



Australian Government
Digital Transformation Agency



Digital Transformation Agency

Annual Report 2021–22

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Letter of transmittal

Senator the Hon Katy Gallagher
Minister for Women
Minister for Finance
Minister for the Public Service
Parliament House
Canberra 2600

Dear Minister

I am pleased to present the Digital Transformation Agency Annual Report 2021–22 for the year ended 30 June 2022.

The agency's report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), which also requires that you present this report to the Parliament.

In accordance with sections 39(1)(b) and 43(4) of the PGPA Act, this report includes the agency's annual performance statements and audited financial statements.

I certify:

- in accordance with sections 17AG of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), there were no significant issues of non-compliance notified during the reporting period
- in accordance with sections 10 and 17AG of the PGPA Rule, the Digital Transformation Agency has prepared a fraud risk assessment and a fraud control plan, and has in place appropriate fraud prevention, detection, investigation and reporting mechanisms and has taken all reasonable measures to appropriately deal with fraud related to our agency.

Yours sincerely



Chris Fechner

Chief Executive Officer
Digital Transformation Agency
6 October 2022

“

These past 12 months
have been a turning
point for the DTA, as we
successfully implemented
our strengthened mandate as
the Australian Government's
digital advisor. ”

About this report

This report covers the Digital Transformation Agency (DTA) and our performance from 1 July 2021 to 30 June 2022.

As required, this report summarises our progress in achieving our purpose, and reviews our activities and outcomes against the priorities, indicators and outcome set out in our Portfolio Budget Statement and Corporate Plan.

Chapter 1 provides an overview of the DTA, describes our outcome and program structure, and includes a review of the year by our Chief Executive Officer.

Chapter 2 is our annual performance statement, which reports on the results achieved against our planned performance criteria and success measures set out in our Corporate Plan and Portfolio Budget Statement.

Chapter 3 provides information on our management and accountability including our corporate governance and external scrutiny, people management, environmental performance and freedom of information.

Chapter 4 summarises our financial performance for the year and includes our audited financial statements.

Chapter 5 provides aids for readers including a list of reporting requirements, glossary and abbreviations, and an alphabetical index.

Contents

Letter of transmittal i

About this report iii

Overview 1

Chief Executive Officer’s review 3

Our work at a glance 9

About us 10

Outcome and program structure 15

Annual performance statement 17

Statement of preparation 18

Purpose 18

Priorities 18

Results achieved in 2021–22 19

Analysis of performance 40

Management and accountability 43

Corporate governance 44

External scrutiny 47

Environmental performance 59

Freedom of information 59

Financial performance 61

Financial performance overview 62

Purchasing and procurement 65

Financial statements 69

Appendices 95

Appendix A: List of requirements 96

Appendix B: Executive remuneration 102

Appendix C: Glossary and abbreviations 106

Appendix D: Correction of errors in previous annual report 107

Appendix E: Reporting on transferred functions 108

Appendix F: Alphabetical index 109



Overview

Chief Executive Officer’s review3

Our work at a glance9

About us.....10

Outcome and program structure15



Chris Fechner
Chief Executive Officer
Digital Transformation Agency

Chief Executive Officer's review

I am pleased to present this annual report, the first since commencing with the DTA as Chief Executive Officer (CEO) in October 2021. These past 12 months have been a turning point for the DTA, as we successfully implemented our strengthened mandate as the Australian Government's digital advisor. Since this mandate came into effect on 1 July 2021, the DTA has developed the necessary overarching framework and guidance, completed the required Machinery of Government changes, and supported our staff to make the changes needed to focus on our core business in the Finance portfolio.

Whole-of-government Digital and ICT Investment Oversight Framework

Government digital and ICT investments aim to transform the way people and businesses interact with the Australian Government, improve the efficiency and effectiveness of government operations, and deliver policy outcomes.

To operationalise the DTA's new mandate and support effective investment oversight of digital investments at each stage of the project life cycle, the DTA consulted widely with Commonwealth agencies to support the Government to develop the Whole-of-government Digital and ICT Investment Oversight Framework (IOF) in December 2021.

The oversight, support, and guidance we provide through the IOF helps to reduce costs and duplication through greater reuse of existing digital investments. This supports the Australian Government to make the right digital and ICT investments at the right time and in the right way. The IOF also helps ensure that our stewardship of the long-term digital investment pipeline will result in easy-to-use, accessible, and secure government service delivery, with mature digital capabilities instilled across agencies.

Specifically, the IOF's 6 stages provide improved: strategic planning; prioritisation; contestability; assurance; sourcing; and operations.

Strategic planning – articulates strategic direction

As the trusted advisor to government on digital and ICT investment decisions, we drive strategic whole-of-government digital policy and advice. Fundamental to this is the Digital Government Strategy, which the DTA supported the previous Government to develop and release in late 2021. It outlined a plan to deliver a digital government that meets and exceeds the expectations of Australians – setting out strategic outcomes for people and business, as well as the critical enablers that are the building blocks essential to achieving the strategy outcomes.

Prioritisation – supports prioritisation of investments

The prioritisation stage of the IOF involves prioritising, planning and advising on investments to deliver on the Government's digital and ICT objectives. This covers both the short and long-term view – prioritising investment proposals for each Budget cycle while also identifying strategic intent for future investment across a 10-year timeframe.

The process continued to mature, with progress made on collecting and analysing data for the digital and ICT investment pipeline to develop a multi-year digital investment plan and a digital investment overview.

Through investment prioritisation, the DTA provided better knowledge of the digital and ICT portfolio, a clearer view of the longer-term investment pipeline, and an improved understanding of priorities and capability gaps to deliver on the Government's digital and ICT priorities.

Contestability – informs investment decisions

The strengthened contestability function provided a more consistent means of ensuring the proposals that came forward for funding were robust and met whole-of-government digital standards prior to Expenditure Review Committee decisions. As part of our direct engagement early in the policy process, the DTA partnered with agencies to improve the policy alignment and robustness of proposals. Our advice to the Government informed its consideration of digital proposals.

Assurance – improves confidence of investment outcomes

As part of the new system of assurance arrangements, the DTA also worked with agencies to ensure new digital and ICT enabled investments had fit-for-purpose assurance plans in place before decisions were taken by Government. We have also worked across the Commonwealth to build visibility of the oversight arrangements in place for strategic, inflight digital investments – namely, for those digital projects that were already in place prior to the IOF commencing in late 2021. Ministers and other key stakeholders are now receiving independent advice from the DTA on the delivery confidence across a wider range of digital investments throughout their implementation.

Sourcing – ensures best value for money

When agencies are ready to procure digital and ICT services, we make sourcing simple through the marketplaces, panels, catalogues, whole-of-government arrangements, and guidance accessible through our BuyICT platform.

BuyICT makes it easier for government buyers to do business with digital sellers, with improved pricing, terms, and conditions. During the year, we transitioned the previously separate Digital Marketplace to the BuyICT platform, bringing together all our procurement guidance. This year, government entities signed more than 9,700 contracts worth a combined value of over \$5 billion, up 10% on last year.

We were delighted when BuyICT was recognised as the **best government project** in both the ACT and National 2021 Project Management Achievement Awards.

Whole-of-government arrangements also simplify procurement processes. In 2021–22, on behalf of the APS, the DTA delivered the next iterations of the whole-of-government arrangements with Amazon Web Services and Microsoft. These arrangements provide better value for government agencies by saving costs through consistent, pre-negotiated terms and conditions.

Operations – provides feedback on real-world operation

The DTA continually measures the effectiveness and impact of our policies and advice against changes in real-world usage and operations, to ensure the processes supporting strategic planning, prioritisation, contestability, assurance and sourcing remain contemporary and relevant to a rapidly changing digital and ICT environment.

As the benefits of effective digital investment oversight are progressively realised across the Government's digital and ICT portfolio, ongoing feedback to reflect real-world operations enables the DTA to provide accurate advice on new investments that will yield the greatest value towards delivering on government's strategic outcomes. For example, as digital and ICT risks are mitigated, legacy environments are modernised and duplication of ICT assets is reduced. The digital policy environment can then be reviewed, based on these inputs, to ensure digital investment behaviours remain focused on strategic priorities.

Through feedback on successes and areas to improve, we will continue to develop the IOF and the contributory whole-of-government architecture (see below) as well as the content that guides and directs agency investments in digital.

Australian Government Architecture

The first iteration of the [Australian Government Architecture](#) was launched in December 2021.

A key part of the IOF, the architecture provides the links between relevant strategies, policies, standards and design. It articulates for agencies and industry the preferred digital directions of government, as well as the pathways and tools to deliver on them. This supports a coordinated approach to short, medium and long-term planning and prioritisation of projects, ensuring they are fit-for-purpose and strategically aligned, and that they stay on track to deliver the expected benefits.

Co-created with agencies, the architecture is key to managing procurement risks, and promotes interoperability and reuse across government. Importantly, the architecture is intended to help decision makers identify gaps in capabilities and emerging technology where investment is required.

The architecture also provides a means to assess the alignment of new digital proposals with government direction and, over time, will expand through ongoing contributions from agencies and industry partners. By measuring how widely agencies use the architecture, we can measure increasing maturity of digital government.

We will support the Government with its digital transformation by continuously updating and refining the architecture to ensure it remains relevant and useful in guiding decision-makers in a complex and dynamic market.

Review of current digital landscape

The IOF and associated work was informed by our review of digital and ICT capability, risks and needs across 20 Australian Public Service (APS) agencies. The [Digital Review](#), the summary of which was released in December 2021, provided a baseline of government digital services and technology. It identified where the Australian Government digital capability was ahead of other organisations and included recommendations that are helping to improve delivery of government services.

Cyber security and data protection

Any system or network is potentially vulnerable to rapidly increasing, sophisticated and persistent cyber security threats, and government is not immune. The DTA is partnering with the Australian Cyber Security Centre to pilot 4 Cyber Hubs to provide a secure perimeter for government services and data. A Cyber Hub consolidates cyber security services, experience and expertise to build capability in one dedicated area, then deliver these services across government. Six 'client' entities are currently part of the pilot. The DTA is leading and managing the pilot to test this coordinated and consistent whole-of-government approach to cyber security investment. To date, the pilot has shown that Cyber Hubs are an efficient and effective way to improve the Government's cyber security capability.

The DTA also manages the [Hosting Certification Framework](#) across the APS, to strengthen how government secures sensitive and classified government data through increased collaboration with industry. Where Commonwealth agencies use an external provider to host sensitive or classified data, from 30 June 2022, they are required to use a hosting provider certified by the DTA under the Hosting Certification Framework. Industry feedback indicates the Hosting Certification Framework is helping them uplift their security postures for the benefit of all their customers.

Secure digital identity

Having a safe and secure way to verify your identity online is also imperative as more people realise the benefits of accessing government services online. On behalf of the Government, the DTA continued working towards a [Digital Identity System](#) of accredited organisations providing Digital Identity services that people and businesses can use confidently across different levels of government. This year, the Western Australian and Queensland governments connected to the Digital Identity System, through which a total of 117 services are now available.

Other Digital Identity work this year included our release of version 4.6 of the Trusted Digital Identity Framework (TDIF), an accreditation framework for Digital Identity services. This version enhanced biometric requirements, improved privacy safeguards, and clarified language across the policies that comprise the framework. The TDIF forms the basis of the Digital Identity legislation, which will further embed safeguards to ensure a safe and secure Digital Identity System. Following extensive consultation on the TDIF and the legislation to ensure it reflects a broad range of community views, the Exposure Draft Trusted Digital Identity Bill was released for public consultation in late 2021.

Advice on emerging technology

As well as understanding the current state of digital and ICT investment, our work involves looking forward. Understanding future trends in technology opens opportunities for government to drive investment now, to support adoption when it is most needed in the future. An example is our work with agencies to develop guidance on the appropriate adoption and use of artificial intelligence (AI) and associated technologies in the public sector. As more agencies adopt AI and assistive technologies, like machine learning and natural language processing in applications such as virtual assistants, it will be easier for people to engage with government when and how they choose. The DTA is working with agencies to help make the most of these opportunities and manage the associated risks.

Ensuring a capable agency

The achievements of the year would not have been possible without the expertise and hard work of the DTA staff. To best support delivery of our mandate, we introduced a new organisation structure and fully established our leadership team, improved our business processes and set up the DTA Operating Model taskforce. To assist staff in making the transition to our revised mandate, we invested in a comprehensive Change Program to engage, upskill and support staff to deliver on our purpose as trusted digital advisor to government. We also updated the DTA's values and corresponding behaviours and began refining our organisational processes to ensure they remain fit-for-purpose and comply with relevant whole-of-government frameworks. In addition, we moved into our new head office building in Canberra and refreshed the DTA's branding. We also welcomed a new government and new Minister, Senator the Hon Katy Gallagher, and prepared for our move into the Finance portfolio from 1 July 2022.

Looking forward

I am immensely proud of all that the DTA has achieved during this year of significant change and hard work. In the year ahead, we look forward to further embedding our work to lead and provide trusted advice on the Australian Government's digital future.

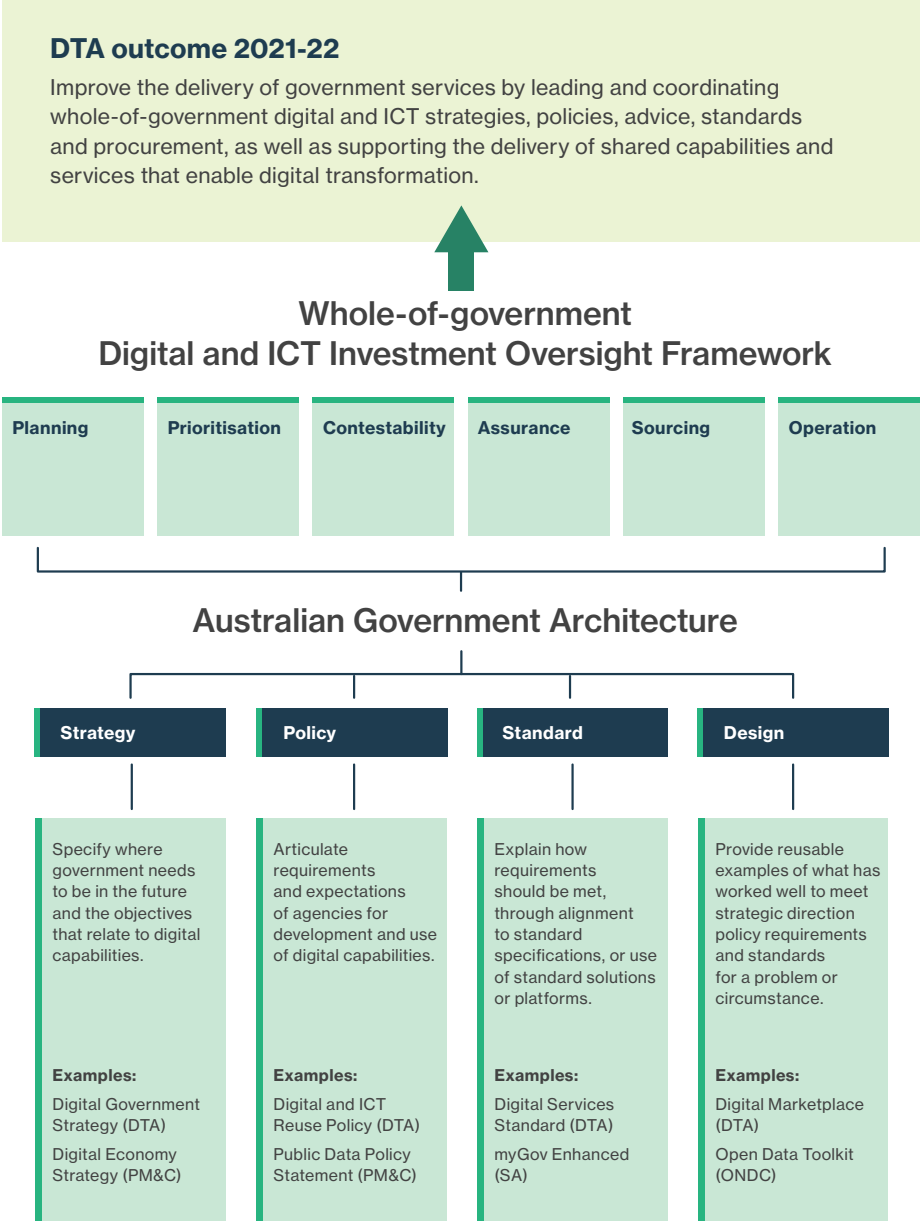


Chris Fechner

Chief Executive Officer
Digital Transformation Agency

Our work at a glance

Figure 1: Overview of the key elements of the DTA's work



Note: The Outcome is from the 2021-22 Portfolio Budget Statement.

About us

The DTA plays a central role in driving the Government's digital transformation.

