



**Australian Government**  
**Department of Finance**  
**Digital Transformation Agency**

**EXECUTIVE MINUTE**

on

**JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT**

**REPORT No. 509**

***Inquiry into public sector information technology procurement and projects***

The Department of Finance (Finance) and the Digital Transformation Agency (DTA) provided a joint response to Recommendations 1 and 2 of Report No. 509 on 15 August 2025. In accordance with Recommendation 3 of the report, Finance and the DTA now provide this 12-month update on actions taken to improve information technology procurement and the success of information technology projects, building on the 6-month report and reflecting ongoing efforts by Finance and the DTA to keep guidance current and fit-for-purpose.

This update provides a summary of activities undertaken over the past 12-months and is structured around the Digital and ICT Investment Oversight Framework rather than by individual recommendations. A detailed breakdown of actions against Recommendations 1 and 2 is provided at [Attachment B](#).

**Recommendation 1:**

*The Committee recommends that in relation to information technology projects, the Department of Finance improve guidance for Commonwealth departments and agencies relating to:*

- *how departments should develop procurement plans*
- *estimating resources required over the project's life*
- *planning for how the project will be funded and sustained*
- *how to embed capability into the organisation*
- *evaluate and select project management approaches*
- *the role of the Senior Responsible Officer*
- *refinements to gateway review ratings and their application.*

## Recommendation 2:

*The Committee recommends that the Department of Finance and the Digital Transformation Agency continue to collaborate on:*

- *common definitions and matrices*
- *guidance and policy documents relating to information technology procurement and projects*
- *responsibility for oversight and review of whether large information technology projects are achieving expected milestones and outcomes*
- *the conduct of gateway reviews, including lessons learnt and trends arising from these reviews.*

## Digital and ICT Investment Oversight Framework

As indicated in the 6-month progress update, the [Digital and ICT Investment Oversight Framework](#) (IOF) provides a way for the DTA to support the Australian Government to manage its digital and ICT-enabled investments and procurements.

The IOF applies from early planning through to project delivery and realisation of planned benefits ([Attachment A](#) provides the IOF outline). Introduced in 2022, the IOF has overhauled how digital projects are managed to support improved planning, prioritisation, governance, assurance and sourcing.

The DTA and Finance continue to evolve the suite of policies, guidance, training and advice that underpin the IOF to ensure it remains fit-for-purpose and supports successful digital outcomes.

### State 1: Strategic Planning

Under the Strategic Planning state, future digital objectives and capability gaps are identified through an integrated view of digital investment.

Through the [Data and Digital Government Strategy](#) and supporting guidance such as the [Australian Government Architecture](#), the DTA articulates the government's digital direction and provides guardrails for agency delivery aligned with whole-of-government priorities.

The Strategic Planning state also provides the structure for agencies to complete short-, medium- and long-term planning through [Digital Investment Plans](#) (DIPs). Introduced in July 2025, DIPs establish a minimum standard for estimating whole-of-life resourcing, including delivery costs, workforce capability, transition arrangements and long-term operational requirements.

DIPs embed an explicit requirement for agencies to articulate sustainment funding to ensure digital services remain stable, secure and fit-for-purpose beyond initial implementation.

Consolidation of DIP data improves visibility of whole-of-government sustainment requirements.

As part of the first DIP cycle, the DTA reviewed agency submissions and worked closely with entities to strengthen whole-of-life resourcing approaches. Agencies must submit approved DIPs annually.

Insights from DIPs also inform workforce planning, supported by the [APS Data, Digital and Cyber Workforce Plan](#) (March 2025) and the [APS Digital Workforce Insights Report](#) (November 2025).

### **States 2 and 3: Prioritisation and Contestability**

The Prioritisation and Contestability states operate together to support advice to government on digital proposals through the Budget and MYEFO processes.

Through the Digital Investment Overview, the DTA provides early visibility of investments and advice on prioritised major digital proposals. DIPs support prioritisation by providing context on future investment pressures.

Under Contestability, the DTA collaborates with agencies to develop and assess proposals using whole-of-government digital and ICT policies and standards through the Digital Capability Assessment Process. This includes assessment against benefits management, sourcing and assurance requirements.

