



**Government
of South Australia**

TRS19D1374

Hon Stephen Mullighan MP
Member for Lee
Unit 1, 62 Semaphore Road
SEMAPHORE SA 5019

lee@parliament.sa.gov.au

Treasurer
Level 8
State Administration Centre
200 Victoria Square
Adelaide SA 5000
GPO Box 2264
Adelaide SA 5001
DX 56203 Victoria Square
Tel 08 8226 1866
treasurer.dtf@sa.gov.au


Dear Mr Mullighan

APPLICATION UNDER THE *FREEDOM OF INFORMATION ACT 1991*

I refer to your application made under the *Freedom of Information Act 1991* (FOI Act), dated 22 May 2019.

Your application seeks access to:

"All minutes, briefings and correspondence titled 'SA Government End User Computing Program Overview and Status' as described on the Objective document management system, between 12 July 2018 and 22 May 2019."

The legislative prescribed timeframe to determine this application has expired and is now deemed to have refused you access to all documents relevant to your application. I refer to my letter dated 26 May 2019 where I sought additional time to make my determination.

The purpose of this letter is to advise you of my determination. An extensive search was conducted within this office. A total of 1 document was identified as answering the terms of your application.

I grant you access in part to 1 document, a copy of which is enclosed.

Document Released in Part

Document 1 is a briefing which was prepared by DTF for my information.

This document is released in part as it contains an extract from a document specifically prepared for submission to Cabinet, and is therefore exempt pursuant to clause 1(1)(c) of Schedule 1 of the Act.

The document also contains information which, if released, would disclose details concerning a deliberation or decision of Cabinet. I have therefore determined to exempt this information pursuant to clause 1(1)(e).

The two attachments mentioned in the briefing are refused in full as both documents formed part of a Cabinet submission. I therefore determine this exempt pursuant to clause 1(1)(e).

Legal advice is also contained in the document, which is subject to legal professional privilege, pursuant to clause 10(1).

Exemptions

Clause 1 – Cabinet Documents

- (1) *A document is an exempt document—*
- (a) *if it is a document that has been specifically prepared for submission to Cabinet (whether or not it has been so submitted); or*
 - (b) *if it is a preliminary draft of a document referred to in paragraph (a); or*
 - (c) *if it is a document that is a copy of or part of, or contains an extract from, a document referred to in paragraph (a) or (b).*
 - (e) *if it contains matter the disclosure of which would disclose information concerning any deliberation or decision of Cabinet; or*
 - (f) *if it is a briefing paper specifically prepared for the use of a Minister in relation to a matter submitted, or proposed to be submitted to Cabinet.*

Clause 10 – Documents subject to legal professional privilege

- (1) *A document is an exempt document if it contain matter that would be privileged from production in legal proceedings on the ground of legal professional privilege.*

Please note, in compliance with Premier and Cabinet Circular PC045 - *Disclosure Logs for Non-Personal Information Released through Freedom of Information* (PC045), the Department of Treasury and Finance is now required to publish a log of all non-personal information released under the *Freedom of Information Act 1991*.

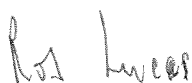
In accordance with this Circular, any non-personal information determined for release as part of this application, may be published on the DTF website. A copy of PC045 can be found at the following address: <https://dpc.sa.gov.au/resources-and-publications/premier-and-cabinet-circulars>. Please visit the website for further information.

As I am determining this application as Principal Officer, Section 29(6) of the Act does not provide for an internal review. If you are dissatisfied with my determination you are entitled to exercise your rights of external review with the Ombudsman.

Alternatively, you can apply to the South Australian Civil and Administrative Tribunal. If you wish to seek a review, Section 39(3) of the Act states you must do so within 30 calendar days of receiving the determination.

If you require any further information, please contact Vicky Cathro on 8226 9769.

Yours sincerely

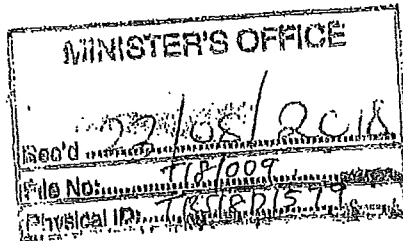


Hon Rob Lucas MLC
Principal Officer

15 January 2020

RELEASE IN PART

MINUTE



MINUTES forming ENCLOSURE

File DPC17/0068
Doc.No B240279

To The Treasurer
Through: Chief Executive, Department of Treasury and Finance

SA GOVERNMENT END USER COMPUTING PROGRAM OVERVIEW AND STATUS

Timing: ROUTINE — For information only

Recommendations/Issues: It is recommended that you:

- Note the summary and status of the EUC program as outlined in this Minute.

Noted

Hon Rob Lucas MLC
Treasurer

15/9/18

PURPOSE

The purpose of this Minute is to provide detailed information in relation to the South Australian Government End User Computing (EUC) program.

DISCUSSION

The purpose of the EUC program is to contract out the supply and support of the computer hardware devices used by SA Government agencies. This approach, through a consistent device replacement schedule and assurance of the latest technology, is intended to deliver a more up-to-date ICT environment for the public service.

Prior to the contract, agencies were responsible for the purchase of their own devices, software application environment, development and maintenance of their own operating system environments, device currency/refresh strategies, application packaging/deployment and IT support functions.

Under the contract, devices are purchased by a private provider (DXC) and leased to government agencies. DXC also provide access and support to the operating system environment which includes a migration to Windows 10, application



This review process however also identified a significant deterioration in the expected financial performance of the project.

clause 1(1)(c)

[REDACTED]
[REDACTED]. The project went from an expectation of delivering financial benefits, to instead requiring additional resources of \$48 million over seven years to bring Health and DPC into the contract.

