TRANSFORMATION

Digital WA provides the direction to transform the way public sector agencies use ICT to improve service delivery to business and the community.

The objectives of *Digital WA* are to:

• simplify technology platforms, systems and standards as part of a unified government

• connect agencies and the community through digital services and system integration

• inform decision makers, frontline staff and the public with quality data and analysis.

Digital WA was launched on 25 May 2016, and a Premier's Circular was issued on 1 July 2016 to require Western Australian government agencies to apply the principles and requirements of the Strategy into all current and future projects, normal operational procedures and practices.

In raising awareness about *Digital WA*, the Office of the GCIO engaged with public sector agencies and industry to communicate the strategic intent of government and encourage agency engagement and involvement. This included presentations to fourteen agencies and cross-agency groups and seven industry conferences.

During the year, the Office commenced the first annual review of *Digital WA* to ensure it remains relevant and appropriate. This involved analysis and consultation with the public sector and industry.

Government ICT policies and whole of government requirements

Accompanying *Digital WA* in setting the direction and requirements for agencies to realise the benefits from digital transformation is the suite of ICT policies and initiatives. These are operationalised by agencies in the context of their business priorities.

The ICT policies adopt a progressive and evolving implementation approach which recognises the varying ICT maturity and capabilities across the public sector.

In developing and revising the policies, the Office of the GCIO works in collaboration with cross-agency working groups, which comprise representatives from agencies on the Governance bodies.

The ICT policies are:

• Open Data policy – requires public sector agencies to prioritise the public release of their data for the benefit of all Western Australians

• ICT Business Continuity and Disaster Recovery policy (updated 3 April 2017) – provides agencies with direction on the systems and processes to enable continued service delivery and recovery of information in the event of a disruption or disaster

• Digital Security policy (updated 28 June 2017) – provides direction for public sector agencies to manage their digital security risks based on the International Standards Organisation Standard 27001

• Interoperability policy – provides direction on frameworks and standards to ensure systems across the public sector can interact seamlessly, exchange data and, share functions and resources where required

• Cloud policy – establishes a cloud mindset for the consumption of infrastructure, software and platforms and encourage the adoption of cloud services across the public sector

• Digital Services policy – provides direction on how to manage the services they provide to the community.
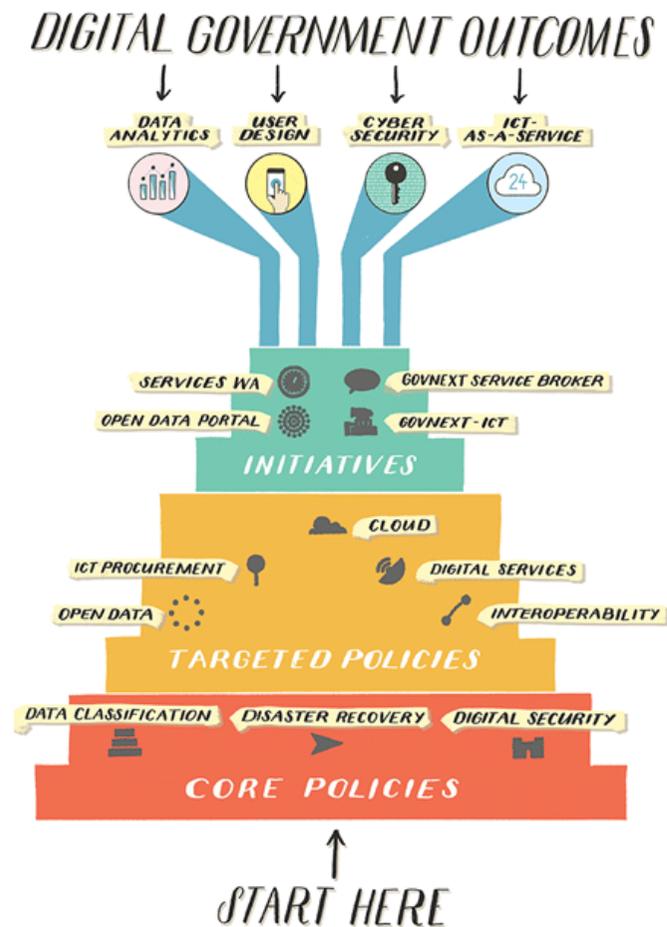
TRANSFORMATION

Figure 1: ICT Capability and Capacity Building Program

In 2016-17, the Office reviewed and updated the ICT Disaster Recovery for Business Continuity Policy and the Digital Security Policy, and developed additional guidance materials to support agencies.