Purpose

In 2021–22, the DTA's purpose was to provide strategic and policy leadership and investment advice and oversight to drive government digital transformation that delivers benefits to all Australians.¹

Role and functions

The DTA's role and functions² are to:

- provide strategic and policy leadership on whole-of-government and shared ICT investments and digital service delivery
- develop, deliver, and monitor whole-of-government strategies, policies, and standards for digital and ICT investments, including ICT procurement
- manage strategic coordination and oversight functions for digital and ICT investments across the project life cycle, including providing advice on whole-of-government reuse opportunities
- manage whole-of-government digital procurement to simplify processes for government agencies, reduce costs and generate reuse opportunities
- provide advice to the Minister on whole-of-government and shared digital and ICT investment proposals
- undertake other relevant tasks as the Minister may require from time-to-time.

Portfolio and Minister

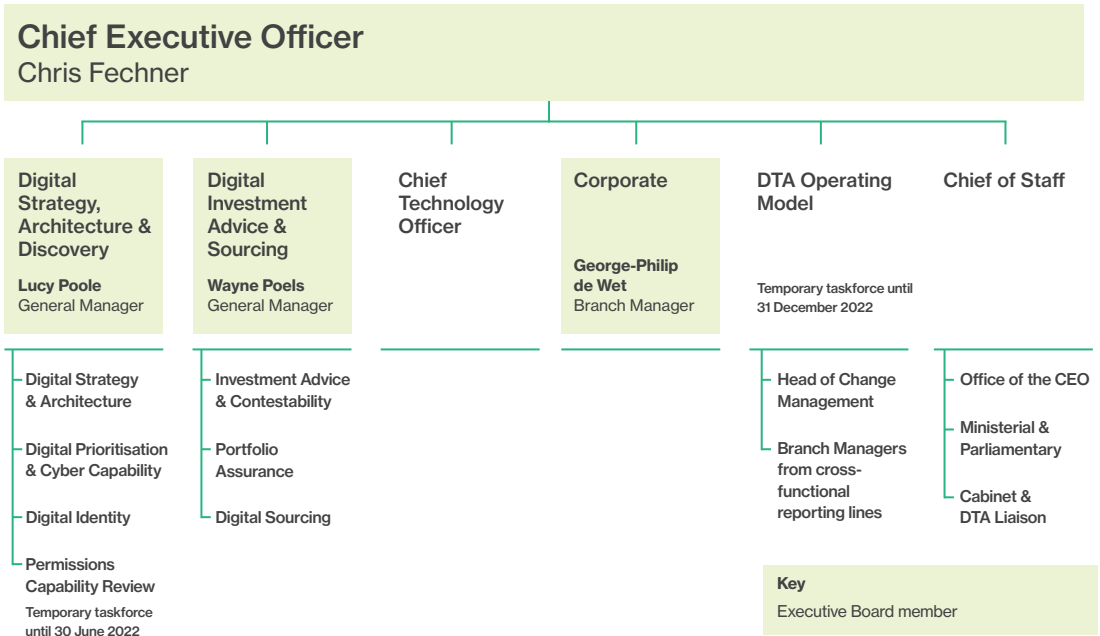
During 2021–22, the DTA was an Executive Agency in the Prime Minister and Cabinet portfolio. Our minister was the Hon Stuart Robert MP, Minister for Employment, Workforce, Skills, Small and Family Business until 23 May 2022, when Senator the Hon Katy Gallagher was sworn in as Minister for Finance.

¹ This purpose from our *Corporate Plan 2021–22* updated the purpose in our previously published Portfolio Budget Statement 2021–22, to reflect the change in our mandate from 1 July 2021.

² Order to identify the Minister responsible for the Digital Transformation Agency, and to Specify Functions for the Digital Transformation Agency (www.legislation.gov.au/Details/C2021G00267).

Agency structure

Figure 2: The DTA organisation structure as at 30 June 2022





Chris Fechner

Chief Executive Officer

Chris was appointed the Chief Executive Officer (CEO) at the DTA on 13 October 2021. As CEO, he is responsible for leading the agency to ensure we deliver on the Government's digital transformation agenda, in accordance with our agency's executive order and the PGPA Act.

Chris has extensive experience in state government services, focusing on large-scale digital and ICT reform and transformation programs as well as implementing contemporary investment, contestability, and governance frameworks.

Before joining the APS, Chris held senior government positions including Queensland Government Chief Customer and Digital Officer and Chief Digital and Product Officer at Service NSW.

Chris holds an Executive Masters of Business Administration and a Bachelor of Applied Science and Computing, both from the Queensland University of Technology.



Lucy Poole

General Manager

Digital Strategy, Architecture and Discovery Division

Lucy joined the DTA in November 2017. She leads the Digital Strategy, Architecture and Discovery Division, which provides whole-of-government strategic leadership on the development and implementation of digital strategies and policies, the Australian Government Architecture, Digital Identity, and the management of the Government's digital investment pipeline to ensure an integrated and coordinated approach.

Before joining the DTA, Lucy held senior executive roles at the Department of the Prime Minister and Cabinet and the Australian Public Service Commission, where she led several transformation programs. Lucy also has experience in state government, the private sector and the United Kingdom civil service.

Lucy holds a Bachelor of Business, majoring in Business Management and Human Resource Management from Griffith University.



Wayne Poels

General Manager

Digital Investment Advice and Sourcing Division

Wayne was seconded from the Department of the Prime Minister and Cabinet to the DTA in June 2021 to support the development of the IOF and joined permanently in May 2022. He leads the Digital Investment Advice and Sourcing Division, which coordinates advice on the alignment of all digital and ICT-enabled investment proposals with the Government's Digital Capability Standards as well supporting departments to ensure the benefits of the digital and ICT-investments are realised. Wayne is also responsible for the procurement of digital products and services through government panels and marketplaces.

Before moving to the DTA, Wayne held a number of positions in the Department of the Prime Minister and Cabinet and the Treasury.

Wayne holds a Master of Economics from the Australian National University and a Bachelor of Economics (Hons) degree from La Trobe University.



George-Philip de Wet

Head of Corporate

George-Philip joined the DTA in late-2016, after acting as Chief Financial Officer for the Treasury. His responsibilities include business services, human resources, finance, procurement and assurance, content and brand, and strategic communications.

He has experience in the delivery of resource prioritisation initiatives, business process improvement, as well as budget and financial strategy. Before moving to the DTA, he worked for more than 10 years across various Australian Government agencies in a range of corporate finance roles, and previously in the private sector both in Australia and abroad.

George-Philip holds a Bachelor of Commerce (Accounting) from the Australian National University and is a Fellow of Certified Practising Accountants Australia.

Stakeholders

Achieving our purpose requires close collaboration with our many partners and stakeholders.

We work most closely with Australian Government agencies. We also work with state, territory and international governments, advisory and oversight bodies as well as industry and academia and people who use government services.

We cooperate with our stakeholders across government and industry to understand the operating environment, identify challenges and opportunities for improvement, and provide trusted advice to government.

In 2021–22, we supported the Secretaries' Digital Committee, which focuses on providing strategic leadership to promote an APS-enterprise approach to the planning, coordination and delivery of trusted and secure digital and ICT capabilities across government. The Digital Leadership Committee, which is chaired by our CEO, comprises senior business and technology leaders from across the APS. This group provides strategic leadership for the Government's digital transformation and ICT programs.

Outcome and program structure

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements.

Our Portfolio Budget Statement 2021–22 describes our outcome and program structure for the reporting year:

- **Outcome 1** – Improve the delivery of government services by leading and coordinating whole-of-government digital and ICT strategies, policies, advice, standards and procurement, as well as supporting the delivery of shared capabilities and services that enable digital transformation.
- **Program 1.1** – 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.



Annual performance statement

Statement of preparation18

Purpose.....18

Priorities18

Results achieved in 2021–2219

Analysis of performance 40

Statement of preparation

I, Chris Fechner, as the accountable authority of the Digital Transformation Agency, present the agency's 2021–22 annual performance statement, as required under paragraph 39(1)(a) 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.



Chris Fechner
Chief Executive Officer
30 September 2022

Purpose

Provide strategic and policy leadership and investment advice and oversight to drive government digital transformation that delivers benefits to all Australians.

Priorities

As described in our *Corporate Plan 2021–22*, to achieve our purpose in 2021–22 we focused on the following strategic priority areas:

1. Direction setting

- We are a trusted advisor on digital and ICT investment decisions.
- We drive strategic whole-of-government digital policy and advice.

2. Implementation oversight

- We ensure alignment to digital strategies and priorities.
- We simplify digital procurement to reduce costs and increase reuse.

Results achieved in 2021–22

Priority 1: Direction setting

We are a trusted advisor on digital and ICT investment decisions.

We drive strategic whole-of-government digital policy and advice.

Key activities

- 1.1 Provide strategic and policy leadership on whole-of-government and shared ICT investments and digital service delivery.
- 1.2 Develop, deliver and monitor whole-of-government strategies, policies and standards for digital and ICT investments, including ICT procurement.

PERFORMANCE MEASURE/CRITERIA	TARGET	ASSESSMENT
<i>Corporate Plan 2021–22</i> <ul style="list-style-type: none">• Quality of DTA's strategic and policy leadership demonstrably supports the setting of the direction for whole-of-government major digital and ICT projects.	<i>Corporate Plan 2021–22</i> <ul style="list-style-type: none">• No target. <p><i>Due to the DTA's revised mandate and role taking effect from 1 July 2021, we needed time to assess and establish performance metrics. Appropriate targets are now set in our 2022–23 Corporate Plan.</i></p>	The DTA provided strategic and policy leadership and advice on digital and ICT projects over the year. The results achieved, as detailed below, support our assessment that the DTA met the Corporate Plan performance measure and Portfolio Budget Statement performance criteria, as well as the Portfolio Budget Statement targets in 2021–22.
<i>Portfolio Budget Statement 2021–22</i> <ul style="list-style-type: none">• Stakeholders and partners receive high quality and timely advice on strategies and policies to facilitate modern, efficient, and joined-up government services.• Whole-of-government digital platforms, technologies and services reduce costs and duplication, provide better infrastructure for Commonwealth entities, and enhance the user experience.• Collaboration and partnerships nationally and internationally promote digital transformation to improve government services.	<i>Portfolio Budget Statement 2021–22</i> <ul style="list-style-type: none">• Our leadership drives digital transformation in government and increased user-focus in digital government service delivery.• Increase in, or enhancement of, digital platforms, technologies and services that make government simple, clear and fast.• Our work increases cooperation and consistent approaches across all levels of government, and increases collaboration nationally and internationally, as well as with industry and other stakeholder groups.	

RESULTS ACHIEVED: PRIORITY 1

Quality of strategic and policy leadership, and high-quality and timely advice

High-quality advice drives digital transformation and increased user focus

- We supported the Secretaries Digital Committee and the Digital Leadership Committee, which enabled the provision of high-quality advice, influencing and shaping whole-of-government ICT and digital services, policies and standards and strengthening advice and oversight arrangements for a variety of digital and ICT projects across the Commonwealth.
- Our CEO is also a key member of the Secretaries' Digital Committee, along with the secretaries from the Departments of the Prime Minister and Cabinet, Social Services, the Attorney-General, Finance, Foreign Affairs and Trade, Defence, Home Affairs, and Industry, Science and Resources, as well as agency heads from the Australian Signals Directorate, Australian Taxation Office, and Services Australia. The Secretaries' Digital Committee met 10 times in 2021–22, making key decisions to support whole-of-government digital capabilities and delivery.
- Our CEO chaired the Digital Leadership Committee, comprising senior technical and business leaders (SES Band 2/SES Band 3) across 20 government agencies. The Digital Leadership Committee met 11 times during 2021–22.
- We effectively managed the secretariat for the integrated system of governance, ensuring the objectives and expectations of the committees were met.

Digital Capability Standards underpin contestability stage of investment oversight

- We developed the Digital Capability Standards process and accompanying tools, to underpin the contestability stage of the IOF.
- Through this process we assess whether digital and ICT investment proposals align with the whole-of-government digital and ICT requirements.
- These requirements informed the advice we provided to government on new proposals for digital investment in the 2022–23 Budget process (for details on how we implemented the contestability process, see *Priority 2: Implementation oversight*, page 30).

Australian Government Architecture supports digital capability

- We launched the first iteration of the Australian Government Architecture on the DTA website in December 2021, to support the application of the IOF.
- The architecture is a decision-making construct that helps agencies develop scalable, secure and resilient digital capabilities. It establishes the relationship between strategies, policies, standards and design – providing clear guidance to agencies to support all stages of the IOF.

Feature – Underlying architecture for digital investments, page 26.

Digital Government Strategy sets direction

- The DTA supported the Government with its release of the Digital Government Strategy in December 2021.
- This strategy to deliver a digital government that meets and exceeds expectations of Australians included 6 strategic outcomes for people, business and government, to achieve the vision of being one of the top 3 digital governments by 2025.
- We coordinated a whole-of-government working group for advice and support to ensure successful implementation of the strategy.

Better infrastructure, reduced duplication and cost, enhanced user experience, increased and enhanced digital platforms, technologies and services

Cyber Hubs strengthen defences against threats to Government IT

- The DTA is the whole-of-government coordination lead for the Cyber Hubs pilot being conducted under the Hardening Government IT initiative of Australia's Cyber Security Strategy 2020.
- The aim of the pilot is to increase the resilience of government networks to uplift the cyber security posture across government. We are seeking to achieve this by establishing Cyber Hubs to create a secure perimeter for government services and data.
- Over the last year, Cyber Hubs have been successfully established in the Department of Home Affairs, Department of Defence and Services Australia, with the Australian Taxation Office to start developing a Cyber Hub from 1 July 2022.
- Onboarding also began for 6 client entities over this period – the Australian Criminal Intelligence Commission, Australian Transaction Reports and Analysis Centre, Australian Civil Military Centre, Australian Hydrographic Office, Sport Integrity Australia, and Australian Digital Health Agency. Delivery of core cyber services to these client entities is being tested in a live production environment.
- The pilot has gathered information on how to scale a rollout of Cyber Hubs in the future, pending a decision by government.
- We have established governance arrangements to shift the project from concept development to implementation, including inviting several existing and prospective client entities to participate in executive decision-making under the pilot.
- The pilot has already produced operational results that have mitigated cyber security risks. In addition, the pilot is refining the scope of Cyber Hubs services to provide the most effective protection for agencies.
- The pilot was extended to 31 December 2022 in the 2022–23 Budget.

Feature – Cyber Hubs improve government cyber security, page 27.

Digital Identity use increases

- Digital Identity makes it easier for people to verify their identity online in a safe, simple and secure way, saving time and costs. Once a person or business sets up their Digital Identity, they can reuse it whenever they are asked to prove who they are.
- The year saw an increase in use:
 - *As at 30 June 2022, more than 8.6 million digital identities had been created via the Australian Government myGovID app – up from 2.73 million last year.*
 - *More than 2.1 million people accessed their myGov accounts using their myGovID, compared with 300,000 last year.*
- A total of 117 services are now connected to the Australian Government Digital Identity System.
 - *Western Australia and Queensland Government (Service WA and Queensland Digital Identity Login) connected to the Digital Identity System during the year and continue to onboard jurisdictional services.*
 - *Other state and territory services that were connected to the Australian Taxation Office's Business Services Portal were transitioned to the Commonwealth's Digital Identity System.*

Digital Identity accreditation and legislation progresses

- Version 4.6 of the Trusted Digital Identity Framework (TDIF), an accreditation framework for Digital Identity services, was released in March 2022.
- This release incorporated enhanced biometric requirements, improved privacy safeguards, and updated language to ensure clarity and consistency across the 13 policies that comprise the framework.
- It also sought to reduce the regulatory burden for applicants by reducing the number of requirements an applicant must meet, and by allowing more flexibility to use previous assessments and existing capabilities to meet accreditation requirements. In total there were 495 requirement changes, reducing the number of requirements from 1,008 to 979.
- In addition, this release aligned the TDIF with the policy positions set out for consultation as part of the Exposure Draft of the Trusted Digital Identity Bill and TDIF Accreditation Rules, which were released for public consultation from 1 to 27 October 2021.
- The DTA heard from a range of Australians, including individuals and small businesses during consultation on the Exposure Draft. Many highlighted the importance of privacy, security, personal control and choice are to Australians. The DTA also received 71 submissions from industry, government, advocacy bodies and peak bodies.

Feature – Accreditation for Digital Identity, page 28.

