



**Tasmanian**  
Audit Office



**Report of the Auditor-General  
No. 1 of 2023-2024**

Realising benefits from digital initiatives  
in the Tasmanian State Service

9 November 2023

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The Auditor-General and Tasmanian Audit Office are established under the *Audit Act 2008* and *State Service Act 2000*, respectively. Our role is to provide assurance to Parliament and the Tasmanian community about the performance of public sector entities. We achieve this by auditing financial statements of public sector entities and by conducting audits, examinations and investigations on:

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- how public sector entities manage resources
- how public sector entities can improve their management practices and systems
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**2023**  
**PARLIAMENT OF TASMANIA**

**Realising benefits from digital initiatives in the Tasmanian State Service**

**9 November 2023**

Presented to both Houses of Parliament pursuant to  
Section 30(1) of the *Audit Act 2008*

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9 November 2023

President, Legislative Council  
Speaker, House of Assembly  
Parliament House  
**HOBART TAS 7000**

Dear President, Mr Speaker

**Report of the Auditor-General No. 1 of 2023-24 – Realising benefits from digital initiatives in the Tasmanian State Service**

This report has been prepared consequent to examinations conducted under section 23 of the *Audit Act 2008*. The objective of the audit was to assess whether digital initiatives within the Tasmanian State Service were being planned and monitored to deliver intended outcomes.

Yours sincerely

Rod Whitehead  
**Auditor-General**

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# Foreword

In October 2020, I tabled a report that examined ICT strategy, critical systems and investment across several government agencies. It assessed how well the Tasmanian Government set out its vision and whole-of-government approach for the future development of ICT. It also looked at how this was supported by agency ICT strategy and planning to underpin the maintenance, investment, and replacement of critical systems essential to service delivery. At that time, I made 7 recommendations to encourage the embedding of a strategic, whole-of-government asset lifecycle approach to business-critical systems. I have found that some of the issues identified in this current audit are driven by root causes that may have been mitigated or prevented through effective implementation of the recommendations from the 2020 report.

I began this audit late in 2022 with the aim of focusing on the ‘why’ of government digital initiatives. In other words, how clearly government agencies planned for and maintained a line of sight on the benefits and outcomes from their projects or programs of work. I expected agencies to have a vision, from a very early point, of what a successful business transition will look like and how that success would be measured.

There are many examples from Auditor-General reports in other jurisdictions where the development or reconfiguration of digital systems themselves became the sole focal point of the project, rather than the realisation of the intended benefits and outcomes arising from their implementation. This often resulted in the delivery of digital products not fit for purpose, or in some cases, complete rejection by the business owners. Inevitably, that led to a waste of public resources where remedial actions needed to be taken or fresh solutions developed.

My approach to this audit was to take a proactive stance with projects currently underway to examine whether Tasmanian government agencies had the right focus in their digital initiatives and to identify those elements that led to successful outcomes.

Rod Whitehead  
**Auditor-General**

9 November 2023

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# Independent assurance report

This independent assurance report is addressed to the President of the Legislative Council and the Speaker of the House of Assembly. It relates to my audit on whether digital initiatives within the Tasmanian State Service were being planned and monitored to deliver intended outcomes.

## Audit objective

The objective of the audit was to assess whether digital initiatives within the Tasmanian State Service were being planned and monitored to deliver intended outcomes.

## Audit scope

For the purposes of this audit, a ‘digital initiative’ was defined as any initiative that used digital technology to improve organisational processes, improve interactions between people, organisations and things, or to make new business models possible. ‘Digital’ was defined as the representation of physical items or activities through binary code<sup>1</sup>.

This audit examined digital initiatives currently being implemented by the following public sector agencies:

- Department for Education, Children and Young People (DECYP)
- Department of Health (DoH)
- Department of Justice (DoJ)
- Department of Natural Resources and Environment Tasmania (NRE Tas)
- Department of Police, Fire and Emergency Management (DPFEM)
- Department of Premier and Cabinet (DPAC)
- Department of State Growth (State Growth)
- Department of Treasury and Finance (Treasury).

This audit did not examine whether digital initiatives provided value for money.

## Audit approach

The audit was conducted in accordance with the Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements* issued by the Australian Auditing and Assurance Standards Board, for the purpose of expressing a reasonable assurance opinion.

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<sup>1</sup> Adapted from: Gartner Glossary – ‘Digital Transformation’ and ‘Digital’ ([Gartner Glossary](#)), accessed 3 October 2022.

The audit evaluated the following criteria:

1. Are digital initiatives effectively planned to enable the delivery of intended outcomes?
  - 1.1. Are intended outcomes and benefits clearly identified and defined in the planning phase?
  - 1.2. Is there effective resourcing of digital initiatives to enable the delivery of intended outcomes?
  - 1.3. Is there effective planning for the transition to business as usual?
  - 1.4. Do governance arrangements provide effective oversight of intended outcomes and benefits realisation during the planning phase?
2. Are digital initiatives effectively monitored to enable the delivery of intended outcomes?
  - 2.1. Are intended outcomes and benefits monitored and measured throughout the delivery phase?
  - 2.2. Are intended outcomes modified, where necessary, to reflect the most current information regarding changing project or business needs?
  - 2.3. Do governance arrangements enable effective oversight of intended outcomes and benefits realisation throughout the delivery phase?

## **Responsibility of management**

It is the responsibility of each agency to plan and monitor its digital initiatives to deliver intended benefits efficiently and effectively to its business owners and, where applicable, to the Tasmanian community.

## **Responsibility of the Auditor-General**

My responsibility was to express a reasonable assurance opinion on whether digital initiatives within the Tasmanian State Service were being planned and monitored to deliver intended outcomes.

## **Independence and quality control**

I have complied with the independence and other relevant ethical requirements relating to assurance engagements and applied Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this audit.

## Conclusion

It is my conclusion that, except for the matter described in the paragraph below, digital initiatives within the Tasmanian State Service, as measured against the audit criteria, were in all material respects effectively planned and monitored to deliver intended outcomes.

The Department of Justice Astria Program, as measured against the audit criteria, was not effectively planned and monitored to deliver intended outcomes. This is because the governance arrangements did not initially provide effective oversight of intended outcomes and benefits realisation during the planning phase. In addition, there was a lack of benefits monitoring throughout the delivery phase, putting the realisation of intended outcomes at risk.

Rod Whitehead  
**Auditor-General**

9 November 2023

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# Executive summary

## Summary of findings

The delivery of services from the Tasmanian State Service to the Tasmanian community is a constantly evolving area. Increasingly, digitally-based systems are used as a means to enhance efficiency, increase innovation and improve service delivery.

This audit assessed how the 8 Tasmanian departments planned and monitored the realisation of benefits and intended outcomes from the digital initiatives they were undertaking. We reviewed 30 digital initiatives, which ranged from large, complex, multi-year, multi-agency initiatives through to small projects within one business area of an agency. Our aim was to review those in the mid-stages of delivery to be as forward-looking as possible. This was not always achievable and, as a result, some of the 30 initiatives we reviewed had already been finalised while some were still in their planning phase.

### Principles for realising benefits from digital initiatives

We observed common themes in the planning, implementation, monitoring and oversight of digital initiatives across the breadth of the agency initiatives reviewed that were critical to successful realisation of benefits and intended outcomes. Although these success factors, as summarised in Table 1, were primarily observed in large, complex digital initiatives, they were also evident in smaller to medium sized projects.

Table 1: Principles for realising benefits from digital initiatives

| # | Principle   |
|---|---|
| 1 | Agencies clearly identified and defined intended outcomes and benefits in the planning phase.   |
| 2 | Agencies resourced their initiatives effectively to enable the delivery of intended outcomes.   |
| 3 | Agencies planned effectively for the transition to business as usual.   |
| 4 | Agency governance arrangements provided effective oversight of intended outcomes and benefits realisation during the planning phase.        |
| 5 | Agencies regularly monitored and measured intended outcomes and benefits throughout the delivery phase.                                     |
| 6 | Agencies modified intended outcomes, where necessary, to reflect the most current information regarding changing project or business needs. |
| 7 | Agency governance arrangements enabled effective oversight of intended outcomes and benefits realisation throughout the delivery phase.     |

Source: Tasmanian Audit Office

## Variations in expected performance

There were a small number of areas where the management of initiatives had not performed, or partially performed, against our criteria.

- In some instances, projects were funded, or systems procured, prior to project initiation or the establishment of business requirements as part of a dedicated discovery phase.
- For some agencies, and individual business areas, we found that digital initiatives were regarded as 'IT projects'. This limited their focus to the output of a system, without the significance of the business transformation element forming a key component of project execution.
- Agencies faced challenges in resourcing that impacted delivery of digital initiatives.
- Mitigating the impact of uncertainties, such as machinery of government changes, funding withdrawal, changes in related projects and legislative reform was challenging, especially for the more significant digital initiatives.
- We observed 2 instances where steering committees had been set up largely as an information-sharing forum, as opposed to an effective means of informed oversight and decision-making. In one of these instances this contributed to a material variation from expected performance, as assessed against our criteria, due to the lack of governance oversight.
- The need for steering committee 'resets' in multiple agencies where the channels of communication for strategic decision-making had been reduced. In one case, this occurred 4 years into the program.
- Status reporting for initiatives varied in how comprehensive they were. While risks were often documented methodically, with an effective assessment of mitigation, there were exceptions. Monitoring and measurement back to outcomes was not always evident, but notably this was the case where outcomes measures had not been established in the planning phase.

## Embedding a whole-of-government approach to digital initiatives remains a challenge

We identified a need to improve the transparency of the priority and status of Government<sup>2</sup> digital initiatives. Although work has begun through the establishment of the Board of Secretaries and its Sub-Committees, notably the Data and Digital Sub-Committee, we found that the Government does not currently have a transparent way of communicating progress against the investment in its digital initiatives at the whole-of-government level. In addition, agencies' reporting of the status of their digital initiatives was diverse, with instances of good practice observed, but there was limited transparency for the majority of agencies.

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<sup>2</sup> All references to Government refer to the Tasmanian Government unless otherwise stated.



## Recommendation

We recommend all agencies adopt the following principles for realising benefits and outcomes from digital initiatives and incorporate them into their respective digital project management frameworks, guidance, or equivalent:

1. Clearly identify and define intended outcomes and benefits in the planning phase.
2. Resource initiatives effectively to enable the delivery of intended outcomes.
3. Plan effectively for the transition to business as usual.
4. Implement governance arrangements that provide effective oversight of intended outcomes and benefits realisation during the planning phase.
5. Regularly monitor and measure intended outcomes and benefits throughout the delivery phase.
6. Modify intended outcomes, where necessary, to reflect the most current information regarding changing project or business needs.
7. Implement governance arrangements to enable effective oversight of intended outcomes and benefits realisation throughout the delivery phase.

## Submissions and comments received

In accordance with section 30(2) of the *Audit Act 2008* (Audit Act), a summary of findings or report extract was provided to the Treasurer and other persons who, in our opinion had a special interest in the report, with a request for submissions or comments. Submissions and comments we receive are not subject to the audit nor the evidentiary standards required in reaching an audit conclusion. Responsibility for the accuracy, fairness and balance of these comments rests solely with those who provided the response. However, views expressed by the responders were considered in reaching audit conclusions. Section 30(3) of the Audit Act requires this report include any submissions or comments made under section 30(2) or a fair summary of them. Submissions received are included below.

### Response from the Department for Education, Children and Young People

The Department acknowledges the recommendation made in the Audit covering critical success factors for realising benefits and outcomes from digital initiatives and will review our project management framework and incorporate any that do not currently exist into the framework.

**Tim Bullard**  
Secretary

## **Response from the Department of Justice**

The Department accepts the audit findings and appreciates that previous feedback provided has been incorporated into the final draft report.

The audit covered three digital initiatives (one major and two smaller projects) within the Department, with the two smaller projects (VCU and the Wellbeing Case Management System) being viewed as having good governance, being well managed and having clearly identified and managed benefits realisation.

The major digital initiative, Justice Connect (Astria) Program, is a significant undertaking within the Department that is a complex project involving multiple agencies and multiple business units.

The challenge of implementing a new technology solution built around new legislation in the *Magistrates Court (Criminal and General Division) Act 2019* is one the Department has grappled with, especially whilst also managing the impacts of the COVID-19 pandemic and an associated global shortage of experienced project management, change management and ICT professionals.

This, coupled with the impacts the new technology will have on operations within the Courts, the Tasmania Prison Service and within Tasmania Police, has resulted in a number of important lessons being learned over the implementation journey.

The Department accepts that the Justice Connect (Astria) Program did experience some governance challenges initially, but as pointed out in the report, the Program's governance model was changed in early 2023 in response to this. The new arrangements of the Steering Committee with a number of specialist area sub-committees is now working effectively with lower level decisions being handled at the sub-committee level and key risks, issues and decisions being escalated to the Steering Committee as necessary.

In addition, recent changes in key change management and subject matter expertise (SME) resources have also resulted in considerable improvements and the Program has implemented a quarterly review of the benefits register to track intended outcomes. The significance of this project and the potential impact of the change it will bring to the justice system cannot be understated and the Department is committed to working hard to ensure successful implementation.

