

Source: *Portfolio Budget Statement, 2017–18*

| Overall assessment | Achieved |
|---|---|

**Results**

- **Program management office**—We established an ICT and digital program management office, called the Digital Investment Management Office.

- **Analysis and advice**—Through this office we provide government with strategic advice on proposed new investments to check they align with government direction for digital services, procurement and improved return, and to reduce risk by moving to smaller, more easily managed ICT projects. Our advice also led to agencies considering whole-of-government services rather than extending in-house systems. We also provided regular advice to government on the health of the overall ICT and digital investment portfolio, and targeted advice to agencies through involvement in governance forums, workshops and drop-in clinics (see success measure 3.1).

- **Service delivery improvement**—Our Digital Investment Management Office also captures information on service delivery through regular data collections, which identify high value services currently without a significant digital presence and where existing digital services could be improved.

## Further explanation about our work under Priority 3: Oversee and advise on ICT and digital investment

### Providing advice and assisting decisions

Through our Digital Investment Management Office we oversee and advise on government investment in ICT and digital services to make sure projects are set up and delivered in the right way. This includes:

- setting priorities in line with the government's Digital Transformation Agenda
- shaping new investment proposals to make sure they contribute to the Digital Transformation Agenda, accelerate delivery and eliminate duplication
- monitoring projects to ensure they are delivering effectively and efficiently
- actively engaging with high risk projects to ensure they deliver their intended benefits
- identifying high value or impact services that could potentially be digitised
- providing regular advice to government on the health of the overall ICT and digital investment portfolio.

Examples of our advisory service helping agencies to establish structures and approaches to support successful outcomes include the:

- Department of Social Services mapping user experiences in grants administration to better target program benefits
- Bureau of Meteorology establishing good practice around benefits, risk and procurement
- Australian Bureau of Statistics planning for Census 2021, looking at ways to deliver using agile techniques, reducing risk and delivering value faster.

## Building a picture of the investment portfolio

In 2017–18 non-corporate Commonwealth entities spent $1.2 billion on ICT and digital initiatives.
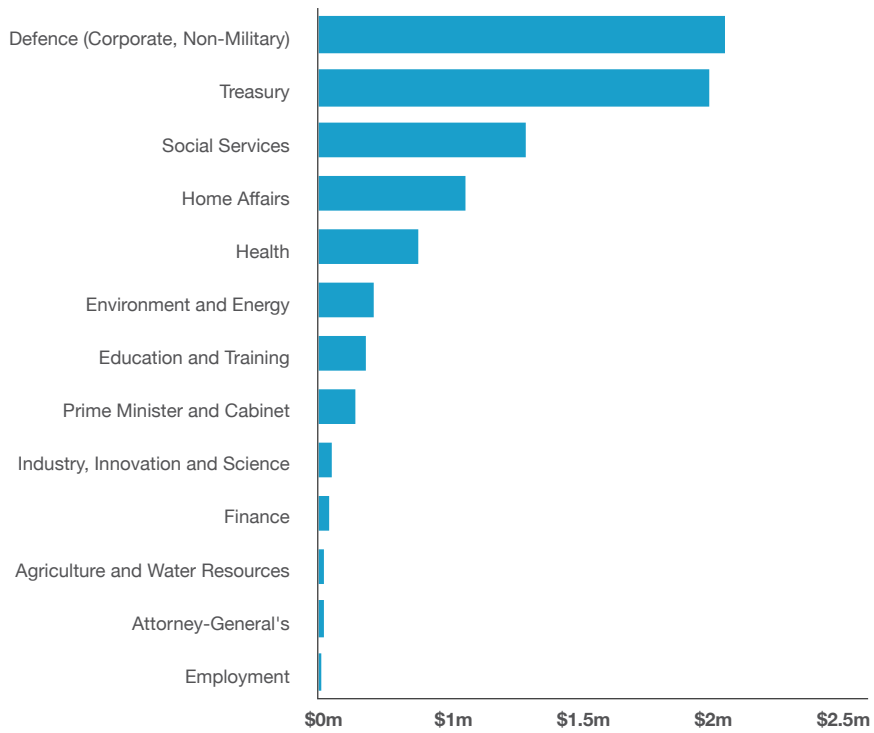
We are building a clearer picture of the breadth of projects, and helping to improve return on this investment. During the year we engaged with a wide range of agencies through our initial review of digital investments including costs, benefits, risks and status of ICT projects and programs worth more than $10 million. The aim was to see how major ICT projects were tracking and help set them up for success. During the course of the year, our engagement expanded to more than 24 agencies, covering more than 80 initiatives. Through this work we gained insights into where ICT investment is going and how those projects are performing (see Figures 4 and 5 for early insights).

At the same time, we continued to improve the way we collect and use data, and developed new and more strategic approaches to investment analysis, governance, risk management, program management and how to measure benefits.

**Figure 4:** Early insights into ICT and digital investment portfolio, as at 30 June 2018

**22**
agencies

**68**
projects

**$6.82b**
collective value

**14**
projects we are actively engaging with

**63%**
of investment going to major transformation projects

**12%**
of investment going to make existing services better

**25%**
of investment going to maintaining existing services

**Figure 5:** Budgets for active major ICT initiatives by Portfolio,
as at 30 June 2018

# Priority 4

## Transform ICT and digital procurement

Our agency develops and provides guidance to agencies on applying ICT procurement policy. We are working to support best practice procurement, inclusive markets and good working relationships between buyers and sellers. This will mean that agencies can embrace modern, streamlined ways of doing business now and into the future.

*Corporate Plan 2017–21*

We measure our performance against this priority by assessing progress against a:

- **success measure** related to value for money on ICT spend.

## Success measure 4.1

**Greater value for money delivered on government ICT spend**

**Improved procurement practices across government**

Target: Working towards implementing the recommendations agreed to by
government from the procurement taskforce report

Source: *Corporate Plan 2017–21*

| **Overall assessment** | Achieved |
|---|---|

**Results**

- **ICT procurement framework**—This year we released the ICT Procurement Taskforce report and began implementing the 10 recommendations including a framework, policies and templates to improve digital sourcing and procurement practices, and deliver reform.

- **ICT procurement policies**—We released the 'Capped Term and Value' Policy and started developing the Panel and Fair Criteria Policies. The policies are designed to improve the experience of buying and selling digital products.

- **Digital Marketplace**—The Digital Marketplace is improving procurement practices across government by driving increased competition for the government's annual ICT spend. In 2017–18 another 469 sellers registered, 43 more agencies used the Digital Marketplace and 643 opportunities were published.

- **Whole-of-government volume sourcing**—We leverage combined government purchasing power to get better prices and consistent terms and conditions. In 2017–18 we established new supplier whole-of-government arrangements with IBM, SAP and Concur Holdings. During the year we also released the first category of the new Software Licensing and Services panel, which was for Microsoft licensing.

- **Digitally enabled panel trial**—We supported the Australian Taxation Office in trialling the transition of one of its panels to the Digital Marketplace. This involved digital enablement of the panel, involving 21 agencies and 22 suppliers. Users reported the panel enabled a simple and easy procurement experience.

## Further explanation about our work under Priority 4: Transform ICT and digital procurement

### Transforming how government buys digital products and services

We are making it simpler and faster for government agencies to buy ICT and digital products and services, and simpler for industry to sell to government. This includes implementing reforms recommended by our ICT Procurement Taskforce. The taskforce reviewed how government purchases digital products and services, and its recommendations were accepted by government in August 2017. The activities we have delivered include:

- **Digital Sourcing Framework for ICT Procurement**—We spent six months co-designing with government agencies the underlying framework to help agencies buy digital products and services in an effective and efficient way. The first phase went live in June 2018. We also released a Digital Sourcing Contract Template to make it easier for buyers and sellers to agree terms.

- **ICT Procurement Policies**—We released the 'Capped Term and Value' Policy, which limits the size and duration of projects to reduce risk and improve market openness. A discussion paper on a draft Panel Policy was released with the aim of designing panels that are more industry-friendly and lead to better purchase outcomes for government. We also started developing the Fair Criteria Policy to improve fairness for suppliers in sourcing decisions.

- **Digital Marketplace**—We increased competition in the market and helped smaller businesses compete for government contracts through the Digital Marketplace. A total of 952 sellers had registered as at 30 June 2018. The contract value awarded to SMEs through the marketplace was 74 per cent, more than double the last-collected Australian Public Service average of 30 per cent in 2015–16 (see *Spotlight on…Better business, better outcomes*).

- **Volume sourcing and panel arrangements**—We managed a range of ICT procurement arrangements for agencies to simplify procurement processes, reduce administrative costs, improve terms and conditions, and secure better value for money. These included the Cloud Services panel, Microsoft Volume Sourcing arrangement, Data Centre panel, ICT Hardware panel, Mobiles panel, Telecommunications Services panel, Software Licensing and Services panel, and the Digital Marketplace.
- **Industry consultation**—We consulted closely with industry to improve government ICT procurement practices. For example:
  - We hosted a CEO roundtable with a dozen leaders from digital business to consult on issues such making panels easier to join and use, asking the market for outcomes, and encouraging alternative contracting methods.
  - Based on sellers' interest in providing their expertise, we hosted a co-design workshop with industry and scoped a new 'Ask the Market' feature, for the Digital Marketplace.

# Spotlight on...

# Better business, better outcomes

## Changing the way government does business

The way government sources digital products and services is changing.

In August 2017 the government announced significant reforms, including capping maximum contract values and duration. The aim is to change government buyer behaviour, breaking down large purchases into smaller, component parts. This is expected to open up more opportunities for SME and increase government's access to innovation.

Other changes include reducing the number of IT panels, to make it easier for small players to supply services, developing ICT-specific procurement principles, building strategic partnerships, supporting data-driven reporting, and enhancing public service procurement skills and new procurement methods. The reforms are accepted recommendations of our ICT Procurement Taskforce report released in August 2017.

## Transforming our approach to drive change

We are taking new and innovative approaches to help change the way government buys ICT and digital services. This includes looking at how design processes can be more focused on both government and industry needs. One example is designing policy using exemplar teams made up of multiple government agencies, led by service designers and user researchers. The 'panel policy exemplar' team from six agencies came together for four weeks to look at how to simplify the way government buys digital products and services. In this concentrated period of time, the team did extensive research, mostly one-on-one interviews and predominantly involving industry.

## Providing more opportunities through the Digital Marketplace

Alongside these reforms we are running the Digital Marketplace, which is helping to connect government buyers to small and medium sellers. The Digital Marketplace allows for procurement interactions to match the level of simplicity or complexity appropriate to the circumstances of the buyer and seller involved, and makes the outcomes more transparent.

Since the Digital Marketplace started in August 2016, around 840 opportunities have been published, with some 74 per cent awarded to SMEs. During 2017–18 alone:

- 469 new sellers joined the Digital Marketplace, 33 per cent who had not previously done business with the Commonwealth
- 43 additional agencies used the Marketplace
- 643 new opportunities were published, with around 74 per cent of the business awarded to 171 SMEs
- $134 million in contracts were reported, with 13 per cent growth each month.

Half the registered buyers are from state, territory and local governments, demonstrating the value of our work leading collaboration across government to deliver better outcomes for SME digital enterprises, government agencies and, ultimately, the people using their services.

The Digital Marketplace has been developed in an agile way, and will continue to evolve over time in response to user needs.

# Priority 5

## Build Australian Public Service ICT and digital capability

We are partnering with agencies across government to raise the level of digital skills in the Australian Public Service. Skilled digital workers can design the best digital experiences for users and champion the adoption of digital service delivery. Building internal digital capability makes the public service less exposed to increasing market rates for contractors, reduces design and delivery risk, and will encourage innovative thinking.

*Corporate Plan 2017–21*

We measure our performance against this priority by assessing progress against a:

- **success measure** related to improved digital capability of staff across the Australian Public Service.