The significant deterioration was primarily in SA Health, and was driven by:

- An overestimation initially of the number of staff devoted to EUC that could transfer to DXC;
- A lower proportion of devices being able to move to a transformed state (and therefore a lower price) as the application environment is not Windows 10 ready and to date SA Health have been unable to provide a detailed plan with timings to show a device transformation forecasted schedule.
- Transformation occurring over a longer timeframe than anticipated - again due to Windows 10 application readiness, the forecasted time for remediation, lack of a detailed device transformation plan and potential requirement for additional funds.
- A more complicated and costly level of service being needed than originally anticipated; and
- Assumed savings from software management, accommodation and device rationalisation not being able to be achieved.

Following additional funding of \$48 million being provided to SA Health and DPC in 2017, the transition of services to DXC for these agencies occurred on 27 November 2017.

Since the new Executive Program Sponsor and Program Director have been appointed, a range of governance and delivery matters have been rectified. These changes have significantly improved the delivery status of the program.

The transition component of the project is now complete and the operational teams from both DPC and SA Health are now transacting the day to day activities. 'Transitioned' EUC Services are delivered by DXC personnel using the State's existing systems, processes and tools. There is no change to the end user environment and DXC personnel support the end user devices in the agencies' existing environment.

However, the next stage of 'transformation' is proving challenging and appears likely to involve further additional cost to the State.

Transformation is the delivery of a Windows 10 environment, single console management, managed and secure application environment and trusted device enrolment. This allows users to drive management of their device which when achieved will lower the support costs. The technology platform will be delivered and supported by DXC. DPC and SA Health are responsible to ensure the application environment for devices can operate in a Windows 10 environment.

Given the significant range of complex applications used in SA Health, including EPAS, significant application remediation exercises are required to be completed before they will be in a position to move in to the new transformation environment. Under the contract, the pricing schedule for devices decreases once transformation occurs, and Health and DPC's forward estimates are premised on successful transformation occurring.

ongoing cost of higher costs per device (because the pricing would have reduced upon completion of the transformation phase).

3. Exiting the contract, which will entail termination fees for the State.

SUMMARY

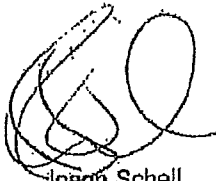
Despite the improvements in governance around the contract and project, there remains significant financial risks associated with the contract, particularly in regards to SA Health.

clause 1(1)(e)

BUDGET

CSC Australia (now DXC Technology) was selected to deliver the services and a seven-year contract with an initial value of \$280.5 million (with a further three-year extension option), to a maximum value of \$394.2 million, was entered in to on 8 February 2017.

This was updated in October 2017 to an estimated value of \$317.2 million over seven years with a maximum value of \$450 million over ten years for all in-scope agencies. The estimated value for DPC and SA Health is \$175.4 million over seven years with a maximum value of \$245.8 million over ten years.



Jason Schell
Executive Director, Government Services

21st August 2018

Contact Officer:	Jason Schell
Telephone:	0482 1244
Email address:	Jason.schell@sa.gov.au

Attachment 1: Independent Project Review EUC Program 14 to 16 August 2017

Attachment 2: Independent Project Review EUC Program 14 and 21 September 2017

The Executive Director, Sinead O'Brien, ICT Transformation who was engaged in May 2016 to drive the End User Computing (EUC) project resigned effective from close of business Friday, 24 November 2017.

Leadership of the EUC project as it transitions into the execution phase is key and the Chief Executive, Department of the Premier and Cabinet (DPC) announced that he will shortly advertise nationally for two new roles of State EUC Executive Sponsor and EUC Program Director. Until the recruitment process is complete, Jason Schell, Chief Operating Officer will undertake the duties of the Executive Sponsor, and Kim Palmer will continue as the EUC Program Director

Director's Stephen Oster and Rachel Newrick, were both advised that they were no longer required to perform their executive duties for organisational reasons.

Key Events\Milestone 2

- 27 November 2017 Transition Service Commenced for the Department of the Premier and Cabinet and Department for Health and Ageing.
DPC and SA Health transferred 69 staff to DXC SAE PTY LTD
New cadence for program governance commenced which incorporated structured program governance and steering committee forums.
- 22 December 2017 Office for Industry Advocate, Ian Nightingale amended Industry Participation Policy
- 5 February 2018 Device Refresh service commenced

Key Events\Milestone 3

- 12 February 2018 New EUC Program Director – Peter Costanzo was recruited and appointed using a merit based process and commenced
- 28 February 2018 The State rejected DXC's Delay Notice and Project Change Request on the delays to the ONS link
- 1 March 2018 Review of the program status completed
New program resource structure to support Transformation completed
All outstanding commercial issues identified and addressed.
Development of a program schedule to support the Transformation work package developed.
- 30 March 2018 SA Health and DPC Transformation environment was due to be delivered by DXC
Development of a DPC application remediation plan

DPC expressed a lack of desire to continue with the EUC Agreement. SA Health's intention in relation to the EUC Agreement is still being determined.

clause 10(1)

6 August 2018

As part of the Dispute resolution process, the State sent its detailed reasons for rejection of the delays with the ONS link, the DMM Transformation HLD, and the definition of the Transformed State.

The State Procurement Board (SPB) was informed of the formal dispute with DXC at the meeting held Monday 13th August 2018