Digital Review provides insight into APS digital and ICT capability

- Understanding current APS digital and ICT maturity and capability is important to our work. In December 2021 we released the summary of the Digital Review, which focused on digital and ICT capability, risks and needs across 20 agencies, accounting for more than 80% of government digital and ICT expenditure.
- The DTA was commissioned by the Secretaries' Board, to conduct the Digital Review, based on the previous government's response to Recommendation 14 of *Our Public Service, Our Future – Independent Review of the Australian Public Service* led by Mr David Thodey AO.
- We partnered with APS and external experts to develop a bespoke model to measure digital maturity and worked with more than 80 staff across participating agencies on the survey instruments.
- The review developed a broad baseline of the landscape of government digital services and technology – identifying more than 350 critical systems, 75 critical data sets, 70 internal digital and ICT policies and strategies, 125 contracted vendors and alliances, and 65 shared platforms and services.
- This digital baseline revealed areas where the Australian Government has stronger capabilities than other organisations, such as developing strategic alliances and partnerships to build capability and acknowledging the value of data and service integration. It also identified areas of relative weakness such as managing legacy technologies, inconsistent agency practices, and insufficient resourcing and investment. Recommendations cover the areas of people, policy, process, technology and data.
- The review's insights and recommendations have assisted with the better delivery of government services, as evidenced by the development of the IOF, the Australian Government Architecture, and the Digital and ICT Reuse Policy.
- In line with the DTA's mandate, we will continue to support ongoing improvements through our priority areas including through the implementation of the Digital Government Strategy.

Data audit informs security framework

- This year we also undertook a whole-of-government audit of data holdings, networks and systems. Findings were incorporated into the National Data Security Framework.

Hosting Certification Framework strengthens controls for sensitive and classified data

- The Hosting Certification Framework has strengthened how government secures sensitive and classified government data by applying enhanced privacy, sovereignty and security controls through whole-of-government procurement arrangements.
- During 2021–22, we certified 7 data centre providers and 9 cloud service providers. The average period required for the certification process was usually between 3 and 6 months. There were 28 registrations for certification received during this time.
- The Hosting Certification Framework has been demonstrated to provide certainty to the Australian Government hosting operating environment through strengthened governance controls. It gives Australian small-to-medium enterprises an equal opportunity to deliver secure hosting services to government.
- From 30 June 2022, all non-corporate Commonwealth entities must procure external data centre providers and cloud service providers from the certified provider listed on the Hosting Certification Framework website.

Feature – Uplifting security for critical systems and data, page 29.

Reuse policy guides consideration of digital and ICT proposals

- The Digital and ICT Reuse Policy was officially released on 3 December 2021. It is part of the suite of government digital standards to guide government consideration of future digital and ICT proposals.
- This policy applies to non-corporate Commonwealth entities subject to the PGPA Act and is mandatory for relevant proposals being brought forward to government.
- A whole-of-government Reuse Working Group was established as a sub-committee of the Digital Leadership Committee to support and embed reuse across the APS, as a fundamental component of the APS Reform agenda and the Australian Government Architecture.

Guidance on emerging technologies identifies opportunities for investment

- In 2021–22, the DTA began developing agency guidance for the appropriate adoption and usage of AI and associated technologies in public sector applications.
- This guidance, which will be released through the Australian Government Architecture, complements existing efforts underway by other areas of the Commonwealth supporting whole-of-economy activities to enhance Australia's broader adoption and development of AI technologies.
- We have focused on guidance for appropriate governance structures, understanding of differing risk tolerances, practical considerations in applying ethical principles, and the reuse of prior investment within the public sector.
- Since starting this work in April 2022, the DTA has engaged with 28 Commonwealth entities through a series of APS roundtables, with further consultation planned with industry leaders in 2022–23.

Increased collaboration and partnerships promote digital transformation to improve government services, and consistent approaches across all levels of government

National and international collaboration enhances digital transformation

- The Data and Digital Ministers' Meeting comprises representation from all Australian states and territories and New Zealand. It is responsible for overseeing the development of Australia's public digital capability by identifying best practice across jurisdictions and pursuing areas for collaboration to achieve its purpose.
- In 2021–22 the DTA CEO attended the Data and Digital Ministers' Meeting, to support the Chair on digital matters. These regular meetings focused on enhancing cross-government collaboration on data and digital transformation to drive smarter service delivery and improved policy outcomes.
- During the year, we also continued to participate in international forums, such as Organisation for Economic Co-operation and Development (OECD) E-Leaders meetings.

Feature

Underlying architecture for digital investments

The Australian Government Architecture supports every stage of the Whole-of-government Digital and ICT Investment Oversight Framework (IOF) – from planning and prioritisation through to contestability and assurance, as well as sourcing and real-world operation.

By showing the linkages between government strategy, policy, standards and designs, the architecture supports and guides agencies and industry on the preferred digital directions of government, alongside the toolsets needed to deliver on them.

To make it easy for agencies to use the architecture, we grouped like-capabilities that make up government's complex digital and ICT portfolio into an integrated set of 11 domains, such as citizen experience, security, integration, and emerging technology. Agencies can identify capabilities relevant to planned digital investments and navigate not only the technical landscape of existing digital assets, but also the relevant policy environment and the underpinning strategic outcomes these policies support.

The architecture also provides pathways on how to implement initiatives, including reuse and procurement options to leverage existing capabilities and assets.

The architecture shows where government can achieve the best efficiencies through reuse of prior digital investments, identifies capability gaps in the digital and ICT portfolio that require further investment, and informs strategic conversations about how to drive more effective investments at a whole-of-government level.

We will continue to update and refine the architecture's content so it remains contemporary and keeps pace with the evolving digital and ICT environment.

Feature

Cyber Hubs improve government's cyber security

Instances of malicious cyber threat activity against Australia's interests have grown in intensity, scale, and severity in recent years. An ever-expanding range of state actors and criminal groups carry out these attacks for espionage, commercial gain, sabotage and disinformation.

As the Australian Government's ICT networks become more interconnected, a centralised approach to modernising cyber security is essential to match the evolving threat environment.

The DTA is coordinating the whole-of-government Cyber Hubs pilot, in collaboration with several other agencies, to implement consistent whole-of-government cyber capabilities as well as strengthening security controls and governance arrangements for government data.

A Cyber Hub is a centralised provider of cyber security services to other government agencies. The aim of centralising cyber security services is to improve the

Commonwealth's overall cyber security posture, and strengthen the Government's cyber resilience by reducing opportunities for malicious cyber actors to target smaller agencies with less secure IT. Cyber Hubs also increase opportunities to focus the Australian Government's cyber security investment and streamline information sharing and support with the Australian Cyber Security Centre.

The pilot involves 4 hubs testing delivery of core cyber services to 6 client entities in a live production environment through to 31 December 2022.

The findings from the pilot will inform the design of the future whole-of-government Cyber Hub operating model.

www.dta.gov.au/our-projects/hardening-government-it-hgit-initiative

Feature

Accreditation for Digital Identity

The Trusted Digital Identity Framework (TDIF) outlines the strict rules and standards for all providers and services within digital identity systems. This includes accreditation requirements as well as guidance material and templates to support providers to meet the requirements. The TDIF was developed to be interoperable, both domestically and internationally.

The TDIF forms the foundations of the Digital Identity legislation, which will further embed privacy, security, and other consumer safeguards to ensure a safe and secure Digital Identity System for the Australian economy.

The release of the Exposure Draft of the Trusted Digital Identity Bill and related Rules in October 2021 followed extensive consultation on the TDIF and the legislation to ensure it reflects a broad range of community views.

The legislation is required to expand the Digital Identity System to a whole-of-economy solution.

This is so all levels of government and private sector, especially small and medium businesses, can participate and share in the efficiencies and benefits that Digital Identity will bring for them and the community.

The proposed legislation will enshrine in law privacy and consumer safeguards for greater trust in the system as it expands. It also provides necessary authority for government to expand, maintain and regulate the system and establishes permanent governance arrangements, guided by principles of independence, transparency and accountability.

Feature

Uplifting security for critical systems and data

As Australia recovers from the effects of COVID-19, maintaining the momentum of digital transformation and the delivery of safe, secure, and trusted digital services will be key to continued economic growth.

The increasing use of online and digital service delivery for government services means we need to redouble efforts to have effective controls for the critical systems and data holdings that underpin the operation of government. This includes knowing how, where and when data is stored, achieving greater assurance over the operation and supply chains of providers, ensuring investment and procurement policy supports agencies in acquiring trusted services, and ensuring transparency over these processes for compliance purposes.

Since releasing the Hosting Certification Framework in March 2021, the DTA has made significant progress to uplift Australia's data security through increased collaboration with industry.

As cybercrime and cyber security attacks continue to threaten national security and the digital economy, the Hosting Certification Framework supports greater ties with industry to secure Australia's critical systems and data holdings.

The framework is delivering security and economic benefits to Australia by providing certainty to the Australian Government hosting operating environment and giving Australian small-to-medium enterprises an equal opportunity to deliver secure data centre and cloud services to government.

Priority 2: Implementation oversight

We ensure alignment to digital strategies and priorities.
We simplify digital procurement to reduce costs and increase reuse.

Key activities

- 2.1 Provide advice to the Minister on whole-of-government and shared digital and ICT investment proposals.
- 2.2 Manage strategic coordination and oversight functions for digital and ICT investment across the project life cycle, including providing advice on whole-of-government reuse opportunities.
- 2.3 Manage whole-of-government digital procurement to simplify processes for government agencies, reduce costs and generate reuse opportunities.

PERFORMANCE MEASURE/CRITERIA	TARGET	ASSESSMENT
<p>Corporate Plan 2021–22</p> <ul style="list-style-type: none">Parliament and agencies have confidence in the quality of advice, coordination and assurance we provide.We complete specific projects within identified timeframes. <p>Portfolio Budget Statement 2021–22</p> <ul style="list-style-type: none">Sourcing improvements enhance the experience for buyers and sellers of government digital products and services.	<p>Corporate Plan 2021–22</p> <ul style="list-style-type: none">No target. <p>Due to the DTA's revised mandate and role taking effect from 1 July 2021, we needed time to assess and establish performance metrics. Appropriate targets are now set in our 2022–23 Corporate Plan.</p> <p>Portfolio Budget Statement 2021–22</p> <ul style="list-style-type: none">Improvements to sourcing of digital products and services drive greater value for money for the APS and more opportunities for Australian businesses, including small and medium-sized enterprises.	<p>The DTA supported parliament and agencies with advice on digital and ICT investments and projects over the year. The results achieved, as detailed below, support our assessment that the DTA met the Corporate Plan performance measure and Portfolio Budget Statement performance criteria, as well as the Portfolio Budget Statement target in 2021–22.</p>

RESULTS ACHIEVED: PRIORITY 2

Confidence in quality of advice, coordination and assurance provided

IOF provides life cycle approach to manage digital and ICT investments

- The IOF was released in December 2021, providing a framework for the DTA to support the Government to manage its digital and ICT-enabled investments.
- The IOF was built through an extensive whole-of-government collaboration effort in 2021–22.
- At the time the IOF was announced, it outlined 4 key stages – strategic planning, prioritisation, contestability and assurance – to enable the DTA to fully operationalise our amended mandate and support the Government's digital transformation. These 4 stages complemented the DTA's ongoing responsibilities for whole-of-government digital and ICT procurement, and for providing feedback on best practice in real world operation to further guide digital investments.
- With these 2 additional stages of sourcing and operations, the IOF crystallised into a 6-stage whole-of-lifecycle framework covering:
 - *planning (pre-budget) – defines the Government's digital and ICT investment portfolio, its future objectives and identifies capability gaps*
 - *prioritisation (pre-budget) – prioritises, plans and advises on investments to deliver on the Government's digital and ICT objectives*
 - *contestability (budget) – ensures proposals are robust and meet whole-of-government digital standards prior to government consideration*
 - *assurance (post-budget) – provides assurance to the Government that investments are on-track to deliver expected benefits*
 - *sourcing – ensures the Government obtains best value for money from digital and ICT-enabled investments*
 - *operations – provides a direct feedback loop of the successes and areas to improve the IOF, including the Australian Government Architecture and the content that guides agency investments in digital.*
- Agencies developing, bringing forward or implementing digital and ICT-enabled investments are subject to the requirements of the IOF.
- The DTA also administers the ICT Investment Approval Process (IIAP) for when proposed investments are acknowledged as higher-risk and have total whole-of-life cost of \$10 million or more in digital and ICT and \$30 million or more in total whole-of-life proposal costs. The IIAP sets minimum standards for the development of such proposals, including the costs and benefits of alternative digital options and project management documentation to assist Cabinet consideration.

Prioritisation process provides valuable insights

- The first prioritisation process was held in September 2021. This pilot prioritised 11 proposals scheduled to come forward in the 2021–22 Mid-Year Economic and Fiscal Outlook (MYEFO). The experience provided valuable insights, which were incorporated into the Budget 2022–23 prioritisation process.
- The second prioritisation process was held in December 2021 for 2022–23 Budget proposals and was the first time prioritising digital and ICT investments over a 10-year horizon. This included 54 proposals across 14 portfolios, with advice on 8 of these proposals provided at the 2022–23 Budget.

Feature – Prioritising digital and ICT investment, page 37.

Contestability process reviews proposals against government priorities

- During 2021–22, the DTA continued to effectively manage the contestability function for all digital and ICT investment proposals.
- Throughout the year, we engaged with a total of 43 agencies on 180 digital and ICT-enabled investment proposals – 99 proposals in the December 2021 MYEFO, and 81 in the 2022–23 Budget in March 2022.
 - *We provided advice to assist agencies to develop proposals that aligned with whole-of-government digital and ICT requirements and priorities.*
 - *Our advice also supported improvements in efficiency and productivity by promoting collaboration across government agencies to identify and support joint proposals to address common requirements.*
- To enhance our contestability function, and underpin implementation of the IOF, the DTA developed the Digital Capability Standards process and accompanying tools, formally bringing together and documenting the knowledge and skills we use to assess proposals. The Digital Capability Standards process assesses digital and ICT investment proposals for alignment with the whole-of-government digital and ICT requirements.
 - *We piloted the Digital Capability Standards process on 14 of the 99 MYEFO proposals, and incorporated user feedback from participating agencies and DTA staff to improve the process for widescale implementation in the 2022–23 Budget.*
 - *On balance, agencies reflected positively on the timeliness and helpfulness of their interactions with the DTA, with all agencies reporting they were able to access the information and support they needed to progress through the process, and nearly half considering their proposals were demonstrably improved through the Digital Capability Standards process.*
- We also continued holistic evaluation and compliance of significant digital and ICT proposals as required by the IIAP, providing feedback on business cases for 7 significant digital investments in the December 2021 MYEFO and for 14 significant investments in the 2022–23 Budget.

Assurance framework strengthens support for successful delivery of projects

- As part of our work supporting the Government to develop the IOF in 2021–22, the DTA helped design and implement the Assurance Framework for Digital and ICT Investments to strengthen the use of assurance to support the successful delivery of digital projects.
 - *Under the Assurance Framework for Digital and ICT Investments, investments are assigned either Tier 1 (flagship digital investments), Tier 2 (strategically significant digital investments) or Tier 3 (significant digital investments) status.*
 - *Different minimum requirements apply to the different tiers. For example, Tier 1 investments must include DTA representation on their governance committee with Tier 2 investments required to review and update their assurance plans at least every 12 months.*
- This work was integrated into the DTA's assessment process for new (digital) policy proposals, ensuring that proposed investments effectively planned for assurance early in the decision-making process, and in a more consistent way commensurate with project-by-project risks.
- In addition, the Assurance Framework was retrospectively applied to significant in-flight investments as part of ensuring we could effectively fulfil the DTA's trusted adviser role for the Government across its portfolio of digital investments.
 - *While this retrospective application of the Assurance Framework remains in progress, initial insights have revealed a broad range of maturity in the assurance arrangements being applied to in-flight investments. Some projects require moderate uplifts in key areas while others are comfortably achieving compliance against the requirements of the Assurance Framework.*
 - *Once concluded, this activity will result in strengthened oversight by the DTA of 27 in-flight investments, comprising more than 90% (by value) of the \$5.6 billion portfolio of in-flight digital investments scheduled to be completed in 2023 or beyond.*

Feature – Providing investment portfolio assurance, page 38.