## Success measure 5.1

**In partnership with the Australian Public Service Commission (APSC), improve the digital capability of staff across the APS to better position government to develop and maintain quality digital services**

Targets: Provide access to quality assured digital training through the Digital Marketplace to up-skill APS staff

Improve APS ability to attract, select and retain digitally skilled APS employees

Improve the knowledge of senior APS staff on digital skills and how to work with digital APS staff

Source: *Corporate Plan 2017–21*

| Overall assessment | Achieved |
|---|---|

**Results**

- **Partnership with the APSC**—We partnered with the APSC to provide access to quality assured digital training. This included developing a digital skills blueprint for the Australian Public Service, piloting the first of 12 learning standards identified in the blueprint, and piloting a program for the Senior Executive Service on leading digital transformation.

- **Digital Training Marketplace**—We completed user research and concept testing to ensure the design for a Digital Training Marketplace was useful for buyers (agencies) and sellers (training providers). This involved 116 people from 18 agencies and a pilot with the Department of Human Services. This identified improvements to the Digital Marketplace. For example, the research led to the creation of a new training category on the Marketplace, a guided process for agencies to request quality digital training for their staff, and a new feedback mechanism for sellers to let us know about their experiences using the Marketplace.

## Success measure 5.1 (continued)

- **Public service capability**—During the year other activities to help agencies attract, select, uplift and retain digitally skilled employee included:

    - Digital Entry Level Program—We brought fresh talent into government through the Digital Entry Level Programs (apprenticeship, cadetship, graduate), placing 135 participants in 16 agencies in 2018 and 146 participants in 18 agencies in 2017.

    - Women in IT Coaching program and Women in IT Executive Mentoring (WITEM) program—These programs attracted 98 participants from 25 agencies.

    - Digital Service Standard training—We trained 1045 staff across Australian Public Service agencies in applying the mandated Digital Service Standard.

    - Direct work with agencies—We worked with 10 agencies to improve capability and services.

    - Events—Through our co-lab initiative we hosted 'meet, share and learn' events for the Australian Public Service. Staff from 64 agencies participated in our capability investment review and seminars to increase digital awareness and uplift digital skills. We also hosted guest speakers and held pop-up events in areas such as user research, service design, interaction design and content design.

- **Digital maturity reviews**—We assessed the digital maturity of 28 agencies and their ambition for digital transformation. This has given us, and the agencies, a robust baseline of digital maturity in the Australian Public Service and has helped us to identify the priority areas for digital transformation.

- **Digital Service Standard**—During the year we partnered closely with five agencies to apply the Digital Service Standard to specific initiatives.

- **Guidance and tools**—We made available a range of government-focused guidance, tools and templates to assist agencies in applying the Digital Service Standard to their services. This included the Design System—a new, open source and accessible design system to speed up and make government websites and services more consistent. More than 186,000 components were downloaded this year, and 13 live projects are using the Design System.

## Further explanation about our work under Priority 5: Build Australian Public Service ICT and digital capability

### Building digital skills across government

Demand is rising for government workers with digital expertise.

We are helping government agencies build digital skills in the following ways:

- **Online help and guidance**—We provide guides and tools to help government teams set up, run and maintain digital services. For example, in April 2018 we introduced the latest iteration of the Design System to help improve government websites and services (see *Spotlight on…Making good design easy*).

- **Digital Service Standard training**—Since the standard was introduced in May 2016, we have seen its adoption steadily increase. Already one in four agencies are using the standard, demonstrating how we are working with agencies to help them transform the way they think about and invest in digital services. Part of this is offering free training to help government teams understand and meet the mandated Digital Service Standard. We also work directly with agencies to help them apply the standard to specific projects. An example is the National Blood Authority's Bloodnet platform. Putting users at the centre of this redesign changed the agency's culture and structure to better align with the services delivered. Another example is the Department of Veterans' Affairs MyService project. This improved the rehabilitation claim process by reducing a 16-page form to a two-screen registration and short survey, cutting the average processing from 107 to 30 days. See Figure 6 for details on the standard.

- **Digital Entry Level programs**—We provide entry level programs across the Australian Public Service for people starting their digital or technical careers. This includes apprentice, cadet and graduate roles. Since 2007 more than 1100 participants have been recruited to roles across agencies.

- **Coaching and mentoring for women**—We organise women in IT coaching and mentoring programs to help women develop leadership skills and increase their numbers in government digital roles. This year 98 women from 25 agencies participated in these programs. Participants reported these programs helped improve their job satisfaction gave them tools and networks to help advance their IT careers.

- **Building Digital Capability program**—We are developing this program with the APSC to attract digital talent, create clear career pathways, help managers create digital teams and inspire leaders to take visionary approaches to creating digital services.

  - This year we designed and developed a digital skills blueprint, identified 12 learning standards, ranging from user research to digital leadership and content design to cyber security.

  - We completed a pilot on the first learning standard, user research, with the Department of Human Services.

  - We also completed a Leading Digital Transformation pilot with 16 Senior Executive Service (SES) officers, providing tools to help them drive digital transformation in their agencies. We are rolling out this program more broadly, staring with another 50 participants in July 2018.

- **Agency partnerships**—We partner with other government agencies, working with them to build or redevelop digital services. This includes mentoring and coaching, providing guidance and advice on service design, product management, content design, strategy, interaction design and user research.

- **Digital communities of practice**—We organise communities of practice that bring together people working in government to share ideas, show their work, solve problems and explore best practice. We have communities of practice for service design, user research, project management and content design.

**Figure 6:** Digital Service Standard summary

# Digital Service Standard

**The Digital Service Standard helps digital teams build government services that are simple, clear and fast.**

**01**
Understand user needs. Research to develop a deep knowledge of the users and their context for using the service.

**02**
Establish a sustainable multidisciplinary team to design, build, operate and iterate the service, led by an experienced product manager with decision-making responsibility.

**03**
Design and build the product using the service design and delivery process, taking an agile and user-centred approach.

**04**
Understand the tools and systems required to build, host, operate and measure the service and how to adopt, adapt or procure them.

**05**
Identify the data and information the service will use or create. Put appropriate legal, privacy and security measures in place.

**06**
Build the service with responsive design methods using common design patterns and the style guide.

**07**
Build using open standards and common government platforms where appropriate.

**08**
Make all new source code open by default.

**09**
Ensure the service is accessible to all users regardless of their ability and environment.

**10**
Test the service from end to end, in an environment that replicates the live version.

**11**
Measure performance against KPIs set out in the guides. Report on public dashboard.

**12**
Ensure that people who use the digital service can also use the other available channels if needed, without repetition or confusion.

**13**
Encourage users to choose the digital service and consolidate or phase out existing alternative channels where appropriate.

**dta**.gov.au  **@DTA**
In place from 1 May 2016
www.dta.gov.au/standard

## Encouraging innovation and providing thought leadership

Part of our role building digital capability across the public service is encouraging and exploring innovative service delivery options and providing our expertise as thought leaders. Examples include:

- **Exploring government use of blockchain**—As part of the 2018–19 Budget, we were given the opportunity to explore innovative ways to securely and efficiently deliver government services using blockchain. We are investigating the potential of blockchain to securely record transactions, drawing on the experience of other public and private organisations.

- **Delivering a dashboard for Smart Cities**—We worked with the Department of the Prime Minister and Cabinet to develop a dashboard for the Smart Cities program. This is helping improve capability and services by tracking progress and performance of Australia's largest 25 cities plus Western Sydney. This initiative won the award for best emerging government technology at the World Government Summit in Dubai in February 2018.

- **Stimulating ideas and debate**—We present at conferences, host forums and run communities of practice to share our expertise and generate debate and discussion on topics related to digital transformation. For example, this year we formed a community of practice for conversational user interfaces (CUI) in the public service, in response to demand for whole-of-government collaboration on the use of chatbots, virtual assistants and other forms of CUI. We also regularly publish thought leadership blogs on topics that fall within our areas of expertise. In addition we invite thought leaders to share their perspective and insights. An example is the February 2018 #DTAChat with renowned cultural anthropologist, technologist and futurist, Professor Genevieve Bell. Professor Bell addressed a large audience from across the public service and private sector (who attended in person or tuned in online) to discuss how we can ask the right questions to unpack the genuine challenges of transformation.

# Spotlight on...

# Making good design easy

## Helping agencies deliver high quality web services

Design systems have existed for decades in many forms. In the past, designers might check through large books showing how to use typefaces, headers, spacing, colours, logos and other design elements in different situations. Today, design systems also need code, web interface patterns and other elements to work online—the common foundations to speed up design and development, ensure consistency, prototype and test new features, deliver good online experiences at scale, and make fast improvements to the services people need.

Our Australian Government Design System provides a framework and set of tools to help designers and developers build government products and services more easily.

It includes a colour palette of light and dark themes, standardised fonts sizes and spacing functions for consistency. It also offers 24 tested components with baked-in accessibility, which users can add to any site or service. These are ready-made features such as text input fields, buttons, footers, and navigation items. Each can be combined, customised or extended to suit different uses.

The system incorporates the highest useability and accessibility standards to help deliver a consistent experience for all users, in line with our mandated Digital Service Standard. We have added thorough reasoning on why and how we built individual components, along with accessibility information that shows how each behaves when used with screen readers and other assistive technologies.

We thought about how components appear and function separately and together so they remain accessible in the end product, in line with the international web content accessibility guidelines or WCAG 2.1. This sets it apart, avoiding the difficult task of retrofitting accessibility standards to off-the-shelf frameworks.

The Design System is attracting positive feedback from around the world. Thomson Reuters' global head of design for Digital Identity Solutions said the Design System is 'About as progressive as anything I've seen from a national government'. And IBM's General Manager for Global Government and Industry said 'Hats off to DTA for advancing accessible, open source design for public services'.

We created the Design System for designers and developers across government to share and create a set of quality tools and designs that can be used by everyone—helping to uplift skills across the public service.

We welcome questions, ideas and solutions from our design system community of practice to continue to improve and shape the system's future direction.

# Analysis of performance against purpose

Our assessment is that we largely met our performance measures to achieve our purpose of accelerating digital transformation of government in 2017–18. We achieved nine measures and made significant progress on the remaining two. Our partial achievement in some areas was largely related to focusing on more immediate priorities earlier in the year before reprioritising to begin work on other major projects as the year progressed. At the same time, we also embedded changes to our organisation and adjusted our purpose to reflect our wider range of responsibilities in our first full year operating as the Digital Transformation Agency.

We consider that, overall, we accelerated the transformation of government by:

- **encouraging investment in digital services**—including by working on a whole-of-government digital transformation strategy and roadmap, advising on proposed new projects and priority areas, and engaging with stakeholders across government, industry and academia

- **helping to transform the user experience for people and business**—including by collecting baseline data, working on new platforms, improving existing platforms, guiding and working with agencies to improve digital service design and delivery to set projects up for best success, and building digital capability across the Australian Public Service

- **improving the return on information and communications (ICT) and digital investment**—including by monitoring and advising on significant projects, working with agencies to co-design an improved sourcing framework for ICT procurement, increasing competition in the marketplace, and establishing whole-of-government arrangements.

# 03
# Management and accountability

Doing our work in a way that is efficient, organised and open is important

# Corporate governance

## Small and agile

We are a small, agile executive agency. To achieve our purpose of accelerating digital transformation of government we collaborate with multiple partners across government and industry to encourage investment in digital services, improve the user experience and improve return on ICT and digital investment.

The pace of digital change requires us to have the right-sized governance, appropriate for our small agency and our fast-paced operating environment.

Our approach ensures that we are adequately governed to meet our public accountabilities, and enables us to work in an agile way—forming multidisciplinary teams with partners, responding quickly to change, making small, fast improvements and delivering continuously as we learn through testing with users.

## Senior leadership team

In 2017–18 our senior leadership team comprised our:

- CEO, Randall Brugeaud
- Chief Digital Officer, Peter Alexander
- Chief Investment and Advisory Officer, Lesley Seebeck
- Chief Procurement Officer, Anthony Vlasic
- Chief People Officer, Jo Cantle
- Chief Finance Officer, GP de Wet
- Chief Communications Officer, Genine Johnson.

**Randall Brugeaud | CEO**

Randall was Acting CEO for two months during 2017–18 and returned to our agency to take on the CEO role permanently after the departure of our former CEO, Gavin Slater, at the end of June.