In June 2017, the Office of the GCIO also developed a "How to" mini guide for senior executives which communicates how the ICT policies combine to achieve digital government outcomes and the practical actions they can take to drive digital reform. Clear direction and oversight from agency executives is essential to the reform process.

Programs and Initiatives

The programs and initiatives in *Digital WA* are directed at achieving the following whole of government outcomes:

- stability of ICT project and service delivery
- efficiency in the cost of delivering ICT services
- transparency in ICT governance and service delivery
- capability of the public sector to respond to changing community needs.

In 2016-17, the Office of the GCIO progressed a range of initiatives towards achieving these outcomes.

Stability of ICT project and service delivery

The Office of the GCIO assisted agencies in the governance of their ICT projects by:

- providing input on and reviews of agency ICT, business and strategic planning
- reviewing agency business and ICT strategies
- participating on agency project governance boards for major projects.

For example, the Office worked with the State Emergency Management Committee (SEMC), WA Police and the Department of Fire and Emergency Services (DFES) to develop and review a business case for DFES to buy additional modules for the Computer Aided Dispatch (CAD) system already in use by WA Police. This option cost more than $10 million less than implementing a stand-alone system at DFES, and was approved as part of the first stage of implementing the SEMC Emergency Services Communications Strategy.

TRANSFORMATION

Efficiency in the cost of delivering ICT services

To deliver better digital services to the community, public sector ICT systems need to be modernised and consolidated. Savings achieved by agencies in moving to new technologies may be reinvested by agencies to help fund these improvements. The two key projects to achieve efficiencies are GovNext-ICT and ServiceWA (Digital), formerly known as the myWA program.

GovNext-ICT

GovNext-ICT is an ICT infrastructure reform initiative that aims to progress the WA Government from an owner/operator of ICT infrastructure to consumers of ICT infrastructure services.

In 2016-17, the Office of the GCIO delivered a significant key milestone under *Digital WA* by establishing the GovNext-ICT whole of government CUA for agencies to purchase ICT infrastructure services on demand.

GovNext-ICT will decommission more than 60 expensive data centres and server rooms and deliver an interconnected State-wide communications network for all government offices. To do this, over 50 physical networks with approximately 50,000 links will be consolidated into one physical network with less than 6000 links, improving capability and reducing cost at the same time.

Full adoption of GovNext-ICT will allow the State to realise savings of up to $80 million per annum by consolidating and simplifying its infrastructure footprint, leveraging its whole of government buying power, and increasing market competition for ICT services.

The Office worked closely with the Department of Finance to develop a unique buying regime, articulated in a new "as a service" CUA. Following a competitive process and extensive negotiations with the three preferred vendors - Atos, Datacom and NEC Australia – contracts were signed in January 2017. The new arrangements were launched to the sector in February 2017. Service catalogues with each vendor have been in place since April 2017 and agencies can compare prices and choose the best solution from a list of pre-defined services to meet their ICT needs.

The Office of the GCIO established the GovNext Service Broker during the year to assist agencies transition to the new buying arrangements and oversee the implementation of the CUA, including monitoring prices, consumption volumes, innovation and service quality.

Launch of the GovNext-ICT CUA

TRANSFORMATION

ServiceWA (Digital) Program

A major initiative under *Digital WA* is the ServiceWA (Digital) program which aims to make it easier for business and the community to find and access Government information and services online. The number of agency websites will also be reduced as a result of this program.

A key achievement for the Office in 2016-17 was the launch of the ServiceWA (Digital) alpha prototype website in December 2016, which provides a single entry point or portal to government online services and search capabilities. Over six months, the site received 4100 unique visitors, 6700 site visits, and 22,400 page views. The Office of the GCIO undertook a public consultation process on the features of the site. Seventy-nine percent of survey respondents said that being able to log in and access digital services from any department or agency from the one website was important or very important, and 60 percent agreed or strongly agreed that the site was useful.

The Office of the GCIO also commenced work on the architecture and operating model for the longer-term ServiceWA (Digital) program. Significant planning towards a secure digital identity to enable users of the portal to access data from multiple agencies without compromising data privacy or security, was also undertaken.

The Office of the GCIO is working on the ServiceWA (Digital) program in partnership with the Departments of Transport and Commerce, and with the support of the Department of Finance and the Department of the Premier and Cabinet.

Enterprise Architecture (EA) Framework

To assist agencies plan for and review collaboration projects, the Office of the GCIO has developed a whole of government Enterprise Architecture (EA) Framework. This Framework models how a system, its components, and their relationship to each other and other systems can best be organised to meet strategic ICT objectives, and will allow for comparisons to be made across government.