Completed projects within timeframes

Timely advice and project completion supports government digital transformation

- Examples of projects completed within timeframes during the year included:
 - *establishing the IOF (page 31)*
 - *helping to design and implement the Assurance Framework for Digital and ICT Investments (page 33)*
 - *launching the first iteration of the Australian Government Architecture (page 20)*
 - *releasing the Digital Government Strategy (page 21)*
 - *developing the Digital Capability Standards (page 20)*
 - *releasing the Digital and ICT Reuse Policy (page 24)*
 - *finalising the Digital Review of APS digital and ICT maturity capability (page 23)*
 - *undertaking a whole-of-government audit of data holdings, networks and systems (page 23)*
 - *releasing the Exposure Draft of the Trusted Digital Identity Bill and TDIF Accreditation Rules (page 22)*
 - *delivering whole-of-government sourcing deals with Amazon Web Services and Microsoft (page 35)*
 - *transitioning the Digital Marketplace to the consolidated BuyICT website (page 35).*

Sourcing improvements enhance buyer and seller experience and drive greater value for money

Whole-of-government sourcing deals deliver value for money and improved procurement

- The DTA continued to expand whole-of-government volume sourcing agreements with suppliers to ensure government buyers have access to the best pricing, terms and conditions.
- This year, on behalf of Commonwealth agencies, the DTA delivered the next iteration of the whole-of-government arrangement with Amazon Web Services that will run to April 2025. The improved arrangement includes better pricing due to economies of scale, more favourable terms and conditions, and more flexible and streamlined contracting options – delivering additional benefit to over 80 entities at all levels of government.
- We also delivered the next iteration of the whole-of-government arrangement with Microsoft, extending out to July 2025.
- In total, the DTA's whole-of-government single vendor arrangements returned \$11.18 million in savings to the government's consolidated revenue fund in 2021–22.

Digital and ICT marketplaces and panels support value for money

- During the year, we also refreshed the Software and Hardware Marketplaces to allow for new sellers to join and ensure value for money is maintained.
 - *These refreshes added 33 new sellers to the Hardware Marketplace and 53 new sellers to the Software Marketplace.*
 - *We approached the market to establish a new category under the Hardware Marketplace to replace the Major Office Machines II Panel, which expires in November 2022. The new category, Printers, Scanners and Multi-Function Devices, will be available to government buyers in 2022–23.*
- In addition, we successfully transitioned the Digital Marketplace from its custom-built platform to the BuyICT website. The award-winning BuyICT website is now the single point of entry to all the DTA's whole-of-government ICT marketplaces and panels – simplifying the digital sourcing process.
- During 2021–22, government entities signed 9,749 contracts under our marketplaces and panels, for a combined value of over \$5 billion. More users are choosing BuyICT as their preferred sourcing channel, resulting in a:
 - *10% increase in the combined value of contracts*
 - *22% increase in the volume of contracts awarded to small-to-medium enterprises*
 - *6% increase in the volume of contracts awarded to Indigenous businesses.*

Feature – BuyICT wins award, page 39.

Digital Sourcing Network encourages information sharing

- We conducted 43 events to encourage greater communication, collaboration and knowledge-sharing among those involved in ICT procurement and digital sourcing roles.
- These events attracted more than 3,200 attendees and a satisfaction rating of over 90%.

Feedback on real-world operations identifies improvements

- We seek ongoing feedback to inform all stages of the IOF, the Australian Government Architecture and associated strategy, policy, standards and design advice.
- To support this, the DTA captures data from APS-wide digital and ICT surveys (wave collections), whole-of-government procurement activities, and insights from prioritisation and contestability functions to maintain an accurate understanding of the effectiveness of the Australian Government's digital investment portfolio. Examples of the feedback loop during 2021–22 include:

- *A series of 3 wave collection surveys covering 252 ICT projects across the Australian Government, which identified trends and insights in delivery, capability and benefits metrics.*
- *Assurance information gathered by the DTA from across the portfolio, which was leveraged to shape and inform future investment decisions through presentation of data and intelligence to whole-of-government digital governance committees.*
- *A thorough feedback review of the Digital Capability Standards pilot process (see page 32), which was used to improve the contestability function. User insights were systematically examined, prioritised and then incorporated into improvements to the Digital Capability Standards process for the 2022–23 Budget cycle.*
- *Information gained through targeted consultation, which informed improvements to the Australian Government Architecture.*

Feature

Prioritising digital and ICT investment

An important aspect of digital and ICT investment oversight is being able to prioritise investments across the Australian Government. The DTA's expanded investment mandate has enabled the development and implementation of the prioritisation stage of the IOF.

Investment prioritisation is supported through maturity analysis of the digital and ICT landscape. This adds value through insights on areas including trends in planned investments, duplication, gaps and underinvestment, and potential improvements through collaboration or centralisation.

Our prioritisation work supports the Government's consideration of ICT and digital investment proposals. As part of the prioritisation process, we work with Commonwealth agencies to:

- identify the pipeline of proposed longer-term digital and ICT-enabled investments
- analyse the whole-of-government pipeline of investments to identify gaps and reuse

opportunities, and improve the visibility of future projects across the APS

- prioritise investment proposals against the Government's digital and ICT objectives
- through the pipeline, deliver a whole-of-government Multi-Year Investment Plan to support the Government to strategically plan what to invest in and when.

Prioritisation advice is expected to become a common tool for assessing future investment proposals against the Government's digital and ICT objectives. We will publish further guidance on investment prioritisation in 2022–23.

www.dta.gov.au/help-and-advice/digital-and-ict-investments/digital-and-ict-investment-oversight-framework

Feature

Providing investment portfolio assurance

The DTA has oversight of more than 100 digital projects underway across the Australian Government. These projects are improving public services, transforming government operations, strengthening national security, and improving people's lives. Digital projects are often very challenging to deliver, and several in-flight digital projects are unequalled in size and complexity in Australia.

If difficulties are encountered, the DTA engages with and advises agencies and ministers on remediation steps. Our role involves supporting structured remediation responses under the Assurance Framework.

The remediation responses build on the DTA's expertise in the assurance of major digital projects and make effective use of independent and objective perspectives to support agencies in overcoming delivery difficulties.

Assurance is critical to the DTA's role as a trusted adviser on ongoing work, to continuously improve the digital project delivery environment across the Australian Government – including issues that span agencies or are economy-wide and need to be addressed centrally for the best chance of success.

This year, we further developed structured remediation responses, with a gradual roll-out to priority projects now underway, as part of the broader roll-out of the Assurance Framework.

Feature

BuyICT wins award

The DTA's BuyICT platform was recognised as the best government project in both the ACT and National categories of the 2021 Project Management Achievement Awards. The awards, which celebrate program and project management excellence, have been running for 21 years through the Australian Institute of Project Management.

This win demonstrates the work we are doing to support the vision of becoming one of the top digital governments in the world. BuyICT is a prime example of our work to make better procurement channels that drive efficiencies for buyers and sellers. It makes sourcing simple for government buyers and sellers through streamlined processes that stimulate competition and innovation and encourage greater Australian participation.

With the move of the Digital Marketplace to BuyICT in May 2022, all our procurement arrangements are now in one easy-to-navigate home.

Features include:

- clear guidance to find the products and services that meet government needs
- marketplaces for cloud products and services, data centres, digital specialists, hardware, major office machines, software and telecommunications
- the Seller Catalogue of registered businesses and the services they provide
- whole-of-government arrangements that make it easier to buy digital products and services from commonly used suppliers
- tools, resources and mandatory policies that help make sourcing as easy as possible.

www.buyICT.gov.au

Analysis of performance

Several factors influenced our performance in 2021–22.

During this year of significant change, the DTA was required to simultaneously establish, refine and implement the required frameworks and guidance to support our revised mandate. At the same time, we continued to deliver business-as-usual on aspects of our mandate that were not so affected by the changes.

In addition, we supported a significant number of staff through required Machinery of Government changes. Like many other workplaces, we also had to manage the ongoing impacts of COVID-19, including reduced staffing at times and supporting flexible working arrangements. It was also necessary to recruit new staff with the specialist digital oversight capabilities required to deliver our mandate, and to fully establish our leadership team.

Towards the end of the reporting year, the change of government required extensive briefings and preparation for our move from the Prime Minister and Cabinet portfolio to the Finance portfolio.

Despite this, we contributed strongly towards our performance measures through our activities and outcomes during the year. The IOF, Australian Government Architecture, and Digital Government Strategy were released – setting direction and enabling us to provide trusted advice and oversight of government digital and ICT investments through all stages from planning through to real world operation. Underlying standards and guidance were also refined or developed. Some aspects, such as the prioritisation of digital and ICT investments across the Australian Government, are new processes that are maturing. Similarly, the assurance function is evolving and the roll out to all in-flight investments is still proceeding.

Nevertheless, through the DTA's leadership, digital transformation continued to focus on user needs, in line with the frameworks, strategies and guidance we put in place, and the assurance we provided. Digital platforms were enhanced and saw increased use. We worked across government to identify opportunities for reuse and cooperative, consistent approaches, and we improved sourcing arrangements for digital products and services.

It is therefore our assessment that we met the Portfolio Budget Statement performance criteria and targets, and the Corporate Plan performance measures for 2021–22.

“

In the year ahead, we look forward to further embedding our work to lead and provide trusted advice on the Australian Government's digital future.”



Management and accountability

Corporate governance44

External scrutiny 47

Environmental performance59

Freedom of information.....59

Corporate governance

Our approach ensures the DTA is adequately governed to meet our public accountabilities and enables us to work in an agile way – working collaboratively and responding quickly to change, to mature the Government’s digital and ICT capability.

Governance approach

Our corporate governance approach includes:

- strategies, policies and standard guidelines
- governance committees
- business planning
- risk and fraud management
- audit and assurance activities.

Our system of governance and accountability for public resources is shaped by the PGPA Act and associated legislative instruments.

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*.

We have a formal Organisational Performance Framework of policies and guidelines supported by Accountable Authority Instructions issued by the CEO that assure we comply with legislative requirements, and expectations of probity, accountability and transparency.

Governance committees

In 2021–22, we had 2 formal governance committees – our Executive Board and Audit Committee.

Executive Board

This is our agency’s key governance body, determining strategic direction and monitoring and managing the overall performance of the organisation.

Our Executive Board comprises our senior leadership team (see page 12–13). It 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.

Our Audit Committee Charter is at: www.dta.gov.au/audit-committee-charter.

The committee is directly accountable to our CEO. It comprises an independent chair, independent deputy chair and 2 independent members. During 2021–22, the Audit Committee met on 18 August 2021, 28 September 2021, 17 November 2021, 16 March 2022 and 22 June 2022.

Member	Qualifications, knowledge, skills and experience
Independent Chair Allan Gaukroger Remuneration \$25,000 (GST inc.) Meetings Attended 5 of 5 meetings	Allan has more than 40 years' private and public sector experience in senior financial, audit and general management positions, including 11 years as Chief Financial Officer and 4 years as Chief Audit Executive within the APS. Allan has a Bachelor of Arts (Major in Accounting) and is a Fellow of CPA Australia. He has served as Independent Deputy Chair and Independent Chair of other government agency audit committees, and joined DTA's Audit Committee in 2017.
Independent Deputy Chair Karen Toole Remuneration \$16,720 (GST inc.) Meetings Attended 5 of 5 meetings	Karen is a Chartered Accountant Fellow with more 20 years' experience in finance and risk management, program management, stakeholder management, and strategic planning and ICT management. She has worked in both private sector and government roles, and is the owner of CJZ Consulting. She has also held volunteer Board and Treasurer positions for non-profit and professional organisations. Karen has Bachelor degrees in Commerce and Science and is a member of several government agency audit committees, including DTA's Audit Committee since 2015.
Independent Member Janine McMinn Remuneration \$12,342 (GST inc.) Meetings Attended 5 of 5 meetings	Janine is an experienced ICT professional with more than 30 years' experience in ICT project management, security and development. She has worked as a consulting Partner with Acumen Alliance and Oakton, as well as with several APS agencies. Janine has served on various audit committees. She has a Bachelor degree in Computer Science from the Australian National University, is a Fellow of the Australian Institute of Company Directors, and is a Certified Information Systems Auditor and Certified Information Security Manager. Janine joined the DTA Audit Committee in June 2021.
Independent Member (non-DTA Commonwealth Official) Christopher Atkinson Remuneration N/A Meetings Attended 5 of 5 meetings	Chris is a lawyer with 20 years' experience in private enterprise and public sector agencies, advising on legal, governance and accountability matters. Chris is a full-time employee of the Department of the Prime Minister and Cabinet where he has advised on ministerial and parliamentary matters, business process, performance measurement and risk management. He has a Bachelor degree in Economics and Laws and a Post Graduate degree in Legal Practice with the Australian National University. He is a member of the Institute of Internal Auditors Australia has been an Independent member of the DTA Audit Committee since 2017.

Corporate planning and reporting

Our formal Organisational Performance Framework of policies, supported by Accountable Authority Instructions, assure we comply with legislative requirements, and expectations of probity, accountability and transparency.

Our Portfolio Budget Statement sets out our intended outcome for the financial year, along with resource allocation, performance criteria and targets. Our Corporate Plan is our primary planning document. It articulates our purpose, environment, priorities, capabilities and risk management over a 4-year period. By broadly aligning these documents, we ensure our day-to-day operations contribute to our longer-term strategic direction.

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

Risk and fraud management

Our work practices and regular, open and transparent communication with stakeholders enables us to quickly identify, understand and respond to emerging risks that may negatively affect our ability to deliver DTA priorities, while remaining open to positive risks and opportunities that support our objectives.

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

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; and investigation, reporting, recording and response strategies for fraudulent activities.

No instances of fraud were identified during the year.

Internal audit and assurance

Our agency has an internal audit function, established by charter to provide independent and objective assurance and strategic advice to the CEO.

External scrutiny

During most of 2021–22, we were accountable to the Parliament through the Minister for Employment, Workforce, Skills, Small and Family Business. From 23 May 2022, we became accountable through the Minister for Finance.

Other external scrutiny of our agency is provided through Parliamentary Committees, the Commonwealth Ombudsman, Australian Information Commissioner and Australian National Audit Office.

The DTA was not subject to any judicial decisions or decisions of administrative tribunals or the Information Commissioner in 2021–22 that had, or may have had, a significant effect on our operations.

We were not the subject of any reports by the Commonwealth Ombudsman or capability reviews by the Australian Public Service Commission.

During the year, the Australian National Audit Office conducted a performance audit to assess the effectiveness of the DTA's procurement of ICT related services. We will report on the audit outcome and the DTA's response in next year's annual report.

Senate inquiries

We appeared before one inquiry during the reporting year – 30 September 2021, Senate Select Committee on COVID-19 public hearing.

Senate estimates

We appeared before the Senate Finance and Public Administration Legislation Committee on 25 October 2021 for 2021–22 Supplementary Budget Estimates, and 14 February 2022 for Additional Estimates.

We appeared before the Senate Finance and Public Administration Legislation Committee on 4 April 2022 for 2022–23 Budget Estimates.

Management of human resources

To lead the Government's digital transformation efforts, our people have unique and wide-ranging skills, including in digital strategy and architecture, digital investment advice and sourcing, data analysis and data engineering, and enabling corporate services.

Managing and developing employees

Workforce planning

In 2021–22, we implemented the first DTA Organisational Capability Strategy, outlining how the DTA would transition to our new role and mandate. The strategy detailed our plan to build the capabilities required to deliver stronger planning, coordination and oversight of whole-of-government digital and ICT investments, including:

- mapping out how the DTA would transition to our strengthened central agency mandate
- identifying where we should build the organisational capabilities required
- outlining how we can reduce our reliance on contractors and consultants.

Key actions under the strategy included:

- establishing the DTA Operating Model taskforce to drive internal initiatives that will contribute to the efficient operation of the DTA and building the organisational capabilities to match
- implementing and driving leadership behaviours to enable staff across the DTA to work as a team to influence decision-making across the APS
- implementing structural and staffing changes to establish our direction setting, investment, contestability and assurance functions to allow the DTA to meet government expectations
- setting a clear target aspirational state and articulating impactful talent interventions to improve our performance.

Change management

We established a comprehensive Change Program to support the significant change in the DTA's mandate from 1 July 2021. The program was designed to uplift the DTA's capability as a central agency responsible for whole-of-government oversight of ICT and digital issues. Through the program, we have:

- provided timely, relevant, and clear information about the changes happening at the DTA including through all staff meeting updates, a speaker series and internal communications articles
- provided opportunities for staff to contribute to change activities including the all-staff survey, values and behaviours workshops and through the Change Agent Community established to support the DTA's change in mandate
- provided avenues for feedback to the Executive on how staff are adapting to delivering to our mandate
- enriched our culture through an inclusive journey in delivering our new mandate.

The targeted training programs and recruitment, organisational capability, change and communications strategies, and Change Agent Community have supported the DTA's workforce to transition from a technical agency to an organisation that now provides policy and strategy advice.

Feature

Improving capability through understanding

As part of our Change Program, we introduced an 'Understanding the DTA' series to uplift capability across the agency.

Results from an all-staff survey indicated a strong desire for clarity around the DTA's roles and responsibilities, and how functions need to work together to deliver on our revised mandate. In response, we developed a speaker series to address key gaps and improve our capability in relevant APS and DTA operating knowledge.

Starting in February 2022, the series initially focused on providing staff with core skills and insights related to the DTA's role as an oversight, assurance and advisory agency.

The second tranche aimed to provide staff with a deeper understanding of DTA's frameworks, policies and processes, to help improve connection and transparency around

how each area contributes to achieving organisational outcomes.