Before his appointment, Randall spent almost 30 years working in a range of public and private sector roles with a focus on transformation, most recently as Deputy Australian Statistician and Chief Operating Officer at the Australian Bureau of Statistics.

As CEO, Randall is responsible for leading our agency to ensure we deliver on the promise of digital transformation in government and in accordance with our agency's establishing order and the PGPA Act.



**Peter Alexander | Chief Digital Officer**

Peter joined the DTA in late-2016. He has extensive experience in Australian Government delivering policy, services, change programs, government collaboration, financial management, security and corporate management including as the Chief Information Officer at the Treasury and a senior executive in the Department of Finance.

Responsibilities include platforms, partnerships, Australian Public Service capability uplift and whole-of-government Digital/ ICT graduate program, and performance dashboards.

### Lesley Seebeck | Chief Investment and Advisory Officer

Lesley joined the DTA in mid-2017. She has broad experience across strategy, ICT and transformation sectors including in cyber security, strategic planning and delivery within complex, multidisciplinary environments spanning government, industry and academia.

Responsibilities include the Digital Investment Management Office, advice on proposed ICT and digital projects, cyber security and critical infrastructure.

### Anthony Vlasic | Chief Procurement Officer

Anthony joined the DTA in late-2017. He has more than 20 years' experience working in a range of predominantly private sector roles in financial services and consulting, including experience in strategy, transformation, program delivery, sourcing and technology.

Responsibilities include strategic sourcing, digital sourcing and sourcing development, Digital Marketplace and ICT procurement.

**Jo Cantle | Chief People Officer**

Jo joined the DTA in late-2016. She has over 25 years' experience in the public and private sectors working across a range of functions including human resources, banking and finance, project delivery, change management and communications.

Responsibilities include people strategy, people operations and people projects, and the negotiation of the DTA enterprise agreement.

**GP de Wet | Chief Finance Officer**

GP joined the DTA in late-2016. He has worked across a number of Commonwealth agencies in a range of corporate finance roles over the past 10 years, and previously worked in the private sector in both Australia and abroad.

Responsibilities include financial management, property, security and agency IT.

**Genine Johnson | Chief Communications Officer**

Genine joined the DTA in late 2016. She is a communications and media strategist with more than 20 years' experience in communications, media and engagement roles in various Commonwealth and state government agencies.

Responsibilities include internal communications, external communications and engagement.

# Corporate governance

Our corporate governance framework includes:

- committees
- business planning
- risk and fraud management
- audit and assurance activities
- Accountable Authority Instructions (issued by the CEO)
- policies and guidelines.

Our system of governance and accountability for public resources is shaped by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and associated legislative instruments.

# Governance committees

During 2017–18 we had two formal governance committees:

- Executive Group
- Audit Committee.

# Executive Group

Our Executive Group is our agency's key governance body, determining strategic direction and monitoring and managing the overall performance of the organisation.

Our Executive Group comprises our senior leadership team. Our Executive Group is supported by several informal committees that meet regularly to resolve operational issues and provide advice on strategic issues.

# Audit committee

The Audit Committee reviews and gives independent advice and assurance to the CEO about the appropriateness of our agency's financial and performance reporting and systems of risk oversight, risk management and internal control.

The committee comprises an independent chair, two independent members and a Senior Executive Service (SES) officer from our agency as an internal member. The Audit Committee is directly accountable to our CEO.

# Internal audit

In 2017–18 our agency's Internal Audit function assisted the Audit Committee to deliver an internal audit program using a contracted audit provider.

We also updated our Internal Audit Charter to ensure it continues to reflect leading practice as well as supporting improvements in our agency.

During the year we completed and tabled with the Audit Committee an audit of Agency Performance Reporting. We also began work on internal audits into Stakeholder Engagement and Financial Processes, to be delivered in early 2018–19.

# Corporate planning and reporting

We have a framework of policies supported by Accountable Authority Instructions that assure we comply with legislative requirements, and expectations of probity, accountability and transparency.

Our Corporate Plan is our overarching planning document. We identify organisational priorities in our Corporate Plan and report on our agency performance in our annual report's annual performance statement (see Chapter 2).

Our Executive Group oversees our corporate planning and monitoring of organisational risks.

# Risk management

Risk management is a key enabler to manage the effect of uncertainty on our business objectives. Many of our delivery approaches, such as agile and iterative development, help to contain risk and respond quickly to changes in the surrounding environment or feedback.

We take a risk-based approach to treat sources of risk that may have a negative impact on our ability to deliver our priorities, while remaining open to positive risks and opportunities that support our objectives.

During 2017–18 we began refreshing our Risk Management Framework and Policy to reflect the changes to our agency since its establishment. This framework articulates our risk appetite and behaviours and covers the systems, structures, policies, processes, people and practices that have a risk oversight or management role. The framework is supported by an Enterprise Risk Management Plan.

The framework and plan are informed and supported by project and program risk assessments and other assurance activities that identify and treat risks across our agency.

Throughout 2018–19 we will continue to develop, implement and improve risk systems and processes and integrate them into business processes and performance monitoring.

Risk management underpins our corporate planning, and is also supported by our Fraud and Corruption Control Plan and internal and external assurance processes.

# Fraud prevention and control

In accordance with the PGPA Act, we have conducted fraud risk assessments and prepared a fraud control plan, to minimise the incidence of fraud through appropriate fraud prevention, detection, investigation and reporting mechanisms.

Our fraud control plan provides the basis for managing fraud for the Executive Group, management and individuals. It includes:

- potential internal and external fraud risks
- fraud prevention and detection mechanisms
- investigation, reporting, recording and response strategies for fraudulent activities.

No instances of fraud were identified during the year.

# Ethical standards

Our employees are obliged to adhere to standards of integrity and behaviour governed by the APS legislative, regulatory and ethical framework. Our accountability for performance, financial probity and ethical behaviour is aligned with the APS Values and Code of Conduct, set out in the *Public Service Act 1999*.

# External scrutiny

We are accountable to the Parliament through the Minister Assisting the Prime Minister for Digital Transformation. Other external scrutiny of our agency is provided through Parliamentary Committees, the Commonwealth Ombudsman, Australian Information Commissioner and Australian National Audit Office.

During the year our agency was not the subject of any judicial decisions or decisions of administrative tribunals or the Australian Information Commissioner in 2017–18. We were not the subject of any reports by the Commonwealth Ombudsman or capability reviews by the Australian Public Service Commission.

## Australian National Audit Office

During 2017–18 our agency was one of six included in an independent performance audit by the Australian National Audit Office, *Mitigating Insider Threats through Personnel Security*, report number 38 of 2017–18.

The audit identified some areas needing improvement and made five recommendations relating to our agency, recommending we:

- conduct a personnel security risk assessment that considers whether changes are needed to our protective security practices
- take immediate action to comply with the Protective Security Policy Framework governance requirements
- implement quality assurance mechanisms to reconcile our personnel records with the Australian Government Security Vetting Agency's clearance holder records, and start clearance processes for any personnel who do not hold a required clearance

- review our policies and procedures for eligibility waivers to ensure we are compliant with Protective Security Policy Framework mandatory controls
- implement the Protective Security Policy Framework requirement to undertake an annual health check for clearance holders and their managers.

We acknowledged the importance of these recommendations, and agreed to implement them by 31 July 2018.

## Senate inquiry

In August 2017 the Senate Finance and Public Administration Committee began an inquiry into the digital delivery of government services, with particular reference to:

- whether planned and existing programs are able to digitally deliver services
- strategies for whole-of-government digital transformation
- digital project delivery.

We provided a submission to the inquiry, defining the nature and scope of our role. The Committee tabled its report in the Senate on 27 June 2018. The report made a number of observations around digital policy, user experience, accountability measures, resourcing of the ICT workforce and education and training on digital competence for the Australian Public Service.

## Senate Estimates

During the reporting year, we appeared before the Senate Estimates (Finance and Public Administration Legislation) Committee on 23 October 2017, 27 February 2018 and 21 May 2018.

# Our people

## Workforce profile

To successfully lead the government's digital transformation efforts, our workforce has unique and wide-ranging capabilities.

Our people have skills that many service delivery agencies need in a digital future, including:

- expertise in user-centred research and design
- agile delivery methodologies
- technology design and build
- systems architecture
- stakeholder engagement
- sophisticated procurement approaches.

As at 30 June 2018, our agency had 243 Australian Public Service employees, including part-time and non-ongoing employees (based on headcount).

Most of our employees are located in our Canberra office (93 per cent) with our remaining staff working in our Sydney office.

We had an average staffing level of 215 during 2017–18.

Figure 7 provides detailed workforce profile information.

**Figure 7:** Workforce profile—staffing statistics as at 30 June 2018 (based on substantive headcount)

| Classification | | Type | | Status | | Location | | Gender | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Ongoing | Non-ongoing | Full-time | Part-time | Canberra | Sydney | Female | Male | Other |
| CEO | 1 | - | 1 | 1 | - | 1 | - | - | 1 | - |
| SES B2 | 3 | 3 | - | 3 | - | 2 | 1 | 1 | 2 | - |
| SES B1 | 9 | 8 | 1 | 9 | - | 8 | 1 | 3 | 6 | - |
| EL2 | 57 | 52 | 5 | 50 | 7 | 50 | 7 | 27 | 30 | - |
| EL1 | 67 | 66 | 1 | 57 | 10 | 62 | 5 | 31 | 36 | - |
| APS | 106 | 99 | 7 | 96 | 10 | 98 | 8 | 73 | 33 | - |
| Total | 243 | 228 | 15 | 216 | 27 | 221 | 22 | 135 | 108 | 0 |

# Workforce planning and people management

We did a significant amount of work throughout 2017–18 to develop and implement strategies, frameworks, policies and procedures to support people management in our agency, including our:

- Performance Management Framework and supporting policies
- Strategic Workforce Plan 2018–2023
- Domestic and Family Violence Policy to provide support to employees experiencing domestic or family violence
- work health and safety policies and procedures.

We understand the benefits and value of a diverse workforce. This is reflected in our broad range of employment types to progress our work. Our workforce implementation plan, which complements our Strategic Workforce Plan, will help us improve our attraction and retention strategies and make the best use of all our people within these employment types.

Our Strategic Workforce Plan will help us build a responsive and agile future agency workforce. It includes five enterprise people strategies that we aim to deliver between 2018 and 2023. These areas of focus are:

- align the operating environment and workforce
- attract and retain talent
- strengthen partnerships
- improve resource management
- implement strategic workforce planning.

We have begun prioritising initiatives within these areas of focus.

# Attracting and retaining the right people

To ensure we can attract and retain high-calibre candidates in a very competitive environment, we provide employees with:

- significant workplace flexibility to enable them to balance their work and personal commitments
- the ability to work on things that matter and improve access to government services for people and businesses
- access to a range of development opportunities to enable employees to enhance and maintain their skills and capabilities
- a diverse and inclusive work environment where our people feel supported
- competitive remuneration and employment conditions.

We use a variety of strategies such as flexible working arrangements, targeted recruitment processes and skills development to increase employee engagement and reduce ongoing employee turnover. In 2017–18, we had an ongoing employee turnover rate of 18 per cent.

# Flexible working arrangements

We work with agencies to deliver more government services that people can access when and where it suits them.

We apply the same approach to our workforce by providing staff with reasonable flexibility in how, when and where they perform their roles by offering a broad range of flexible arrangements to support employees in their roles to enable them to balance their work and personal lives. Our focus is on what and how we deliver rather than when and where it is delivered.

Our employees have options on:

- where they work—at home, at one of our offices in a common space or at their desk, or a mixture of these places
- when they work—the days, hours and pattern of work (including staggered start and finish times), working part-time, a phased return from leave, or compressed hours
- how their role is structured—formal job-sharing of a full-time role with another employee, or sharing a role such as co-managing a unit, team or project.

Our agency also benefits from these flexible work arrangements, which:

- improve work/life balance
- improve productivity
- allow us to attract and retain the best staff
- help us achieve broader environmental and social outcomes
- improve our ability to accommodate needs of people with disability or injuries.