The Office of the GCIO has drafted the following standards and frameworks to assist public sector agencies create their own EA frameworks:

- a Skills Model to identify the key skills staff need to understand and undertake an EA exercise
- a Services Framework that identifies how and when EA should be used within an agency
- a Collaboration Framework to assist senior executives understand how they can better leverage ICT capabilities across the public sector rather than duplicate jobs and systems in each agency.

Transparency in ICT governance and service delivery

To measure progress of agencies in delivering ICT reform, the Office of the GCIO commenced a process in June 2017 for agencies to report against the following key performance indicators (KPIs) in *Digital WA*:

- >90 percent of the ICT components of major projects are completed on time and within budget
- >90 percent of government digital services meet or exceed agreed and published service levels
- 10 percent overall reduction in the annual cost of delivering current (2016-17) ICT services by the end of the Strategy, aggregated across the sector
- >90 percent of ICT reinvestment plans deliver the targeted return on investment from savings made through the Strategy or agency ICT reforms
- >90 percent of agency chief executives are confident in the quality of their ICT governance to inform good decisions
- >75 percent of agencies reach maturity level 3 or higher in all strategic core capabilities

As at 30 June 2017, agencies were compiling this data, which will be reported during next financial year.

TRANSFORMATION - DIGITAL WA

Building Capability within the Public Sector

Digital WA is driven by a vision for an innovative public sector, with mature digital capabilities.

The rapid evolution of the technology presents significant opportunities for improving government service delivery and business outcomes. Innovations in private sector digital service delivery have increased the public's expectations of government service delivery.

The Office of the GCIO had a particular focus during the year in developing the frameworks for building the organisational capability of public sector agencies and the digital skills of the public sector workforce within agencies to maximise opportunities for the future.

Capability Maturity Model

The Capability Maturity Model within *Digital WA* was further developed during the year to identify the capabilities agencies need to be digital-ready. The Office also developed tools and a guideline to assist agencies identify their current maturity level in different areas and provide advice on how they can improve their maturity. The Office developed this model in collaboration with a cross-agency working group.

ICT Capability Framework

The Office of the GCIO partnered with the Public Sector Commission to develop the ICT Capability Framework, which was launched in June 2017. This Framework:

- provides a common language for describing ICT capabilities across the Western Australian public sector

- aligns public ICT job descriptions to the international Skills Framework for the Information Age standard

- provides a practical approach to ICT staff development across the sector.

The Public Sector Commission has oversight of the Framework, which will help build the digital skills of ICT professionals across the Western Australian public sector and improve workforce mobility.

ICT Capability and Capacity Program

An ICT Capability and Capacity Building program was endorsed by the Council in June 2017. This outlines a plan for building skills and knowledge across the public sector workforce in non-ICT roles. The plan will enable agencies to participate in cross-agency initiatives as shown in Figure 2.
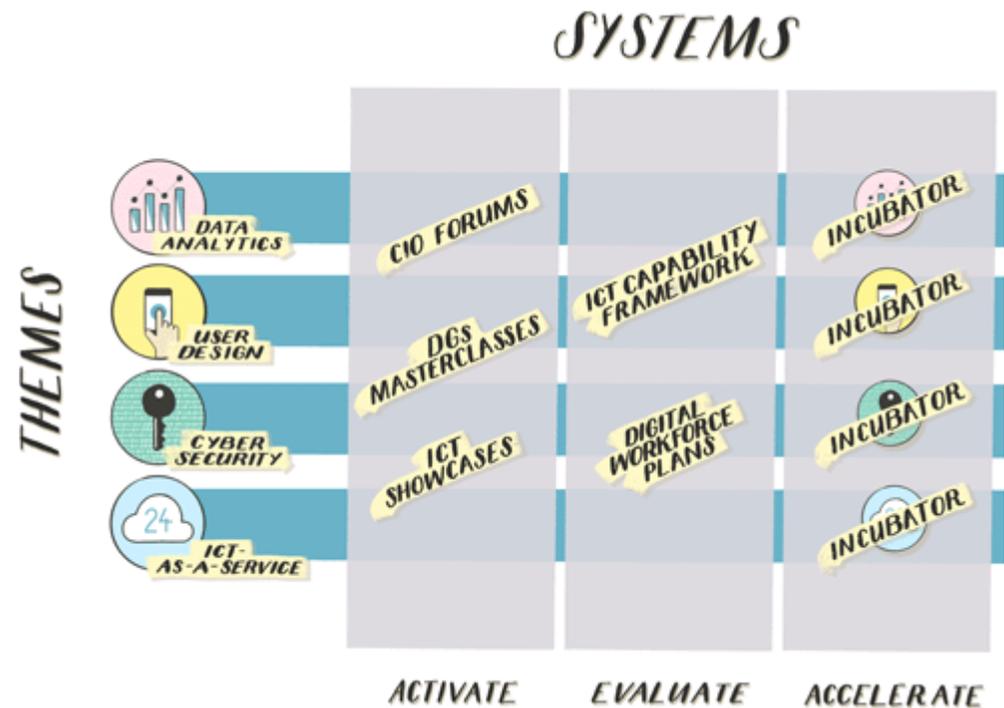