Recordings and notes from the fortnightly sessions are stored on a dedicated intranet hub as a key resource for all staff, particularly those new to the agency.

The series has given staff a better understanding of each of the DTA's core deliverables and where they fit into the bigger picture of DTA's purpose. A subsequent staff survey demonstrated a strong uplift in capability and staff understanding, and improved connection to DTA's mandate.

Values and behaviours

With the change in mandate mid-2021, our new purpose did not neatly align with the DTA’s previous values that were more focused on technical and delivery functions. Based on staff survey results and several weeks of staff consultation, we settled on 5 new values and corresponding behaviours to embed across all facets of the organisation. The values were launched at the final all-staff meeting of 2021 and have flowed through the agency in 2022 to become the common language of the DTA.

Our values and behaviours complement the APS Values and Code of Conduct, which set out the standards of behaviour expected of all employees in the APS.

In addition, a comprehensive set of policies and programs are in place to support our people. These include our People Strategy, Diversity and Inclusion Strategy, Reconciliation Action Plan, Disability Action Plan, health and wellbeing initiatives and workforce planning.

The image displays five value cards arranged in a grid on a light green background. Each card is white with a colored L-shaped icon in the top right corner. The values and their descriptions are as follows:

- Collaboration** (Dark Blue icon): We work together to achieve our goals
- Respect** (Light Green icon): We make everyone feel safe, supported and included
- Transparency** (Light Orange icon): We build trust through being authentic and honest
- Future Focused** (Dark Green icon): We use our expertise to support the Government's digital agenda
- Excellence** (Yellow icon): We strive for excellence in all we do

Organisational processes

As part of continuing to mature the DTA's management framework, we commenced a program of work to help ensure our organisational processes remain fit-for-purpose and compliant with relevant legislation and policy frameworks. An accompanying training program that focuses on ensuring DTA staff understand their roles and responsibilities and the behaviours required of them is also underway.

Training and development

We encourage continued learning and the ongoing development of our employees. During 2021–22, we held formal development opportunities for staff to strengthen their policy development, writing techniques, change management, cultural awareness, wellbeing, security and privacy awareness, and procurement.

In addition, our study assistance program supported 12 staff to undertake study to improve their professional skills and knowledge relevant to their current position and the DTA's work. The DTA also participated in the UNSW Co-op Program, which provides university students with industry experience and professional development as part of their degree, while providing sponsors with access to some of the nation's best and brightest students.

Workplace health and safety

The health and safety of our workforce is of the utmost importance. Initiatives in 2021–22 to support and manage the health, safety and welfare of our workers included:

- conducting hazard inspections and addressing the findings
- providing a confidential counselling service to employees and their immediate family members through the Employee Assistance Program
- providing access to trained Mental Health Advisors
- conducting workstation assessments with a strengthened approach to reasonable adjustment
- investing in early intervention support for employees experiencing an illness or injury
- continuing to promote a healthy lifestyle including influenza vaccinations, 'September' and 'R U Okay Day'
- providing extensive communication and support for employees during COVID-19.

During 2021–22, there were 14 incidents reported, with no notifiable incidents reported to Comcare under section 38 of the *Work Health and Safety Act 2011* (WHS Act). There were zero worker/s compensation claim lodged. No investigations were conducted, and no notices were given under Part 10 of the WHS Act.

Diversity and inclusion

We are committed to building and maintaining an inclusive working environment based on trust, mutual respect and understanding. We value the contributions of people with different backgrounds, experiences and perspectives. Our commitment is reinforced in our Diversity and Inclusion Strategy 2019–21, Disability Action Plan 2019–21, and Reconciliation Action Plan May 2021 to August 2022.

We focus on leadership and culture, awareness and creating a sense of belonging, celebrations through recognised events, and our diversity network. Our Executive Diversity Champion plays a visible leadership role across the DTA to work with staff to create a valued, respected and diverse culture. We ensure our offices are accessible and offer reasonable adjustments where required. DTA is a member of organisations such as the Diversity Council Australia, the Australian Network on Disability and Pride in Diversity.

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

In 2021–22, the DTA has 44 (21%) employees who were born overseas, zero employees who identified as Aboriginal and/or Torres Strait Islander, and 21 employees (10%) who identified as having a disability.

Australia's Disability Strategy 2021–2031 is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life. A range of reports on progress of the strategy's actions and outcome areas will be published and available at www.disabilitygateway.gov.au/ads.

Disability reporting is included the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at www.apsc.gov.au.

APS employee statistics

As at 30 June 2022, our agency had 214 APS employees, including part-time and non-ongoing employees (based on headcount). Most of our employees are in our Canberra office (87%) with other staff with a diverse mix of skills and experience working remotely in Western Australia, South Australia, Victoria, regional New South Wales, Sydney and Queensland, as well as in our Sydney office.

During 2021–22, our average staffing level was 217.55. This compares with the previous reporting period, when our agency had 275 APS employees, including part-time and non-ongoing employees (based on headcount), and an average staffing level of 266.1.

Table 1: APS employees by classification, employment type, status and gender, as at 30 June 2022

Classification	Employment type			Status		Gender		
	Total	Ongoing	Non-ongoing	Full-time	Part-time	Female	Male	Other
SES B2	2	2	0	2	0	1	1	0
SES B1	10	9	1	10	0	4	6	0
EL2	49	48	1	48	1	21	28	0
EL1	73	72	1	69	4	43	30	0
APS	80	76	4	74	6	45	35	0
Total	214	207	7	203	11	114	100	0

Table 2: APS employees by location, as at 30 June 2022

Classification	Location							
	Total	Canberra office	Sydney office	NSW – remote	Qld – remote	WA – remote	SA – remote	VIC – remote
SES B2	2	2	0	0	0	0	0	0
SES B1	10	9	0	0	1	0	0	0
EL2	49	46	1	0	0	1	0	1
EL1	73	59	6	1	2	0	3	2
APS	80	67	6	0	1	0	2	4
Total	214	183	13	1	4	1	5	7

Staff movements

The change to the DTA's mandate in July 2021 and Machinery of Government transfers contributed to a total separation rate of 60.6%, much higher than in previous years. This was not unexpected, as the DTA's previous delivery mandate required a workforce with digital project, program and delivery capabilities. While these capabilities are in demand across the public and private sectors, our agency's revised role required less of these capabilities. Of all staff who separated from the DTA during the year, 69.2% remained in the APS, where their digital delivery expertise can be put to best use in service delivery agencies. The DTA's 2021–22 separation rate was 47.3% when Machinery of Government changes are excluded.

In comparison, the DTA had an attraction rate of 34% in the same period, as we welcomed new staff with the specialist digital oversight capabilities required to deliver our mandate.

Workplace agreements

The Digital Transformation Agency Enterprise Agreement 2022–2025 applies to all non-SES employees. The agreement commenced on 21 February 2022 and operates for 3 years.

Non-salary benefits

DTA employees are provided with a range of non-salary benefits including:

- pay point advancement for meeting the criteria of our Performance and Development Framework
- access to flexible working conditions
- higher duties allowance for performing work at a higher classification for 10 consecutive days or more
- flexible remuneration and salary packaging
- Christmas close-down from close of business on the last working day before Christmas Day until the first working day in January
- flextime and overtime for APS level employees
- time off in lieu for Executive Level employees
- fortnightly corporate citizen allowance for first aid officers, wardens or health and safety representatives
- various parental leave provisions
- overtime meal allowance
- travel allowance and motor vehicle allowance
- relocation assistance
- access to an Employee Assistance Program
- support for professional and personal development including study assistance
- restriction allowance.

Performance pay

The DTA did not pay performance bonuses to any employees in 2021–22.

Salary range

In 2021–22, salaries for our employees ranged from \$48,870 to \$366,200 (SES 2), compared with \$47,956 to \$366,200 (SES 2) during the previous reporting year.

Table 3: Salary range by classification, as at 30 June 2022

Classification	Minimum (\$)	Maximum (\$)
APS1	48,870	53,667
APS2	54,981	60,941
APS3	62,530	67,557
APS4	70,087	75,747
APS5	78,138	85,145
APS6	86,162	101,193
EL1	111,534	123,639
EL2	129,390	153,37
SES (all bands)*	205,796	366,200

* The SES salary range is based on actual salaries of SES employees, as at 30 June 2022.

Executive remuneration

The categories of officials covered by the disclosures include key management personnel and senior executives, and other highly paid staff.

The CEO's remuneration is determined by Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office) Determination.

All other SES staff are covered by Agency Determinations, which are determined by the CEO under subsection 24(1) of the *Public Service Act 1999*, in accordance with the DTA's SES Remuneration and Performance Policy. This policy is designed to promote and foster a culture of high performance, collaboration, innovation and respect through both actions and behaviours, and provide a competitive salary for SES employees.

We monitor and evaluate the competitiveness of SES remuneration annually through the results of the APS Remuneration Report.

Governance arrangements for SES remuneration and movements in salary are determined by the CEO during the employee's annual review process and at the end of the performance cycle each year, as appropriate.

See *Appendix B: Executive remuneration* for details.

Environmental performance

We aim to minimise the 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% carbon-neutral and recyclable print paper
- recycling bins – 1 for every 20 staff members
- recycling programs for printer toner cartridges, batteries and felt pens
- reduced power consumption strategies, 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 both our Canberra and Sydney offices hold a 5-star rating 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.



Financial performance

Financial performance overview..... 62

Purchasing and procurement 65

Financial statements..... 69

Financial performance overview

The DTA recorded an operating surplus of \$2.5 million in 2021–22, driven mainly by revenue received from other Commonwealth agencies. This compares with a surplus of \$50.8 million in 2020–21, driven by savings achieved from whole-of-government ICT procurement and revenue received from other Commonwealth agencies. The decrease in surplus in 2021–22 compared with the previous year is mainly due to less revenue received from other Commonwealth agencies because of arrangements transferred to other agencies from 1 July 2021 and a one-off revenue received arrangement in the prior year, as well as reduced savings achieved in whole-of-government ICT procurement.

Our management of the ICT Coordinated Procurement Special Account continues to have a substantial impact on the DTA's balance sheet, with \$172.0 million of the DTA's \$231.1 million of assets and \$116.2 million of the DTA's \$149.2 million in liabilities associated with the special account.

Table 4: DTA resource statement, 2021–22

		Actual available appropriation for 2021–22 \$'000 (a)	Payments made for 2021–22 \$'000 (b)	Remaining balance 2021–22 \$'000 (a) – (b)
Ordinary annual services¹				
Prior year departmental appropriation		51,175	51,175	
Departmental appropriation ²		79,785	53,975	25,810
s. 74 retained revenue receipts		7,329	7,329	
s. 75 transfers		(7,565)	(7,565)	
Total		130,724	104,914	25,810
Total ordinary annual services	A	130,724	104,914	25,810
Special Accounts³				
Opening balance		82,484		
Balance transfer from Department of Finance				
Non-appropriation receipts to Special Account		521,860		
Payments made			464,219	
Closing balance				140,125
Total Special Accounts	B	604,344	464,219	140,125
Total resourcing and payments for DTA	A+B	735,068	569,133	165,935

¹ Appropriation Act (No.1) 2021–22.

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 5: DTA expenses for Outcome 1, 2021–22

Outcome 1: Improve the delivery of government services by leading and coordinating whole of government digital and ICT strategies, policies, advice, standards and procurement, as well as supporting the delivery of shared capabilities and services that enable digital transformation	Budget ¹	Actual expenses	Variation
	2021–22 \$'000 (a)	2021–22 \$'000 (b)	2021–22 \$'000 (a) – (b)
Departmental expenses			
Departmental appropriation ²	81,955	79,549	2,406
Special Accounts	11,006	10,513	493
Expenses not requiring appropriation in the budget year	1,298	7,274	(5,976)
Total for Program 1.1	94,259	97,336	(3,077)
Total expenses for Outcome 1	94,259	97,336	(3,077)
	2020–21	2021–22	
Average staffing level (number)	266	218	

¹ Full-year budget, including any subsequent adjustment made to the 2021–22 Budget at Additional Estimates.

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 PGPA Act, Commonwealth Procurement Rules and all Procurement Connected Policies, including the Indigenous Procurement Policy.

The CEO's Accountable Authority Instructions support these principles by providing further direction to DTA officials when conducting procurements on behalf of our agency. The Accountable Authority Instructions 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 2021–22, we published the following on the AusTender website:

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

Consultancy contracts

The DTA engages consultants where specialist or technical expertise is required. We assess the engagement of consultants to ensure value for money and compliance with the PGPA Act, the Commonwealth Procurement Rules and Accountable Authority Instructions.

During 2021–22, no new consultancy contracts were entered into. There were no ongoing consultancy contracts active during the period.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.

Non-consultancy contracts

The DTA uses non-consultancy contracts for a wide range of goods, services and skills to support the delivery of our agency's outcome. This includes software licences, change management advice and delivery, and contracted labour hire staff.

In 2021–22, the DTA entered into 225 new non-consultancy contracts, with a total actual expenditure on these contracts of \$33,397,908.81 (inclusive of GST). The number of ongoing reportable non-consultancy contracts entered into during the previous reporting period was 373, and the total actual expenditure in the reporting period on those ongoing contracts was \$40,660,622.10 (inclusive of GST).

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.

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

No contracts in 2021–22 were exempt from AusTender reporting.

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.

In addition, the DTA operates the BuyICT platform, which now includes the Digital Marketplace. This initiative under the National Innovation and Science Agenda, aims to make it easier for smaller businesses to compete for the Government's 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.

The DTA 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.

Advertising and market research

During 2021–22, the DTA did not conduct any advertising campaigns or market research.

Legal services expenditure

Under the Legal Services Directions 2017, the DTA is required to report on legal services expenditure each financial year. All figures in the following table are exclusive of GST.

Table 6: Legal services expenditure, 2021–22

Item	Value (\$ GST exclusive)
Total (external + internal) expenditure	2,699,923.69
Total internal legal services expenditure	204,096.74
Total external legal services expenditure	2,495,826.95
External legal services expenditure	
Total value of briefs to counsel	0
Total value of disbursements (excluding counsel)	0
Total value of professional fees paid	2,495,826.95
Total external legal services expenditure	2,495,826.95

Digital Transformation Agency

Financial Statements

for the period ended 30 June 2022



INDEPENDENT AUDITOR'S REPORT

To the Minister for Finance

Opinion

In my opinion, the financial statements of the Digital Transformation Agency (the Entity) for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2022 and for the year then ended:

- Statement by the Chief Executive Officer and 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 an Overview and 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 Entity 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 (including Independence Standards)* (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 Entity, the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation 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 ability of the Entity 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, as applicable, matters related to going concern 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 the Accountable Authority 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



Peter Kerr
Executive Director
Delegate of the Auditor-General

Canberra
6 October 2022

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 2022 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.



Chris Fechner

Chief Executive Officer
5 October 2022



Chris Huang CA

Chief Financial Officer
5 October 2022

Digital Transformation Agency
Statement of Comprehensive Income
for the period ending 30 June 2022

		2022	2021	Original
	Notes	\$'000	\$'000	Budget
				\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	31,323	36,645	31,923
Suppliers	1.1B	57,223	77,613	62,657
Depreciation	2.2A	8,084	5,481	3,705
Impairment loss on financial instruments		148	20	-
Write-down and impairment of other assets		342	-	-
Finance costs	1.1C	216	121	162
Total expenses		97,336	119,880	98,447
Own-source income				
Own-source revenue				
Revenue from contracts with customers	1.2A	26,632	83,724	21,294
Rental income	1.2B	138	99	-
Other revenue	1.2C	114	93	-
Total own-source revenue		26,884	83,916	21,294
Gains				
Other gains	1.2D	712	75	577
Total gains		712	75	577
Total own-source income		27,596	83,991	21,871
Net cost of services		69,740	35,889	76,576
Revenue from Government	3.1A	72,220	86,722	79,785
Surplus attributable to the Australian Government		2,480	50,833	3,209
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		382	(89)	-
Total comprehensive income attributable to the Australian Government		2,862	50,744	3,209

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

Digital Transformation Agency
Statement of Financial Position
as at 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
ASSETS				
Financial Assets				
Cash and cash equivalents	2.1A	140,382	83,479	84,765
Trade and other receivables	2.1B	57,509	72,013	51,580
Total financial assets		197,891	155,492	136,345
Non-financial Assets				
Leasehold improvements ¹	2.2A	31,350	16,334	14,262
Plant and equipment	2.2A	1,053	1,317	1,138
Prepayments		776	880	588
Total non-financial assets		33,179	18,531	15,988
Total assets		231,070	174,023	152,333
LIABILITIES				
Payables				
Suppliers	2.3A	118,806	59,016	89,840
Other payables	2.3B	1,175	1,195	842
Total payables		119,981	60,211	90,682
Provisions				
Employee provisions	4.1A	9,289	11,225	10,099
Make good provisions	2.5A	770	1,359	1,265
Total provisions		10,059	12,584	11,364
Interest Bearing Liabilities				
Leases	2.4A	19,191	10,740	10,357
Total interest bearing liabilities		19,191	10,740	10,357
Total liabilities		149,231	83,535	112,403
Net assets		81,839	90,488	39,930
EQUITY				
Contributed equity		(6,588)	4,919	13,671
Asset revaluation reserve		618	236	325
Retained surplus		87,809	85,333	25,934
Total equity		81,839	90,488	39,930

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

¹ Right-of-use assets are included in Leasehold improvements.

