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Auditor General finds GovNext will not deliver the savings anticipated

Western Australia's Auditor General, Caroline Spencer, has found that while the GovNext-ICT program can deliver savings to Government, it will not deliver the savings originally anticipated.

Ms Spencer said GovNext has been promoted to agencies as a coordinated and mandated opportunity to modernise ICT functionality and delivery, at less cost.

'The GovNext business case estimated savings of up to \$82 million per year, however the assumptions used did not fairly reflect current agency ICT services or pricing, and presented a best case picture of potential savings,' Ms Spencer said.

'We found agencies using GovNext for their Cloud services have been quoted, and are paying, prices between 39% and 156% higher than the initial quotations used to generate the estimates.

'None of the agencies we had information for were paying prices as low as those used in the business case.

'However, while the program's full estimated savings are unlikely to be delivered, we found agencies may make savings when they adopt GovNext.'

Ms Spencer said the program represents a significant whole-of-government change process, the success of which depends to a large extent on how effectively agencies are engaged.

'The initial planning and ongoing engagement have focused heavily on cost savings and as a result, the potential to deliver other benefits was only partially explored with agencies,' she said.

'The take-up of the program so far is low, because agencies do not understand the benefits the program may offer them and some are reluctant to buy services until their concerns have been addressed, including assurances around security and service continuity.

'Despite this, the program has started to progress the State's ICT strategic objectives.

'Ultimately, modernising agency ICT must be about providing agencies with approaches that are flexible, secure and cost effective, giving consideration to both financial and non-financial risks and benefits.

'My recommendations are intended to help the Department of the Premier and Cabinet rethink its role and what more it can do to help agencies through this substantial digital transformation process.'

Ms Spencer also tabled her latest Opinions on Ministerial Notifications, finding a decision by the Minister for Emergency Services not to provide Parliament with details of a government aircraft review was reasonable while a decision not to provide information about priority fire station locations was not because the information was already publicly available.

The 2 reports are available on the Office of the Auditor General website at www.audit.wa.gov.au

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