## Diversity and inclusion

We are committed to building and maintaining a diverse workplace that fosters inclusiveness and supports all employees.

In 2017–18, we had three employees (1.3 per cent) who identified as Aboriginal or Torres Strait Islander and four employees (1.6 per cent) who identified as having a disability.

The National Disability Strategy 2010–2020 sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. High level reports tracking progress against the six outcome areas of the strategy are available at www.dss.gov.au.

Our employees have access to update their own records. Disclosure is not mandatory, but we encourage everyone to provide this information by communicating the benefits of disclosing diversity status. This information informs our policies, programs and adjustments we could implement to ensure inclusiveness for all our employees.

We are developing our first Diversity and Inclusion Strategy to identify our approach to attracting and retaining employees from diverse backgrounds, and establishing an enduring culture of inclusivity. In 2017–18 we appointed a diversity champion to lead, inspire and promote a culture of inclusion and collaboration, to support networks and develop inclusive action plans to demonstrate how we will embed diversity and inclusion in our workplace.

We are proud to be partnering with the APSC's NextStep Program— the government entry-level program for people with disability. We are looking forward to engaging our first trainee in October 2018 and another in 2019.

Our offices in Canberra and Sydney are accessible for all employees and visitors to our agency.

Our co-lab function hosts an Accessibility Team to support and advise projects and products on all things accessibility and inclusivity. We have also appointed an Accessibility and Inclusivity Capability Lead to assist staff in ensuring services and products are being created that provide an inclusive user experience of everyday Australians when they access government services.

We use our own Digital Service Standard to advise government employees on 13 criteria that must be followed in the design and redesign of public-facing government services. Number 9 is 'Make it Accessible' and ensures the service is accessible to all users regardless of their ability and environment.

# Supporting employees with carer responsibilities

We fully support employees with carer responsibilities. Carer support, which complies with the requirements of the *Carer Recognition Act 2010*, includes:

- family-friendly work arrangements such as access to flexible working arrangements and various forms of leave to meet caring responsibilities
- the Employee Assistance Program, which provides employees and their immediate family with free access to professional counselling and support
- non-discriminatory definition of immediate family that recognises family members by blood, marriage, traditional kinship, current or former partner or de facto partner, and those in a genuine domestic or household relationship.

# Employment arrangements

All our SES officers are employed under the terms of individual determinations made under section 24(1) of the *Public Service Act 1999*, supplemented by a common law contract detailing remuneration. The amount of remuneration our SES officers receive is determined on an individual basis by the CEO in accordance with the SES Remuneration Policy.

In late 2017 we implemented a new group Determination, made under section 24(1) of the *Public Service Act 1999*. This is an interim instrument to provide for the terms and conditions of employment for all our non-SES employees until our agency negotiates and implements our first Enterprise Agreement.

At the end of 2017–18 we were finalising bargaining for the Enterprise Agreement, which will make sure our entitlements and remuneration remain competitive.

During bargaining we have also developed and revised supporting policies and procedures to be fully transparent about entitlements that will apply to our employees once our Enterprise Agreement commences.

## Salary range

In 2017–18 salaries for our employees ranged from $45,197 to $309,000.

**Figure 8:** Salary ranges for our employees in 2017–18

| Classification | Minimum ($) | Maximum ($) |
| --- | --- | --- |
| APS1 | 45,197 | 49,633 |
| APS2 | 50,849 | 56,361 |
| APS3 | 57,830 | 62,479 |
| APS4 | 64,819 | 70,054 |
| APS5 | 72,265 | 78,745 |
| APS6 | 79,686 | 93,587 |
| EL1 | 103,151 | 114,347 |
| EL2 | 119,665 | 141,849 |
| SES (all bands)* | 192,610 | 309,000 |

\* The SES salary range is based on the actual salaries of SES employees as at 30 June 2018.

## Performance pay and other benefits

We did not pay performance bonuses to any employees in 2017–18. Our agency provides employees with a range of non-salary benefits including additional superannuation and salary packaging options.

## Capability development

We are committed to continued learning and the ongoing development of our employees. Building capability is about having connected, confident, capable and committed learners who interact effectively and grow individually and together.

To build capability is to grow our organisation through our people—we want to help our people develop the skills they need to succeed in the workplace.

At the end of the reporting year were in the final stages of developing our Learning and Development Capability Framework. Our framework is based on the 70:20:10 model for learning and development (where 70 per cent of knowledge comes from job-related experiences, 20 per cent from interactions with others, and 10 per cent from formal education). It also focuses on learning styles, learning pathways, and the core capabilities our people need to deliver on our priorities.

In 2017–18 we implemented a learning management system, LearnHub, to support our employees do online training at any time and from anywhere. This includes mandatory compliance modules and courses to develop their professional skills and capabilities. Many of our employees are regularly accessing learning opportunities via LearnHub.

We provide our people with support in the form of leave and financial assistance, under our Study Assistance Program, for formal study that will enhance their skills and provide long-term benefit to our agency and broader public service. During 2017–18, we provided this support to 32 people to undertake study across disciplines including business information systems, business administration, commerce and human resource management.

We also held several in-house training sessions during the year on topics and capabilities including Google Analytics, Agile, the Digital Service Standard and Certificate IV in Procurement and Contracting.

## Workplace health and safety

The health and safety of our workforce is of the utmost importance. We implemented several initiatives in 2017–18 to support and manage the health, safety and welfare of our workers. These included:

- **Influenza vaccinations**—We offered free onsite influenza vaccinations to our entire workforce, including contractors and secondees, before the start of the flu season. The uptake significantly increased, up by 50 per cent on 2017.

- **Events and guest speakers**—throughout the year we held and participated in activities to raise awareness of and support a number of events such as Mental Health Week, R U OK Day and International Day for the Elimination of Violence Against Women.
    - For example, Jessica Rowe, TV personality and mental health ambassador, spoke with DTA staff about her mental health journey. She also provided strategies for coping with changes in personal and work life and how we can all work towards removing the stigma of mental health.

- **Employee Assistance Program**—Our people and their family members have access to free confidential counselling and support services through our Employee Assistance Program provider and various other support organisations.

- **Domestic Violence Policy**—We are committed to providing support to those who are experiencing family or domestic violence. In 2017–18 we implemented a Domestic Violence Policy detailing the support and services available to ensure our people have the flexibility and support they need to continue to be engaged at work while managing their personal circumstances.

- **Early Intervention Policy**—We developed this policy with a strong focus on providing injured employees with early support and assistance to accelerate their recovery and reduce the impact on their work and personal lives. Early intervention is also intended to reduce the probability of Comcare claims.

- **Automated External Defibrillators**—During 2017–18 we installed Automated External Defibrillators in all our office locations, with St John Ambulance providing full training to our first aid officers and other key people.

In addition to these initiatives, we continued to review, develop and expand our existing workplace, health and safety (WHS) activities to meet our agency's changing needs. This included the work of our WHS Committee, the appointment and training of additional fire wardens and first aid officers, our WHS policies and procedures, work station assessments and providing ergonomic equipment.

During 2017–18 there were 10 hazard and 12 incident notifications (none were 'notifiable incidents'), one Comcare claim was lodged and subsequently withdrawn and no investigations were conducted or notices given under Part 10 of the WHS Act.

# Technology strategy

We set an example for other agencies in how we deliver our internal ICT services and products. Standing firm by a 'cloud first' approach for corporate systems, we do not own any ICT infrastructure. We use multiple solutions to meet our ICT needs.

Our current and beta agency websites are hosted on cloud.gov.au, a platform that makes it easier for government to build digital services. Our website is managed in accordance with the *Archives Act 1983* and follows National Archives of Australia guidance.

Our primary unclassified collaboration suite network is G suite hosted by Google. The suite integrates with a wide range of agile products such as Trello, Asana, Slack, Github and Jira. All these products allow for real-time collaboration across multiple locations.

Our protected network is hosted by the Department of the Prime Minister and Cabinet. Our staff can access the network anywhere and across the multiple locations.

We are trialling Office 365 to become our primary corporate network, which we have tested as a pilot as part of the development and testing phase. This will provide a single, protected-level collaboration suite for all staff and replace the majority of the G Suite and portions of services provided over the protected network.

# Environmental performance

We aim to minimise our impact of our day-to-day operations on the environment and support the principles of the sustainable development in the *Environment Protection and Biodiversity Conservation Act 1999*. We employ a range of practical strategies to manage waste and be energy efficient, including:

- sustainable purchasing strategy when procuring high-use office supplies as well as exclusive use of 100 per cent carbon-neutral and recyclable print paper
- signage around our offices to direct employees to recycling points and waste services, with one recycling bin for every 20 staff members
- participation in initiatives such as printer toner cartridge, battery and felt pen recycling programs
- reduced power consumption strategies, including using waterless toilet facilities where appropriate and motion sensor lighting arrangements to reduce lighting after prolonged periods of inactivity.

Our Canberra office recognises the Commonwealth's Green Lease Schedule guidelines and is in one of Canberra's top-rated energy efficient buildings, according to the National Australian Built Environment Rating System (NABERS).

# Freedom of information

We publish a range of information in accordance with the Information Publication Scheme, including requests under the *Freedom of Information Act 1982*. Details are at: www.dta.gov.au.

# 04
# Financial performance

We are committed to managing our finances responsibly to perform effectively and work towards achieving our purpose

# Financial performance overview

The DTA recorded an operating surplus of $10.1 million in 2017–18, driven by lower than anticipated employee costs, contractor resources and other supplier expenses associated with the Public Service Modernisation measures, namely Platforms and Building Digital Capability. This compares with a surplus of $6.4 million in 2016–17.

In 2017–18 the balance of the Department of Finance's (Finance) Coordinated Procurement Contracting Special Account relating to ICT procurement functions was transferred to the DTA's ICT Procurement Special Account established in June 2017.

This transfer has resulted in significant increases to income, expenses, assets and liabilities reported in the 2017–18 financial statements. This will be the final transfer under the Administrative Arrangements Order (AAO) of 27 October 2016, where responsibilities for the whole of government ICT and ICT procurement policy and services transferred from Finance to the DTA.

The DTA's 2017–18 financial statements are presented on pages 99–127.

The Australian National Audit Office issued an unmodified audit report on 24 September 2018.

**Table 1** Resource statement

| | | Actual available appropriation for 2017–18 $'000 (a) | Payments made for 2017–18 $'000 (b) | Remaining balance 2017–18 $'000 (a) – (b) |
|---|---|---|---|---|
| **Ordinary annual services**[1] | | | | |
| Prior year departmental appropriation | | 15,724 | 15,724 | - |
| Departmental appropriation[2] | | 71,431 | 36,401 | 35,030 |
| s. 74 retained revenue receipts | | 12,249 | 12,249 | - |
| s. 75 transfers | | 714 | 714 | - |
| Total | | **100,118** | **65,088** | **35,030** |
| **Total ordinary annual services** | **A** | **100,118** | **65,088** | |
| | | | | |
| **Special Accounts**[3] | | | | |
| Opening balance | | - | | |
| Balance transfer from Department of Finance | | 96,063 | | |
| Non appropriation receipts to Special Account | | 127,188 | | |
| Payments made | | | 163,987 | |
| Closing balance | | | | **59,264** |
| **Total Special Accounts** | **B** | **223,251** | **163,987** | |
| | | | | |
| **Total resourcing and payments for DTA** | **A+B** | **323,369** | **229,075** | |

1 Appropriation Act (No.1) 2017–18.

2 Departmental appropriation combines ordinary annual services (Appropriation Act No 1) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

3 Does not include 'special public money' held in accounts like 'services for other entities and trust moneys' special accounts.

