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To the Australian National Audit Office

ACS Response

Digital Transformation Agency's Procurement of ICT Related Services

31 March 2022

Dear Sir or Madam

Thank you for the opportunity to contribute to this critical discussion.

The Australian Computer Society (ACS) is the peak professional association for Australia's information and communications technology sector, with over 43,000 members working in all technology fields.

We believe this is a critical process. As the largest employer in Australia, and the largest customer of IT products and services by a considerable margin, the Australian government is uniquely placed to set the tone and direction for the Australian IT industry as a whole. A key component of that direction comes from the guidance provided to government agencies by the Digital Transformation Agency.

Better procurement practices can have enormous flow-on effects. It can ensure that money and jobs remain in Australia. It can contribute to a fairer and more diverse workforce. It can increase the skills of the local workforce and reduce sovereign risk. These are matters to which we believe the DTA, and ANAO in its oversight capacity, should be paying considerable attention.

In the following pages, we have presented some recommendations and considerations of the ANAO in this matter. These recommendations are the work of our expert members, and we hope that they can be helpful as the ANAO continues its important oversight duties.



The importance of professionalism within Digital Transformation and Audit processes

Any framework for procurement can benefit from approaches that are inclusive of the broad features of professionalism.

The ACS, as Australia's peak body for the ICT professions, follows principles, codes, and guidelines that embody the engagement with digital transformation and its extension to digital procurement. It encourages the adoption of processes (including audit processes) that show clarity and integrity about the process and the inclusion of information, purpose and intent.

The ACS, through its commitment to professionalism and its global accreditation with IP3, suggests specific acknowledgement of the following key elements in procurement processes:

- non-discrimination and equivalent treatment
- transparency, openness, and clarity
- balance and proportionality
- mutual recognition, acknowledgement, and respect
- the free movement of goods
- freedom to provide goods
- the right to establishment in the sale of goods
- the right to information about the full scope of each procurement opportunity
- reduction of harm from procurement
- recognition of experience, competence, and integrity

The ACS recommends having a commitment to professionalism in procurement

The ACS believes that DTA Procurement of ICT could accept a broader definition of what may constitute ICT related services if it uses an umbrella approach that is globally recognised for professional conduct and operational behaviour.

The ACS acknowledges and recommends engaging with several working groups within the International Federation of Information Processors (IFIP), such as Technical Committee 9.

We would also recommend engaging with the APSC Digital Professional Streams¹ and integrating those into the procurement process. Preference should be given to suppliers who match the APSC Digital Profession standards and certifications, noting that this can be supported and assured by both the APSC and by external partners over time.

¹ <https://digitalprofession.gov.au/>



Initially established by the DTA itself (and later passed to the APSC), we believe that this professionalisation process would both improve supplier performance and assurance as well as provide a net benefit to the Australian economy.

A standardised 'IT professionalism' framework based on that platform would also assist in conducting like-for-like comparisons across suppliers.

There is a need to address digital procurement that contains bespoke qualities for specific purposes.

Digital procurement vectors, like digital technology itself, have a short and not yet fully mature development by comparison to other areas of procurement.

It is therefore important to ensure that professionalism is partnered with all processes in a 'hand in glove' approach. Digital transformation depends upon professionalism in terms of its growth and maturity to ensure a range of features, including the ongoing review and observation of change in scope and capability of digital procurement and related ICT services.

We specifically note that codes with fixed benchmarks are of little help in a rapidly changing ICT environment.

The ACS also notes that digital procurement of software or hardware elements carries additional burdens in the pursuit of procurement that does not promote or advance harm.

In cases where software has both great benefits, but also can be used for harm, it is important to recognise that in some cases the security of a software product is of equal if not greater importance than the software itself.

It remains critical that DTA acknowledges the ongoing commitment to ensuring that procurement choices retain the same level of ethical consideration for emerging software as for hardware and wetware (people and services).

DTA must embody and convey the same ethics in devices and technologies that allow for automated decision-making. These elements are best described as an ongoing inclusion of the professionalism agenda and are anchored to commitments as described by the ACS², IFIP³ and IP3⁴.

² <https://www.acs.org.au>

³ <https://www.ifip.org/homeintro.html>

⁴ <https://www.ipthree.org>



Considerations for diversity and inclusion

Supplier relationships are an integral part of diversity and inclusivity (D&I) strategies⁵. Supplier diversity refers to the promotion and nurturing of a diverse supplier base such as from the marginalised, underrepresented, minority, indigenous, LGBTIQ+ and/or people with disabilities. It also encourages suppliers to advocate for D&I.