For high-cost and high-risk proposals, agencies must seek advice on the application of the ICT Investment Approval Process. Updated guidance and templates support agencies to develop robust business cases, including project management, governance, benefits management, procurement strategy and training plans.

To manage delivery risk, large digital projects are increasingly structured into smaller components. In some cases, funding is staged or restricted, with subsequent funding released once agreed outcomes, benefits and milestones are delivered. Since October 2022–23, 20 investments have been approved under these arrangements.

### **State 4: Assurance**

The Assurance state supports informed decision-making and accountability throughout delivery.

The Assurance Framework is calibrated to project size and complexity and focuses on planning for assurance, independent advice, and a strong focus on risks and outcomes.

The DTA oversees whether large ICT projects are achieving expected milestones and outcomes through Delivery Confidence Assessments and the annual [Major Digital Projects Report](#), most recently published in February 2026.

Guidance continues to be strengthened through updated Delivery Confidence Assessment materials, assurance research on effective digital governance, and development of a Major Programs Start-up Kit to support agencies commencing large digital programs.

### **State 5: Sourcing**

State 5 of the IOF is Sourcing, where the DTA provides whole-of-government digital and ICT procurement arrangements to support simpler, more consistent and value-for-money procurement.

The DTA is continuing work to develop the Digital Seller Underperformance Policy to support fair and transparent management of seller underperformance information and drive improved outcomes across government.

In addition, in the past 12 months Finance has released 15 procurement and contract management courses for APS staff via the [Commonwealth Procurement and Contract Management Training Suite](#), available on the APS Academy.

This training suite supports APS-wide procurement capability, offering learning across foundation and practitioner levels and covering the full procurement lifecycle: planning, sourcing, contract management, and closure.

Finance also published refreshed guidance, available through the Department of Finance website, including the [Australian Government Contract Management Guide](#) and the [Procurement Process Considerations Guide](#). This work has been supported by the release of the Procurement Lifecycle, and additional guidance to assist entities in applying the recent amendments to the Commonwealth Procurement Rules. Finance will continually review and update guidance to support procurement best practice.

### **State 6: Operations**

The Operations state provides intelligence on the size, health and maturity of government digital and ICT investments.

In late 2025, the DTA concluded a successful trial of a Project Data Reporting Standard, enabling performance data to be collected from existing agency reporting. Work is underway to embed this approach, improving data quality while reducing reporting burden.

The DTA is also investing in an Integrated Data Platform to support more consistent use of common definitions and improve the quality of advice provided to agencies and government.

**Conclusion**

Finance and the DTA will continue to update guidance, frameworks and tools to keep pace with technological change. Lessons from project delivery, assurance and procurement activities will ensure guidance remains practical and current. Attachment B outlines actions underway in response to Recommendations 1 and 2.