**Table 2** Expenses for Outcome 1

| Outcome 1: To improve the user experience for all Australians accessing government information and services by leading the design, development and continual enhancement of wholeof-government service delivery policies and standards, platforms and joined-up services. | Budget[1] 2017–18 $'000 (a) | Actual expenses 2017–18 $'000 (a) | Variation 2017–18 $'000 (a) – (b) |
|---|---|---|---|
| **Program 1.1: The Digital Transformation Agency** | | | |
| Departmental expenses | | | |
| Departmental appropriation[2] | 75,051 | 65,785 | 9,266 |
| Special Accounts | 124,450 | 74,957 | (50,507) |
| Expenses not requiring appropriation in the budget year | 633 | 1,465 | (832) |
| **Total for Program 1.1** | **200,134** | **242,207** | **(42,073)** |
| **Total expenses for Outcome 1** | **200,134** | **242,207** | **(42,073)** |

| | 2016–17 | 2017–18 | |
|---|---|---|---|
| **Average staffing level (number)** | **109** | **215** | |

1 Appropriation Act (No.1) 2017–18.

2 Departmental appropriation combines ordinary annual services (Appropriation Act No 1) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

# Purchasing and procurement

Our purchasing activities were undertaken in accordance with the *Public Governance Performance and Accountability Act 2013* (PGPA Act), Commonwealth Procurement Rules and the Indigenous Procurement Policy.

The CEO's Accountable Authority Instructions (AAIs) support these principles by providing further direction to DTA officials when conducting procurements on behalf of our agency.

The AAIs are based on the principles of a competitive, non-discriminatory procurement processes, proper use of government resources, and making decisions in an accountable and transparent manner.

Our centralised procurement team provides guidance and advice for DTA officials undertaking procurement activities.

In 2017–18, the DTA published the following on the AusTender website:

- details of publicly available business opportunities with a value of $80,000 or more
- details of all contracts awarded with a value of $10,000 or more.

By publishing on AusTender, we ensure that information is available to industry, including small and medium enterprises (SMEs) while simplifying the way business interacts with government online.

# Procurement initiatives to support small business

We support small business participation in the Commonwealth Government Procurement market. SMEs and small enterprise participation statistics are available on the Department of Finance's website at www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/.

In addition, the DTA operates the Digital Marketplace. The Digital Marketplace is an initiative under the National Innovation and Science Agenda, with the purpose of making it easier for smaller businesses to compete for the government's information and communications technology (ICT) products and services.

Our procurement practices support SMEs by adopting whole-of-government solutions to simplify interactions with SMEs. This includes using the Commonwealth Contracting Suite for low-risk procurements valued under $200,000. This reduces process costs for SMEs by creating contracting consistency and simplifying liability, insurance and indemnity requirements.

We recognise the importance of ensuring that small businesses are paid on time. The DTA applies the Government's Supplier Pay on Time or Pay Interest Policy to pay invoices no later than 30 days following the receipt of a correctly rendered tax invoice valued at $1 million or less.

# Australian National Audit Office Access Clauses

There were no instances of contracts that precluded the Auditor-General from accessing the contractor's premises (17AG(8)).

# Exempt contracts

There were no contracts in 2017–18 that were exempt from being reported on AusTender.

# Consultancies

The DTA engages consultants where specialist or technical expertise is required. Consultants are typically engaged to:

- investigate or diagnose a defined issue or problem
- carry out independent reviews or evaluations
- provide professional, independent, expert and objective advice
- provide recommendations to assist in decision making.

The engagement of consultants is assessed to ensure value for money and compliance with the PGPA Act, the Commonwealth Procurement Rules (CPRs) and AAIs.

During 2017–18, five new consultancy contracts were entered into involving a total actual expenditure of $2,548,967. There were no ongoing consultancy contracts active during the period.

Annual reports contain information about actual expenditure on consultancy contracts. Information on the value of the contracts is available on the AusTender website: www.tenders.gov.au.

# Advertising and market research

During 2017–18, the DTA did not conduct any advertising campaigns. We did make payments for market research services as shown below:

| Firm | Service provided | 2017–18 Payments made in $ (incl. GST) |
|---|---|---|
| Farron Research | User research and testing sessions | 24,500 |
| Thinkplace | Platforms user research | 321,749 |
| Redrollers | User research and testing sessions | 41,150 |
| ChitChat Research | User research and incentives | 16,307 |
| Paper Giant | User research and testing sessions | 24,372 |
| CityGroup | User research facilities | 7,883 |
| Meld | User research sourcing transformation | 32,500 |
| **Total** | | **468,461** |

# Digital Transformation Agency

## Financial statements
*for the period ended 30 June 2018*

**INDEPENDENT AUDITOR'S REPORT**

**To the Prime Minister of Australia**

**Opinion**

In my opinion, the financial statements of the Digital Transformation Agency for the year ended 30 June 2018:

(a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Digital Transformation Agency as at 30 June 2018 and its financial performance and cash flows for the year then ended.

The financial statements of the Digital Transformation Agency, which I have audited, comprise the following statements as at 30 June 2018 and for the year then ended:

- Statement by the Chief Executive Officer and the Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

**Basis for Opinion**

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Digital Transformation Agency in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Accountable Authority's Responsibility for the Financial Statements**

As the Accountable Authority of the Digital Transformation Agency, the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the Digital Transformation Agency's ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing matters related to going concern as applicable and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

**Auditor's Responsibilities for the Audit of the Financial Statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

Bola Oyetunji
Senior Executive Director

Delegate of the Auditor-General

Canberra

24 September 2018

## Digital Transformation Agency
## Statement by the Chief Executive Officer and Chief Finance Officer

In our opinion, the attached financial statements for the year ended 30 June 2018 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Digital Transformation Agency will be able to pay its debts as and when they fall due.

**Randall Brugeaud**
Chief Executive Officer
21 September 2018

**George-Philip de Wet**
Chief Finance Officer
21 September 2018

**Digital Transformation Agency**
**Statement of Comprehensive Income**
*for the period ending 30 June 2018*

| | Notes | 2018 $'000 | 2017 $'000 | Original Budget $'000 |
|---|---|---|---|---|
| **NET COST OF SERVICES** | | | | |
| **Expenses** | | | | |
| Employee benefits | 1.1A | **31,816** | 17,207 | 33,944 |
| Suppliers | 1.1B | **209,284** | 39,560 | 165,742 |
| Depreciation and amortisation | 2.2A | **1,085** | 1,138 | 448 |
| Write-down and impairment of assets | 2.2A | **12** | 3 | - |
| Finance costs | 2.4A | **10** | 11 | - |
| *Total expenses* | | **242,207** | 57,919 | 200,134 |
| **Own-source revenue** | | | | |
| Contributions | 1.2A | **-** | 10,000 | - |
| Rendering of Services | | **179,803** | 5,431 | 130,475 |
| Other revenue | 1.2B | **358** | 577 | 185 |
| *Total own-source revenue* | | **180,161** | 16,008 | 130,660 |
| *Net cost of service* | | **62,046** | 41,911 | 69,474 |
| Revenue from Government | | **72,145** | 48,292 | 71,431 |
| *Surplus attributable to the Australian Government* | | **10,099** | 6,381 | 1,957 |
| **OTHER COMPREHENSIVE INCOME** | | | | |
| **Items not subject to subsequent reclassification to net cost of services** | | | | |
| Changes in asset revaluation surplus | | **-** | 239 | - |
| *Total comprehensive income attributable to the Australian Government* | | **10,099** | 6,620 | 1,957 |

The above statement should be read in conjunction with the accompanying notes.

## Digital Transformation Agency
## Statement of Financial Position
*as at 30 June 2018*

| | Notes | 2018 $'000 | 2017 $'000 | Original Budget $'000 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Financial Assets** | | | | |
| Cash and cash equivalents | 2.1A | **60,058** | 557 | 395 |
| Trade and other receivables | 2.1B | **156,292** | 21,129 | 44,905 |
| *Total financial assets* | | **216,350** | 21,686 | 45,300 |
| **Non-financial Assets** | | | | |
| Leasehold improvements | 2.2A | **1,953** | 2,063 | 591 |
| Plant and equipment | 2.2A | **1,779** | 647 | 209 |
| Intangibles | 2.2A | **-** | - | 97 |
| Prepayments | | **7,511** | 595 | 505 |
| *Total non-financial assets* | | **11,243** | 3,305 | 1,402 |
| *Total assets* | | **227,593** | 24,991 | 46,702 |
| **LIABILITIES** | | | | |
| **Payables** | | | | |
| Suppliers | 2.3A | **43,727** | 4,896 | 4,218 |
| Other payables | 2.3B | **127,874** | 1,196 | 1,419 |
| *Total payables* | | **171,601** | 6,092 | 5,637 |
| **Provisions** | | | | |
| Employee provisions | 4.1A | **8,129** | 6,313 | 1,968 |
| Make good provisions | 2.4A | **559** | 549 | 325 |
| *Total provisions* | | **8,688** | 6,862 | 2,293 |
| *Total liabilities* | | **180,289** | 12,954 | 7,930 |
| *Net assets* | | **47,304** | 12,037 | 38,772 |
| **EQUITY** | | | | |
| Contributed equity | | **28,660** | 3,492 | 33,553 |
| Asset revaluation reserve | | **239** | 239 | - |
| Retained surplus | | **18,405** | 8,306 | 5,219 |
| *Total equity* | | **47,304** | 12,037 | 38,772 |

The above statement should be read in conjunction with the accompanying notes.

**Digital Transformation Agency**
**Statement of Changes in Equity**
*for the period ending 30 June 2018*

| | 2018<br>$'000 | 2017<br>$'000 |
|---|---|---|
| **TOTAL EQUITY—OPENING BALANCE** | | |
| **Balance carried forward from previous period** | | |
| Contributed equity | **3,492** | 3,492 |
| Asset revaluation reserve | **239** | - |
| Retained earnings | **8,306** | 1,925 |
| *Adjusted opening balance* | **12,037** | 5,417 |
| **COMPREHENSIVE INCOME** | | |
| **Retained earnings** | | |
| Surplus/(Deficit) for the period | **10,099** | 6,381 |
| **Asset revaluation reserve** | | |
| Other comprehensive income | **-** | 239 |
| *Total comprehensive income* | **10,099** | 6,620 |
| **CONTRIBUTED EQUITY** | | |
| **Transactions with owners—contributed equity** | | |
| **Contributions by owners** | | |
| Restructuring[1] | **25,168** | - |
| *Total transactions with owners* | **25,168** | - |
| **TOTAL EQUITY** | | |
| Contributed equity | **28,660** | 3,492 |
| Asset revaluation reserve | **239** | 239 |
| Retained earnings | **18,405** | 8,306 |
| *Closing balance as at 30 June* | **47,304** | 12,037 |

1 In 2017 a restructure with the Department of Finance for the transfer to the Digital Transformation Agency (DTA) of whole-of-government ICT and ICT procurement policy and services functions. This restructure was finalised in 2018, transferring special account related balances (2017: nil), see note 6.1.

**Accounting Policy**

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

The above statement should be read in conjunction with the accompanying notes.

## Digital Transformation Agency
## Cash Flow Statement
*for the period ended 30 June 2018*

| | Notes | 2018 $'000 | 2017 $'000 | Original Budget $'000 |
|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | |
| **Cash received** | | | | |
| Appropriations | | 53,076 | 42,391 | 71,431 |
| Contributions | | - | 10,000 | - |
| Net GST received | | 9,785 | 3,294 | - |
| Rendering of services | | 140,009 | 5,414 | 128,070 |
| *Total cash received* | | 202,870 | 61,099 | 199,501 |
| **Cash used** | | | | |
| Employees | | 35,482 | 16,153 | 33,926 |
| Suppliers | | 201,831 | 43,532 | 165,575 |
| *Total cash used* | | 237,313 | 59,685 | 199,501 |
| *Net cash from/(used by) operating activities* | | (34,443) | 1,414 | - |
| **INVESTING ACTIVITIES** | | | | |
| **Cash used** | | | | |
| Purchase of leasehold improvements | 2.2A | 714 | 790 | |
| Purchase of plant and equipment | 2.2A | 1,405 | 212 | - |
| *Total cash used* | | 2,119 | 1,002 | - |
| *Net cash used by investing activities* | | (2,119) | (1,002) | - |
| **FINANCING ACTIVITIES** | | | | |
| **Cash received** | | | | |
| Restructuring – transfer of special account cash | | 96,063 | - | - |
| *Total cash received* | | 96,063 | - | - |
| *Net cash from financing activities* | | 96,063 | - | - |
| *Net increase in cash held* | | 59,501 | 412 | - |
| Cash and cash equivalents at the beginning of the reporting period | 2.1A | 557 | 145 | 395 |
| *Cash and cash equivalents at the end of the reporting period* | | 60,058 | 557 | 395 |

The above statement should be read in conjunction with the accompanying notes.