**Ginna Webster**  
**Secretary**

## **Response from the Department of Natural Resources and Environment Tasmania**

The Department has reviewed the report and notes that it includes the changes the Department requested. Accordingly, the Department does not have any further comments to make.

**Jason Jacobi**  
**Secretary**

## **Response from the Department of Police, Fire and Emergency Management**

The Department accepts the findings of the Audit and endorses the recommendations made and notes there are a number of positive examples of the Department's projects included throughout the report. Whilst not included in the report, we note the Tasmanian Audit Office's feedback regarding the exemplary delivery and governance of the complex project that delivered the Tasmanian Government Radio Network.

In particular, the Department notes that the report recognises that:

- Agencies proactively managed multi-project interdependencies (2.25 & 2.26).
- Some initiatives were unable to achieve their intended outcomes due to an absence of effective resourcing (3.4, 3.5, 3.6 & 3.7), particularly the long lead times in resourcing skilled personnel to the State Service.
- Embedding a whole-of-government approach to digital initiatives remains a challenge for the State.

**Donna Adams**  
**Secretary**

## **Response from the Department of State Growth**

As acknowledged in your report, State Growth is a diverse department, with multiple portfolios reporting to a broad mix of Ministers. Recognising this breadth and diversity, I am advised that the Project Management Office (PMO) function was created as a devolved model to provide advisory services through a centre of excellence function that offers mentoring, guidance, and training, with relevant Deputy Secretaries/CEOs accountable for delivery within their respective areas of portfolio responsibility.

As also acknowledged in the report, the State Growth examples considered as part of the report were already completed at the time of their review and since then our department has been in a process of transitioning the way it manages its digital initiatives, including enhanced governance and reporting practices, quality assurance and supporting the transition to business as usual. This transition is ongoing, and the report's recommendations will assist us to continue this work.

Our department reconfirms its commitment to further improving the existing PMO approach. Thank you for this report and the opportunity to outline our ongoing approach to the area of digital initiatives.

**Craig Limkin**  
**Secretary**

## **Response from the Department of Treasury and Finance**

I have reviewed the report and am pleased to advise that I accept the findings of the audit and note the recommendation made in the report.

**Fiona Calvert**  
**Acting Secretary**

# 1. Introduction

- 1.1 The delivery of services by government agencies to the community is a constantly evolving area. Increasingly, digitally-based systems are used as a means to enhance efficiency, increase innovation and improve service delivery. The Government's policy position is articulated in *Our Digital Future*<sup>3</sup>, where the digitisation of services is the centrepiece in the policy's vision of 'A prosperous and connected Tasmania, collaborating and thriving in a technology-enabled world'.
- 1.2 In delivering digital initiatives, any improvements and changes to the way in which people do their work is essentially a business transformation. In the public sector, such transformations can occur in a single business unit of an agency through to a multi-agency, multi-tiered and complex transformation of a related set of services.
- 1.3 The driver of a digital initiative is the 'why' question. What outcomes or benefits does the initiative hope to generate? This is conventionally expressed in the form of an overall vision or equivalent statement for the initiative, accompanied by more detailed indicators that will demonstrate success (for example, 'requests will be processed within 5 business days'). More broadly, planning will involve testing a set of assumptions to align with customer/stakeholder desirability, solution feasibility and organisational viability (able to be resourced and operated in a sustainable manner). It is the 'why' question that sits at the centre of this audit.

## Digital initiatives subject to review

- 1.4 This report primarily uses the phrase 'digital initiative' but this may be interchanged with the words 'project' or 'program', depending on the particular initiative being reviewed.
- 1.5 This audit assessed how the 8 Tasmanian departments planned and monitored the realisation of benefits and intended outcomes from the digital initiatives they were undertaking. We reviewed 30 digital initiatives, which ranged from large, complex, multi-year, multi-agency initiatives through to small projects within one business area of an agency. Our aim was to review those in the mid-stages of delivery to be as forward-looking as possible. This was not always achievable and, as a result, some of the 30 initiatives we reviewed had already been finalised while some were still in their planning phase.
- 1.6 We categorised 7 of the 30 as 'significant initiatives', as they:
  - affected the Tasmanian community or various groups within the community (impact)
  - involved more than one agency (complexity)

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<sup>3</sup> Tasmanian Government, *Our Digital Future*, [https://www.digital.tas.gov.au/data/assets/pdf\\_file/0030/146847/Our-Digital-Future.PDF](https://www.digital.tas.gov.au/data/assets/pdf_file/0030/146847/Our-Digital-Future.PDF), March 2020, accessed 4 September 2023.

- had been running, or were intended to run, for more than 3 years (span)
- had a budget above \$4.5 million (materiality).

When providing individual feedback to agencies, we treated these significant initiatives separately from our overall analysis.

- 1.7 A list of the digital initiatives reviewed is provided in Table 2 with Appendix A containing a more detailed summary of each initiative.

Table 2: Digital initiatives reviewed

| Lead agency                    | Digital Initiative  |
|--------------------------------|---|
| <b>Significant initiatives</b> |   |
| DoH                            | Human Resources Information System (HRIS) replacement project   |
| DoJ                            | Justice Astria Program  |
| DPAC                           | Whole of Government Cyber Security Capability Uplift Program (WCS)  |
| DPFEM                          | Project Unify – selected Phase 2  |
| DPFEM                          | Tasmanian Government Radio Network (TasGRN) Project   |
| NRE Tas                        | Fisheries Digital Transition Project (FDTP)   |
| State Growth                   | Electronic School Zone Speed Limit Signs V2   |
| <b>Other initiatives</b>       |   |
| DECYP                          | Capturing Workforce Capability Project (MyCareer)   |
| DECYP                          | FinanceOne Software as a Service Transition Project   |
| DECYP                          | Integrated Client Information Program (ICIP), primarily focusing on the Justice Offender Information System of Tasmania (JOIST) replacement project |
| DECYP                          | Student Systems Renewal – Phase 1 (SSR)   |
| DoH                            | Contract Management System Implementation (Open Windows)  |
| DoH                            | Digital Outpatient Management and Virtual Care  |
| DoH                            | Electronic Meal Management System   |
| DoH                            | My Health Record – Adoption – North and South Tasmania  |
| DoJ                            | Video Conferencing Upgrade Project (VCU)  |

| Lead agency  | Digital Initiative  |
|--------------|---|
| DoJ          | Wellbeing Case Management System Project  |
| DPAC         | Service Tasmania Website Redevelopment  |
| DPFEM        | Forensic Systems Upgrade Project  |
| DPFEM        | National Criminal Intelligence System (NCIS) Adoption Project                   |
| DPFEM        | Project Catton  |
| DPFEM        | Project Pantheon  |
| NRE Tas      | Cyber Defender Implementation Project   |
| NRE Tas      | Implementation of National Electronic Conveyancing                              |
| NRE Tas      | Tasmania Travel Management System   |
| NRE Tas      | Volunteer Management Review Project   |
| State Growth | Contract Management System  |
| State Growth | Loans System Replacement Project  |
| Treasury     | Integrated WHS Hazard and Incident Reporting and Facilities Service Desk System |
| Treasury     | M365 Application Deployment   |

Source: Tasmanian Audit Office

- 1.8 Our findings across all the initiatives are outlined in the following chapters. However, it is also important to provide additional context on matters impacting agency economy, efficiency or effectiveness in planning and delivering these initiatives.

## Broader root causes impacting agency performance

- 1.9 There were a range of matters arising in the past 3-5 years that have directly impacted on agencies' ability to deliver their business-as-usual, let alone project or reform-based, work. Some of these are briefly outlined below.

### Reviews that demonstrated a historically limited whole-of-government vision and strategy for prioritising and resourcing digitally based initiatives

- 1.10 Past external reviews demonstrated the need to achieve a shared or consensus understanding of those initiatives or reforms that are the Government's highest

priority:

- ***Report of the Auditor-General No. 4 of 2020-21, Information and communications technology strategy, critical systems and investment***<sup>4</sup>

This October 2021 report examined and analysed information relating to government ICT strategy, critical systems and investment across the State Service agencies. It made 7 recommendations, including:

Recommendation 2

The whole-of-government ICT vision and strategy identify:

- a. key priorities for the short, medium and longer term
- b. strategies for greater collaboration targeting cost efficiency gains, increased productivity, removal of duplication of effort across agencies and alignment to government strategy and policy
- c. known key ICT assets targeted for replacement or renewal
- d. critical assets that are significantly aged or at potential risk of failure. (page 6)

- ***Premier's Economic & Social Recovery Advisory Council Final Report***<sup>5</sup>

Although this report, which was finalised in March 2021, focused on social and economic recovery from COVID-19, it did cover digital infrastructure planning and digital inclusion, which links to some of the digital initiatives covered by this audit.

- ***Independent review of the Tasmanian State Service Final Report***<sup>6</sup>

The Tasmanian State Service Review (TSSR), which was completed in July 2021, identified a range of areas that show better cooperation between agencies would enhance government services. It acknowledged:

Digitalisation is driving change nationally and internationally. It is both a key opportunity of the TSS and a significant risk if not embraced. The TSS needs to take full advantage of a functional leadership approach to align and integrate existing and new core business platforms, and refresh its digital services governance to drive significant improvements in digitalisation across the service. (page 9)

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<sup>4</sup> Tasmanian Audit Office, [ICT strategy, critical systems and investment - Tasmanian Audit Office](#), October 2020, accessed 4 September 2023.

<sup>5</sup> Parliament of Tasmania, [PESRAC Reports | Premier's Economic and Social Recovery Advisory Council](#), March 2021, accessed 4 September 2023.

<sup>6</sup> DPAC, [Independent Review of the State Service \(dpac.tas.gov.au\)](#), July 2021, accessed 4 September 2023.

Two recommendations focused on the digital space and the whole-of-government lens required:

Recommendation 10

That the government task heads of agency as a group to drive the capability review and improvement framework, functional leadership, digitalisation and some or all of the cross-government priorities.

Provide a small amount of additional resourcing to the Department of Premier and Cabinet to support the heads of agency work and associated follow-ups. (page 15)

...

Recommendation 22

That the government, through the heads of agency, develop a platform-based functional leadership model for the ongoing development and integration of consistent core business systems across all agencies. (page 18)

...

Recommendation 24

That the TSS incorporate platform-based functional leadership into the digital services governance framework and replace the Digital Services Board with heads of agency meetings.

## The Government is responding to these reviews

1.11 Following publication of these reports, the Board of Secretaries (comprising the Secretaries of the 8 departments) started to take carriage of prioritisation of business systems and established a Data and Digital Sub-Committee. The Sub-Committee is still in its infancy but its purpose, as outlined in the terms of reference below, shows a nexus to relevant recommendations in the above reports:

A standing subcommittee of the Secretaries Board, the Sub-Committee is to:

- oversee whole-of-government digital initiatives (including the TSSR 'digital enhancement' recommendations)
- monitor progress and the delivery of significant government digital priorities (including Our Digital Future)
- lead engagement and collaboration across government agencies to promote a user-focused, and 'one government' approach to the design and delivery of digital services
- facilitate the establishment of effective data governance and data sharing capabilities across government.

1.12 The Sub-Committee has already developed an updated Action Plan 2024-2028 to respond to the TSSR as well as a Work Program addressing recommendations from all the reviews represented above.



## Machinery of Government changes

- 1.13 One of the major impacts on an agency's ability to deliver business continuity is a Machinery of Government change (MoG). MoGs can arise from a number of causes, but usually stem from either a transition to a new government or a reshuffle of ministerial portfolios within an existing government. MoGs that have occurred in Tasmania since 2014 are listed in Appendix B.
- 1.14 The effectiveness of MoGs were examined recently by the Queensland Audit Office in an audit that provided 'insights into central agency leadership during their 2020 machinery of government changes, analysed the change management practices of 4 departments significantly affected, and assessed the effect that restructures had on departments' internal controls'. The report<sup>7</sup> was tabled in June 2023, where it stated, among other things:
- The scope of each change can vary greatly in terms of complexity. What does not vary is that they divert focus from leading service delivery (page 1)...
- The restructures can seek to align services with the government's objectives and ministers' skills and backgrounds. However, they are rarely quick, inexpensive, or simple. (page 2)...
- It often takes over 2 years to implement a change, with the initial focus on transfers of budgets, employees, assets, and systems. This can be further complicated if different systems are used across departments. There are longer-term impacts on organisational culture. (page 2)...
- It is difficult to quantify the costs of these changes. Direct costs are not consistently tracked by affected departments, and there are also indirect costs, such as inefficiencies experienced through loss of staff knowledge and diversion of effort from business improvement activities. (page 9)
- 1.15 As noted above, the most recent MoG in the Tasmanian context was the dissolution, in October 2022, of Communities Tas which resulted in its activities being distributed to other departments. Communities Tas was itself the result of a MoG, disassembling the former Department of Health and Human Services, in July 2018.
- 1.16 As identified by the Queensland Audit Office, one potential consequence of MoGs is the impact they can have on critical frontline services. In Tasmania, for example, the area of child safety services has, in the last 5 years, been housed in 3 agencies, under the leadership of 4 secretaries and been subject to the Strong Families, Safe Kids reforms that restructured the way in which it delivered its services. It was also a key participant in, and provider of information to, the recent Commission of Inquiry into the Tasmanian Government's Responses to Child Sexual Abuse in Institutional Settings. Maintaining service levels during such periods would naturally limit the

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<sup>7</sup> Queensland Audit Office, [Implementing machinery of government changes | Queensland Audit Office \(qao.qld.gov.au\)](https://www.qao.qld.gov.au), June 2023, accessed 4 September 2023.

ability to innovate and work towards embedding necessary cultural changes driven by the external changes.