Digital Transformation Agency
Statement of Changes in Equity
for the period ending 30 June 2022

	2022	2021	Original Budget
	\$'000	\$'000	\$'000
TOTAL EQUITY - OPENING BALANCE			
Balance carried forward from previous period			
Contributed equity	4,919	13,671	13,671
Asset revaluation reserve	236	325	325
Retained earnings	85,333	34,500	31,876
Retained earnings - opening balance adjustment	(4)	-	-
Adjusted opening balance	90,484	48,496	45,872
COMPREHENSIVE INCOME			
Retained earnings			
Surplus for the period	2,480	50,833	3,209
Asset revaluation reserve			
Other comprehensive income	382	(89)	-
Total comprehensive income	2,862	50,744	3,209
CONTRIBUTED EQUITY			
Transactions with owners - contributed equity			
Distributions to owners			
Returns of capital:			
Return of equity - WoAG ICT savings ¹	(11,182)	(8,752)	(9,151)
PGPA s75 transfer of prior year appropriation ²	(825)	-	-
Contributions by owners			
Transfer from Department of Finance ³	500	-	-
Total transactions with owners	(11,507)	(8,752)	(9,151)
TOTAL EQUITY			
Contributed equity	(6,588)	4,919	13,671
Asset revaluation reserve	618	236	325
Retained earnings	87,809	85,333	25,934
Closing balance as at 30 June	81,839	90,488	39,930

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

¹ In 2022, as part of managing whole of Australian Government (WoAG) ICT procurement arrangements the DTA returned \$11.182 million in savings to the Consolidated Revenue Fund (2021: \$8.752 million).

² PGPA Act section 75 determination for prior year appropriation is as a result of the Prime Minister's agreement made on 5 July 2021. Further information on restructuring is included in Note 6.2A.

³ Transfer to the ICT Procurement special account as part of the Major Office Machinery Panel Arrangement.

Digital Transformation Agency**Cash Flow Statement***for the period ending 30 June 2022*

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		104,176	135,015	79,797
Net GST received		37,752	29,247	11,000
Rendering of services		531,445	419,783	161,641
Total cash received		673,373	584,045	252,438
Cash used				
Employees		37,826	39,872	31,923
Suppliers		546,305	481,355	213,427
Interest payments on lease liabilities ¹		191	116	162
Transfers to the OPA		7,329	56,267	9,151
Total cash used		591,651	577,610	254,663
Net cash from / used by operating activities		81,722	6,435	(2,225)
INVESTING ACTIVITIES				
Cash used				
Purchase of leasehold improvements	2.2A	9,848	-	-
Purchase of plant and equipment	2.2A	672	2,756	-
Total cash used		10,520	2,756	-
Net cash used by investing activities		(10,520)	(2,756)	-
FINANCING ACTIVITIES				
Cash received				
Contributed equity:				
Restructuring - transfer of special account cash		500	-	-
Total cash received		500	-	-
Cash used				
Distributions of equity:				
Return of equity - WoAG ICT savings		11,182	8,754	-
Principal payments of lease liabilities ¹		3,617	3,149	2,984
Total cash used		14,799	11,903	2,984
Net cash used by financing activities		(14,299)	(11,903)	(2,984)
Net increase / decrease in cash held		56,903	(8,224)	(5,209)
Cash and cash equivalents at the beginning of the reporting period	2.1A	83,479	91,703	89,974
Cash and cash equivalents at the end of the reporting period	2.1A	140,382	83,479	84,765

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

¹ Total cash outflow for leases for the year ended 30 June 2022 was \$3.820 million (2021: \$3.265 million) including \$3.617 million in principal repayments, \$0.191 million in interest expense and \$0.012 million in short-term leases.

Digital Transformation Agency Budget Variance Commentary for the period ending 30 June 2022

Budgetary Reporting

The DTA's financial statements report the original budget as published in the Department of the Prime Minister and Cabinet 2021-22 Portfolio Budget Statements.

Explanations of major variances between the actual and original budgeted amounts for 2022 (that are greater than +/- 10 per cent of the original budget for a line item and greater than +/- \$1 million) are provided below.

Cause of major variances	Affected line items
Machinery of Government (MoG) change In 2022, a MoG was agreed by the Prime Minister to support the DTA's new mandate. Activities transferred included Digital Professions, MyGovID/MyGov, Digital identity and the COVIDSafe application. This change was not included in the original budget.	<u>Statement of Comprehensive Income</u> Employee benefits Suppliers Revenue from contracts with Customers Revenue from Government <u>Statement of Financial Position</u> Trade and other receivables Contributed Equity <u>Cash Flow Statement</u> Appropriations Restructuring – transfer of special account cash
Lease arrangements The DTA's leasing arrangements were modified in 2022, terminating the previous Canberra and Sydney leases and varying the lease at 11 Moore Street Canberra to accommodate all Canberra staff in a single location.	<u>Statement of Comprehensive Income</u> Depreciation Write-down and impairment of other assets Finance costs <u>Statement of Financial Position</u> Leasehold Improvements Lease liabilities <u>Cash Flow Statement</u> Purchase of leasehold improvements Principal payments of lease liabilities
WoAG ICT Arrangements The DTA manage several WoAG ICT arrangements. In 2022, agencies increased their usage of the Microsoft, SAP and AWS arrangements in particular. Increased administration and savings are recognised as revenue, whereas all other associated contract costs are recognised as pass-through arrangements and can be seen in the Cash Flow Statement only.	<u>Statement of Comprehensive Income</u> Suppliers Revenue from contracts with Customers <u>Statement of Financial Position</u> Cash and cash equivalents Trade and other receivables Suppliers Payable Contributed Equity – Return of equity (savings) <u>Cash Flow Statement</u> Net GST received Rendering of Services Suppliers

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ending 30 June 2022

Overview	79
1. Financial Performance	80
1.1 Expenses	80
1.2 Own-Source Revenue and Gains	81
2. Financial Position	83
2.1 Financial Assets	83
2.2 Non-Financial Assets	84
2.3 Payables	86
2.4 Leases	86
2.5 Other Provisions	86
3. Funding	87
3.1 Appropriations	87
3.2 Special Account	88
3.3 Net Cash Appropriation Arrangement	89
4. People and Relationships	89
4.1 Employee Provisions	89
4.2 Key Management Personnel Remuneration	90
4.3 Related Party Disclosures	90
5. Managing Uncertainties	91
5.1 Contingent Asset and Liabilities	91
5.2 Financial Instruments	91
6. Other Information	92
6.1 Current/non-current distinction for assets and liabilities	92
6.2 Restructuring	93

Digital Transformation Agency

Notes to and forming part of the financial statements

for the period ending 30 June 2022

Overview

Objectives of the Digital Transformation Agency

The Digital Transformation Agency (DTA) is an Australian Government controlled entity. It is a not-for-profit entity. The DTA's outcome is 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.

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)*; and
- b. Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 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.

No impact on the financial statements as a result of the COVID-19 pandemic has been identified.

New Australian accounting standards

AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the DTA.

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 DTA's 2021-22 financial statements.

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ending 30 June 2022

1. Financial Performance

This section analyses the financial performance of the DTA for the year ended 30 June 2022.

1.1 Expenses

	2022	2021
	\$'000	\$'000
Note 1.1A: Employee benefits		
Wages and salaries	22,542	26,045
Superannuation:		
Defined contribution plans	3,185	3,650
Defined benefit plans	1,386	1,738
Leave and other entitlements	3,162	4,055
Separation and redundancies	152	390
Other ¹	896	767
Total employee benefits	31,323	36,645

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 are contained in Note 4 People and Relationships.

Note 1.1B: Suppliers		
Goods and services supplied or rendered		
Consultants	18	770
Contractors ¹	44,837	56,325
Legal	2,482	1,757
Information technology and communication	5,097	11,440
Payments to other government agencies	163	55
Property, equipment, repairs and maintenance	1,384	1,706
Secondments	497	213
Shared services charges	657	1,456
Training, recruitment and other staff costs	1,494	2,798
Travel	128	85
Other ²	368	910
Total goods and services supplied or rendered	57,125	77,515
Goods supplied	604	413
Services rendered	56,521	77,102
Total goods and services supplied or rendered	57,125	77,515
Other suppliers		
Short-term leases ³	12	-
Workers compensation expenses	86	98
Total other supplier expenses	98	98
Total suppliers	57,223	77,613

¹ During the 2020-21 financial year, contractors were higher due to increased support with MyGov enhancements, this support has reduced in 2021-22.

² Other relates to Comcover premiums, conference fees, user research costs, graphic design, public relations and office supplies.

³ The DTA has short-term lease commitments of \$0.062 million for office space as at 30 June 2022.

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ending 30 June 2022

	2022	2021
	\$'000	\$'000
Note 1.1C: Finance costs - unwinding of discount		
Interest on lease liabilities	191	116
Unwinding of discount	25	5
Total finance costs	216	121

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 2.2A and 2.4A.

1.2 Own-Source Revenue and Gains

Note 1.2A: Revenue from contracts with customers		
Rendering of services	26,632	83,724
Total revenue from contracts with customers	26,632	83,724

Revenue from contracts in connection with:		
WoAG ICT Procurement fees	25,114	36,440
Services on behalf of Service Australia ¹	-	32,575
Services on behalf of Home Affairs ¹	-	12,514
ICT Skills Program	491	1,482
Defence Cyber GAP Program	141	135
Other	886	578
Total revenue from contracts with customers	26,632	83,724

Timing of transfer of services:		
Over time	13,919	68,612
Point in time	12,713	15,112
Total revenue from contracts with customers	26,632	83,724

¹ In 2021 the DTA worked in partnership with Services Australia on the upgrade of MyGov and MyGovID and supported Home Affairs on the Permissions Capability Taskforce. These arrangements ended in 2021.

Disaggregation of revenue from contracts with customers

The majority of the DTA's revenue relates to services performed for other Commonwealth entities, primarily the provision of staffing, contractors and other providers to deliver other entities new policy measures.

Most of the contracts entered into by the DTA with customers are for goods and services that are recognised over time, that is, longer term contracts that are recognised over a period rather than at a particular point in time.

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ending 30 June 2022

	2022	2021
	\$'000	\$'000
Note 1.2B: Rental Income		
Operating lease		
Sublease of Right of Use Asset	138	99
Total rental income	138	99

Operating rental income commitments

DTA in its capacity as lessor leased part of 280 Elizabeth Street, Surry Hills to the Asbestos Safety and Eradication Agency (ASEA) under an MoU in the 2020-21 financial year. The MOU ceased on transfer of the head lease contract to Services Australia in May 2022.

Commitments for sublease rental income receivables are as follows:

Within 1 year	-	108
Total sublease rental income commitments	-	108

Note 1.2C: Other Revenue		
Resources received free of charge - audit services ¹	98	84
Other ²	16	9
Total of Other revenue	114	93

¹ Volunteer services are represented by resources received free of charge.

² Other relates to sales of low value assets and royalties received.

Accounting Policy

Resources received free of charge

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.

Rendering of services

Revenue from the sale of goods is recognised when control has been transferred to the buyer.

Note 1.2D: Other Gains		
Gains on lease modifications	71	-
Gain on derecognition of make good	641	-
Foreign exchange gains	-	75
Total other gains	712	75

Digital Transformation Agency
Notes to and forming part of the financial statements
for the period ending 30 June 2022

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

	2022 \$'000	2021 \$'000
Note 2.1A: Cash and Cash Equivalents		
Cash on hand or on deposit	257	995
Special account - cash at bank	2,470	468
Special account - held in the OPA	137,655	82,016
Total cash and cash equivalents	140,382	83,479
Note 2.1B: Trade and Other Receivables		
Goods and services receivables		
Goods and services ¹	28,977	20,711
Total goods and services receivables	28,977	20,711
Appropriations receivables		
Existing programs	24,727	50,179
Total appropriations receivable	24,727	50,179
Other receivables		
Statutory receivables	3,281	1,175
Other receivables ²	753	31
Total other receivables	4,034	1,206
Total trade and other receivables (gross)	57,738	72,096
Less impairment loss allowance ¹	(229)	(83)
Total trade and other receivables (net)	57,509	72,013

Credit terms for goods and services were within 30 days (2021: 30 days).

¹ Receivables have been assessed for impairment at the end of each reporting period under the simplified approach for expected credit loss (ECL) model. Currently there is an allowance for impairment at 30 June 2022 of \$0.229 million (2021: \$0.083 million).

² Other receivables include employee related debts including leave balance transfers to other Government agencies.

Refer Note 2.3A for information relating to contract liabilities.

Accounting Policy

Financial Assets

Trade receivables and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, which are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance. Contractual receivables arising from the sale of goods and rendering of services have 30-day trading terms and are initially recognised at the nominal amounts due. Receivables that are statutory in nature are amounts determined under legislation or by court order.

Digital Transformation Agency**Notes to and forming part of the financial statements***for the period ending 30 June 2022***2.2 Non-Financial Assets****Note 2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment**

	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
As at 1 July 2021			
Gross book value	25,643	2,256	27,899
Accumulated depreciation and impairment	(9,309)	(939)	(10,248)
Total as at 1 July 2021	16,334	1,317	17,651
Additions			
Purchase	9,848	672	10,520
Right-of-Use Assets	20,483	-	20,483
Revaluations recognised in other comprehensive income	409	-	409
Depreciation expense	(3,865)	(594)	(4,459)
Depreciation on right-of-use assets	(3,625)	-	(3,625)
Write-down and impairments recognised in net cost of services	-	(342)	(342)
Other movements of right-of-use assets ¹	(8,234)	-	(8,234)
Total as at 30 June 2022	31,350	1,053	32,403
Total as at 30 June 2022 represented by			
Gross book value			
Fair value	32,361	2,132	34,493
Accumulated depreciation and impairment	(1,011)	(1,079)	(2,090)
Total as at 30 June 2022	31,350	1,053	32,403
Carrying amount of right-of-use assets	19,205	-	19,205

¹ Other movements of right-of-use assets relates to variations in lease contracts that have been accounted for as lease modifications including the termination of 50 Marcus Clarke Street Canberra lease, the novation (transfer) of the Elizabeth Street Sydney lease and the lease of additional office space at 11 Moore Street Canberra with an increased contract term.

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 2022, the value of contractual commitments for the acquisition of leasehold improvements and plant and equipment is Nil (2021: \$237,504.96).

Digital Transformation Agency

Notes to and forming part of the financial statements

for the period ending 30 June 2022

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 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.

Leased Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright but included in the same column as the corresponding underlying assets would be presented if they were owned.

An impairment review is undertaken for any right of use lease asset to determine if indicators of impairment exist, and an impairment loss recognised against any right of use lease asset that is impaired.

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value (or an amount not materially different from fair value).

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

Asset Class	Fair value measurement	2022 \$'000	2021 \$'000
Leasehold improvements	Current replacement cost - Level 3	12,144	5,753
Plant and equipment	Market selling price – Level 2	722	1,127
Plant and equipment	Market selling price – Level 3	13	90
Plant and equipment	Current replacement cost – Level 3	317	99

In 2022 a valuation of property, plant and equipment assets was undertaken by Jones Lang Lasalle (JLL). Leasehold improvements were revalued resulting in a valuation increment of \$0.409 million and confirmed that there was no material variation between carrying amount and fair value of Property, Plant and Equipment assets.

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:

Leasehold improvements ¹	Lease term	Lease term
Plant and equipment	3 to 10 years	3 to 10 years

¹ The depreciation rates for ROU assets are based on the commencement date to the end of the lease term.

Impairment

All assets were assessed for impairment during 2022. 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 was recognised in 2022 of \$0.342 million relating to plant and equipment assets relinquished at the termination of the 50 Marcus Clarke St and Sydney leases on takeover by other Commonwealth agencies (2021: Nil).

Digital Transformation Agency**Notes to and forming part of the financial statements***for the period ending 30 June 2022***2.3 Payables**

	2022	2021
	\$'000	\$'000
Note 2.3A: Suppliers		
Contract liabilities ¹	88,547	38,321
Trade creditors and accruals	30,259	20,695
Total suppliers	118,806	59,016

Settlement is usually made within 7 days.