**Digital Transformation Agency**
**Notes to and forming part of the financial statements**
*for the period ended 30 June 2018*

## Digital Transformation Agency
## Notes to and forming part of the financial statements
*for the period ended 30 June 2018*

### Overview

**Basis of preparation of the financial statements**

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

(a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) for reporting periods ending on or after 1 July 2015; and

(b) Australian Accounting Standards and Interpretations—Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except where certain assets and liabilities are recorded at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

**New Australian accounting standards**

All new, revised or amended standards and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material financial impact on the DTA's financial statements.

**Taxation**

The DTA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

**Events after the reporting period**

There are no known events occurring after the reporting period that could impact on the financial statements.

**Revenue from Government**

Amounts appropriated for departmental ordinary annual services for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when DTA gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

## Digital Transformation Agency
## Notes to and forming part of the financial statements
*for the period ended 30 June 2018*

### 1. Financial Performance

This section analyses the financial performance of the DTA for the year ended 30 June 2018.

### 1.1 Expenses

|  | 2018<br>$'000 | 2017<br>$'000 |
|---|---|---|
| **Note 1.1A: Employee benefits** | | |
| Wages and salaries | **22,074** | 11,529 |
| Superannuation | | |
| Defined contribution plans | **2,221** | 1,247 |
| Defined benefit plans | **1,945** | 887 |
| Leave and other entitlements | **3,735** | 2,774 |
| Separation and redundancies | **1,134** | 564 |
| Other[1] | **707** | 206 |
| *Total employee benefits* | **31,816** | 17,207 |

1 Other relates to employee allowances including higher duties, individual flexible arrangements, emergency warden, departmental liaison and first aid officer.

**Accounting Policy**

Accounting policies for employee related expenses is contained in the People and Relationships section.

## Digital Transformation Agency
## Notes to and forming part of the financial statements
*for the period ended 30 June 2018*

### 1.1 Expenses

| | 2018 $'000 | 2017 $'000 |
|---|---|---|
| **Note 1.1B: Suppliers** | | |
| **Goods and services supplied or rendered** | | |
| Consultants, contractors and legal | **26,592** | 24,725 |
| Information technology and commutnication[1] | **170,746** | 3,421 |
| Payments to other government agencies[2] | **175** | 3,002 |
| Secondments | **1,978** | 2,331 |
| Training, recruitment and other staff costs | **3,053** | 1,471 |
| Travel | **942** | 1,366 |
| Other[3] | **2,897** | 1,526 |
| *Total goods and services supplied or rendered* | 206,383 | 37,842 |
| Goods supplied | **-** | 414 |
| Services rendered | **206,383** | 37,428 |
| *Total goods and services supplied or rendered* | 206,383 | 37,842 |
| **Other suppliers** | | |
| Operating lease rentals | **2,716** | 1,665 |
| Workers compensation expenses | **185** | 53 |
| *Total other supplier expenses* | 2,901 | 1,718 |
| *Total suppliers* | 209,284 | 39,560 |
| **Leasing commitments** | | |
| **Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:** | | |
| Within 1 year | **2,629** | 2,134 |
| Between 1 to 5 years | **8,458** | 2,391 |
| More than 5 years | **4,462** | - |
| *Total operating lease commitments* | 15,549 | 4,525 |

1 The increase in Information technology and communications relates to the whole-of-government ICT procurement arrangements transferred to the DTA in 2017–18.

2 Relates to collaboration with other government agencies on digital capability design.

3 Relates to corporate services fees, low value assets, advertising and office supplies.

Note: Commitments are GST inclusive where relevant.

## Digital Transformation Agency
## Notes to and forming part of the financial statements
*for the period ended 30 June 2018*

**Operating lease commitment—leases for office accommodation**

Office accommodation lease payments are subject to periodic increases in accordance with the rent review provisions in the lease agreements. The three leases entered into by the DTA all have renewal options which vary from 1 to 5 years. The DTA has entered into a revised lease arrangement for the head office accommodation that is effective 1 July 2018 and is reflected in the above commitment values.

**Accounting Policy**

Operating lease payments are expensed on a straight-line basis (where impact is material) which is representative of the pattern of benefits derived from the leased assets.

### 1.2 Own-Source Revenue and Gains

| Own-Source Revenue | 2018 $'000 | 2017 $'000 |
|---|---:|---:|
| **Note 1.2A: Contributions** | | |
| Contribution from PM&C[1] | - | 10,000 |
| *Total Contributions* | **-** | 10,000 |

1 PM&C transferred $10 million to the DTA in 2017. PM&C was reimbursed for this transfer through the Trusted Digital Identity expense measure in the 2017 Mid-Year Economic and Fiscal Outlook (MYEFO). No further contribution has been received in 2018.

| | 2018 $'000 | 2017 $'000 |
|---|---:|---:|
| **Note 1.2B: Other Revenue** | | |
| Resources received free of charge—secondments | 260 | 519 |
| Resources received free of charge—audit fee | 84 | 58 |
| Royalties | 14 | - |
| *Total resources received free of charge* | **358** | 577 |

**Accounting Policy**

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

## Digital Transformation Agency
## Notes to and forming part of the financial statements
*for the period ended 30 June 2018*

### 2. Financial Position

This section analyses the DTA's assets used to generate financial performance and the operating liabilities incurred as a result.

Leasehold improvements and plant and equipment are carried at fair value in accordance with AASB 13 *Fair Value Measurement*. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy.

Employee related information is disclosed in the People and Relationships section.

### 2.1 Financial Assets

|  | 2018 $'000 | 2017 $'000 |
|---|---|---|
| **Note 2.1A: Cash and Cash Equivalents** | | |
| Cash on hand or on deposit | **794** | 557 |
| Special account - cash at bank | **2,124** | - |
| Special account - held in the OPA | **57,140** | - |
| *Total cash and cash equivalents* | **60,058** | 557 |
| | | |
| **Note 2.1B: Trade and Other Receivable**s | | |
| **Goods and services receivables** | | |
| Goods and services | **121,518** | 3,838 |
| *Total goods and services receivables* | **121,518** | 3,838 |
| | | |
| **Appropriations receivable** | | |
| Existing programs | **34,236** | 15,167 |
| *Total appropriations receivable* | **34,236** | 15,167 |
| **Other receivables** | | |
| Statutory receivables | **526** | 317 |
| Other receivables | **12** | 1,807 |
| *Total other receivables* | **538** | 2,124 |
| *Total trade and other receivables* | **156,292** | 21,129 |

Credit terms for goods and services were within 30 days (2017: 30 days).

Receivables have been assessed for impairment at the end of each reporting period.
The majority of receivables managed by the DTA are with other Commonwealth entities therefore currently no allowance for impairment has been made as at 30 June 2018 (2017: nil).

**Accounting Policy**

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments and that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

# Digital Transformation Agency
## Notes to and forming part of the financial statements
*for the period ended 30 June 2018*

### 2.2 Non-Financial Assets

**Note 2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangible**s

| | Leasehold improvements $'000 | Plant and equipment $'000 | Intangibles $'000 | Total $'000 |
|---|---|---|---|---|
| **As at 1 July 2017** | | | | |
| Gross book value | **2,206** | **647** | **841** | **3,694** |
| Accumulated depreciation/ amortisation and impairment | **(143)** | **-** | **(841)** | **(984)** |
| *Total as at 1 July 2017* | **2,063** | **647** | **-** | **2,710** |
| Additions | | | | |
| Purchase | **714** | **1,405** | | **2,119** |
| Depreciation and amortisation | **(812)** | **(273)** | **-** | **(1,085)** |
| Write-down and impairments recognised in net cost of services | **(12)** | **-** | **-** | **(12)** |
| *Total as at 30 June 2018* | **1,953** | **1,779** | **-** | **3,732** |
| | | | | |
| **Total as at 30 June 2018 represented by** | | | | |
| Gross book value | | | | |
| Fair value | **2,570** | **812** | **841** | **4,223** |
| Assets under construction | **334** | **1,240** | **-** | **1,574** |
| Accumulated depreciation/ amortisation and impairmen | **(951)** | **(273)** | **(841)** | **(2,065)** |
| *Total as at 30 June 2018* | **1,953** | **1,779** | **-** | **3,732** |

No significant items of property, plant and equipment are expected to be sold or disposed of within the next 12 months.

As at 30 June 2018, the value of contractual commitments for the acquisition of leasehold improvements and plant and equipment is $2.5 million (2016–17: Nil).

**Digital Transformation Agency**
**Notes to and forming part of the financial statements**
*for the period ended 30 June 2018*

**Accounting Policy**

Asset recognition threshold

Property, plant and equipment is the generic term that covers leasehold improvements and plant and equipment. Purchases of property, plant and equipment and intangibles are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than $2,000, which are expensed in the year of acquisition.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the DTA where there is an obligation to restore the asset to its original condition. These costs are included in the value of the DTA's leasehold improvements with a corresponding provision for the 'make good' recognised.

Intangibles

The DTA's intangibles comprise internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised on a straight-line basis over an anticipated useful life of 2 to 3 years.

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date, generally this will be on a three year cycle unless a significant event occurs that would impact the fair value of assets.

Fair values for each class of asset are determined as shown below:

| Asset Class | Fair value measurement | 2018 $'000 | 2017 $'000 |
|---|---|---|---|
| Leasehold improvements | Current replacement cost | 1,953 | 2,063 |
| Plant and equipment – Desktop hardware | Market selling price | 653 | 71 |
| Plant and equipment – other categories | Current replacement cost | 1,126 | 576 |

In 2017 a valuation of property, plant and equipment assets was undertaken by International Valuation & Property Services (IVPS).

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the DTA using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

|  | **2018** | 2017 |
| --- | --- | --- |
| Leasehold improvements | **Lease term** | Lease term |
| Plant and equipment | **3 to 10 years** | 3 to 10 years |

Impairment

All assets were assessed for impairment during 2018. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

A write-down of $12,000 was recognised in 2018 for leasehold improvement assets which were not WHS compliant. In 2017 $3,000 of plant and equipment assets were disposed as a result of the annual asset stocktake process.

**Digital Transformation Agency**
**Notes to and forming part of the financial statements**
*for the period ended 30 June 2018*

### 2.3 Payables

|  | 2018<br>$'000 | 2017<br>$'000 |
|---|---:|---:|
| **Note 2.3A: Suppliers** | | |
| Trade creditors and accruals | **43,727** | 4,896 |
| ***Total suppliers*** | **43,727** | 4,896 |

Settlement is usually made within 30 days.

| **Note 2.3B: Other payables** | | |
|---|---:|---:|
| Unearned revenue | **126,627** | 765 |
| Salaries and wages | **204** | 158 |
| Superannuation | **34** | 27 |
| Lease liability | **-** | 23 |
| Statutory payable | **22** | 54 |
| Other payables | **987** | 169 |
| ***Total other payables*** | **127,874** | 1,196 |

### 2.4 Other Provisions

|  | 2018<br>$'000 |
|---|---:|
| **Note 2.4A: Provision for Make Good Obligations** | |
| **As at 1 July 2017** | **549** |
| Unwinding of discount or change in discount rate | **10** |
| ***Total as at 30 June 2018*** | **559** |

The DTA has entered into three lease arrangements (one under a Memorandum of Understanding agreement) for the leasing of premises. These arrangements have provisions requiring the DTA to restore the premises to the original condition at the conclusion of the lease.

**Accounting Policy**

Provision for the restoration of leased premises (make good) is based on future obligations relating to the underlying assets. The provision is disclosed at the present value of the obligation utilising the appropriate Government bond rate.