## **COVID-19**

1.17 It is unavoidable to discuss activity within the state sector in the last 3 years without acknowledging the incredibly complex effects of COVID-19. While Tasmania did not suffer the same extensive lockdowns and hospitalisation rates of some other Australian jurisdictions, the impact on all levels of government in terms of response and recovery efforts was significant. This played a role in the timelines and resourcing of many of the initiatives reviewed as part of this audit.

## 2. Principles for realising benefits and outcomes from digital initiatives

### Chapter summary

From the 30 digital initiatives reviewed we observed common themes in the planning, implementation, monitoring and oversight of benefits realisation across the breadth of the agency initiatives that were critical to success. These are summarised as follows:

- agencies clearly identified and defined intended outcomes and benefits in the planning phase
- agencies resourced their initiatives effectively to enable the delivery of intended outcomes
- agencies planned effectively for the transition to business as usual
- agency governance arrangements provided effective oversight of intended outcomes and benefits realisation during the planning phase
- agencies regularly monitored and measured intended outcomes and benefits throughout the delivery phase
- agencies modified intended outcomes, where necessary, to reflect the most current information regarding changing project or business needs
- agency governance arrangements enabled effective oversight of intended outcomes and benefits realisation throughout the delivery phase.

The success factors, based on our audit criteria, can apply to all large, complex digital initiatives, and they are scalable for smaller to medium sized projects. This chapter provides examples of how agencies applied these success factors in practice.

### Agencies clearly identified and defined intended outcomes and benefits in the planning phase

2.1 We found that 27 of the 30 initiatives reviewed had clearly identified and defined intended outcomes and benefits in the planning phase. Ways in which agencies demonstrated this included:

- clearly outlining from the outset 'what success looked like'
- in defining success, recognising that digital initiatives were business transformations
- operating within a project management framework that provided guidance for defining benefits
- being clear on accountability for delivery.

## Agencies clearly outlined from the outset ‘what success looks like’

- 2.2 We observed that aligning outcomes with strategic objectives led to effective communication both within the project team and with external stakeholders. Alignment to a vision helped convey project objectives, progress and outcomes more concisely and persuasively as well as helping to attract funding and other resources for projects.
- 2.3 We noted that, by establishing a benchmark and key performance indicators from which the outcomes and benefits would be assessed, metrics provided a way to objectively evaluate progress and determine whether the initiative was meeting its intended goals. It was also noted that when stakeholders had a well-defined understanding of what success entailed, they were more likely to have confidence in the project and its management.
- 2.4 Where outcomes were clearly differentiated from project outputs, this helped ensure initiatives aligned with strategic objectives and were focussed on both value creation and having a meaningful impact.

**TasGRN:** clearly identified and defined project objectives and success measures, creating a benefits realisation strategy and benefits plan that clearly identified and defined intended outcomes and benefits.

**Forensic Systems Upgrade:** there were clearly identified outcomes centred around a common forensic platform with clear, quantifiable benefits in terms of:

- productivity and transparency of the forensic process
- systems integrity
- an alignment with the rest of the country.

## In defining success, agencies recognised that digital initiatives are business transformations

- 2.5 We observed it was vital to identify the full complexity of the business transformation component of the digital initiative during planning. It enabled more effective justification, prioritisation, budget allocation and allocation of resources.

**HRIS:** effectively planned for what had been identified as a complex transition to business-as-usual. This was supported by its business case, organisational change management strategy, change plan and testing strategy. These plans included project health checks and clearly defined stages and gates. They outlined the steps needed to effectively transition to business-as-usual. Change documentation included clear roles, responsibilities and detailed measures for success.

- 2.6 We also observed that at project closure, a clear definition of success from the outset allowed for a thorough assessment of what worked and what did not. Furthermore, this had the potential to feed into continuous improvement for corresponding digital initiatives in the future.

**Tasmania Travel Management System:** key agency stakeholder requirements were identified and a gap analysis against the current state was performed. This identified multiple systems that were in use by a range of stakeholders. The lack of flexibility meant it was not responsive to what was a rapidly changing environment, and border entry screening was seen as cumbersome and inefficient.

Project outcomes had identified a need for a solution that was secure, robust, flexible and easy to administer while meeting the needs of a broad range of Tasmanian Government Agencies and relevant legislation in relation to a pandemic response.

### **Agencies operated within a project management framework that provided guidance for defining benefits**

- 2.7 We saw the value in developing, maintaining and promoting an agency-wide digital project management framework with project management methodology options and guidance to support the size and scale of projects.
- 2.8 Agencies adopt project methodologies to suit the project or business needs. For example, we saw several agencies adopt components of the Agile project methodology. This proved to be beneficial with respect to the discovery, identification, and implementation given the nature of specific project elements.

**DoJ:** developed an interactive project management framework, providing templates and practical examples for effective project management. This framework aimed to reduce costs, prevent duplication of effort and provide sufficient guidance for a first-time project manager to navigate.

### **Agencies not only defined success but were clear on accountability for its delivery**

- 2.9 We noted that when success was clearly defined, it was easier to assign responsibilities and hold individuals or teams accountable for their roles in achieving the desired outcomes. This accountability helped drive motivation and project performance.

**Wellbeing Case Management System Project:** used a Responsible, Accountable, Consulted and Informed matrix to clearly define roles throughout planning, execution and closure phases. This helped ensure there was seamless accountability throughout the project lifecycle. For example, for Project Initiation responsibility lay with the Business Owner, and the Governance Committee was accountable.

| Role                | Example              |
|---------------------|----------------------|
| <u>R</u> esponsible | Business Owner       |
| <u>A</u> ccountable | Governance Committee |
| <u>C</u> onsulted   | ICT Team             |
| <u>I</u> nformed    | Tas Wellbeing Team   |

Source: TAS Wellbeing – project Status Report

## Agencies resourced their initiatives effectively to enable the delivery of intended outcomes

2.10 We found that 23 of the 30 initiatives reviewed had effective resourcing that enabled the delivery of intended outcomes. Ways in which agencies demonstrated this included:

- making appropriate use of the right people to engage and inform
- deploying or recruiting effective project management capability
- providing for adequate contingencies in budgeting.

### Agencies made appropriate use of the right people to engage and inform

2.11 We saw that identifying and making people with sufficient understanding of the current and future business requirements available, was essential to inform the definition of the broader program/project outcomes and benefits.

2.12 Having people with a deep understanding of business requirements allowed for more informed and effective decision-making throughout the lifecycle of the project. There was an increased likelihood of remaining within scope for projects.

2.13 Effective communication with stakeholders was identified as fundamental for the success of digital initiatives. Subject matter experts (SMEs) served as an effective conduit between technical teams and business units. This enabled stakeholder understanding on technical matters that helped inform the decision-making process.

**TasGRN:** The primary function of the Business Process Owners and SME Working Group was to ensure the needs of each of the user organisations were represented on the project. To achieve this, responsibilities included:

- providing advice and making decisions on key business processes and business rules on behalf of their organisation
- providing a forum to build a shared understanding of complex issues
- making recommendations to the steering committee
- ensuring each organisation is briefed on decisions and issues
- understanding the project's impact to the respective user organisations.

### **Agencies deployed or recruited effective project management capability**

- 2.14 In every project reviewed, attracting and retaining a suitably skilled and experienced program/project manager who understood the broader program/project outcomes and benefits was pivotal. Having the capability to work with the impacted business areas to integrate their requirements effectively into project planning was key. This expertise helped ensure challenges were navigated effectively.
- 2.15 We observed that experienced project managers managed stakeholder expectations, provided regular updates to the steering committee, and addressed concerns in a definitive manner.
- 2.16 We acknowledge that such individuals are limited in number and competition for this capability is explored further in Chapter 4.
- 2.17 We found that to recruit and deploy sufficiently skilled project staff there was a need to cooperate and share resources with other business units.

**DoH:** had a team providing guidance to business units on project documentation to ensure they could procure a system most appropriate to their needs. This team provided support to business units in identifying existing capability or to formulate alternative solutions. This helped prevent duplication and enabled the business to find a system which was fit for purpose.

**WCS:** it was observed that competition from the mainland for technical resources continued to be problematic. Attracting staff in the cyber security space to Tasmania remained challenging. As a result, the strategy of growing talent from within – through TAFE and other training programs – had been designed to build and retain a local talent pool of cyber security specialists.

- 2.18 Instances were observed where project requirements shifted as understanding evolved and the environment changed over time. To tackle these evolving requirements, there was flexibility in the project team to adjust quickly to these changing demands by scaling up or down over through the lifecycle of the program of work.

**HRIS:** all budget metrics were shared openly and consistently, and the Project Director had a workforce management plan in place to enable the project to scale up and down. This enabled the flexibility to alter resourcing to reflect different project stages and levels of activity.

## Agencies provided for adequate contingencies in budgeting

2.19 We saw the need to build in sufficient funding, or to have provision for contingencies in budgeting. By understanding what constitutes success at a strategic level, potential risks and challenges to a program of work were managed in a pragmatic way.

**ICIP:** when the initial funding envelope requested for the program of work was rejected, and a significantly smaller amount was allocated, Communities Tas (and later DECYP) adjusted its strategy to direct most resources to the most urgent priority, being the replacement of JOIST in Youth Justice. For the broader Children and Families portfolio, the approved strategy was to deliver regular iterative improvements, with a focus on their information systems.

These iterative improvements have occurred year on year with an internal allocation of funds to the program and agreed changes approved by its Program Control Committee.

**VCU:** the project came in under budget, returning a significant surplus and was completed several months early. The project increased scope during execution phase, adding deliverables due to substantial under-budget actuals. Favourable pricing was negotiated with contractors and vendors during the project journey. Effective resourcing enabled increased scope, within budget, further enhancing benefits realisation.

## Agencies planned effectively for the transition to business-as-usual

2.20 We found that 27 of the 30 initiatives reviewed had effective planning for the transition to business-as-usual. Ways in which agencies demonstrated this included:

- ensuring they had dedicated change management capability
- planning for engagement and buy-in of the business
- proactively managing multi-project interdependencies.

### Agencies ensured they had dedicated change management capability

2.21 Change management underpins management of the people side of change, helping to sustain the desired changes and prevent a return to old behaviours or practices.

2.22 We observed the need for a dedicated change management capability with an associated strategy to effectively address the 'why' in delivery. It is vital that the



adoption of new digital technologies, processes, and practices is given appropriate resourcing to implement effectively.

**TasGRN:** had a detailed organisational change management strategy, communications strategy, stakeholder engagement strategy, and detailed stakeholder management for each target user organisation. The change management was supported by well planned and executed training with a focus on the quality of training for Super Users and Train the Trainer.

### Agencies planned for engagement and buy-in of the business

- 2.23 We found stakeholder and communication planning to be essential in building engagement. Keeping all parties informed and making them aware and motivated by the 'why' created the necessary buy-in at the business unit level. This also helped identify and address resistance, mitigate any negative impacts of disruption and increase the likelihood of a successful implementation.
- 2.24 Engaging stakeholders early and consistently built support and credibility for the initiative, with stakeholders feeling included and informed. This increased the likelihood they would be open to support for the project and champion its success.

**Project Catton:** planning for the successful integration to business-as-usual needed to be effective given that Tasmania was the first state to adopt the technology for this method of interviewing. There was a clear intention to make the job simple for anyone conducting an interview with detailed provision made for frontline staff, as well as on-going support from the vendor. The Change Manager proactively reviewed use of the new technology to provide feedback and refine best practice. Outcomes from Project Catton were greatly enhanced as a result.

### Agencies proactively managed multi-project interdependencies

- 2.25 We noted the importance of understanding and proactively managing interdependencies with other related projects or programs of work. This was vital in minimising strategic risks and ensuring project success.
- 2.26 Agencies were running digital projects concurrently – in instances over and above the capacity to do so. They relied on each other for resources, data and decisions. When interdependencies were not managed proactively, delays in one project cascaded into delays in others. By having the capability to manage these interdependencies more effectively, the potential bottlenecks were mitigated before they impacted project timelines.

**WCS:** In order to continue to reduce the gap in cyber security capability across the Tasmanian Government, the program team developed an on-going strategy. This was for managing whole-of-government requirements and future program developments that would extend to cover the next 4 years.