Yours sincerely,

**Matt Yannopoulos PSM**

Secretary  
Department of Finance

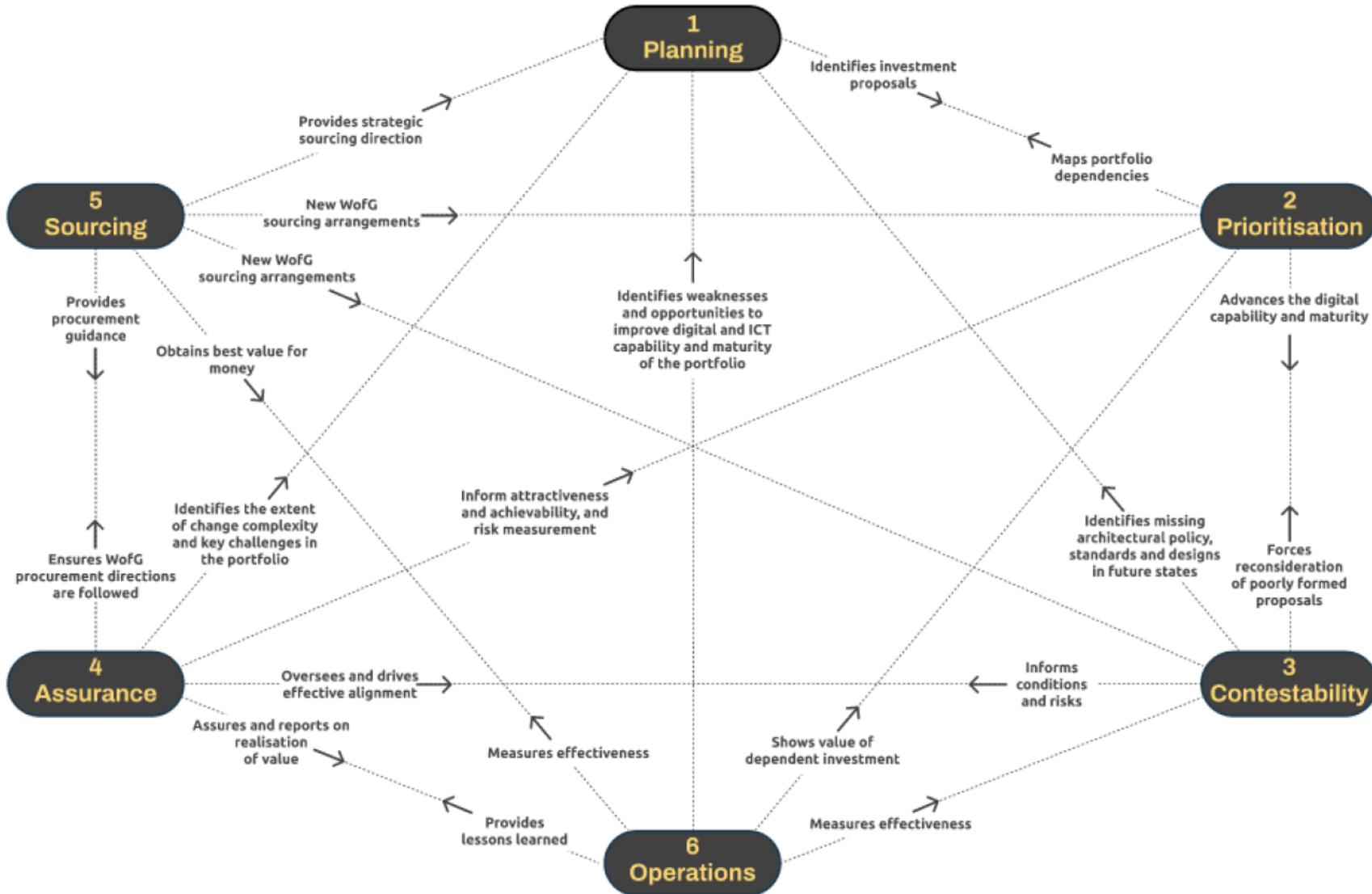
**Chris Fechner**

Chief Executive Officer  
Digital Transformation Agency

**Attachment A:** Diagram of the six states of the IOF.

**Attachment B:** Actions Finance and the DTA are undertaking to implement Recommendations 1 and 2

Attachment A – Six States of the IOF



**Attachment B**

**Actions Finance and the DTA are undertaking to implement Recommendations 1 and 2**

**Recommendation 1**

The Committee recommends that in relation to information technology projects, the Department of Finance improve guidance for Commonwealth departments and agencies relating to:

Recommendation	Action
<p><b>How departments should develop procurement plans.</b></p>	<p><b>From March 2025</b> The DTA Strengthened procurement planning guidance through DMP2 reforms.</p> <p><b>November 2025</b> Updated the transparency in labour-hire module and released the Seller Invitation Request feature to improve procurement integrity.</p> <p>Finance uplifted procurement capability through new training (15 courses) and refreshed procurement guidance (Contract Management Guide, Procurement Process Considerations Guide, Procurement Lifecycle).</p>
<p><b>Estimating resources required over the project’s life.</b></p>	<p><b>July 2025</b> DIP Policy &amp; Guidebook sets minimum standards for lifecycle resourcing.</p> <p>First DIP cycle reviews strengthened agencies’ whole-of-life resourcing. Agency DIPs will be provided to the DTA annually.</p> <p><b>November 2025</b> DMP2 PMF provides performance signals that help anticipate resource and delivery risks.</p> <p><b>Ongoing</b> DTA and Finance provide ongoing resourcing advice to agencies in the Prioritisation and Contestability states.</p>

**Planning for how the project will be funded and sustained.**

**July 2025**

DIP requires explicit sustainment funding (licences, hosting, staffing, capability).