**Digital Transformation Agency**
**Notes to and forming part of the financial statements**
*for the period ended 30 June 2018*

## 3. Funding

This section identifies the DTA's funding structure.

## 3.1 Appropriations

**Note 3.1A: Annual Appropriations ('Recoverable GST exclusive')**

**Annual appropriations for 2018**

| | *Appropriation Act* | | *PGPA Act* | | | |
|---|---|---|---|---|---|---|
| | Annual Appropriation | Section 74 receipts | Section 75 Transfers | Total appropriation | Appropriation applied in 2018 (current and prior years)[1] | Variance[2] |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Departmental** | | | | | | |
| Ordinary annual services | 71,431 | 12,249 | 714 | 84,394 | (65,088) | 19,306 |
| *Total departmental* | **71,431** | **12,249** | **714** | **84,394** | **(65,088)** | **19,306** |

1 The Department of Employment (until 31 August 2017) spent money from the Consolidated Revenue Fund (CRF) on behalf of DTA.

2 The variance in departmental ordinary annual services is mainly attributable to underspend on the Public Service Modernisation Fund.

**Annual appropriations for 2017**

| | Appropriation Act | PGPA Act | | | Appropriation applied in 2017 | |
| | Annual Appropriation | Section 74 receipts | Section 75 Transfers | Total appropriation | (current and prior years)[1] | Variance[2] |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Departmental | | | | | | |
| Ordinary annual services | 45,217 | 15,414 | 3,075 | 63,706 | (57,393) | 6,313 |
| *Total departmental* | 45,217 | 15,414 | 3,075 | 63,706 | (57,393) | 6,313 |

1 The Department of Employment (until 31 August 2017) spent money from the Consolidated Revenue Fund (CRF) on behalf of DTA.

2 The variance in departmental ordinary annual services is mainly attributable to underspend on the Trusted Digital Identity second pass business case which was funded in MYEFO.

## Digital Transformation Agency
## Notes to and forming part of the financial statements
*for the period ended 30 June 2018*

**Note 3.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')**

|  | 2018 $'000 | 2017 $'000 |
|---|---|---|
| **Departmental** |  |  |
| *Appropriation Act (No. 1) 2016–17* | - | 8,406 |
| *Appropriation Act (No. 1) 2016–17—cash held by the department* | - | 557 |
| *Appropriation Act (No. 3) 2016–17* | - | 6,761 |
| *Appropriation Act (No. 1) 2017–18* | 34,236 | - |
| *Appropriation Act (No. 1) 2017–18—cash held by the department* | 794 | - |
| ***Total departmental*** | **35,030** | 15,724 |

**Note 3.2A: Special Accounts**

|  | ICT Coordinated Procurement Special Account[1] | |
|---|---|---|
|  | 2018 $'000 | 2017 $'000 |
| **Balance brought forward from previous period** | - | - |
| **Balance Transfer from Department of Finance** |  |  |
| **Increases** |  |  |
| **Total increases**[2] | **223,251** | - |
| **Available for payments** | **223,251** | - |
| **Departmental Decreases** |  |  |
| **Total departmental** | **(163,987)** | - |
| **Total decreases** | **(163,987)** | - |
| **Total balance carried to the next period** | **59,264** | - |
| **Balance represented by:** |  |  |
| Cash held in entity bank accounts | **2,124** | - |
| Cash held in the Official Public Account | **57,140** | - |
| **Total balance carried to the next period** | **59,264** | - |

1 Appropriation: *Public Governance, Performance and Accountability Act 2013* (PGPA Act) section 78.

Establishing Instrument: PGPA Act Determination (Establishment of ICT Coordinated Procurement Special Account 2017).

Purpose: The ICT Coordinated Procurement Special Account has been established for the purpose of administering the operations of centralised ICT procurement for the Australian Government.

2 Increases in the special account includes $96.1 million transferred from Department of Finance, refer note 6.1A Restructuring.

**Digital Transformation Agency**
**Notes to and forming part of the financial statements**
*for the period ended 30 June 2018*

### 4. People and Relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

### 4.1 Employee Provisions

|  | **2018**<br>**$'000** | 2017<br>$'000 |
|---|---|---|
| **Note 4.1A: Employee Provisions** | | |
| Leave | **8,129** | 6,313 |
| *Total employee provisions* | **8,129** | 6,313 |

**Accounting Policy**

Liabilities for 'short-term employee benefits' and termination benefits due within 12 months of the end of reporting period are measured at their nominal amounts.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the DTA's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. The provision is disclosed at the present value of the obligation using the short hand method that utilises the appropriate Government bond rate.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the DTA is estimated to be less than the annual entitlement for sick leave.

Superannuation

The DTA's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or another fund of their choice.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The DTA makes employer contributions to the employees' superannuation scheme. For Commonwealth defined benefits schemes, these rates are determined by an actuary to be sufficient to meet the current cost to the Government. The DTA accounts for the contributions as if they were contributions to defined contribution plans.

## Digital Transformation Agency
## Notes to and forming part of the financial statements
*for the period ended 30 June 2018*

### 4.2 Key Management Personnel Remuneration

**Note 4.2A: Key Management Personnel Remuneration**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the DTA, directly or indirectly, including any director (whether executive or otherwise). KMP remuneration is reported in the table below:

| | 2018 $'000 | 2017 $'000 |
|---|---|---|
| Short-term employee benefits | 2,254 | 1,716 |
| Post-employment benefits | 268 | 245 |
| Other long-term employee benefits | 256 | 226 |
| Termination benefits | 186 | 414 |
| *Total key management personnel remuneration expenses*[1,2,3] | 2,964 | 2,601 |

1 The DTA has determined the KMP to be the Chief Executive Officer (CEO) and 6 Executive Officers as at 30 June 2018. The KMP in 2016–17 included the CEO and 4 executive officers.

2 The total number of KMP that are included in the above table is 10 (2017: 12) representing the people who individually occupied the KMP positions during the year.

3 The above KMP remuneration excludes the remuneration and other benefits of the Portfolio Ministers. The Portfolio Ministers' remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

### 4.3 Related Party Disclosures

**Related party relationships:**

The DTA is an Australian Government controlled entity. Related parties to the DTA are Key Management Personnel including the Portfolio Ministers and other Australian Government entities.

**Transaction with related parties:**

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:

• the payments of grants or loans
• purchases of goods and services
• asset purchases, sales transfers or leases
• debts forgiven
• guarantees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the DTA, it has been determined that there are no related party transactions to be separately disclosed.

## Digital Transformation Agency
## Notes to and forming part of the financial statements
*for the period ended 30 June 2018*

### 5. Managing Uncertainties

This section analyses how the DTA manages financial risks within its operating environment.

### 5.1 Contingent Asset and Liabilities

**Note 5.1A: Contingent Assets and Liabilities**

The DTA is not aware of any material departmental quantifiable or unquantifiable contingent assets or liabilities as at the signing date that would require disclosure in the financial statements.

**Accounting Policy**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

### 5.2 Financial Instruments

|  | 2018 $'000 | 2017 $'000 |
|---|---|---|
| **Note 5.2A: Categories of Financial Instruments** | | |
| **Financial Assets** | | |
| **Held-to-maturity investments** | | |
| Cash and cash equivalents | **794** | 557 |
| **Total held-to-maturity investments** | **794** | 557 |
| **Loans and receivables** | | |
| Goods and services receivables | **121,518** | 3,838 |
| **Total loans and receivables** | **121,518** | 3,838 |
| **Total financial assets** | **122,312** | 4,395 |
| **Financial Liabilities** | | |
| **Financial liabilities measured at amortised cost** | | |
| Trade creditors and accruals | **43,727** | 4,896 |
| **Total financial liabilities measured at amortised cost** | **43,727** | 4,896 |
| **Total financial liabilities** | **43,727** | 4,896 |

**Note 5.2B: Net Gains or Losses on Financial Assets and Liabilities**

The DTA has no gains or losses on financial instruments.

**Accounting Policy**

Financial assets

The DTA classifies its financial assets in the following categories:

a) held-to-maturity investments

b) loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'. Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

# Digital Transformation Agency
# Notes to and forming part of the financial statements
*for the period ended 30 June 2018*

## 6. Other Information

### 6.1 Restructuring

**Note 6.1A: Restructuring**

Net assets received from or relinquished to another Australian Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

As part of the Administrative Arrangement Orders issued by the Government on 27 October 2016, responsibility for whole of government ICT and ICT procurement policy and services transferred from the Department of Finance (Finance) to the DTA. Assets and liabilities for this restructure occurred in two phases with phase one transferring on 15 December 2016 and phase 2 transferring on 18 May 2017

The DTA's ICT Procurement Special Account was established on 6 June 2017 to facilitate the final transfer of assets and liabilities from Finance's Coordinated Procurement Contracting Special Account which occurred during 2018.

|  | **2018** | 2017 |
|---|---|---|
|  | **Transfer from Department of Finance $'000** | Transfer from Department of Finance $'000 |
| **Functions assumed** |  |  |
| **Assets recognised** |  |  |
| Cash - special account | **96,063** | - |
| Appropriation receivable | **-** | 3,088 |
| Accounts receivable | **68,937** | 356 |
| Accrued revenue | **174** | - |
| *Total asset recognised* | **165,174** | 3,444 |
| **Liabilities recognised** |  |  |
| Employee provisions | **-** | 2,637 |
| Unearned revenue | **130,416** | 807 |
| Trade creditors and accruals | **9,590** | - |
| *Total liabilities recognised* | **140,006** | 3,444 |
| *Net assets recognised* | **25,168** | - |
|  |  |  |
| **Income Assumed** |  |  |
| Recognised by DTA | **175,805** | 713 |
| Recognised by Department of Finance | **-** | 972 |
| *Total income assumed* | **175,805** | 1,685 |
| **Expenses assumed** |  |  |
| Recognised by DTA | **174,957** | 3,528 |
| Recognised by Department of Finance | **-** | 3,793 |
| *Total expenses assumed* | **174,957** | 7,321 |

# Digital Transformation Agency
## Notes to and forming part of the financial statements
*for the period ended 30 June 2018*

### 6.2 Budgetary Explanation of Major Variances

**Note 6.2A: Budgetary reportin**g

The DTA's financial statements report the original budget as published in the Department of Prime Minister and Cabinet 2017–18 Portfolio Budget Statements.

Where required, the original budget has been adjusted to align with the presentation and classification adopted in the final outcome.