Figure 2: ICT Capability and Capacity Building Program

COLLABORATION

Sponsorship

In 2016-17, the Office of the GCIO sponsored events that showcased Western Australia's ICT and innovation capabilities.

WAITTA INCITE Awards

The Office of the GCIO is a principal partner of the WA Information Technology and Communications Alliance (WAITTA) INCITE Awards, which recognises ICT innovation and excellence. Winners and national finalists compete in the national Australian Information Industry Association iAwards and/or the Australian Computer Society Digital Disrupters Awards.

In September 2016, the winner of the Most Innovative Collaborative Technology in 2016, Optika Solutions, went on to become the National iAward winner in the Big Data Innovator of the Year category, and also won the overall Innovator of the Year award for its Akumen platform. This platform was showcased internationally in December 2016 at the Asia Pacific ICT Alliance Awards in Chinese Taipai.

The Office sponsored the Awards again in 2017, which were held on 16 June 2017.

GovHack 2016

The Office of the GCIO sponsored GovHack 2016, held in July 2016. This event provided an opportunity for over 120 local participants – the largest GovHack event nationally – to unlock the value of Western Australia government open data and create proofs of concept demonstrating how this data can be used. For the first time, hackers in Perth were joined by a regional node of 18 hackers in Geraldton[1].

The team "Anaconda Don't" developed a solution to simplify the maintenance of the Water Corporation's network. This work has continued, supported by Landgate's SPURonWA Grant scheme.

1 https://pollinators.org.au/learning/govhack/

West Tech Fest

The Office of the GCIO sponsored the West Tech Fest, held in December 2016. This event celebrates innovation and technology in the Asia-Pacific region, and is the premier entrepreneurial-technology conference and pitching event for start-ups. It brings together early-stage start-ups, researchers, innovators, experienced investors and industry to stimulate partnerships and collaboration.

Professional Development

Techtober 2016

In October 2016, the Office of the GCIO initiated the inaugural Techtober to increase awareness of how digital government creates value for the Western Australian businesses and the community, and the capabilities required to support implementation.

The Office coordinated a masterclass on Digital Government attended by 24 Directors General focussing on global and national trends in service delivery enabled by technology.

The Office also coordinated a Business Executive forum which was attended by Senior Executives and Chief Information Officers within public sector agencies. This event included national and international keynote speakers who shared insights on global digital government initiatives.

INNOVATION

In 2016-17, the Office of the GCIO was given responsibility for innovation within the Western Australian Government.

The Office developed the State's first Innovation Strategy with the following four pillars:

- talent and skills

- investment and infrastructure

- culture and collaboration

- marketing and promotion

An Innovation Fund of $20 million over four years was allocated to support this function.

The Innovation Strategy was based on over 750 ideas generated at the Innovation Summit held on 28 July 2016 which brought together 250 representatives from a cross-section of the State's business, research and innovation communities.

The Innovation Strategy focuses on delivering programs which aim to:

- create an environment where innovation, entrepreneurship and commercialisation are the norm

- engage local business and industry partners to expand existing and future capabilities

- make Western Australia a regional innovation hub by investment in local talent and providing the right opportunities to keep talent in the State

- encourage Western Australians who have achieved success elsewhere to bring their skills, expertise and experience home to help increase innovation locally

- attract the world's best innovators to relocate to Western Australia by emphasising the State's natural and geographic advantages and globally acknowledged excellence.

The Office of the GCIO undertook a range of initiatives under the Strategy in 2016-17.