A sound ICT procurement framework must be part of a broader D&I strategy. Only then can ICT procurement be evaluated as truly “effective”.

ACS’ audit considerations and recommendations

As D&I is a must-have element of a sound and effective ICT procurement framework, policy and practice, a comprehensive and robust audit into the DTA’s ICT procurement should include D&I. The ACS therefore recommends the audit consider the following:

1. *Current D&I policy and practice*: How does the DTA consciously include considerations of inclusivity and diversity in ICT procurement? (ie. against best practice considerations)
2. *Execution/implementation of D&I policy and practice*: Does/how does the DTA execute/implement the above D&I considerations within ICT procurement? (ie. Do they do what they say they are going to do?)
3. *Soundness*: From a D&I strategic approach and a whole-of-ICT procurement model approach, do current D&I considerations make for ‘sound’ D&I policy and practice?
4. *Effectiveness*: Does the DTA achieve/meet the D&I objectives/targets/measures in ICT procurement that it set out to achieve within such frameworks and policies?

Where to look: D&I in the DTA’s Digital Sourcing Framework

The DTA’s Digital Sourcing Framework is “one of the whole-of-government digital policies and standards that the DTA uses to assess whether a digital or ICT-enabled investment proposal is robust, of high quality.”

The Framework includes a number of policies, principles and guidance aids (eg. information and checklists). For an ICT procurement framework to be ‘sound’, the DTA must consciously include considerations of inclusivity and diversity.

For example, is D&I a part of the Digital Sourcing Fair Criteria Policy’s Fair Criteria Checklist? Is the ICT procurement framework ‘sound’ given the D&I considerations that are included (if any)? Another

⁵ <https://www.buyict.gov.au/> and O’Mara, J., and Richter, A. (2016). Global Diversity & Inclusion Benchmarks – Standards for Organizations Around the World.



example is the Digital Sourcing Panel Policy certification and the ICT Consider First Policy's self-assessment. Once again, are D&I considerations applicable? If so, what are in place? Does this make for a 'sound' framework?

A lack of D&I consideration might be evaluated as an unsound procurement framework. Conversely, if D&I considerations are included, a baseline exists in which to examine effectiveness and the question, has the DTA conducted procurements effectively?

What a supplier diversity program looks like and evaluating the DTA's performance level

The Global Diversity and Inclusion Benchmarks (GDIB) Model (referenced above) is one of many tools that can be used to assess D&I and supplier diversity.

The Model provides benchmarks that range from inactive (Level 1) to best practice (Level 5). In terms of best practice supplier diversity (Level 5), the GDIB Model suggests a significant percentage of the organisation's suppliers should themselves have diverse suppliers and be able to provide evidence of their D&I commitment.

Suppliers should echo the diversity dimensions of the community in which they operate. On the other end of the scale, an inactive supplier diversity program gives no consideration and no recognition to the value of supplier diversity.

How D&I can be identified and measured

In terms of examining 'effectiveness', there are countless initiatives and activities that signal D&I commitment and various ways of measuring D&I – all of which indicate the DTA's commitment to D&I within its ICT procurement framework.

From an evaluation perspective, these could be used to assess effectiveness (ie. did the DTA achieve what it set out to achieve in terms of supplier diversity?)

Examples of D&I Initiatives can include accountability (eg. diversity committees), D&I policies (beyond mandatory compliance), workplace flexibility, and diversity pledges. The literature provides countless ways of measuring and evaluating D&I – both quantitatively (eg. representation statistics) and qualitatively (eg. employee satisfaction surveys). There are also D&I dashboards and D&I benchmarking assessment tools.

Any audit that involves examination of soundness and effectiveness as it pertains to the procurement of ICT should consider D&I.



Considerations for sovereign capability

Recent world events have highlighted the need for greater sovereign capability, and this should be a consideration for procurement going forward.

We would recommend initially that the DTA and ANAO perform a comprehensive review of current contracts to examine sovereign risks and the proportion of contracts going to Australian suppliers. Such analysis should include an evaluation of the use of in-country professionals, since an Australian-domiciled company may still use offshore teams.

The use of Australian suppliers (particularly those with in-country teams) should be included as an important consideration in the Digital Sourcing Policy Guidance for all government agencies. The ACS notes that of the eight companies with Whole-of-government arrangements, not a single one is Australian.

An increase in the use of Australian suppliers not only ensures Australia is protected from sovereign risk, but will encourage development of more local capability for the future.