Explanations of major variances between the actual and original budgeted amounts for 2018 (that are greater than +/- 10 per cent of the original budget for a line item and greater than +/- $1 million) are provided below.

| Explanations of major variances | Affected line items |
|---|---|
| *Statement of Comprehensive Income* | |
| Total expenses for 2017–18 were $242.2m, an increase of $42.1m compared to the original budget. This variance reflects additional expenditure relating to the special account activities transferring as part of the whole of government ICT procurement function from the Department of Finance as part of the 27 October 2016 machinery of government change. | Suppliers |
| Total own-source income for 2017–18 was $180.2m, an increase of $49.5m compared to the original budget. This increase in revenue corresponds to the above increase in expense relating to the ICT procurement function. The variance is also attributable to an increase in rendering of services for the contract administration fee for the ICT hardware panel arrangement. Additional revenue was recorded to reflect ICT apprenticeship/cadetship costs recovered from participating agencies. | Rendering of Services |
| The surplus reported in 2017–18 is due to an underspend as a result of less than anticipated engagement of staff, contractor resources and other supplier expenses associated with Public Service Modernisation funding received for platforms and building digital capability. | Surplus/(Deficit) attributable to the Australian Government |
| *Statement of Financial Position* | |
| The increase in cash of $60.0m is due to the establishment of the ICT Coordinated Procurement Special Account. At Budget the special account was reported against receivables. | Cash |
| The increase in Trade and other receivables of $111.4m is mostly due to the invoicing arrangements under the whole of government ICT procurement function for SAP and VSA arrangements. Also, as mentioned above the special account was remapped to Cash in 2017–18 actuals. | Trade and other receivables |

| Explanations of major variances | Affected line items |
|---|---|
| The increase in Leasehold improvements of $1.4m relates to purchases for the fit-out of the Canberra and Sydney offices and a revaluation of leasehold improvements that was included in later budget rounds. | Leasehold improvements |
| The increase in Plant and Equipment of $1.6m is mostly due to the IT refresh project that included purchases of AV equipment and laptops. | Plant and equipment |
| The increase in prepayments relates to software licenses contracted as part of the whole of Government ICT Coordinated procurement arrangements. | Prepayments |
| The increase in Suppliers of $40.0m mostly relates to accrued expenses associated with the whole of government ICT procurement function for SAP and IBNCS. | Suppliers |
| The increase in Other payables of $126.5m mostly relates to unearned revenue associated with the whole of government ICT procurement function for SAP and VSA arrangements. | Other payables |
| The increase in Employee provisions of $6.2m is mostly attributable to the increase in ASL from the 2016–17 MoG transfer recognised in DTA in May 2017 after Budget was published. A revaluation increase of $0.130m was recognised in 2017–18 which was partially offset by commencements and terminations during the year. | Employee provisions |

*Statement of Cash Flows*

| | |
|---|---|
| The decrease of $18.4m in appropriations reflects the underspend reported in the income statement as well as additional appropriation revenue for Public service modernisation $18.3 million, $2.8 million to establish a Cyber Security Advisory office and $4 million transferred from the Department of Finance. | Appropriations |
| The increase in GST receivable of $9.8m reflects the increase of payments to suppliers during the year. | Net GST received |
| The increase in payments to suppliers of $36.2m mostly reflects payments made in July 2017 for accruals recognised at 30 June. | Suppliers |
| The increase in purchases of plant and Equipment of $1.4m is mostly due to the IT refresh project that included purchases of AV equipment and laptops. | Purchase of property, plant and equipment |
| The restructure in 2017–18 relates to the AAO from 27 October 2016. This phase of the MoG relates to the transfer of the ICT procurement special account balance which was delayed due to the late creation of the special account. | Restructuring—special account |

# 05
# Appendices

# Appendix A: List of requirements

| PGPA Rule reference | Description | Requirement | Part of report |
|---|---|---|---|
| 17AD(g) | **Letter of transmittal** | | |
| 17A1 | A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report. | Mandatory | Preliminary |
| 17AD(h) | Aids to access. | | |
| 17AJ(a) | Table of contents. | Mandatory | Preliminary |
| 17AJ(b) | Alphabetical index. | Mandatory | Part 5 |
| 17AJ(c) | Glossary, abbreviations and acronyms. | Mandatory | Part 5 |
| 17AJ(d) | List of requirements. | Mandatory | Part 5 |
| 17AJ(e) | Details of contact officer. | Mandatory | Inside front cover |
| 17AJ(f) | Entity's website address. | Mandatory | Inside front cover |
| 17AJ(g) | Electronic address of report. | Mandatory | Inside front cover |
| 17AD(a) | **Review by the accountable authority** | | |
| 17AD(a) | A review by the accountable authority of the entity. | Mandatory | Part 1 |
| 17AD(b) | **Overview of entity** | | |
| 17AE(1)(a)(i) | A description of the role and functions of the entity. | Mandatory | Part 1 |
| 17AE(1)(a)(ii) | A description of the organisational structure of the entity. | Mandatory | Part 1 |

| PGPA Rule reference | Description | Requirement | Part of report |
|---|---|---|---|
| 17AE(1)(a)(iii) | A description of the outcomes and programs administered by the entity. | Mandatory | Part 1 |
| 17AE(1)(a)(iv) | A description of the purposes of the entity as included in the corporate plan. | Mandatory | Part 1 and Part 2 |
| 17AE(1)(b) | An outline of the structure of the portfolio of the entity. | Portfolio departments— Mandatory | N/A |
| 17AE(2) | Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change. | Mandatory | N/A |
| 17AD(c) | **Report on the performance of the entity** | | |
| | *Annual performance statements* | | |
| 17AD(c)(i); 16F | Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule. | Mandatory | Part 2 |
| 17AD(c)(ii) | **Report on financial performance** | | |
| 17AF(1)(a) | A discussion and analysis of the entity's financial performance. | Mandatory | Part 4 |
| 17AF(1)(b) | A table summarising the total resources and total payments of the entity. | Mandatory | Part 4 |

| PGPA Rule reference | Description | Requirement | Part of report |
|---|---|---|---|
| 17AF(2) | If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results. | Mandatory | N/A |
| 17AD(d) | **Management and accountability** | | |
| | *Corporate governance* | | |
| 17AG(2)(a) | Information on compliance with section 10 (fraud systems). | Mandatory | Part 3 |
| 17AG(2)(b)(i) | A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared. | Mandatory | Letter of transmittal |
| 17AG(2)(b)(ii) | A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place. | Mandatory | Letter of transmittal |
| 17AG(2)(b)(iii) | A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity. | Mandatory | Letter of transmittal |
| 17AG(2)(c) | An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance. | Mandatory | Part 3 |
| 17AG(2)(d) – (e) | A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance. | If applicable, Mandatory | N/A |

| PGPA Rule reference | Description | Requirement | Part of report |
|---|---|---|---|
| | *External scrutiny* | | |
| 17AG(3) | Information on significant developments in external scrutiny and entity's response to the scrutiny. | Mandatory | Part 3 |
| 17AG(3)(a) | Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity. | If applicable, Mandatory | Part 3 |
| 17AG(3)(b) | Information on any reports by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman. | If applicable, Mandatory | Part 3 |
| 17AG(3)(c) | Information on any capability reviews on the entity that were released during the period. | If applicable, Mandatory | Part 3 |
| | *Management of human resources* | | |
| 17AG(4)(a) | Assessment of the entity's effectiveness in managing and developing human resources to achieve entity objectives. | Mandatory | Part 3 |
| 17AG(4)(b) | Statistics on the entity's APS employees on an ongoing and non-ongoing basis, including the following:<br><br>• statistics on staffing classification level<br>• statistics on full-time employees<br>• statistics on part-time employees<br>• statistics on gender<br>• statistics on staff location, and<br>• statistics on employees who identify as Indigenous. | Mandatory | Part 3 |
| 17AG(4)(c) | Information on any enterprise agreements, individual flexibility arrangements, Australian Workplace Agreements, common law contracts and determinations under subsection 24(1) of the *Public Service Act 1999*. | Mandatory | Part 3 |

| PGPA Rule reference | Description | Requirement | Part of report |
|---|---|---|---|
| 17AG(4)(c)(i) | Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c). | Mandatory | Part 3 |
| 17AG(4)(c)(ii) | The salary ranges available for APS employees by classification level. | Mandatory | Part 3 |
| 17AG(4)(c)(iii) | A description of non-salary benefits provided to employees. | Mandatory | Part 3 |
| 17AG(4)(d)(i) | Information on the number of employees at each classification level who receive performance pay. | If applicable, Mandatory | Part 3 |
| 17AG(4)(d)(ii) | Information on the average amount of performance payment, and range of such payments, at each classification level. | If applicable, Mandatory | Part 3 |
| 17AG(4)(d)(iii) | Information on aggregate amounts of performance payments. | If applicable, Mandatory | Part 3 |
| | *Assets management* | | |
| 17AG(5) | An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities. | Mandatory | Part 4 |
| | *Purchasing* | | |
| 17AG(6) | An assessment of entity performance against the *Commonwealth Procurement Rules*. | Mandatory | Part 4 |
| | *Consultants* | | |
| 17AG(7)(a) | A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). | Mandatory | Part 4 |

| PGPA Rule reference | Description | Requirement | Part of report |
|---|---|---|---|
| 17AG(7)(b) | A statement that *'During [reporting period], [specific number] new consultancy contracts were entered into involving total actual expenditure of $[specific million]. In addition, [specific number] ongoing consultancy contracts were active during the period, involving total actual expenditure of $[specific million]'.* | Mandatory | Part 4 |
| 17AG(7)(c) | A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were engaged. | Mandatory | Part 4 |
| 17AG(7)(d) | A statement that *'Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website'.* | Mandatory | Part 4 |
| | *Australian National Audit Office Access Clauses* | | |
| 17AG(8) | If an entity entered into a contract with a value of more than $100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract. | If applicable, Mandatory | Part 4 |

| PGPA Rule reference | Description | Requirement | Part of report |
|---|---|---|---|
| | *Exempt contracts* | | |
| 17AG(9) | If an entity entered into a contract or there is a standing offer with a value greater than $10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters. | If applicable Mandatory | Part 4 |
| | *Small business* | | |
| 17AG(10)(a) | A statement that *'[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website'*. | Mandatory | Part 4 |
| 17AG(10)(b) | An outline of the ways in which the procurement practices of the entity support small and medium enterprises. | Mandatory | Part 4 |
| 17AG(10)(c) | If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that *'[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website'*. | If applicable, Mandatory | Part 4 |
| | *Financial statements* | | |
| 17AD(e) | Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act. | Mandatory | Part 4 |
| 17AD(f) | *Other mandatory information* | | |

| PGPA Rule reference | Description | Requirement | Part of report |
|---|---|---|---|
| 17AH(1)(a)(i) | If the entity conducted advertising campaigns, a statement that *'During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website'.* | If applicable, Mandatory | Part 4 |
| 17AH(1)(a)(ii) | If the entity did not conduct advertising campaigns, a statement to that effect. | If applicable, Mandatory | Part 4 |
| 17AH(1)(b) | A statement that *'Information on grants awarded to [name of entity] during [reporting period] is available at [address of entity's website]'.* | if applicable, Mandatory | Part 4 |
| 17AH(1)(c) | Outline of mechanisms of disability reporting, including reference to website for further information. | Mandatory | Part 3 |
| 17AH(1)(d) | Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found. | Mandatory | Part 3 |
| 17AH(1)(e) | Correction of material errors in previous annual report. | If applicable, Mandatory | N/A |
| 17AH(2) | Information required by other legislation. | Mandatory | Part 3 |

# Appendix B: Glossary

| Term | Meaning |
|------|---------|
| Accessibility | Making digital services easy to use for people with disability. Criterion 9 of the Digital Service Standard specifies that services must be accessible to all users regardless of their ability and environment. |
| Agile | Approach to our digital service design and delivery. |
| Alpha | Second stage of our digital service design and delivery process. |
| APS | Australian Public Service |
| APSC | Australian Public Service Commission |
| APS Act | *Public Service Act 1999* |
| Beta | Third stage of our digital service design and delivery process. |
| Blockchain | A growing list of records, called blocks, linked using cryptography. |
| CEO | Chief Executive Officer |
| Cloud | Internet storage and access to data and programs. |
| Communities of practice | Groups in which people from similar fields across government can exchange ideas, collaborate on best practice, showcase ongoing work and solve common problems together. |
| Discovery | First stage of our digital service design and delivery process. |
| Digital identity | Created after a person's identity is verified online, without the need to visit a government office. A digital identity can be used over and over again to securely and consistently access a range of government services. |
| Exemplar | A bench-mark or model service, worthy of imitation. |
| Guild | Groups of individuals with common interests. |
| ICT | Information and communications technology. |
| Life event journey | A set of activities a person or business does to achieve something, triggered by an event. It is described from their point of view and includes all activities, not just interactions with government services. Life event journeys usually have a clear beginning triggered by some event, and a clear outcome. |
| Live | Fourth and final stage of the Digital Service Standard. |
| Open source | Software whose original source code is made freely available and may be redistributed and modified by anyone. Criterion 8 in the Digital Service Standard requires teams to make all new source code open by default. |

| Term | Meaning |
|------|---------|
| PGPA Act | *Public Governance, Performance and Accountability Act 2013* |
| SES | Senior Executive Service |
| SMEs | Small and medium enterprises |
| User needs | Discovered by researching why users need a product or service and how they need to access it. |
| WCAG | Accessibility policy for Australian government digital services is aligned with an international standard, the Web Content Accessibility Guidelines version 2.0 (WCAG 2.0). |

# Appendix C: Alphabetical index

dta