INNOVATION

Innovator of the Year (IOTY)

The IOTY program showcases WA innovators and rewards winners with financial and professional support to assist with the commercialisation of their innovative products and/or services.
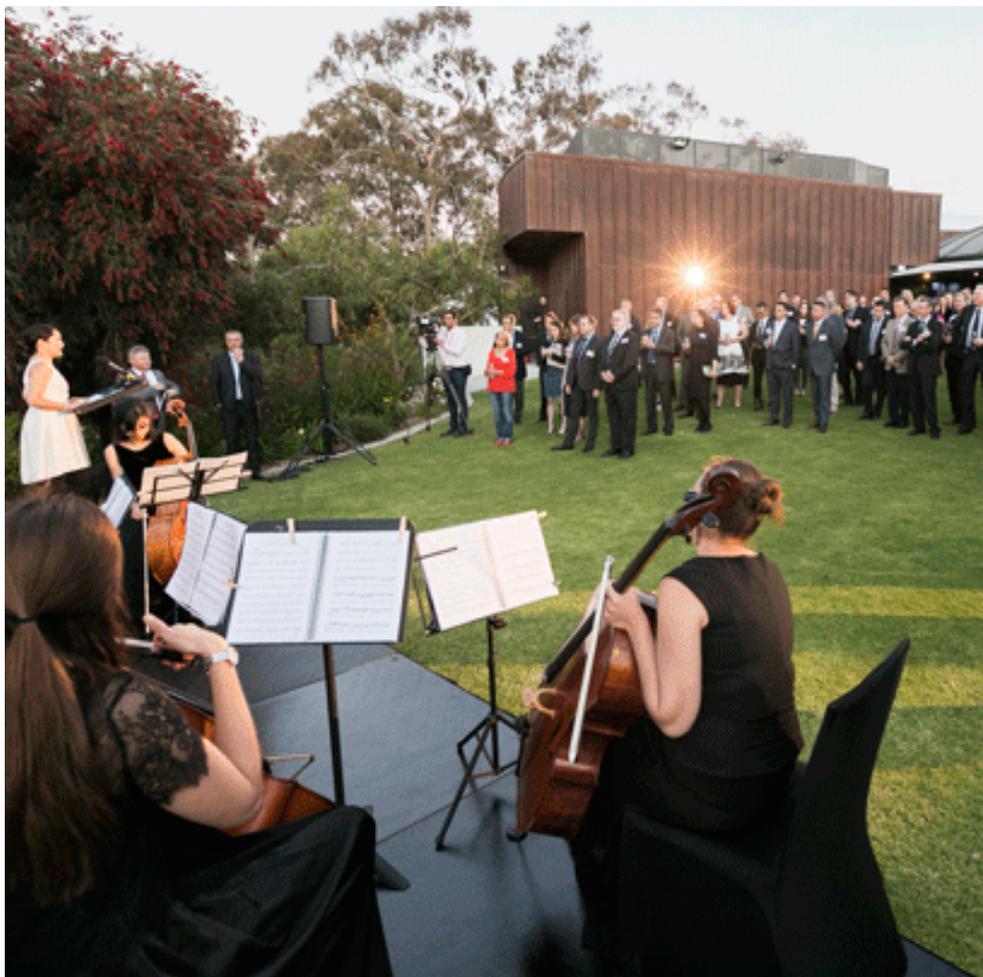
2016 Innovator of the Year Awards Ceremony

The IOTY program celebrated its tenth anniversary in 2016, and 230 representatives of the innovation community marked this occasion at the Awards ceremony on 2 November 2016.

A prize pool of $120,000 was shared across a number of award categories, with Fastbrick Robotics Ltd winning the Mitsubishi Corporation overall Innovator of the Year Award for their innovation Hadrian X, the world's first fully automated end-to-end 3D bricklaying machine and system.

The program has uncovered many local innovators, who have gone on to achieve success, such as attracting additional investment and funding, collaborating with international research partners, and commercialising products that have made a difference to industry.

In May 2017, an expanded IOTY program was launched which extends business capability training to all semi-finalists and recognises young innovators participating in the Just Start IT program for secondary students. Regional champions from within the business community were also identified to encourage and support regional innovators to apply for the program.

INNOVATION

Start IT Up Challenge

The Start IT Up Challenge aims to nurture innovative, technology-based solutions to government problems, and build capability within the Western Australian start-up community. The Challenge offered a pool of $100,000 to successful applicants, in addition to securing an opportunity to develop, beta test and demonstrate the commercial viability of projects in collaboration with a State government agency.

Innovators were invited to apply for the Challenge via an open tender process, and three were selected from the 54 applications received. The winners were:

- All of Me, who were awarded $20,000 for their mental health awareness and evaluation application

- Hacker Pals, who received $30,000 for their in-browser coding application project Binary Crate, and

- KinChip Systems Pty Ltd, who were awarded $50,000 for their child development cloud based and mobile application Kindom™.