Consolidated DIP data improves whole-of-government sustainment needs.

**Ongoing**

DTA and Finance provide ongoing resourcing advice to agencies in the Prioritisation and Contestability states and through IIAP Business Case Templates to improve project planning, resourcing and funding estimates.

**How to embed capability into the organisation.**

**March 2025**

APS Data, Digital & Cyber Workforce Plan APS Digital Workforce Insights Report provide system-wide capability insights.

**November 2025**

Assurance Research Series (*Steering for Success*) supports organisational capability uplift through practical governance guidance and a self-assessment tool.

**Ongoing**

Updated Business Case guidance and templates set out how agencies should embed capability in their new digital projects.

**Evaluate and select project management approaches.**

**November 2025**

Updated DCA guidance improves criteria for assessing readiness, risk and complexity to support selecting appropriate delivery approaches.

*Steering for Success* research series provides insights on governance behaviours that support effective project delivery.

**Ongoing**

Updated IIAP Business Case Templates and guidance will help agencies select the right project management methodology to implement their digital projects.

**The role of the Senior Responsible Officer.**

**August 2025**

Digital Governance Program launched, mandatory training for SROs, delivered to 51 SROs across 27 agencies.

SRO Network established as an ongoing community of practice.

<p><b>Refinements to gateway review ratings and their application.</b></p>	<p><b>Ongoing</b></p> <p>As part of the Australian Government Assurance Reviews Process administered by Finance, latest updates to the Resource Management Guide (RMG) No. 106: Guidance on the Assurance Reviews Process and RMG No. 107: Risk Potential Assessment Tool and Gateway Review templates are being finalised. These updates strengthen the role assurance plays to support entities deliver programs and projects successfully.</p>
--	---

**Recommendation 2**

**The Committee recommends that the Department of Finance and the Digital Transformation Agency continue to collaborate on:**

<p><b>Recommendation</b></p>	<p><b>Action</b></p>
<p><b>Common definitions and matrices.</b></p>	<p><b>November 2025</b></p> <p>PMF and the DSUP defines common performance metrics.</p> <p><b>From November 2025</b></p> <p>AI procurement supports (model clauses, AI template, checklist) provide consistent definitions for emerging technologies.</p> <p><b>Ongoing</b></p> <p>Finance &amp; DTA aligned procurement artefacts (clause banks, contract standards) to create consistent definitions and risk allocations.</p> <p>Developing the PDRS and 'Integrated Data Platform' to improve the currency and accuracy of DTA's data holdings, which will also drive common definitions across the Australian Government.</p>

**Guidance and policy documents relating to information technology procurement and projects.**

From July 2025

Benefits Management Policy uplifted with in-flight guidance, updated tools/templates.

November 2025

Finance refreshed procurement guidance including Contract Management Guide and CPR related documentation.

**Responsibility for oversight and review of whether large information technology projects are achieving expected milestones and outcomes.**

**November 2025**

PMF provides performance signals enabling early intervention.

Benefits Realisation Data Pilot introduces standardised benefits reporting and confidence ratings.

**December 2025**

DSUP consultation process commenced. The rollout of the DSUP will occur over the next 12-months to drive Seller performance in achieving expected milestones and outcomes.

**Ongoing**

MDPR is released annually in February to drive transparency and accountability by agencies in the delivery of digital projects.

Benefits Management is undertaken on an ongoing basis. In 2025, 730 participants from 110 agencies undertook the training.

IOF and Business Case templates are being updated to improve agency planning.

Funding is released for digital projects once agreed outcomes, benefits and milestone have been delivered as agreed by government.

The conduct of gateway reviews, including lessons learnt and trends arising from these reviews.

As part of the Australian Government Assurance Reviews Process, Finance has published recent lessons learned from Gateway Reviews on the Finance website. This resource helps entities to deliver programs or projects successfully by applying lessons from past experience.

---