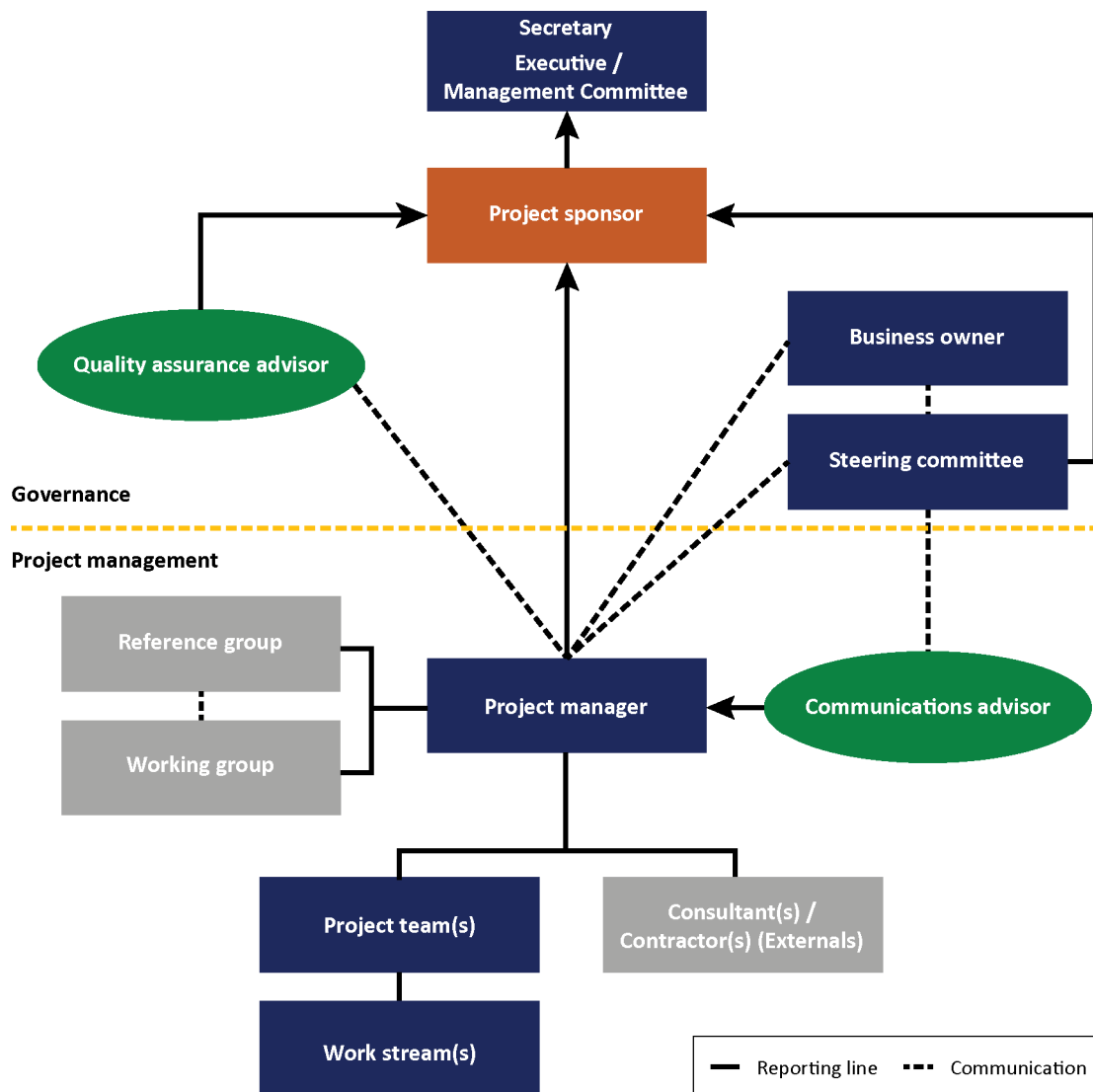
## **Agency governance arrangements provided effective oversight of intended outcomes and benefits realisation during the planning phase**

2.27 We found that 26 of the 30 initiatives reviewed had governance arrangements that provided effective oversight of intended outcomes and benefits realisation during the planning phase. Ways in which agencies demonstrated this included:

- ensuring the steering committee was empowered to provide oversight and direction
- ensuring governance arrangements had multi-agency oversight for significant initiatives
- embedding confidence within affected business areas.

2.28 A generic governance structure for strategic projects is illustrated in Figure 1.

Figure 1: A generic governance structure for strategic projects



Source: Project Government Guidelines, NRE Tas

### Agencies ensured the steering committee was empowered to provide oversight and direction

2.29 We observed a need to create a steering committee with documented roles, responsibilities and reporting requirements. This played a crucial role in overseeing and guiding digital initiatives. Attributes of a functional steering committee included having:

- available and engaged members
- sufficiently diverse business knowledge or being provided with such knowledge
- the ability to make decisions in a timely manner, including the authority to allocate resources and pause/abandon a project if necessary

- sub-committees that supported informed decision-making
- Terms of Reference with clearly defined roles and objectives.

2.30 These attributes can help ensure that the committee provides valuable insights, direction, and accountability for digital projects. The committee should establish effective communication channels to keep relevant stakeholders informed about the status and outcomes of digital initiatives.

2.31 The committee should foster a culture of collaboration and ensure that digital initiatives are integrated seamlessly into the organisation's workflows.

**DPFEM:** had an overarching governing body – the Technical Governance Board – set up by the DPFEM Project Management Office (PMO). The aim and scope of the Board had broadened since implementation, and it now acts as a gatekeeper in terms of releasing funding, probity, and redirection of projects if required.

**ICIP:** there were clearly defined roles and responsibilities, and requirements for the Project Control Committee. This helped to ensure successful program delivery and oversight of strategic direction across the associated governance framework for this program of work.

2.32 We were told it was beneficial when steering committee members were able to prioritise their commitments to avoid nominating proxies and attend, where possible.

**WCS:** the program steering committee consisted of Deputy Secretaries from every agency. This enabled decisions to be made quickly and ensure engagement across whole-of-government. Steering committee members were noted as being strong advocates for the project across documentation reviewed.

### Agency governance arrangements ensured multi-agency oversight for significant initiatives

2.33 We observed that for significant, multi-agency projects, all stakeholders needed a mechanism to either be represented on, or feed into steering committee decision-making.

2.34 We saw this as essential to help ensure that all relevant perspectives and respective agency priorities were considered in decision-making, thus avoiding bias and ensuring inclusivity. It also reduced resistance or opposition to projects.

**WCS:** governance included executive representation from every agency. It was clearly stated in the steering committee Terms of Reference: 'this was not a technical program. Cyber security is a significant business risk and success will only come through wide-spread culture change.'

## Agencies embedded confidence within affected business areas

- 2.35 We noted the importance of establishing a strong network of impacted business leaders who were both sufficiently senior and had the confidence of the business area they represented. Their insights were seen as invaluable in understanding the nuances and intricacies of the business processes that the digital initiative aimed to impact.
- 2.36 Having the confidence of the business area was seen as essential given the influence exerted over their teams in adapting to new ways of working and embracing change.
- 2.37 Furthermore, having the endorsement and confidence in the technology had the potential to make it easier to replicate or scale the solution to other business units/agencies.

**WCS:** High level change roles and responsibilities were clearly defined, as shown in the table below.

| Role                   | Who and responsibility  | Expected change adoption   |
|------------------------|---|--|
| <b>Change leaders</b>  | <p><i>Executives and Senior Leaders</i></p> <ul style="list-style-type: none"> <li>• Advocates</li> <li>• Support</li> </ul> <p>Cascade information</p>   | <p>Ownership within agency of strategic and operational risks</p> <p>Adoption</p> <p>New ways of thinking and behaving</p> <p>Buy-in</p>   |
| <b>Change champion</b> | <p><i>Support embedding the culture of being cyber security aware (like safety in the workplace)</i></p> <ul style="list-style-type: none"> <li>• Champion the program’s initiatives</li> <li>• Influence agency leaders in how to support</li> </ul> <p>Be the conduit between agency and CS Program</p>                                   | <p>Ownership within agency</p> <p>Adoption</p> <p>New ways of thinking and behaving</p> <p>Buy-in</p>  |
| <b>Change advocate</b> | <p><i>Cyber Awareness Working Group – support and inform agencies in respect to awareness</i></p> <p><i>Cyber Leads Working Group</i></p> <p><i>Middle Managers – communicate, coach</i></p> <p><i>Agency Cyber Teams – align and adopt</i></p> <p><i>CS Program staff – design and integrate a program to suit whole-of-government</i></p> | <p>Advocate, support and encourage awareness and understanding</p> <p>Promote adoption and buy-in</p> <p>Support and advocate</p> <p>Focus on engagement and relationship building</p> |

Source: DPAC

## Agencies regularly monitored and measured intended outcomes and benefits throughout the delivery phase

- 2.38 We found that 24 out of 27 of the initiatives reviewed had monitored and measured intended outcomes and benefits throughout the delivery phase. Three of the 30 initiatives were not at the delivery phase at the time of audit and were therefore not assessed against this audit sub-criteria.
- 2.39 We saw the need for regular monitoring of progress toward the outcomes and benefits identified in the planning phase (line of sight). This was vital in ensuring digital initiatives remained on track and responsive to changing circumstances. Regular monitoring facilitated the proactive mitigation of risks to benefits realisation.
- 2.40 Regular progress reports and presentations to steering committees kept stakeholders informed about project status.
- 2.41 We also identified the importance of avoiding the tendency for monitoring to become purely output focussed.
- 2.42 Quality assurance monitoring was also identified as helping address projects or programs of work operating in an ineffective way. Quality assurance assisted in preventing costly rework and delays to project timelines.

**Service Tas Website Redevelopment:** the project implementation included a Beta Build as an effective means for stakeholder feedback to be collated on any issues or impediments to project outcomes. They also commissioned a Vision Australia assessment to be brought before the steering committee to gauge, critique and endorse accessibility for the public facing website.

**VCU:** intended outcomes and benefits were monitored and measured through to closure of the project, with performance against project objectives monitored and detailed in the project closure report. As a result, nearly all planned outcomes were assessed as a full success, contributing to the Department's mission to improve the quality and access to justice services within the Tasmanian community.

**TasGRN:** systems testing at a major sporting event allowed users to directly evaluate and provide feedback about how fit-for-purpose it was and how it performed against the expected outcomes.

## Agencies modified intended outcomes, where necessary, to reflect the most current information regarding changing project or business needs

- 2.43 We found that 19 out of 21 of the initiatives reviewed had modified, where necessary, intended outcomes to reflect the most current information regarding changing project or business needs. Nine of the 30 initiatives were either not at the delivery phase at the time of audit or did not require modification to intended outcomes, and were not assessed against this audit sub-criteria.
- 2.44 We noted the ability to pivot or change strategies was required if the initial approach was not working. Having clearly defined measures of success helped provide flexibility and responsiveness in adjusting the project's direction when necessary.

**Tasmania Travel Management System:** there was a critical need for the development team to respond at short notice to government announcements because of changing COVID-19 exemptions and Public Health requirements. This helped ensure project outcomes kept pace with government requirements for Tasmanian border security coming out of the global pandemic.

- 2.45 While we were told that such decisions could be difficult to make, being prepared to rescope, pause or abandon a project, when necessary, could be of critical importance in delivering the digital strategy. Reasons included the requirement to take account of changes in the external environment or to take necessary corrective action. Examples sighted included:

- changing priorities for the agency
- scope creep
- budget constraints
- technological challenges
- lack of stakeholder support
- ineffective project management
- legal or compliance issues.

**Project Catton:** a reassessment of project scope enabled an expansion of the project. This reassessment led to the replacement of the entire fleet of video interview machines within all police stations state-wide, and was seen as a superior outcome for Tasmania Police across the State.

## Agency governance arrangements enabled effective oversight of intended outcomes and benefits realisation throughout the delivery phase

2.46 We found that 21 out of 25 of the initiatives reviewed had governance arrangements that enabled oversight of intended outcomes and benefits realisation throughout the delivery phase. Five of the 30 initiatives were not assessed against this audit sub-criteria as they were not at a sufficient point in delivery to be assessed.

2.47 We observed the importance of having regular governance meetings to review progress and status reporting that included the identification of:

- issues/risks/actions including who was responsible for each action and/or mitigation
- any dependencies/interdependencies
- what needed to be done and by when.

2.48 Agencies saw these regular governance meetings as a vital mechanism for oversight, communication, risk management, and decision-making. They helped ensure that digital projects maintained direction and focus, delivered value, and were responsive to changing conditions and stakeholder needs.

**VCU:** the governance structure was observed as having enabled effective oversight, with evidence of a very responsive and decisive steering committee. The project was regarded as having succeeded in strategic prioritisation to suit current challenges and risks 'while delivering along the journey'.

2.49 We saw where an empowered steering committee was established, this was conducive to clear accountability for the success of digital initiatives. Committee member responsibilities for monitoring progress, evaluating outcomes, and ensuring that projects were delivered on time and within budget were documented within Terms of Reference.