The Challenge has enabled winners to validate their ideas and value to the market, with two immediately rising into the top 5 of the Techboard rankings[2] in October 2016.

One of the winners has also attracted further investment, established commercial premises, and hired additional local staff.

Public Sector Innovation program

The Western Australian public sector will play an important role in supporting the growth of innovation in Western Australia. The Office of the GCIO held forums with public sector agencies in February and April 2017 to:

- help build a culture in agencies that is open and receptive to new ideas and ways of doing business with others, including start-ups and SMEs

- identify how government can be a first customer of innovation

- identify how agencies can incubate innovation relevant to their business needs

- build cross-agency networks where government problems are shared with start-ups and SMEs and solved collaboratively.

2 Techboard (https://techboard.com.au/) is a national community engagement and discovery platform for Australian start-ups and young technology companies.

INNOVATION

Investment and Infrastructure

Innovation Vouchers Program (IVP)

The IVP is a competitive grants program with the aim of assisting small to medium enterprises improve their capability and commercialise their ideas and innovations.

In 2016-17, a total of 179 applications were received, and twenty-two grants of up to $20,000 each were awarded to innovators from a range of sectors, including agriculture, renewables, manufacturing, education and life sciences. Successful recipients are required to provide a net cash co-investment of matched funds at a rate no less than 20:80 recipient to State Government funding.

The Hon. Dave Kelly MLA, Minister for Innovation and ICT with the Innovation Voucher recipients

Recipients must use the grants towards: research and development; product development; technology transfer and intellectual property; commercialisation support services; or proof of market.

The program has supported many local innovators. Past recipients have been able to further develop their products and services, enabling them to attract investment, develop new markets, and/or incubation opportunities.

Culture and Collaboration

Innovation Hub

The Office of the GCIO launched the Innovation Hub website (www.innovation.wa.gov.au) in November 2016 to provide a channel for Western Australian innovators, potential investors, service providers and customers of innovation to collaborate. The Hub showcases the journeys of successful innovators, the lessons they learned and the people and services who helped them along the way.

As at 30 June 2017, the Hub contained over 100 showcases, services and opportunities, and had attracted nearly 14,000 visitors and 48,000 page views.

INNOVATION

Innovation Summit and Leaders Forum

As noted earlier, the Innovation Summit brought the State's innovation eco-system together to help co-design the Strategy.

The Summit was live-streamed to 600 local, national and international viewers, including Singapore, the USA, Canada, Thailand, Italy and India, and was broadcast live to rural and remote areas via the State's satellite network.

The Office of the GCIO held an Innovation Leaders Forum on 27 September 2016 to discuss the outcomes of the Innovation Summit and provide feedback on the draft Strategy. Leaders had met for the first time in June 2016 to shape the themes for the Innovation Summit.

Marketing and Promotion

An Innovation Worth Sharing branding and marketing campaign was developed to promote Western Australian innovation and the State's competitive advantages. The campaign ran from November 2016-January 2017 and consisted of TV and digital video advertising. The TV campaign reached 67.7 percent of the 18+ audience in Perth, with 1.008 million people seeing it at least once and on average nine times each. The digital campaign resulted in over 830,000 full views generating 8652 clicks to the Innovation Hub which showed that the content was engaging and relevant to the audience.

The Office of the GCIO sent Innovation packs to the Singapore Trade office, and also developed material for use at Tech Australia, a London Tech Week event in June 2017.

An Innovation Newsletter with articles and events of interest to the Western Australian innovation community was also developed. As at 30 June 2017, the Newsletter had nearly 300 domestic and international subscribers.

The 2016 Innovation Summit

SIGNIFICANT ISSUES AND FUTURE TRENDS

Cyber Security

The May 2017 Wannacry global ransomware crisis demonstrated the threats posed by increasing cyber intrusions. Cyber crime is the number one threat to the business community (including government) with costs to the economy conservatively reported at $1 billion per year[3]. As the threat of cyber crime continues to increase in sophistication, many businesses and government agencies are unprepared for an attack.

The Office led the response to the Wannacry attack, updated the Digital Security Policy and developed tools to assist agencies manage their security risks.

Data Analytics

The importance of using data to tailor services to business and the community will help improve the efficiency and effectiveness of government services. Agencies need greater ability to share data and other jurisdictions have passed legislation to facilitate this function across government.

Progress has been made in laying the foundations including the Open Data policy and fact sheets, the Open Data portal, and the draft Data Classification policy. Future initiatives will build on these foundations and move the public sector towards data analytics, which the Office of the GCIO can support. The Office is using data on the Open Data portal to create better data visualisations of government services being delivered to communities.