¹ The contract liabilities are associated with WoAG ICT Procurement contracts.

Note 2.3B: Other payables		
Salaries and wages	588	620
Superannuation	96	105
Statutory payable	37	42
Leave transfers to other agencies	410	373
Other payables	44	55
Total other payables	1,175	1,195

2.4 Leases

Note 2.4A: Leases		
Lease Liabilities - Buildings	19,191	10,740
Total leases	19,191	10,740

Total cash outflow for leases for the year ended 30 June 2022 was \$3.808 million (2021: \$3.265 million).

Maturity analysis - contractual undiscounted cash flows		
Within 1 year	1,799	3,750
Between 1 to 5 years	10,288	7,169
More than 5 years	8,456	-
Total leases	20,543	10,919

The DTA currently has one lease arrangement for office space and car parking (2021: 3).

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.1C, 1.2C and 2.2.

2.5 Other Provisions

Note 2.5A: Provision for Make Good Obligations		
As at 1 July	1,359	1,265
Amounts reversed	(641)	-
Revaluation or change in discount rate	27	89
Unwinding of discount	25	5
Total as at 30 June	770	1,359

The DTA has one lease arrangement for the leasing of office premises with no requirement to make good at the end of the lease term. The DTA has two outstanding make good payments to be made on completion of negotiations in 2023.

Accounting Policy

Provisions for the restoration of leased premises (make good) are 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 ending 30 June 2022

3. Funding

This section identifies the DTA's funding structure.

3.1 Appropriations

Note 3.1A: Annual Appropriations ('Recoverable GST exclusive') Annual appropriations for 2022

	Appropriation Act Annual Appropriation \$'000	PGPA Act Section 74 receipts \$'000	Section 75 Transfers ² \$'000	Total appropriation \$'000	Appropriation applied in 2022 (current and prior years) \$'000	Variance ¹ \$'000
Departmental						
Ordinary annual services	79,785	7,329	(7,565)	79,549	(104,914)	(25,365)
Total departmental	79,785	7,329	(7,565)	79,549	(104,914)	(25,365)

Annual appropriations for 2021

	Appropriation Act Annual Appropriation \$'000	Section 74 receipts \$'000	Total appropriation \$'000	Appropriation applied in 2021 (current and prior years) \$'000	Variance ¹ \$'000
Departmental					
Ordinary annual services	86,722	48,472	135,194	(126,690)	8,504
Total departmental	86,722	48,472	135,194	(126,690)	8,504

¹ The variance in departmental ordinary annual services is mainly attributable to the section 75 transfers and purchases of non-financial assets as part of transition to new leasing arrangements in 2022. In 2021 the variance mostly related to unspent amounts received from Services Australia to complete upgrade work on MyGov and MyGovID software applications.

² Section 75 transfers relate to restructuring arrangements disclosed in Note 6.2.

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. Appropriations receivables are recognised at their nominal amounts.

Digital Transformation Agency

Notes to and forming part of the financial statements

for the period ending 30 June 2022

	2022	2021
	\$'000	\$'000
Note 3.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')		
Departmental		
<i>Appropriation Act (No. 1) 2020-21¹</i>	-	50,179
<i>Appropriation Act (No. 1) 2020-21 - cash held by the department</i>	-	996
<i>Appropriation Act (No. 1) 2021-22</i>	24,727	-
<i>Appropriation Act (No. 1) 2021-22 - cash held by the department</i>	257	-
Total departmental	24,984	51,175

¹ A Section 75 transfer to APSC was recognised in 2022 (refer note 6.2).

3.2 Special Account

	ICT Coordinated Procurement Special Account ¹	
	2022	2021
	\$'000	\$'000
Note 3.2A: Special Accounts		
Balance brought forward from previous period	82,484	91,237
Increases	521,860	376,133
Total increases	521,860	376,133
Available for payments	604,344	467,370
Departmental decreases		
Departmental decreases	(464,219)	(384,886)
Total decreases	(464,219)	(384,886)
Total balance carried to the next period	140,125	82,484
Balance represented by:		
Cash at bank	2,470	468
Cash held in the Official Public Account	137,655	82,016
Total balance carried to the next period	140,125	82,484

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.

Digital Transformation Agency

Notes to and forming part of the financial statements

for the period ending 30 June 2022

3.3 Net Cash Appropriation Arrangement

	2022	2021
	\$'000	\$'000
Total comprehensive income - as per the Statement of Comprehensive Income	2,862	50,744
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)	4,459	2,208
Plus: depreciation of right-of-use assets	3,625	3,273
Less: lease principle repayments	(3,617)	(3,149)
Net Cash Operating Surplus	7,329	53,076

The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the cash impact on implementation of AASB 16 Leases, it does not directly reflect a change in appropriation arrangements.

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

	2022	2021
	\$'000	\$'000
Note 4.1A: Employee Provisions		
Long Service Leave	5,890	7,105
Annual Leave	3,399	4,120
Total employee provisions	9,289	11,225

Accounting Policy

Liabilities for short-term employee benefits and termination benefits due within twelve 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 based on 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 shorthand 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 ending 30 June 2022

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:

	2022 \$'000	2021 \$'000
Short-term employee benefits	1,544	1,795
Post-employment benefits	221	307
Other long-term employee benefits	35	45
Termination benefits	-	125
Total key management personnel remuneration expenses^{1,2,3}	1,800	2,272

¹ The DTA has determined the KMP to be the Chief Executive Officer (CEO), all Senior Executive Service band 2 officers and the Head of Corporate.

² The total number of KMP that are included in the above table is 8 (2021: 7) representing the people who individually occupied the KMP positions during the year.

³ The above KMP remuneration excludes the remuneration and other benefits of 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, as well as certain close family members and controlled entities of KMP.

Transactions 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. These transactions have not been separately disclosed in this note.

In considering 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 ending 30 June 2022

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 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

	2022 \$'000	2021 \$'000
Note 5.2A: Categories of Financial Instruments		
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	140,382	83,479
Goods and services receivable	28,748	20,628
Total financial assets at amortised cost	169,130	104,107
Total financial assets	169,130	104,107
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors and accruals	30,259	20,695
Total financial liabilities measured at amortised cost	30,259	20,695
Total financial liabilities	30,259	20,695

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

The DTA has recorded a loss on financial assets at amortised cost of \$0.148 million in 2022 (2021: \$0.020 million) on the recalculation of expected credit losses.

Accounting Policy

Financial assets at amortised cost

Financial assets included in this category need to meet two criteria:

- The financial asset is held in order to collect the contractual cash flows; and
- The cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest rate method.

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

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.

Digital Transformation Agency

Notes to and forming part of the financial statements

for the period ending 30 June 2022

Financial liabilities at amortised cost

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).

Key accounting judgements and estimates

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses (ECL), using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12 month expected credit losses if risk has not increased. Impairment loss allowances are recognised for contractual and statutory receivables. The allowance for contractual receivables is determined based on historical credit loss experience which is used to estimate future ECLs. The allowance based on historical credit loss experience is adjusted for forward-looking factors specific to individual debtors. The recoverable amount for statutory receivables is assessed either for individual debtors when a loss event is identified or based on historical loss experience when debtors are assessed collectively. Impairment losses are recognised in the statement of comprehensive income.

6. Other Information

6.1 Current/non-current distinction for assets and liabilities

	2022 \$'000	2021 \$'000
Note 6.1A: Current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	140,382	83,479
Trade and other receivables	57,509	72,013
Leasehold improvements	-	2,776
Plant and equipment	-	24
Prepayments	740	880
Total no more than 12 months	198,631	159,172
More than 12 months		
Leasehold improvements	31,350	13,558
Plant and equipment	1,053	1,293
Prepayments	36	-
Total more than 12 months	32,439	14,851
Total assets	231,070	174,023
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	118,806	59,016
Other payables	1,175	1,195
Employee provisions	3,924	4,131
Make good provisions	770	-
Leases	1,546	3,664
Total no more than 12 months	126,221	68,006
More than 12 months		
Employee provisions	5,365	7,094
Make good provisions	-	1,359
Leases	17,645	7,076
Total more than 12 months	23,010	15,529
Total liabilities	149,231	83,535

Digital Transformation Agency

Notes to and forming part of the financial statements

for the period ending 30 June 2022

6.2 Restructuring

Note 6.2A: 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.

The Prime Minister's agreement made on 5 July 2021 regarding proposed Machinery of Government changes to support the revised mandate of the DTA taking effect on 1 July 2021 included the following functions:

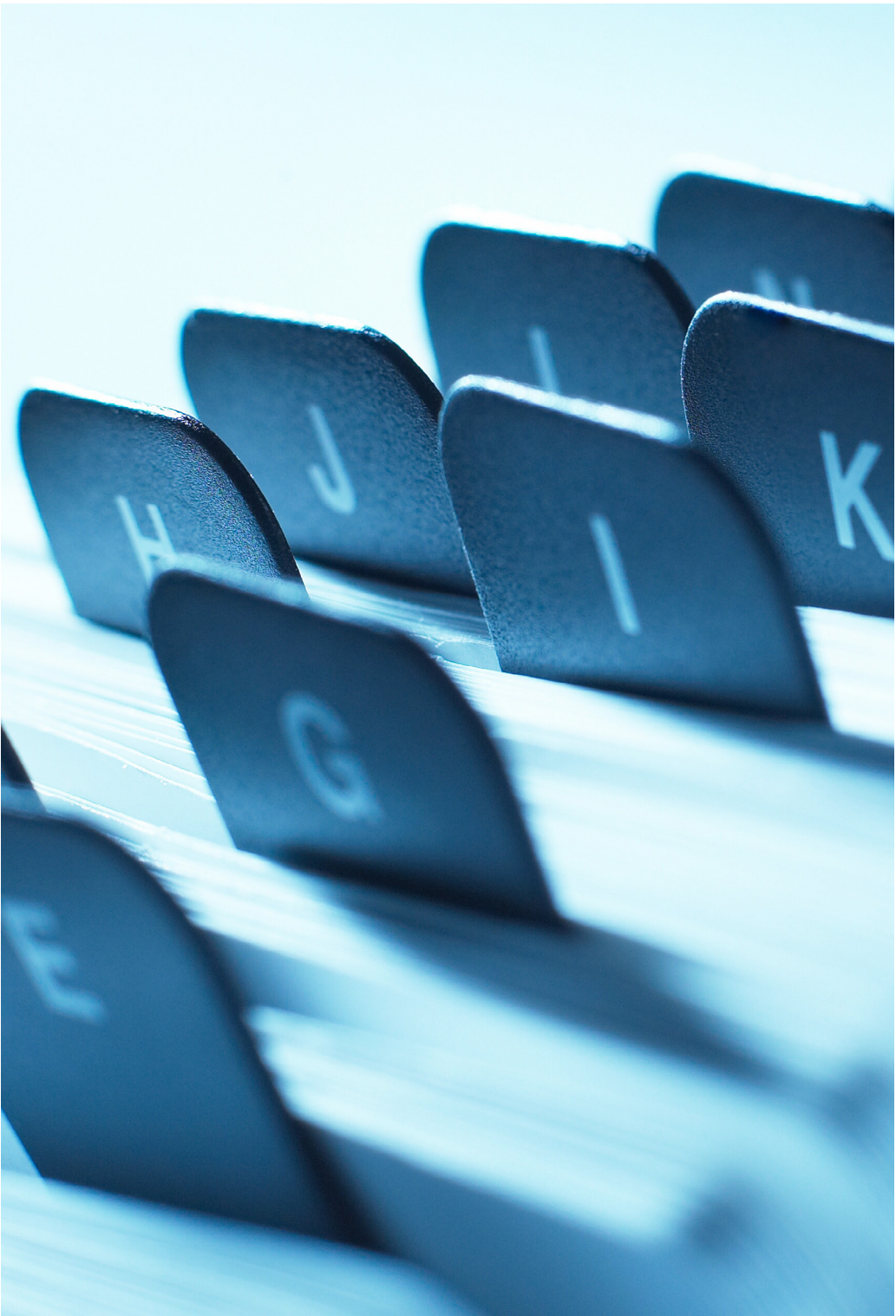
Transferred to:

- Australian Bureau of Statistics (funding only) - data.gov.au;
- Australian Public Service Commission (APSC) - the Australian Government Style Manual and Digital Professions;
- Australian Taxation Office (funding only) - Digital Identity (integrated delivery management);
- Department of Prime Minister and Cabinet (funding only) - Australia.gov.au (determining content);
- Department of Finance - Government Domain Names;
- Department of Health - COVIDSafe app;
- Geoscience Australia (funding only) - National Map;
- Service Australia (funding only) - Digital Identity (integrated delivery management), MyGov Enhancement, Australia.gov.au (delivery);

Transferred from:

- Department of Finance (funding only) - ICT Investment Approval Process and WoAG Procurement of Major Office Machines. Revenue recognised in 2022 relating to this function was \$1.279 million.

	2022	2022	2022
	APSC	Department of Finance	Department of Health
	\$'000	\$'000	\$'000
Functions relinquished			
Assets relinquished			
Appropriation receivable	825	97	14
Total asset relinquished	825	97	14
Liabilities relinquished			
Employee provisions	825	97	14
Total liabilities relinquished	825	97	14
Net assets relinquished	-	-	-



Appendices

Appendix A: List of requirements.....96

Appendix B: Executive remuneration.....102

Appendix C: Glossary and abbreviations..... 106

Appendix D: Correction of errors in previous annual report 107

Appendix E: Reporting on transferred functions 108

Appendix F: Alphabetical index 109

Appendix A: List of requirements

Below is the table set out in Schedule 2 of the PGPA Rule. Section 17AJ(d) requires this table be included in entities' annual reports as an aid of access.

PGPA Rule reference	Part of report	Description	Requirement
17AD(g)	Letter of transmittal		
17AI	Preliminary pages	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
17AD(h)	Aids to access		
17AJ(a)	Preliminary pages	Table of contents.	Mandatory
17AJ(b)	Appendix F	Alphabetical index.	Mandatory
17AJ(c)	Appendix C	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	Appendix A	List of requirements.	Mandatory
17AJ(e)	Inside front cover	Details of contact officer.	Mandatory
17AJ(f)	Inside front cover	Entity's website address.	Mandatory
17AJ(g)	Inside front cover	Electronic address of report.	Mandatory
17AD(a)	Review by accountable authority		
17AD(a)	Chapter 1	A review by the accountable authority of the entity.	Mandatory
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	Chapter 1	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	Chapter 1	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	Chapter 1	A description of the outcomes and programs administered by the entity.	Mandatory
17AE(1)(a)(iv)	Chapter 1	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(aa)(i)	Chapter 1	Name of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(ii)	Chapter 1	Position title of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(iii)	Chapter 1	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AE(1)(b)	N/A	An outline of the structure of the portfolio of the entity.	Portfolio departments – Mandatory
17AE(2)	N/A	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.	If applicable, Mandatory
17AD(c)	Report on the performance of the entity		
Annual performance statements			
17AD(c)(i); 16F	Chapter 2	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
17AD(c)(ii)	Report on financial performance		
17AF(1)(a)	Chapter 4	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	Chapter 4	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	N/A	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.	If applicable, Mandatory
17AD(d)	Management and accountability		
Corporate governance			
17AG(2)(a)	Chapter 3	Information on compliance with section 10 (fraud systems).	Mandatory
17AG(2)(b)(i)	Letter of transmittal	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	Letter of transmittal	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
17AG(2)(b)(iii)	Letter of transmittal	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	Chapter 3	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	N/A	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to noncompliance with Finance law and action taken to remedy noncompliance.	If applicable, Mandatory

PGPA Rule reference	Part of report	Description	Requirement
Audit Committee			
17AG(2A)(a)	Chapter 3	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	Chapter 3	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	Chapter 3	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	Chapter 3	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	Chapter 3	The remuneration of each member of the entity's audit committee.	Mandatory
External scrutiny			
17AG(3)	Chapter 3	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	Chapter 3	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
17AG(3)(b)	Chapter 3	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	Chapter 3	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory
Management of human resources			
17AG(4)(a)	Chapter 3	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	Chapter 3	Statistics on the entity's employees on an on-going and non-ongoing basis, including the following: (a) statistics on full-time employees (b) statistics on part-time employees (c) statistics on gender (d) statistics on staff location	Mandatory
17AG(4)(b)	Chapter 3	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: · Statistics on staffing classification level · Statistics on fulltime employees · Statistics on parttime employees · Statistics on gender · Statistics on staff location · Statistics on employees who identify as Indigenous.	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AG(4)(c)	Chapter 3	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory
17AG(4)(c)(i)	Chapter 3	Information on the number of SES and nonSES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	Chapter 3	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	Chapter 3	A description of nonsalary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	N/A	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	N/A	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	N/A	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	N/A	Information on aggregate amount of performance payments.	If applicable, Mandatory
Assets management			
17AG(5)	N/A	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory
Purchasing			
17AG(6)	Chapter 4	An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory
Reportable consultancy contracts			
17AG(7)(a)	Chapter 4	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7)(b)	Chapter 4	A statement that 'During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]'.	Mandatory
17AG(7)(c)	Chapter 4	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AG(7)(d)	Chapter 4	A statement that 'Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website'.	Mandatory
Reportable non-consultancy contracts			
17AG(7A)(a)	Chapter 4	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7A)(b)	Chapter 4	A statement that "Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website."	Mandatory
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts		
17AGA	Chapter 4	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory
Australian National Audit Office Access Clauses			
17AG(8)	Chapter 4	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
Exempt contracts			
17AG(9)	Chapter 4	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
Small business			
17AG(10)(a)	Chapter 4	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
17AG(10)(b)	Chapter 4	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AG(10)(c)	Chapter 4	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
Financial statements			
17AD(e)	Chapter 4	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
Executive remuneration			
17AD(da)	Chapter 3	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule.	Mandatory
17AD(f)	Other mandatory information		
17AH(1)(a)(i)	N/A	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
17AH(1)(a)(ii)	Chapter 4	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	N/A	A statement that 'Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]'.	If applicable, Mandatory
17AH(1)(c)	Chapter 3	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	Chapter 3	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	Appendix D	Correction of material errors in previous annual report.	If applicable, mandatory
17AH(2)	Chapter 3 and Chapter 4	Information required by other legislation.	Mandatory

Appendix B: Executive remuneration

During the reporting period ending 30 June 2022, the DTA had 8 executive who met the definition of key management personnel. Names and length of term as key management personal are provided below.