## 3. Variations from expected performance

### Chapter summary

In the previous chapter we observed what factors increased the likelihood of a digital initiative delivering its intended benefits, as measured against our audit criteria. In this chapter, we show the small number of areas where initiatives did not perform, or only partially performed, against the criteria, and identify some of the root causes for this performance. These root causes include:

- Funding projects or procuring systems prior to project initiation or the establishment of business requirements as part of a dedicated discovery phase.
- Challenges in resourcing that impacted delivery of digital initiatives.
- Digital initiatives being regarded as 'IT projects'. This limited their focus to the output of a system, without the significance of the business transformation element forming a key component of project execution.
- Steering committees set up largely as an information-sharing forum, as opposed to an effective means of informed oversight and decision-making.
- Variable status reporting for initiatives. Monitoring and measurement back to outcomes was not always evident, but most notably in instances where outcomes measures had not been established in the planning phase.
- Challenges in mitigating the impact of uncertainties, such as machinery of government changes, funding withdrawal, changes in related projects and legislative reform, especially for the more significant digital initiatives.
- The need for steering committee 'resets' in multiple agencies where the channels of communication for strategic decision-making had been reduced. In one case, this occurred 4 years into the program.

### Variations in effective planning

While variations were smaller in number across the initiatives, there were examples where certain projects did not fully meet our criteria for effective performance.

#### **Agencies did not clearly identify and define intended outcomes and benefits in the planning phase**

- 3.1 In some instances, projects were funded, or systems procured, prior to project initiation or the establishment of business requirements as part of a dedicated discovery phase.
- 3.2 We also saw from 2 agencies, instances of benefits realisation planning taking place either at the end of the project, or planned as an exercise to establish benefits after project completion. This indicates that there are instances where effective benefits

realisation planning is not undertaken in accordance with the project management framework.

- 3.3 Without effective benefits realisation planning, significant challenges in monitoring project outcomes and the justification for the project arise, including being unable to demonstrate the return on investment.

**Open Windows:** the system was procured by DoH as a recommendation from an internal audit into procurement within DoH. Procurement occurred before the project started, increasing the risk of the solution not being fit for purpose and not realising intended benefits.

### **There was an absence of effective resourcing to enable the delivery of intended outcomes for some initiatives**

- 3.4 We observed ineffective planning, in a small number of initiatives, resulted in the degree of project complexity being underestimated. This subsequently exacerbated recruitment or other resourcing challenges in the current employment market.
- 3.5 It was also evident that some digital initiatives were project managed by someone in addition to their normal duties. As a result, the project managers were time poor due to competing priorities. In this instance, dedicated project team resourcing would have been beneficial in making better provision for communications, training, and awareness.
- 3.6 Nationally and globally, skills and labour shortages have evolved from an increased demand for digital and ICT skills. In Tasmania, this has been amplified by the ability for people to live in the State, but work remotely for employers outside Tasmania, often for higher remuneration.
- 3.7 All agencies identified challenges in resourcing, impacting the delivery of digital initiatives. These challenges are explored further in Chapter 4. Some of the commentary provided by agencies is summarised below.

#### **DoH**

DoH was finding it difficult to recruit and retain experienced project managers. There seemed to be a very limited pool of people in Tasmania with the skills and experience required to effectively manage projects. This was especially true for larger, more complex projects.

#### **DPFEM**

The agency faced resourcing challenges across all projects in achieving intended outcomes, with long lead times contributing to project delays.

#### **NRE Tas**

The agency found it difficult to recruit and retain qualified and experienced project managers in a timely manner, impacting on project delivery. For FDTP, the

assessment of staffing requirements identified challenges in getting operational staff to provide critical input to the project.

#### **DECYP**

The MyCareer project was temporarily downscaled to Principals only in 2022 as other projects were prioritised, with experienced staff being lost as the program ramped up for remaining phases. External factors such as COVID-19 and MoG changes also impacted the delivery of the Case Management Platform. Evidence showed business units continued to struggle to prioritise project work over business-as-usual responsibilities.

#### **DPAC**

In the WCS, DPAC identified challenges in recruiting suitable staff, which led to delays in schedules and potential impacts on delivery. The shortage of cyber professionals led to the need for mitigation through the hiring of contractors and adjustments to the program schedule.

- 3.8 We understand that the Data and Digital Sub-Committee has been working with agencies to identify potential solutions and has subsequently developed a Digital Workforce Capability Program. This program is designed to address key skill gaps and provide whole-of-government digital career pathways and talent pipelines.

### **There was an absence of effective planning for the transition to business-as-usual**

- 3.9 Where there was no provision for dedicated change management resources on projects, we observed stakeholder key messaging in the program was planned to be high level and generalised, with only a basic assessment for the degree of change impact. The lack of detail reduced the likelihood of transition to business-as-usual realising intended outcomes and benefits.
- 3.10 In some agencies, and individual business areas, we found that digital initiatives were regarded as 'IT projects'. This limited their focus to the output of a system, without the significance of the business transformation element forming a key component of project execution. As a result, issues were cited requiring a mitigation strategy for the scale of change and learning for system users.

**Open Windows:** The following issues were observed that impacted the transition to business-as-usual:

- gaps in the vendor testing resulted in additional bugs and issues arising
- change management was not effectively implemented and take-up of the new system was low in the initial rollout phase. Change management plans were not evident and, as a result, there was minimal engagement with the Business Owner throughout the delivery phase.

## Certain governance arrangements lacked effective oversight of intended outcomes and benefits realisation during the planning phase

3.11 We observed 3 instances where steering committees had been set up largely as an information-sharing forum, rather than an effective means of informed oversight for decision-making. In one of these cases, this contributed to a material variation in performance as assessed against our criteria, due to inadequate governance and oversight.

**MyHealth Adoption:** the project operated without a steering committee in the initial stages of planning because it took much longer to establish than anticipated. This lack of governance oversight increased the risk of the project not realising its intended benefits.

**Case Management Platform:** the governance was complex due to a lack of coordination among business units and a steering committee established primarily for information sharing rather than decision-making. However, DECYP has since established a more streamlined governance structure for its projects, ensuring clearer roles for steering committees and working groups, thereby increasing the likelihood of effective project outcomes delivery.

**VCU:** Initially, the governance arrangements were ineffective for the project. An absence of consultation was evident in the appointment and funding of the first project manager. This contributed to a delay in the endorsement of the procurement plan and formal approach to the market.

## Variations in effective monitoring

### Intended outcomes and benefits were monitored and measured inconsistently throughout the delivery phase

3.12 We observed a need for agencies to enhance capability for benefits realisation, and identified the concept was not always widely understood, increasing the risk of digital initiatives becoming outputs focussed.

**NRE Tas:** the project management office has not yet reached the point of providing a framework and tools to enable the monitoring of benefits realisation. The responsibility for this currently sits with the business owner. As a result, there is a risk of inconsistency in monitoring of intended outcomes. NRE Tas told us this is an area on which they are currently working.

3.13 Status reporting for initiatives varied in how comprehensive they were. While risks were often documented methodically, with an effective assessment of mitigation, there were exceptions. Monitoring and measurement back to outcomes was not

always evident, especially in cases where outcomes measures had not been established in the planning phase.

**Electronic Meal Management System project:** the status reporting outlined the project's progress and tracking against various risk factors. While it provided some monitoring and measurement elements, it lacked a clear strategy for effectively monitoring and measuring the intended outcomes and benefits during the delivery phase.

### **Intended outcomes were not always modified, where necessary, to reflect the most current information regarding changing project or business needs**

3.14 Mitigating the impact of uncertainties, such as MoGs, funding withdrawal, changes in related projects and legislative reform was challenging, especially for the more significant digital initiatives.

**Project Pantheon:** faced significant challenges due to its complex inter-agency dependencies. Project monitoring and reporting highlighted the need to proactively address these issues.

**DoH:** ICT experienced a need to improve training for project managers, so that 'tough' conversations are had at an 'amber' stage of a project rather than 'red'. The intention is that this will increase the likelihood of steering committees and sponsors being aware of current information regarding project status and changing business needs. While the agency stated this was starting to occur, it is not yet consistent practice.

### **Governance arrangements sometimes lacked effective oversight of intended outcomes and benefits realisation throughout the delivery phase**

3.15 We saw instances of steering committee 'resets' in multiple agencies where the channels of communication for strategic decision-making had been reduced over a significant period of time before being remedied. This required a resetting of the steering committees in terms of frequency of meetings, terms of reference and membership to ensure regular governance review to maintain line of sight on outcomes, and make timely management decisions to ensure progress.

**State Growth:** Contract Management System governance arrangements lacked effective oversight during project delivery. This led to unclear roles and reporting lines that hindered project managers from providing robust assessments of project status. This resulted in reduced visibility of issues and a higher chance of failing to achieve intended benefits. Organisational changes disrupted direct reporting relationships and resulted in conflicting project management views.

- 3.16 We also saw the impact of MoGs on program governance arrangements. In some instances, projects or programs were rescoped or re-established, resulting in a loss of momentum in program delivery.

**ICIP:** transferred from the former Communities Tas to DECYP. The new governance arrangements required a stringent re-working of pre-existing program planning, delaying program delivery by a number of months.

## Case Study: emerging practices within the Department of State Growth

- 3.17 State Growth had a dedicated PMO and established procedures and delegations for planning projects that referred to the same project management methodology developed by NRE Tas. Technical support and advice was provided, but project management practices were not mandated for projects run by other business units.
- 3.18 As a result, we considered the Agency's Executive did not have sufficient oversight of strategic projects at State Growth at the time of the audit. The agency told us it is steadily increasing more consistent use of the PMF in the digital space and extending the pilot of a reporting tool.
- 3.19 In this case study we looked at how the diversity of the State Growth portfolio of business units as a government agency has impacted the way it planned and monitored programs of work with a digital component. State Growth has been through numerous MoGs (see Appendix B) and currently has 14 portfolios, reporting to 7 Ministers. The bulk of its activity is in the infrastructure and transport space that have well-established portfolios of project activity. Digital initiatives are more variable and can occur in any portfolio. As a result, at the time of the fieldwork, we reviewed 2 smaller projects that were already closed and one significant project.
- 3.20 Establishing greater adherence to a common PMF has the potential to provide more structure to the planning and delivery of digital initiatives. This can then lead to increased efficiency in execution through standardised processes, reporting and adoption of best practice.
- 3.21 Because 2 of the 3 digital initiatives we reviewed at State Growth were already finalised, the findings for this agency are, to a degree, historic. We acknowledge that the agency is in a process of transitioning the way in which it manages its digital initiatives. The findings below relate to the projects reviewed.

### Intended outcomes and benefits were not always clearly identified and defined in the planning phase

- 3.22 Despite having a PMF that required intended outcomes and benefits to be clearly defined, use of the PMF was not mandatory across the agency for digital initiatives and therefore used inconsistently. Individual business units managed projects themselves and adopted their choice of framework and/or methodology.

- 3.23 The significant initiative had clear benefits outlined and defined. Two of the 3 project concepts and business cases reviewed lacked clear analysis of what was required, why, and the pathway to get from current to desired future state. Digital initiatives were focused on outputs (that is, delivery of the system) instead of outcomes, for example, transformation of an end-to-end process in response to a business need.
- 3.24 One of those 2 initiatives did not create a benefits realisation plan until project closure. The other initiative briefly outlined intended outcomes and benefits in the project plan.

### **There was limited evidence of effective resourcing of digital initiatives to enable the delivery of intended outcomes**

- 3.25 Although State Growth had a PMO, it was small with limited resources. The PMO adopted the NRE Tas PMF and worked on creating project management templates and guides. They did not have the resources to provide oversight or quality control of all digital projects across the agency. They provided limited advice and project resources when asked by individual business units. However, 2 of the 3 of the initiatives reviewed did not use the PMO's framework nor did they consult or engage with the PMO.
- 3.26 Two of the initiatives were effectively resourced to deliver project outputs and the other initiative was not effectively resourced. The project team underestimated the scale and complexity of the issues, and the project had challenges with retaining and recruiting suitably experienced and qualified staff.
- 3.27 In response, State Growth have advised it has used its Strategic Projects and Policy and Coordination teams to work with the PMO to provide support and advice on current projects and work on the pilot of the central reporting tool.

### **There was inconsistent planning for the transition to business-as-usual**

- 3.28 While the PMF provided templates, such as change implementation plans or handover plans, to assist project managers in the transition to business-as-usual, their use was not consistent.
- 3.29 For one initiative, the project team worked collaboratively with the business owner from inception. This enabled the project team to plan effectively for, and manage, the transition to business-as-usual. Conversely, the other project failed to effectively plan its engagement with the primary business unit for the other initiative. As a result, at handover the business owner rejected the new system. Subsequently, a benefits realisation plan was created to encourage the business unit and its users to adopt the new system.