3 Trident Insurance Group 2015, Cyber Crime – the biggest threat to Australian business, accessed at http://www.tridentinsurance.com.au/blog/cyber-crime-the-biggest-threat-to-australian-business/

ICT Procurement

In transforming the way agencies procure ICT infrastructure, the Office of the GCIO has identified the need for further reform of ICT procurement. Procurement is a key vehicle through which public sector agencies access ICT products and services, and more importantly, bring innovative technologies into government. In particular, increasing small to medium enterprises (SME) involvement is one way to drive greater innovation in government service delivery.

Current contracting models do not allow the flexibility required to take advantage of more agile 'as-a-service' delivery models, where agencies can change suppliers without restriction. Contracting models established for lengthy terms with a limited number of suppliers do not support the dynamic technology environment. Such models also limit SME involvement due to the cost and time required to participate in lengthy procurement processes, and expensive and duplicated market testing exercises.

In investigating improvements to ICT procurement, the Office of the GCIO will examine options for enhancing business and service delivery outcomes throughout the contract planning, formation and management stages.

Better connectivity

"Smart Cities" use digital technologies to join together various parts of communities and their infrastructure, in a way which makes fast and meaningful interactions between them easy to develop and maintain.

Smart Cities initiatives show significant potential to create jobs and support the industries of the future, and better connectivity, particularly in regional areas, is fundamental to growth.

The Office of the GCIO will explore developing a path for Western Australia's cities and communities to adopt smart technologies. Collaboration with regional communities, industry and research institutes will identify how best to support and grow opportunities.

SIGNIFICANT ISSUES AND FUTURE TRENDS

The Hon. Dave Kelly MLA, Minister for Innovation and ICT, using Virtual Reality technology at the World Wide Web Conference welcome function

Digital Services

According to research published by the Digital Transformation Agency, Australia Post and the Australian Information Industry Association, the majority of Australians want governments to make more services available online[4]. The Office of the GCIO plays a lead role in coordinating and assisting agencies re-design their online services and in improving community access and use of these services through a consistent whole of government online user experience.

Public confidence in the security of digital services offered by government is paramount, and users will need some form of "digital ID" or whole of government logon. The Office of the GCIO is working with a range of agencies, the Commonwealth government and the private sector to identify the best way to engage with the community and deliver trusted digital services.

Demand for Digital Skills

The rapid evolution of technology presents significant opportunities for improving Government service delivery and business outcomes. Innovations in private sector digital service delivery have increased the public's expectations of government service delivery. However, with approximately 80 percent of Australian government agencies considering that their digital capabilities are behind the private sector, and only 27 percent confident in their readiness to respond to digital trends, the Office of the GCIO recognises that transformation of the public sector to a modern digital government to be a complex undertaking.

4 DWA+JM Bruce 2015, Transformation Index Monitor Baseline Report 2015, Digital Transformation Agency, accessed at https://www.dta.gov.au/files/DTO-Transformation-Index-Monitor-Baseline-Report.doc;

Australia Post 2016, Choice and convenience drive ;'digital first' success insight paper, Australian Postal Corporation, retrieved 10 June 2017, accessed at https://auspostenterprise.com.au/content/dam/corp/ent-gov/documents/egov-insights-paper.pdf;

Australian Information Industry Association and Galaxy Research 2017, AIIA Technology and Government Study, Australian Information Industry Association, accessed at https://www.aiia.com.au/__data/assets/pdf_file/0019/75034/gov-study.pdf

SIGNIFICANT ISSUES AND FUTURE TRENDS

Transformation of the Western Australian public sector will be enabled, in part, by building a workforce with the right digital skill set and knowledge, and leveraging more effectively the digital expertise and experience that exists across agencies. The Office of the GCIO recognises a staged, focused approach that builds the digital skills and knowledge of employees, and the digital capacity of the sector as whole, has a higher likelihood of success.

Rationalisation of software licences

Historically, the public sector has purchased software on an agency-by-agency basis. The Office of the OGCIO is exploring the opportunity to move towards licensing on a whole of government scale. This will better leverage the bulk buying power of government and reduce overall costs as licences are better utilised and shared across agencies.

Common Platforms

Many of the functions carried out by agencies are sufficiently similar to be supported by a single common digital platform or platforms. Reducing the number of different technologies in use across government and adopting a standards-based approach will improve interoperability, simplify procurement, and reduce overall platform spending.

The Office of the GCIO will play a key role in identifying business functions and services that are suitable to be supported by one or more common platforms, and in assisting agencies move towards a simpler and more consistent technology environment.