Table 7: Names and length of term of key management personnel, 30 June 2022

Name	Position	Term as key management personnel
Chris Fechner	Chief Executive Officer	Part year – appointed on 13/10/21
Peter Alexander	Chief Digital Officer	Part year – terminated on 10/12/21
Wayne Poels	General Manager, Digital Investment Advice and Sourcing	Part year – appointed on 27/05/22
Lucy Poole	General Manager, Digital Strategy, Architecture and Discovery	Full year
Jonathon Thorpe	Digital Identity and myGov Division Head	Part year – terminated on 17/12/21
George-Philip de Wet	Head of Corporate	Full year
Anthony Warnock	Chief Technology Officer	Part year – terminated on 11/02/22
Scott Cass-Dunbar	Chief Strategy Officer	Full year

In notes to the financial statements for the period ending 30 June 2022, the DTA disclosed the following key management personnel expenses (Table 8).

Table 8: Total key management personnel remuneration for the reporting period

Type of benefit	Amount (\$)
Short-term benefits	
Base salary	1,527,424
Bonus	-
Other benefits and allowances	16,555
<i>Total short-term benefits</i>	<i>1,543,979</i>
Post-employment benefits	
Superannuation	221,122
<i>Total post-employment benefits</i>	<i>221,122</i>
Other long-term benefits	
Long service leave	34,895
<i>Total other long-term benefits</i>	<i>34,895</i>
Termination benefits	-
<i>Total key management personnel remuneration</i>	<i>1,799,996</i>

Table 9: Information about remuneration for senior executives (2021–22)

Name	Position title	Short term benefits (\$)				Post employment benefits (\$)	Other long term benefits (\$)		Termination benefits (\$)	Total remunerations (\$)
		Base salary	Bonuses	Other benefits and allowances	Superannuation contributions		Long service leave	Other long term benefits		
Chris Fechner	Chief Executive Officer	356,119	-	1,667	32,940	9,226	-	-	-	399,953
Peter Alexander	Chief Digital Officer	215,047	-	2,113	32,946	4,126	-	-	-	254,232
Wayne Poels	General Manager, Digital Investment Advice and Sourcing	21,471	-	1,669	2,221	3,433	-	-	-	28,794
Lucy Poole	General Manager, Digital Strategy, Architecture and Discovery	291,685	-	2,596	53,353	7,027	-	-	-	354,661
Jonathan Thorpe	Digital Identity and myGov Division Head	149,599	-	2,195	23,385	2,946	-	-	-	178,125
George-Philip de Wet	Head of Corporate	230,425	-	2,121	35,218	5,795	-	-	-	273,559
Anthony Warnock	Chief Technology Officer	156,299	-	2,731	26,235	565	-	-	-	185,829
Scott Cass-Dunbar	Chief Strategy Officer	106,780	-	1,463	14,822	1,778	-	-	-	124,843
Total		1,527,424		16,555	221,122	34,895				1,799,996

Table 10: Information about remuneration for senior executives (2021–22)

Total Remuneration Bands	Number of Senior Exec	Short term benefits (\$)					Other long term benefits (\$)			Total (\$)
		Average base salary	Average bonuses	Average other benefits	Average superannuation contributions	Average long service leave	Average other long term benefits	Average termination benefits	Average total remuneration	
0–220,000	25	63,457	-	630	13,975	1,781	-	-	79,868	
220,001–245,000	2	196,366	-	1,595	24,786	4,830	-	-	227,579	
245,001–270,000	4	212,481	-	1,939	37,286	5,085	-	-	256,795	
270,001–295,000	1	230,425	-	2,121	35,218	5,795	-	-	273,559	
295,001–320,000	-	-	-	-	-	-	-	-	-	
320,001–345,000	-	-	-	-	-	-	-	-	-	
345,001–370,000	1	291,685	-	2,596	53,353	7,027	-	-	354,661	
370,001–395,000	-	-	-	-	-	-	-	-	-	
395,001–420,000	1	356,119	-	1,667	32,940	9,226	-	-	399,953	
420,001–445,000	-	-	-	-	-	-	-	-	-	
445,001–470,000	-	-	-	-	-	-	-	-	-	
470,001–495,000	-	-	-	-	-	-	-	-	-	
495,001–520,000	-	-	-	-	-	-	-	-	-	

Note: This table includes officers in a substantive SES role and officers acting in SES roles for any period during the financial year. For acting roles, the reported amounts reflect remuneration during these periods only.

The DTA had no other highly paid staff in 2021–22.

Appendix C: Glossary and abbreviations

Term	Meaning
APS	Australian Public Service
APSC	Australian Public Service Commission
APS Act	<i>Public Service Act 1999</i>
Australian Government Architecture	A decision-making and policy construct that helps agencies develop scalable, secure, and resilient digital capabilities
CEO	Chief Executive Officer
Cloud	Internet storage and access to data and programs
Digital capability	A conceptual representation of the different functions that government requires to deliver its digital and ICT strategic outcomes
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
ICT	Information and communications technology
IOF	Whole-of-government Digital and ICT Investment Oversight Framework
Reuse	Reuse of digital and ICT capabilities is a recognised priority across the APS
ONDC	Office of the National Data Commissioner
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PM&C	The Department of the Prime Minister and Cabinet
SA	Services Australia
SES	Senior Executive Service
SMEs	Small to medium enterprises
User needs	Discovered by researching why users need a product or service and how they need to access it
WoAG	Whole-of-Australian Government

Appendix D: Correction of errors in previous annual report

On page 67 of last year's annual report in *Table 1: Workforce profile (APS employees based on substantive headcount) 30 June 2021*, we reported 56 EL2s and 95 EL1s.

- The correct figure for EL2 total was 55, comprising 54 ongoing and 1 non-ongoing.
- The correct figure for EL1 total was 96, comprising 96 ongoing and zero non-ongoing.

On page 70, the title for Table 2 was incorrectly dated 30 June 2010.

- The correct date was 30 June 2021.

Appendix E: Reporting on transferred functions

Machinery of Government changes in 2021–22 included transferring responsibility for supporting digital capability building across the APS from the DTA to the Australian Public Service Commission.

As a result, the following performance criteria and target from the DTA's Portfolio Budget Statement 2021–22 are not included in the DTA's annual report this year.

Performance measure	Target
Advice, programs, training and resources delivered improve the digital capability of the APS.	Quality of advice, programs, training and resources supports and builds digital leadership, attracts emerging talent, and increases capability of staff across the APS.

Appendix F: Alphabetical index

A

Aboriginal and/or Torres Strait Islander employees, 53

abbreviations, 106

accountable authority, 18, *see also* Chief Executive Officer

Accountable Authority Instructions, 44, 65

accountable authority statement, 18

address and contact details, inside front cover

administrative tribunal decisions, 47

advertising and market research, 67

advice to Minister and agencies, 20, 30, 33

Amazon Web Services, 35

annual performance statement *see* performance report

annual report corrections, 107

architecture (whole-of-government) *see* Australian Government Architecture

artificial intelligence, 8, 24

assurance, 4, 31, 33, 38, *see also* Whole-of-government Digital and ICT Investment Oversight Framework

Atkinson, Christopher, 45

Audit Committee, 45

audits

data audits, 23

financial statements audit, 70–71

internal, 46

AusTender, 65, 66

Australian Cyber Security Centre, 7, 27

Australian Government Architecture, 6, 9, 20, 23, 24, 26, 31, 36, 40, 106

Australian Information Commissioner, 47

Australian Institute of Project Management awards, 39

Australian National Audit Office

access clauses in contracts, 66

financial statements audit report, 70–71

Australian Public Service

Thoday review, 23

values and Code of Conduct, 44, 51

Australian Public Service Commission

capability reviews, 47

functions transferred to, 108

B

business processes, 8, 52

BuyICT platform, 5, 35, 39, 66

C

capability development within DTA, 48, 50

change management, 8, 49, 50

Chief Executive Officer, 2, 11, 12, 20, 44

- remuneration, 58, 104
- review by, 3–8

cloud, defined, 106

collaboration, 7, 25

Comcare, incidents reported to, 53

Commonwealth Contracting Suite, 66

Commonwealth Ombudsman, 47

Commonwealth Procurement Rules, 65

compensation claims, 53

completed projects, 34

consultancies, 65

contact officer, *inside front cover*

contestability, 4, 20, 31, 32, *see also* Whole-of-government Digital and ICT Investment Oversight Framework

contracts, 65–66

corporate governance, 44–46

corporate planning and reporting, 46

performance *see* performance report

- targets, 19, 30

correction of errors in previous annual report, 107

Cyber Hubs, 7, 21, 27

cyber security, 7, 27, 29

cybercrime, 29

D

Data and Digital Ministers' Meeting, 25

data audits, 23

data centre providers certified provider list, 24

data protection, 7, 24, 29, *see also* cyber security

de Wet, George-Philip, 11, 13

definitions (glossary), 106

Digital and ICT Reuse Policy, 23, 24

digital capability, 6, 23, 106, 108

Digital Capability Standards, 20, 32, 36

Digital Government Strategy, 3, 21, 23

Digital Identity, 7, 22, 28, 106

Digital Leadership Committee, 14, 20

- Reuse Working Group, 24

Digital Marketplace, 5, 35, 39, 66

Digital Review, 6, 23

Digital Sourcing Network, 36

Digital Transformation Agency

- overview, 1–15
- priorities, 18
- purpose statement, 10, 18
- role and functions, 10

Disability Action Plan, 53

disability reporting, 53

diversity and inclusion, 53

E

emerging technologies, 8, 24

employees

- remuneration, 57–58
- statistics, 53, 54–55
- workplace agreements, 56

see *also* human resources management

energy efficiency, 59

enterprise architecture see Australian Government Architecture

environmental performance, 59

Executive Board, 44, 46

Executive remuneration, 58, 102–105

exempt contracts, 66

Expenditure Review Committee, 4

expenses for outcome, 64

external scrutiny, 47

F

Fechner, Chris, 2, 11, 12

- CEO's review, 3–8

feedback processes, 36

financial performance

- legal services expenditure, 67
- market research services, 67
- overview, 62–64
- purchasing and procurement, 65–67
- resources and expenses for outcome, 63–64

financial statements, 69–93

- audit report, 70–71

fraud control, i, 46

freedom of information, 59

G

Gallagher, Senator the Hon Katy, 8, 10

Gaukroger, Allan, 45

General Managers, 11–13

glossary, 106

governance

- corporate, 44–46

- of government data, 27

H

Hardening Government IT initiative, 21

Hardware Marketplace, 35

Head of Corporate, 11, 13

Hosting Certification Framework, 7, 24, 29

human resources management, 48–58

- capability development, 48, 50

- change management, 8, 49

- diversity and inclusion, 53

- employee statistics, 53, 54–55

- remuneration, 57

- training and development, 52

- values and behaviours, 51

- workforce planning, 48

- workplace agreements, 56

- workplace health and safety, 52–53

I

ICT – information and communications technology (across government)

assurance, 4, 33, 38

BuyICT platform, 5, 35, 39, 66

contestability, 4, 32

digital capability, 6, 20, 23, 106, 108

emerging technologies, 8, 24

investment prioritisation, 4, 32, 37

procurement (Marketplaces), 5, 35, 39, 66

sourcing advice, 5, 35–36

see also Whole-of-government Digital and ICT Investment Oversight Framework

ICT Investment Approval Process, 31, 32

identity verification *see* Digital Identity

Indigenous Procurement Policy, 65

Information Publication Scheme, 59

information sharing, 36

internal audit arrangements, 46

international engagement, 25

Internet address, *inside front cover*

investment prioritisation, 4, 9, 31, 32, 37, *see also* Whole-of-government Digital and ICT Investment Oversight Framework

J

judicial decisions, 47

K

key management personnel, 102–105

L

legal services expenditure, 67

legislation

Trusted Digital Identity bill, 7, 22, 28

framework for governance, 44

letter of transmittal, i

M

Machinery of Government changes, 3, 55, 62, 108

market research, 67

McMinn, Janet, 45

Microsoft, 35

minister responsible, 10, 47

N

National Data Security Framework, 23

National Innovation and Science Agenda, 66

New Zealand, 25

non-salary benefits, 57

O

objectives (purpose statement), 10, 18

Ombudsman, 47

operating result *see* financial performance

operations, 5, 31, 36, *see also* Whole-of-government Digital and ICT Investment Oversight Framework

Organisation for Economic Co-operation and Development (OECD) E-Leaders meetings, 25

Organisational Capability Strategy, 48

Organisational Performance Framework, 44, 46

organisational structure, 8, 11

outcome and program, 9, 15

resources and expenses for outcome, 63–64

see also performance report

overview, 1–15

P

parliamentary committees, 47

partnerships, 25

performance measures, 19, 30

performance pay, 57

performance report

analysis of performance, 40

Priority 1: Direction setting, 19–29

Priority 2: Implementation oversight, 30–39

projects completed, 34

statement of preparation, 18

see also environmental performance; financial performance

planning, 3, 9, 31, see also Digital Government Strategy; Whole-of-government Digital and ICT Investment Oversight Framework

Poels, Wayne, 11, 13

Poole, Lucy, 11, 12

Portfolio Budget Statement, 15, 19, 30, 46, see also performance report

portfolio membership, 8, 10

priorities, 18

performance results see performance report

prioritisation process see investment prioritisation

procurement (DTA), 65–67

procurement (government) see BuyICT platform; Digital Marketplace; ICT – information and communications technology (across government); Whole-of-government Digital and ICT Investment Oversight Framework

program see outcome and program

Project Management Achievement Awards, 39

projects

completed, 34

Public Governance, Performance and Accountability Act 2013, i, 18, 24, 44, 46, 63, 65

Public Service Act 1999, 44

s 24(1) determinations, 58

purchasing and procurement, 65–67

purpose statement, 10, 18

R

Reconciliation Action Plan, 53

remuneration, 57–58

 Audit Committee, 45

 key management personnel, 102–105

resources and expenses for outcome,
63–64

risk management, 46

Robert, Hon Stuart, 10

role and functions DTA, 10

S

salaries *see* remuneration

savings in government procurement,
35, 62

Secretaries' Board, 23

Secretaries' Digital Committee, 14, 20

Senate estimates, 47

Senate inquiries, 47

senior executives, 11–13, 54

 key management personnel, 102–105

 remuneration, 58, 103–105

small to medium enterprises
participation in procurement, 66–67

Software Marketplace, 35

sourcing, 5, 9, 31, 35–36, *see also*
Whole-of-government Digital and ICT
Investment Oversight Framework

staff *see* employees; human resources
management

stakeholders, 14, *see also* collaboration

state and territory government
collaboration, 7, 25

strategic and policy leadership, 20

strategic planning (government) *see*
Digital Government Strategy

study assistance, 52

T

terminology (glossary), 106

Thodey, David, 23

Toole, Karen, 45

Trusted Digital Identity Framework, 7,
22, 28

U

user needs, defined, 106

V

values and behaviours, 51

W

waste management, 59

website address (DTA), inside front
cover

Whole-of-government Digital and ICT
Investment Oversight Framework, 3–6,
9, 20, 23, 26, 31, 32–33, 36, 37, 40

workforce *see* employees; human
resources management

workplace health and safety, 52–53