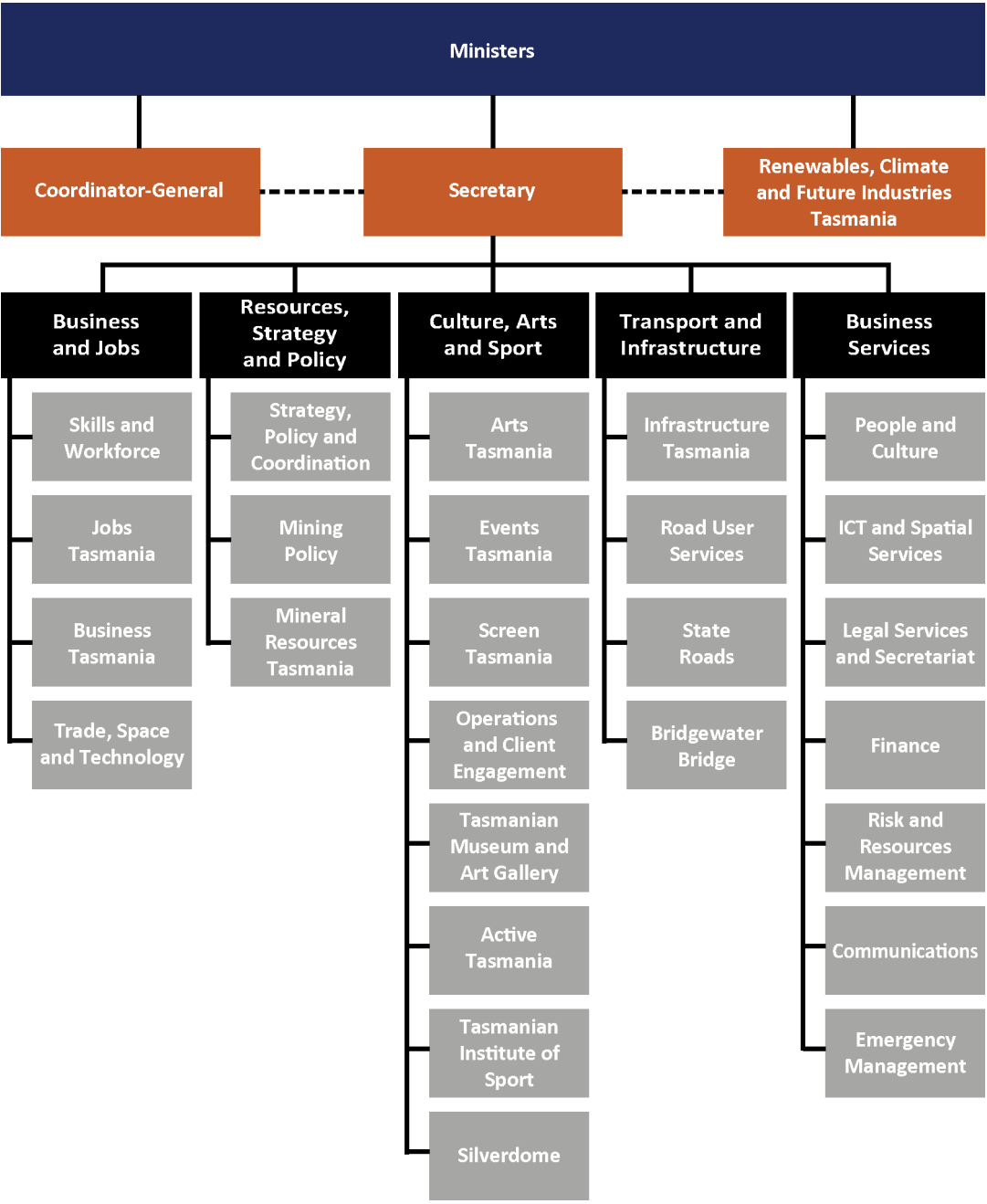
### **Governance arrangements provided limited oversight of intended outcomes and benefits realisation during the planning phase**

- 3.30 For the 2 historic projects reviewed, there was little structure or consistency in digital project management governance. Individual business units and project managers decided how to manage projects and which frameworks and/or methodologies to use.

Individual departments did not effectively engage with the PMO, if at all. IT department involvement in projects was seen as having limited scope and resources to engage effectively.

3.31 State Growth’s executive leadership group did not have effective oversight of digital initiatives across the agency. Project line of sight was managed internally and Divisions within State Growth operated largely in silos, partly attributable to the diverse nature of State Growth’s structure and responsibilities, as shown in Figure 2.

Figure 2 – Organisational structure at the Department of State Growth



Source: Adapted from Department of State Growth

3.32 We found that steering committees did not consistently ensure that business cases were developed and, as a result, sometimes struggled to articulate what a project was



doing. Despite this, we found the initiatives reviewed had established governance structures that included a steering committee and project sponsor with clear roles and responsibilities.

### **Intended outcomes and benefits were not monitored and measured throughout the delivery phase**

- 3.33 Failing to maintain line of sight over intended outcomes and benefits throughout the life of a project increased the risk that the project would deliver something that was not fit for purpose.
- 3.34 The PMF did include templated benefits and outcomes realisation plans but there was no evidence that these were being used across the agency. Individual project managers had responsibility for monitoring and measuring outcomes. There were no gated requirements, checks or reviews, so monitoring outcomes would vary from project to project across the agency.
- 3.35 Both initiatives did not monitor, or measure, intended outcomes and benefits throughout the delivery phase. One initiative indicated that outcomes could only be measured after project closure. The other initiative only measured benefits during project closure to engage the business owner with the changes that would be required.

### **Governance arrangements did not enable effective oversight of intended outcomes and benefits realisation throughout the delivery phase**

- 3.36 We found that the PMF was used inconsistently for digital initiatives. The PMF stated that a strictly gated process was required for projects. However, there was no oversight of those gates and many business units did not use the PMF or consult with the PMO.
- 3.37 Steering committee structure and governance was varied across the agency. It was reported that they did not consistently ensure that business cases had been developed and, as a result, struggled to articulate and communicate project outcomes to stakeholders. We were advised that the decision to pilot a central reporting tool is part of the agency's response to assist steering committees, divisions and the whole-of-agency have better line of sight of digital initiatives.
- 3.38 Governance arrangements, including roles and responsibilities, were not clearly understood during the delivery phase of one of the initiatives. Organisational change, part way through the initiative, prevented the Project Manager from reporting directly to the Project Sponsor or steering committee. The complex reporting structure greatly impacted timeframes and the ability of the Project Manager to provide open and frank advice to the steering committee.
- 3.39 For one other initiative, although it had a clear governance structure, it did not enable effective oversight of intended outcomes and benefits because it focused on delivering outputs instead of outcomes. Intended outcomes and benefits were not tracked or reported to the steering committee.

## Case Study: Justice Astria Program

- 3.40 Initiated in 2018, the Astria Program was intended to deliver a major digital transformation of Tasmania's justice system to replace outdated and inefficient practices with an integrated end-to-end digital solution.
- 3.41 The program of work impacted other government agencies as well as multiple areas within DoJ. It was designed to be implemented in stages across multiple project streams run in parallel:
- Astria Prisons and Corrections (APAC)
  - Astria Victims, Courts and Prosecutions (AVCAP)
  - Courts and Prosecutions Information Management (CAPIM), under the stewardship of DPFEM.

### **Intended outcomes and benefits were partially identified and defined in the planning phase**

- 3.42 Benefits workshops were initially conducted in 2019-20 to establish intended outcomes for the program. The workshops produced a number of potential benefits across the business units of the courts, prison service and community corrections.
- 3.43 Many of the benefits identified were found to have limited benchmarking or means of establishing an effective measure of success. As a result, the ability to measure improvement from implementation appeared limited. It was also not clear the extent to which inter-agency benefits had been documented, and who had ownership.
- 3.44 Program plans were found to not align with the timeline for anticipated and known legislative changes, which were the responsibility of a separate project with the Magistrates Court. Original plans and requirements were put to the product market before new legislation was finalised. This limited the understanding of design requirements for the digitalisation of the incoming legislation and how it would operate within the courts.
- 3.45 Alignment with legislative change was first escalated to the steering committee in 2020 with an 'Extreme' risk rating due to the significant change management impact of the new legislation. The issue was brought into the program scope in 2023 and is now being managed by the relevant sub-committee.

### **Astria had not been effectively resourced to enable the delivery of intended outcomes**

- 3.46 We found the program to have underestimated the complexity of implementing an 'end-to-end justice solution'. One significant factor was the underestimation of the number of staff that would be required. Subsequently, recruiting, deploying, and retaining the right staff, with suitable experience and qualifications, has been an ongoing issue throughout the program.

- 3.47 We identified, through documented steering committee discussions, that the original budget submission had a relatively modest program contingency. This resulted in the budget being tight from the outset. Subsequently, the vendor was found to have significantly under-estimated its costs, which further impacted the program budget and ability to deliver its originally intended scope.
- 3.48 While a feature of the agile project methodology adopted for the program, we found there was a tendency to defer more complex project deliverables in favour of short-term, motivating wins, as project timelines continued to be pushed out. With the program increasingly turning to short term contracts to get the work done, this ultimately left fewer secured resources to deliver in-scope outcomes to be derived from a high degree of program complexity.

### **There was variable planning for the transition to business-as-usual**

- 3.49 Although the program employed change managers to assist the business units in preparing for change, the turnover of change managers in the early stages to mid-2021, disrupted the flow of communications with some stakeholders. Inter-agency engagement was also impacted, and the scope was reduced, as system complexities became apparent. Stakeholder engagement became challenging, risking potential future change resistance from affected business units.
- 3.50 This was not evident in all instances, for example, engagement from Corrections business units remained productive throughout the program, where the flow of communications through project management and SME channels worked effectively.
- 3.51 From late 2022, the program succeeded in resourcing a dedicated change manager to address the ongoing challenges with business transformation, which should support the APAC stream going live in the first half of 2024.

### **Governance arrangements did not initially provide effective oversight of intended outcomes and benefits realisation during the planning phase**

- 3.52 The role of a steering committee is to be a decision-making forum requiring sufficiently senior people who are authorised to identify and respond to emerging issues in a project. It is critical to have clarity of the roles and responsibilities of the steering committee separated from other consultation or stakeholder engagement forums.
- 3.53 Until March 2023, the steering committee, as constituted, did not make decisions based on good management information about the program. This was the result of a combination of inconsistent information flowing to it combined with the committee not adequately challenging what was presented.
- 3.54 In addition to a reconstitution of the committee, we also acknowledge the recent establishment of 7 sub-committees within the program, each charged with overseeing specific aspects of the program in accordance with their respective Terms of Reference. Responsibilities include:
- advocating change and associated program benefits

- monitoring progress against program milestones
- providing direction, guidance, and specialist advice to the program.

This new arrangement was found to be effective, with better and more timely decisions being discussed, considered and made, and escalation to the steering committee as appropriate.

### **Intended outcomes and benefits were not monitored and measured throughout the delivery phase**

- 3.55 We found that program scope had to be reduced due to delays, cost overruns and technical complexities. It was acknowledged that the benefits register had not been reviewed regularly since last being updated in 2021.
- 3.56 It was evident that the priority of the program team narrowed its focus to the delivery of the system because the program did not sufficiently identify all complexities in the planning phase. As a result, the program had been unable to monitor benefits realisation. We are, however, aware that that the program now plans to undertake quarterly benefits register reviews.
- 3.57 Feedback from business units within DoJ identified the intended outcomes were no longer fit for purpose or achievable. We found major program stakeholders were not included in the initial benefits realisation planning. DPFEM's deliverables, for example, were only mapped out from October 2020, due to uncertainty around whether their inclusion would be within the scope of the program.
- 3.58 We acknowledge recent program achievements with new systems going live in the courts. However, it has not been possible to assess how what was learnt will be applied to subsequent program delivery phases.

### **Intended outcomes have not been modified – although it has become necessary – to reflect the most current information regarding changing program or business needs**

- 3.59 By late 2022 it had become apparent to both the vendor and DoJ that progress on 1 of the 2 major streams of work was not forthcoming. Several remedial options were presented to the steering committee. It was considered that a 'pause' would likely result in the loss of key personnel and would have led to significant negative long-term impacts to the project. Therefore, it was not considered to be a viable option.
- 3.60 An alternative solution is in the process of being evaluated by DoJ in order to bring the Astria Victims Courts and Prosecutions stream of work back on track. The scope has, however, continued to be reduced and funding continues to run down, further impacting on the capacity of the program to deliver on its intended outcomes.

### **Governance arrangements did not enable effective oversight of intended outcomes and benefits realisation throughout the delivery phase**

- 3.61 Prior to March 2023, some information provided to the steering committee was inconsistent, which impeded effective decision-making by the steering committee.

3.62 SMEs were, in effect, key conduits for the effectiveness of program information flow. However, it has been recognised that some of the SMEs either did not have:

- the required business knowledge expertise and/or
- the confidence of the business unit's leadership.

Both these elements were critical for the SME model to work effectively.

3.63 We were told some business unit owners did not base their decisions on who to appoint as SMEs on those 2 key elements. It is understood this was permitted to happen through the program not effectively engaging with the business units to ensure the right people with the right seniority and skills were appointed as SMEs, in these instances. The criticality of these roles in the program's governance structure needed to be emphasised.

3.64 The unsuitability of SMEs appointed by some business units were apparent early on but continued unaddressed for 2 years.

3.65 Information about decisions, issues and risks continued to be managed through the existing networks until the establishment of the governance sub-committees in 2023. Further, the program acknowledged that the previous steering committee did not have the right composition for decision-making, which slowed down progress.

3.66 In addition, the program was slow to react to the criticality of the legislative changes that were underway. Cooperation from the courts in managing changes remained challenging. This made it difficult for key decisions to be made in a timely manner, although it is now being managed by the relevant sub-committee.

3.67 Finally, other issues also impacted the effectiveness of governance. Despite a critical dependence on DPFEM, a governance structure to enable effective decision-making and cooperation took months to come together. We do, however, acknowledge the recent deployment of an experienced, dedicated resource to project manage the complexities of replacing the CRIMES database. The mitigation of associated program risk arising between DPFEM and Astria throughout the delivery phase remains a priority.

