

PROCESS FOR ADMINISTRATION OF OPT-OUTS FROM WHOLE-OF-GOVERNMENT ICT ARRANGEMENTS.

In response to the *Review of the Australian Government's Use of Information and Communication Technology*, the Government has decided to change the system of self-approved opt-in by agencies to whole-of-government ICT arrangements. Under the new system agencies must seek approval from the Expenditure Review Committee (ERC) to opt-out from agreed arrangements.

The Government directed that:

- To seek an opt-out, an agency will need to prepare a short business case based on a genuine business need, irrespective of how the driver for the opt-out is funded;
- The ERC's consideration of opt-out requests is to be informed by the Secretaries' ICT Governance Board (SIGB);
- The criteria for the assessment of opt-outs will be developed and agreed by the SIGB.

Arrangements subject to Opt-Out

SIGB will consider submissions to set up arrangements which provide clear, superior outcomes for the Government and/or the taxpayer, over autonomous approaches by agencies. Generally they will be arrangements where one or more of the following criteria apply:

- Economy of scale of benefits which do not have a significant adverse impact on wider Government policies;
- The ability to move towards more joined-up services for citizens and business is enhanced;
- The management and development of scarce ICT skills within the APS is strengthened;
- The operation of the Government ICT marketplace is improved;
- Other key priorities of the Government (for example, SMEs, sustainability) are reinforced;
- Duplication of costs are avoided;
- Future flexibility for machinery of government changes is enhanced;
- The ability to respond to external ICT related issues and trends is improved;
- The ability to manage and leverage the Government's information assets, having due regard to privacy concerns where appropriate, is enhanced.

The SIGB will seek opinions from its sub-committees as appropriate before deciding that an arrangement will be subject to opt-out. The Chief Information Officer Committee and the Business Process Transformation Committee will inform the SIGB that the proposal for a whole-of-government arrangement is fit for purpose and that implementation aspects (including funding) have been fully considered.

Should the SIGB decide that an arrangement is subject to opt-out provisions, agencies will be notified of this through a Finance Memorandum issued by the Department of Finance and Deregulation.

Current Criteria for the Assessment of Opt Outs

One or more of the following criteria should apply to a request to opt-out of a SIGB approved policy.

- a) The policy cannot be implemented legally;
- b) The policy has a measurable adverse impact on identified Government policies;
- c) The application of the policy would create a tangible threat to national security;
- d) The ability to respond to external ICT related issues and trends is improved;
- e) The ability to manage and leverage the Government's information assets, having due regard to privacy concerns where appropriate, is enhanced;
- f) Compliance costs and regulatory burden on citizens and business is reduced.

The application must be endorsed by the head of agency or department making the application.

At least 28 days prior to SIGB consideration, an opt-out applicant must provide SIGB with a short business case identifying the policy from which they wish to opt-out and outlining:

- the activity or activities for which opt-out is required;
- the extent to which the organisation wishes to depart from the policy;
- the grounds upon which opt-out is requested;
- the duration for which opt-out is sought;
- a short financial analysis, agreed with Finance, outlining the cost of compliance and non-compliance to the agency and to the whole-of-government;
- an analysis of any significant risks of both the opt-in and the opt-out option;
- an analysis of the impacts on citizens/clients, both positive and negative, of opting out;
- what efforts have been made to seek change to the policy and the outcome of those efforts.

Every attempt must be made to comply with the policy as far as possible. The opt-out request must comprise only those departures from the policy which are essential to the purpose outlined in the business case.

EXTRACTS FROM THE SIR PETER GERSHON'S REVIEW OF THE AUSTRALIAN GOVERNMENT'S USE OF ICT

Recommendation 5.1.1

... The [Ministerial] committee should be responsible for ICT policies, overall strategic vision, whole-of-government ICT, and the approval of opt-outs (see Recommendation 5.1.3) from selected whole-of-government activities. It will be informed and supported by the Secretaries' ICT Governance Board (see below), including periodic reporting on the progress and impact of implementing the agreed recommendations arising from this review.

...

5.1.3 Allow agencies to obtain opt-outs from agreed whole-of-government activities, based on genuine business need. Opt-outs to be approved by the Ministerial Committee, informed by the SIGB

I recommend that the current system of self-approved opt-in by agencies to whole-of-government ICT arrangements is changed to a new system whereby agencies will need to seek approval from the Ministerial Committee to opt-out from agreed arrangements.

Approval of the opt-outs will be informed by the SIGB, particularly during the budget process. Advice to the Ministerial Committee during this process on compliance with agreed whole-of-government arrangements and requests for opt-outs should replace the role for the SCICT in the two-pass process previously agreed by the Government.

To seek an opt-out, an agency will need to prepare a short business case based on a genuine business need, irrespective of how the driver for the opt-out is funded.

The criteria for the assessment of opt-outs will need to be developed and agreed by the SIGB.

Provided the assurance mechanism I have recommended above in Recommendation 5.1.2 for the SIGB works effectively, I envisage the number of potential opt-outs will be low.

Based on the advice that I have received from Finance, I believe that the proposed changes to agency operation can be implemented within the provisions of the current FMA Act, provided the changes set out above are approved as government policy.