Slow adoption of Digital WA initiatives

The whole of government benefits to be derived from *Digital WA* depend on the collaborative efforts and active involvement of public sector agencies. The rate of adoption by agencies has been slower than anticipated due in part to the competition between agency-specific and whole-of-government objectives and outcomes, particularly in relation to GovNext-ICT, the State election, and the machinery of government changes announced in April 2017.

The Office will continue to work with Government to ensure that agencies have the capability and discretion to prioritise the sector-wide digital transformation agenda in *Digital WA* to accelerate the delivery of the savings and other benefits.

Agility of the local ICT industry

The Western Australian government sector is the largest purchaser of ICT goods and services in the State, and any changes to government procurement arrangements will have an impact on the local industry. The ability of the local industry to provide the types of modern services the Government is seeking to move towards will also influence how quickly agencies can transform.

The Office of the GCIO liaises regularly with industry and professional bodies to provide clarity around current and future directions in government ICT reform and respond to issues raised. By moving towards consumption and other "as a service" pricing models, rather than traditional up-front purchases, the public sector seeks to both reduce overall government spend on current ICT activities, and free up resources to direct towards improved service delivery using innovative technologies and approaches, many of which will create new business opportunities within Western Australia.

SUMMARY OF FINANCIAL PERFORMANCE FOR 2016-17

The Office of the GCIO 2016-17 gross expense allocation was approximately $4.7 million, funded largely through appropriations from government ($3.4 million). The other key funding source was income from the ICT Renewal and Reform Fund ($1.3 million).

The $4.7 million in expenses primarily relates to employee expenses ($3.1 million) and supplies and services ($1.0 million).

Actual results versus estimate	Estimate [a] $000	Actual $000	Variance $000	Reason for significant variation between actual and estimate
Total cost of services (expense limit)	4,662	9,430	4,768	The variance reflects the approval of additional funding from the ICT Renewal and Reform Fund, including the GovNext-ICT and myWA projects as well as the transfer of the Innovation Fund and its administration to the Office of the GCIO.
Net cost of services	(3,387)	(5,385)	(1,998)	Increased expenditure in 2016-17 reflects the approval of additional funding from the ICT Renewal and Reform Fund, including the GovNext-ICT and myWA projects.
Total equity	–	1,440	1,440	The Office of the GCIO was created in 2015-16 with equity figures first identified at 30 June 2016 end. This was after the budget allocation for 2016-17 was published in May 2016, as such there were no opening equity figures.
Net increase/(decrease) in cash held	–	4,596	4,596	Cash was higher than estimated due to additional funding being approved during 2016-17 for a number of projects but not being fully expended in 2016-17 with carryovers subsequently approved for the myWA and GovNext-ICT projects, and the Innovation Fund.
Approved salary expense level	2,172	4,129	1,957	The actual salary expense was above the estimate largely due to additional funding being approved during the 2016-17 financial year for the salary costs associated with the GovNext-ICT and myWA projects, and the transfer of the Innovation Fund and its administration to Office of the GCIO.
Working Cash limit	233	450	217	The working cash limit was above the estimate largely due to additional funding being approved during the 2016-17 financial year for the salary costs associated with the GovNext-ICT and myWA projects, and the transfer of the Innovation Fund and its administration to Office of the GCIO.

(a) Further explanations are contained in Note 26 of the financial statements.

SUMMARY OF NON-FINANCIAL PERFORMANCE FOR 2016-17

Outcome

Key effectiveness indicator	Unit	Target	Actual
Percentage of ICT policies endorsed by Governance groups for development by OGCIO that have been developed and approved by Government	%	75	75
Percentage of Innovation submissions received that have been actioned	%	100	100

Service

Key efficiency indicator	Unit	Target	Actual
Average cost of Policy Development	$'000	201	192 [a]
Cost of GovNext and myWA project implementation as a percentage cost of the overall government spend on related services	%	2.5	3.1 [b]
Administrative costs per innovation initiative and/or grant application	$	5,279	5,311 [c]

a) The lower result is due to slightly lower costs than anticipated incurred by OGCIO on policy development activities.

b) Actual whole-of-government expenditure on related ICT services was lower than initial estimates resulting in a higher comparative result. This was primarily due to agencies reducing ICT spend as they prepare for a transition into the new GovNext-ICT framework

c) Actual numbers of activities against the Innovation initiative were greater than anticipated, resulting in lower average costs, however launch and start-up costs that were not anticipated in the target have pushed administrative costs higher for the 2016-17 actuals resulting in a slightly over target result.