3.68 Overall, the issue of the right people not being in the right roles from the outset has affected the program's ability to deliver intended outcomes. We acknowledge that the governance model was modified in March 2023, which facilitated the rectification of some of the issues raised through the adoption of new governance arrangements and revised representation.

## 4. Embedding a whole-of-government approach to digital initiatives remains a challenge

### Chapter summary

We identified a need to improve the transparency of the priority and status of government digital initiatives. Although work has begun through the establishment of the Board of Secretaries and its Sub-Committees, notably the Data and Digital Sub-Committee, we found that the government does not currently have a transparent way of communicating progress against the investment in its digital initiatives at the whole-of-government level. In addition, agencies' reporting of the status of their digital initiatives was diverse, with instances of good practice observed, but there was limited transparency for the majority of agencies.

### A governance model has recently been established to provide leadership for cross-agency government priorities

- 4.1 The Secretaries Board, together with its Data and Digital Sub-Committee, while still in their early stages, have brought functional leadership into the digital services governance framework through their monthly forums. The forward work program of the Sub-Committee demonstrates an intention to oversee whole-of-government digital initiatives through transcending agency complexities in delivering government priorities.
- 4.2 Notably, the reports outlined in Chapter 1 have been cited in this work program as drivers for the work of the Sub-Committee.

### Embedding greater transparency in strategic government priorities

- 4.3 The *Our Digital Future* vision prioritises developing a whole-of-government technology roadmap, cybersecurity maturity, information asset management and digital workforce capability. However, we found it is not currently possible to look across government and form a clear and coherent picture of what digital initiatives are underway, their status in terms of key progress metrics and how they support the government's strategic priorities. While some of the significant projects reviewed in this audit did have dedicated websites, they were isolated in their focus and did not always provide an overall picture of how the project or program was progressing against its key measures.

- 4.4 It is a matter for government as to how it will address the transparency issue going forward, but this roadmap is not readily evident from what we observed during the audit and from publicly available strategies.
- 4.5 One example of how another jurisdiction has enhanced transparency of its digital initiatives is the Queensland Government’s Digital Projects Dashboard<sup>8</sup> within its broader Digital and ICT Investment review<sup>9</sup>. Every digital project costing more than \$1m is listed with its home agency (or cross-government), budget, timeframe and a traffic light indicator of progress (green = on track, amber = closely monitored and red = action required). The rationale for the dashboard is explained on the website. It shows what can be achieved when a whole-of-government approach is embedded<sup>10</sup>:
- The Digital Projects Dashboard allows Queenslanders to gain an overview of projects agencies are working on as we evolve into a truly digital and responsive government.
- Specifically, the dashboard contributes to a responsive government, helping to ensure Queenslanders feel like it is easy to do business with their government, and to ensure it does not become a frustration in their lives.
- The dashboard addresses the need for information to be easily accessible, visible and available for reuse by the public in a timely manner. It provides information on the performance of government ICT investments.
- This openness and transparency make it easier to identify under-performing projects and focus action on the projects that need it most.
- 4.6 Other Australian jurisdictions<sup>11</sup> have also engaged in equivalent digital investment and assurance activities.

## Agencies’ ability to resource initiatives

- 4.7 As demonstrated in Chapter 3, programs of work also face ongoing funding challenges to secure delivery of the outcomes that will drive real benefit for Tasmanians. A clear articulation of priorities at a whole-of-government level should assist in ensuring funding is secured for high priority projects. Line of sight over this spend is essential for better coordination of funding and prioritisation.
- 4.8 Higher levels of market demand for project management expertise and competition between agencies to fill key project positions has led to staff turnover and delays in project timelines. We observed across the projects we reviewed, all too often, project

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<sup>8</sup> Queensland Government, [Digital Projects | Queensland Government \(www.qld.gov.au\)](https://www.qld.gov.au/digital-projects), accessed on 9 October 2023.

<sup>9</sup> Queensland Government, [Digital and ICT Investment review | For government | Queensland Government](https://www.qld.gov.au/digital-ict-investment-review), accessed on 26 October 2023.

<sup>10</sup> Queensland Government, [Frequently asked questions | Queensland Government \(www.qld.gov.au\)](https://www.qld.gov.au/digital-ict-investment-review), accessed on 9 October 2023.

<sup>11</sup> NSW Government, [ICT Assurance | Digital.NSW](https://www.dta.gov.au/ict-assurance), and Australian Government, [Digital and ICT Investment Oversight Framework \(IOF\) | Digital Transformation Agency \(dta.gov.au\)](https://www.dta.gov.au/digital-ict-investment-oversight-framework), both accessed on 26 October 2023.

management and related business analyst skills and expertise were not readily available, creating disruption in project pipelines across agencies.

- 4.9 Similarly, we saw that the use of competent change managers was pivotal for effective business transformation because they served as the critical bridge between advances in technology and adoption by the business. Again, we saw examples where this was a resource that agencies sometimes had to source from a challenging market. NRE Tas advised that it is establishing a community of practice to enable change management practitioners to provide mutual support and nurture specialist skills.
- 4.10 We found that agencies, for example DPAC, were recognising that, by identifying talent within their workforce, and fostering an environment that valued and encouraged growth, expertise and capability in project management and change management could be nurtured and developed. Investing in training and development programs were an effective means to equip employees – and agencies – with the necessary skills and knowledge, without necessarily the need to go to market.



# Acronyms and abbreviations

|                 |  |
|-----------------|--|
| Audit Act       | <i>Audit Act 2008</i>  |
| Communities Tas | Department of Communities Tasmania                             |
| DECYP           | Department for Education, Children and Young People            |
| DoH             | Department of Health   |
| DoJ             | Department of Justice  |
| DPFEM           | Department of Police, Fire and Emergency Management            |
| DPAC            | Department of Premier and Cabinet                              |
| DPIPWE          | Department of Primary Industries, Parks, Water and Environment |
| FSTP            | Fisheries Digital Transition Project                           |
| HRIS            | Human Resources Information System                             |
| ICIP            | Integrated Client Information Program                          |
| JOIST           | Justice Offender Information System of Tasmania                |
| MoG             | Machinery of Government  |
| MyCareer        | Capturing Workforce Capability Project                         |
| NCIS            | National Criminal Intelligence System                          |
| NRE Tas         | Department of Natural Resources and Environment Tasmania       |
| Open Windows    | Contract Management System Implementation                      |
| PMF             | Project management framework                                   |
| PMO             | Project management office                                      |
| SME             | Subject matter expert  |
| SSR             | Student Systems Renewal  |
| State Growth    | Department of State Growth                                     |
| TasGRN          | Tasmanian Government Radio Network                             |
| TSSR            | Tasmanian State Service Review                                 |

|          |  |
|----------|--|
| Treasury | Department of Treasury and Finance                           |
| VCU      | Video Conferencing Upgrade                                   |
| WCS      | Whole-of-Government Cyber Security Capability Uplift Program |

# Appendix A – Summary of digital initiatives reviewed

## Significant projects

### Human Resources Information System (HRIS) replacement project

#### Agencies involved

The Department of Health, with the intent to eventually deploy across all 8 agencies.

#### Purpose of digital initiative

A number of reports over many years have identified issues with current HR systems. For example, the continued reliance on paper systems, including rosters and other records of staff movement, hampered the timely management of potential close contacts during the North West Tasmania COVID-19 outbreak<sup>12</sup>. The HRIS Replacement project was specifically identified as an appropriate solution to address this recommendation.

#### Budget

\$43 million (the Department of Health has spent \$18.6 million as at 30 June 2023).

#### Timeline

2020 to 2024.

### Justice Astria Program

#### Agencies involved

The Department of Justice and also involves the Department of Police Fire and Emergency Management.

#### Purpose of digital initiative

The program is intended to deliver a major digital transformation of Tasmania's justice system to replace outdated and inefficient practices with an integrated end-to-end digital solution. This transformational solution has been named Astria, after an ancient Greek goddess of justice.

#### Budget

\$37.6 million (the Department of Justice has spent \$21.4 million as at 30 June 2023).

#### Timeline

2018 to 2024.

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<sup>12</sup> Sourced at: [https://www.dpac.tas.gov.au/\\_data/assets/pdf\\_file/0026/127259/North-West\\_Outbreak\\_Report\\_Final\\_10\\_May\\_2021.pdf](https://www.dpac.tas.gov.au/_data/assets/pdf_file/0026/127259/North-West_Outbreak_Report_Final_10_May_2021.pdf).

## **Tasmanian Government Cyber Security Capability Uplift Program**

### **Agencies involved**

The Department of Premier and Cabinet, but all 8 agencies are involved.

### **Purpose of digital initiative**

The overall objective of the Tasmanian Government Cyber Security Capability Uplift Program is to improve the government's ability to protect citizen data and minimise disruption of government services.

### **Budget**

\$4.9 million.

### **Timeline**

2021 to 2024.

## **Project Unify – selected Phase 2**

### **Agencies involved**

The Department of Police Fire and Emergency Management and also involves the Department of Premier and Cabinet.

### **Purpose of digital initiative**

To upgrade disparate, disconnected and aging legacy ICT systems that support policing operations and external clients. This program is intended to ensure that systems are fit for purpose both now and well into the future.

### **Budget**

\$34.5 million.

### **Timeline**

2020 to 2023.

## **Tasmanian Government Radio Network (TasGRN)**

### **Agencies involved**

The Department of Police Fire and Emergency Management, and involves the following user organisations:

- Ambulance Tasmania
- Department of Natural Resources and Environment Tasmania
- Hydro Tasmania
- Sustainable Timber Tasmania
- Tasmania Fire Service

- Tasmania Police Service
- Tasmanian State Emergency Service
- TasNetworks.

#### **Purpose of digital initiative**

To provide an interoperable, sustainable and contemporary radio-based communications capability that improves operational effectiveness and efficiency for stakeholders in line with their strategic objectives.

#### **Budget**

Project Budget Allocation of \$111.5 million with an Actual Budget Expenditure of \$66.3 million over 7 years.

#### **Timeline**

2016 to 2023.

### **Fisheries Digital Transition Project (FDTP)**

#### **Agencies involved**

The Department of Natural Resources and Environment Tasmania, and also involved the Department of Police, Fire and Emergency Management.

#### **Purpose of digital initiative**

The FDTP will develop digital platforms and tools to improve efficiencies for government and the fishing industry, resulting in improved precision and accuracy in data used to support wild-capture marine fisheries and the sustainable management of Tasmania's marine resources.

FDTP will deliver solutions to support industry to interact digitally with Marine Resources in compliance with the *Living Marine Resources Management Act 1995* and its associated subordinate legislation. Digital interaction will simplify and improve data exchange between industry and marine resources leading to reduced reliance on paper-based transactions.

#### **Budget**

\$5 million.

#### **Timeline**

2018 to 2023.

### **Electronic School Zone Speed Limit Signs V2**

#### **Agencies involved**

The Department of State Growth, and also involved the Department for the Education of Children and Young People (previously the Department of Education).

### **Purpose of digital initiative**

To replace the 600 signs operating at 240 schools and some shopping centres across the State.

### **Budget**

\$11.8 million.

### **Timeline**

2020 to 2022.

## **Other digital initiatives**

### **Capturing Workforce Capability Project (MyCareer)**

#### **Agency**

The Department for Education, Children and Young People.

#### **Purpose of digital initiative**

To automate the capture and reporting of comprehensive capability data, such as formal qualifications or completed learning, for all department employees. To provide more comprehensive workforce data enabling the department to respond to strategic and operational needs, such as broader workforce trends indicating staff shortages in specific learning areas.

#### **Budget**

\$1.07 million.

#### **Timeline**

January 2021 to April 2022.

### **FinanceOne Software as a Service Transition Project**

#### **Agency**

The Department for Education, Children and Young People.

#### **Purpose of digital initiative**

To transition the 'on-premise' instance of FinanceOne to the TechnologyOne Software as a Service cloud.

#### **Budget**

\$0.33 million.

#### **Timeline**

December 2020 to May 2022.

## **Justice Offender Information System of Tasmania (JOIST) Replacement – part of the Integrated Client Information Program (ICIP)**

### **Agency**

The Department for Education, Children and Young People.

### **Purpose of digital initiative**

This project falls under ICIP and its aim is to provide a contemporary solution to replace JOIST, which was a legacy system at end of life.

### **Budget**

\$1 million.

### **Timeline**

January 2023 to September 2023.

## **Student Systems Renewal – Phase 1 (SSR)**

### **Agency**

The Department for Education, Children and Young People.

### **Purpose of digital initiative**

The goal of SSR is to improve the delivery, management and productivity of education in Tasmania, focusing initially on a new comprehensive case management platform to replace the Student Support System.

### **Budget**

\$6.9 million.

### **Timeline**

2020 to 2023.

## **Contract Management System Implementation – Open Windows**

### **Agency**

The Department of Health.

### **Purpose of digital initiative**

To implement a contemporary contract management system that provides for proper management and approval of contract functions, including processing of progress claims and variations.

### **Budget**

\$0.44 million.

### **Timeline**

March 2021 to October 2022.

## **Digital Outpatient Management and Virtual Care**

### **Agency**

The Department of Health.

### **Purpose of digital initiative**

To improve the patient and clinician experience across the outpatient journey, removing existing process complexity and delivering integrated telehealth/virtual care capabilities that normalise telehealth as a mode of delivery – essential for providing service continuity during future COVID-19 outbreaks.

### **Budget**

\$2.9 million.

### **Timeline**

December 2020 to June 2023.

## **Electronic Meal Management System**

### **Agency**

The Department of Health.

### **Purpose of digital initiative**

To deliver a digitally enabled, patient-centred foodservice that supports healthcare workers to provide better patient outcomes.

### **Budget**

\$3.6 million.

### **Timeline**

April 2022 to July 2024.

## **My Health Record Adoption – North and South Tasmania**

### **Agency**

The Department of Health.

### **Purpose of digital initiative**

To embed routine and meaningful use of My Health Record in district/regional hospitals and across community health services in the Southern and Northern regions of Tasmania.

### **Budget**

\$0.24 million.



### **Timeline**

April 2022 to September 2022.

## **Video Conferencing Upgrade Project (VCU)**

### **Agency**

The Department of Justice.

### **Purpose of digital initiative**

To increase and improve video conferencing capabilities in the Supreme Court, Magistrates Court and Tasmania Prison Service, as well as to improve the quality of service-delivery for affected business units and other stakeholders. It was also expected to reduce the costs and risks to staff, and public safety associated with escorting persons in custody to and from prisons and courts.

### **Budget**

\$1.8 million.

### **Timeline**

July 2021 to June 2023.

## **Wellbeing Case Management System Project**

### **Agency**

The Department of Justice.

### **Purpose of digital initiative**

To deliver an appropriate Case Management Solution to facilitate the Wellbeing Support Service operations.

### **Budget**

\$0.14 million.

### **Timeline**

December 2022 to June 2023.

## **Service Tasmania Website Redevelopment**

### **Agency**

The Department of Premier and Cabinet

### **Purpose of digital initiative**

To develop a digital Service Tasmania portal. The portal is to provide Tasmanians with a secure and easy-to-use access point for Government services, accessed through a single login.

### **Budget**

\$0.49 million.

### **Timeline**

July 2021 to September 2022.

## **Forensic Systems Upgrade Project**

### **Agency**

The Department of Police, Fire and Emergency Management.

### **Purpose of digital initiative**

To upgrade and replace 3 existing forensic systems: Forensic Register, Laboratory Information Management System and DNA Management System solutions.

### **Budget**

\$1.2 million.

### **Timeline**

June 2022 to December 2023.

## **National Criminal Intelligence System (NCIS) Adoption Project**

### **Agency**

The Department of Police, Fire and Emergency Management.

### **Purpose of digital initiative**

NCIS is a joint project between Australian police agencies, the Australian Criminal Intelligence Commission, and the Department of Home Affairs. It is intended to securely connect law enforcement and intelligence agencies to share information nationally in a targeted, timely, relevant and prioritised way.

### **Budget**

\$0.83 million.

### **Timeline**

June 2022 to March 2025.

## **Project Catton**

### **Agency**

The Department of Police Fire and Emergency Management.

### **Purpose of digital initiative**

To replace the Tasmania Police DVD-based interview recorders with a modern, efficient, and reliable cloud-based recording system.

### **Budget**

\$0.56 million.

### **Timeline**

April to September 2022.

## **Project Pantheon**

### **Agency**

The Department of Police, Fire and Emergency Management.

### **Purpose of digital initiative**

To implement the changes to operating procedures required across Tasmania Police business units to ensure compliance with the *Magistrates Court (Criminal and General Division) Act 2019*.

To establish processes and procedures necessary to integrate with Astria to ensure effective use of and sharing of data between the 2 departments.

To ensure the effective change management and training across both projects.

### **Budget**

\$2.29 million.

### **Timeline**

September 2021 to 2024.

## **Cyber Defender Implementation Project**

### **Agency**

The Department of Natural Resources and Environment Tasmania

### **Purpose of digital initiative**

To implement Microsoft Defender as an enterprise endpoint security platform designed to help enterprise networks prevent, detect, investigate and respond to advanced threats.

### **Budget**

\$20,000.

### **Timeline**

June 2022 to August 2022.

## **Implementation of National Electronic Conveyancing**

### **Agency**

The Department of Natural Resources and Environment Tasmania.

### **Purpose of digital initiative**

The initiative is intended to fulfill the Tasmanian Government's commitment to a national electronic conveyancing system, including reforms to paper process, in order to achieve efficiencies whilst maintaining a secure and reliable environment for conveyancing.

### **Budget**

\$1.05 million.

### **Timeline**

September 2021 to December 2025.

## **Tasmania Travel Management System**

### **Agency**

The Department of Natural Resources and Environment Tasmania.

### **Purpose of digital initiative**

To replace the existing solutions, Tas e-Travel and G2G, with a single, easy to use digital solution on a secure and reliable platform that allowed for the management of the entire life cycle of a traveller entering Tasmania. This life cycle included travel registration, assessment and time-critical notifications, as well as border entry, quarantine details and compliance needed in response to a pandemic outbreak.

### **Budget**

\$0.77 million.

### **Timeline**

January 2021 to September 2021.

## **Volunteer Management Review Project**

### **Agency**

The Department of Natural Resources and Environment Tasmania.

### **Purpose of digital initiative**

Key objectives were:

- A singular, contemporary, and standardised framework that is compliant with legislation and in accordance with the principles of Volunteering Australia's (eight) National Standards for Volunteer Involvement.
- Policy direction and guidance for employees managing volunteer involvement.
- Information capture for agency wide volunteer registration and activities.
- An enhanced and connected relationship between the Department and volunteers.

### **Budget**

\$0.22 million.

### **Timeline**

November 2018 to March 2023.

## **Contract Management System**

### **Agency**

The Department of State Growth.

### **Purpose of digital initiative**

To implement a new contract management system to engage school bus and general access providers.

### **Budget**

\$0.96 million.

### **Timeline**

2018 to 2022.

## **Loans System Replacement Project**

### **Agency**

The Department of State Growth.

### **Purpose of digital initiative**

To procure and implement a loan system to replace the outdated Financial Management Information System, to manage loans on behalf of Tasmania Development and Resources and other departmental loan programs.

### **Budget**

\$0.41 million.

### **Timeline**

November 2020 to December 2022.

## **Integrated WHS Hazard and Incident Reporting and Facilities Service Desk System**

### **Agency**

The Department of Treasury and Finance.

### **Purpose of digital initiative**

Existing systems for WHS Hazard and Incident Reporting and the Facilities Service Desk were end of life and needed to be moved to an alternate platform. This presented Treasury with

the opportunity to identify and resolve issues with current processes and better integrate facilities and work health and safety reporting systems.

**Budget**

\$40,000.

**Timeline**

July 2022 to July 2023.

**M365 Application Deployment**

**Agency**

The Department of Treasury and Finance.

**Purpose of digital initiative**

To reduce the risk of legacy Microsoft Office software impacting on Treasury staff and systems.

**Budget**

\$25,000.

**Timeline**

January 2022 to December 2022.

## Appendix B – Machinery of Government changes in Tasmania since 2014

| Date       | Functional area/action  | From   | To  |
|------------|---|--|---|
| 10/04/2014 | TMD Contact Centre  | DPAC   | Department of Primary Industries, Parks, Water and Environment (DPIPWE) |
| 28/05/2014 | Name change   | Department of Infrastructure, Energy and Resources       | State Growth  |
|            | Amalgamation  | Department of Economic Development, Tourism and the Arts | State Growth  |
| 1/07/2014  | Establishment of State Authority  | State Growth   | Tourism Tasmania  |
|            | Sport and Recreation  | State Growth   | DPAC  |
|            | Skills Tasmania   | Department of Education                                  | State Growth  |
| 13/04/2015 | Name change   | Tasmanian Health Organisation – North                    | Tasmanian Health Service  |
|            | Amalgamation  | Tasmanian Health Organisation – North West               | Tasmanian Health Service  |
|            | Amalgamation  | Tasmanian Health Organisation – South                    | Tasmanian Health Service  |
| 6/05/2015  | Service Tasmania shops<br>Shop Operations Group<br>Integrated Tasmanian Government Contact Centre | DPIPWE   | DPAC  |

| Date       | Functional area/action   | From                                    | To   |
|------------|--|---|--|
| 1/07/2015  | Racing Services Tasmania   | State Growth                            | DPIPWE   |
|            | Cancer Screening and Control Services  | Department of Health and Human Services | Tasmanian Health Service                             |
| 1/07/2016  | Poppy Advisory and Control Board   | DoJ                                     | DPIPWE   |
| 1/07/2018  | Amalgamation   | Tasmanian Health Service                | Department of Health and Human Services              |
|            | Establishment  | -                                       | Department of Communities Tasmania (Communities Tas) |
|            | Children and Youth Services<br>Housing, Disability and Community Services<br>Communities Tasmania Transition Group<br>Commissioner for Children and Young People | Department of Health and Human Services | Communities Tas                                      |
|            | Communities, Sport and Recreation Division<br>Silverdome<br>Communities Tasmania Transition Group  | DPAC                                    | Communities Tas                                      |
| 31/10/2021 | Renewables Tasmania  | State Growth                            | Treasury   |
|            | Tasmanian Climate Change Office  | DPAC                                    | Treasury   |
|            | Planning Policy Unit   | DoJ                                     | DPAC   |
| 1/12/2021  | Name change  | DPIPWE                                  | NRE Tas  |
|            | EPA Tasmania – other than Waste Initiatives, Analytical Services and Environmental Policy and Support Services sections  | DPIPWE                                  | Environment Protection Authority                     |



| Date       | Functional area/action   | From            | To             |
|------------|--|-----------------|----------------|
| 31/03/2022 | Forest Policy<br>Forest Practices Authority<br>Private Forests Tasmania  | State Growth    | NRE Tas        |
| 1/07/2022  | Sport and Recreation<br>Sport and Recreation Infrastructure<br>Silverdome<br>Tasmanian Institute of Sport  | Communities Tas | State Growth   |
| 1/08/2022  | Policy and Programs – Communities,<br>Sport and Recreation<br>Wellbeing, Strategy and Engagement   | Communities Tas | DPAC           |
| 1/09/2022  | Aboriginal Heritage Tasmania   | NRE Tas         | DPAC           |
| 12/09/2022 | Family Violence Counselling and<br>Support Service   | Communities Tas | DoH            |
| 1/10/2022  | Renewables, Climate and Future<br>Industries Tasmania  | Treasury        | State Growth   |
|            | Office of Commissioner for Children<br>and Young People<br>Children, Youth and Families<br>Tasmanian Autism Diagnostic Service<br>Inquiry Support Unit<br>Child Advocate | Communities Tas | DECYP          |
|            | Board of Exceptional Needs   | Communities Tas | DoH            |
|            | Tasmanian Community Fund<br>Community and Disability Services  | Communities Tas | DPAC           |
| 1/12/2022  | Housing  | Communities Tas | Homes Tasmania |
|            | Community Services Grants  | Communities Tas | DECYP          |
|            | Grants Services Communities, Sport<br>and Recreation   | Communities Tas | DPAC           |

Source: Tasmanian Audit Office

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# Audit Mandate and Standards Applied

## Mandate

Section 23 of the *Audit Act 2008* states that:

- (1) The Auditor-General may at any time carry out an examination or investigation for one or more of the following purposes:
  - (a) examining the accounting and financial management information systems of the Treasurer, a State entity or a subsidiary of a State entity to determine their effectiveness in achieving or monitoring program results;
  - (b) investigating any matter relating to the accounts of the Treasurer, a State entity or a subsidiary of a State entity;
  - (c) investigating any matter relating to public money or other money, or to public property or other property;
  - (d) examining the compliance of a State entity or a subsidiary of a State entity with written laws or its own internal policies;
  - (e) examining the efficiency, effectiveness and economy of a State entity, a number of State entities, a part of a State entity or a subsidiary of a State entity;
  - (f) examining the efficiency, effectiveness and economy with which a related entity of a State entity performs functions –
    - (i) on behalf of the State entity; or
    - (ii) in partnership or jointly with the State entity; or
    - (iii) as the delegate or agent of the State entity;
  - (g) examining the performance and exercise of the Employer's functions and powers under the *State Service Act 2000*.
- (2) Any examination or investigation carried out by the Auditor-General under subsection (1) is to be carried out in accordance with the powers of this Act

## Standards Applied

Section 31 specifies that:

'The Auditor-General is to perform the audits required by this or any other Act in such a manner as the Auditor-General thinks fit having regard to -

- (a) the character and effectiveness of the internal control and internal audit of the relevant State entity or audited subsidiary of a State entity; and
- (b) the Australian Auditing and Assurance Standards.'

The auditing standards referred to are Australian Auditing Standards as issued by the Australian Auditing and Assurance Standards Board.



**Tasmanian**  
Audit Office

*Front cover images: Tasmania Police and Tasmanian State Emergency Services using TasGRN.*

*Photography: Courtesy of DPFEM, Media and Public Communications*

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