DIGITAL GOVERNMENT TRANSFORMATION
Australia Survey Data Analysis
Public Sector Research Group
October 2015
"Interacting with the government should be as easy as Internet banking or ordering a taxi through an app."

— Prime Minister Malcolm Turnbull on launching the Digital Transformation Office

**Top driver**

Citizen demands

**Top 3 barriers**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Barrier</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Insufficient funding</td>
</tr>
<tr>
<td>2</td>
<td>Too many competing priorities</td>
</tr>
<tr>
<td>3</td>
<td>Lack of an overall strategy</td>
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**Insights**

- Only 27 percent Australian agencies feel confident about their organization's readiness to respond to digital trends
- Most Australian agencies use experiments/pilots for digital implementation, a deviation from the more pervasive ‘top down from central senior leadership team’ approach

**Maturity**

<table>
<thead>
<tr>
<th>Region</th>
<th>Early (n)</th>
<th>Developing (n)</th>
<th>Maturing (n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global (n=1202)</td>
<td>26%</td>
<td>60%</td>
<td>13%</td>
</tr>
<tr>
<td>Australia (n=204)</td>
<td>31%</td>
<td>61%</td>
<td>8%</td>
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</table>
**READINESS AND RESPONSE**

### Have a clear and coherent digital strategy?

<table>
<thead>
<tr>
<th></th>
<th>% agree</th>
</tr>
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<tbody>
<tr>
<td>Global</td>
<td>46%</td>
</tr>
<tr>
<td>Australia</td>
<td>35%</td>
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</tbody>
</table>

### Objectives of digital strategy

1. Improve customer/citizen experience and engagement, and transparency  
   - % agree: 74%
2. Increase efficiency  
   - % agree: 73%
3. Create or access valuable information or insights to improve decision making  
   - % agree: 60%
4. Create or access valuable information or insights for innovation  
   - % agree: 56%
5. Fundamentally transform our organization processes and/or organization model  
   - % agree: 52%

### Digital opportunity vs investment

- **Global**
  - View digital technologies as an opportunity: 82%
  - Increased investment in digital initiatives in the last fiscal: 44%
- **Australia**
  - View digital technologies as an opportunity: 78%
  - Increased investment in digital initiatives in the last fiscal: 34%

### Confident about organization’s readiness to respond to digital trends

- **Agree**: 48%
- **Disagree**: 27%
- **Neither agree nor disagree**: 24%
- **Don’t know**: 1%

### Satisfied with organization’s current reaction to digital trends

- **Agree**: 34%
- **Disagree**: 17%
- **Neither agree nor disagree**: 47%
- **Don’t know**: 2%

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54 percent say that digital trends are improving their organization’s ability to respond to threats and opportunities.

80 percent say their digital capabilities are behind the private sector.

36% confident globally

37% satisfied globally
84% find workforce and skills to be a challenging area to manage in their organization’s transition to digital.

43% say that leadership understands digital trends and technologies.

34% say that their leaders have sufficient skills to lead the organization’s digital strategy.

Does a single person or group have the responsibility to oversee/manage your organization’s digital strategy?

Australia: Yes, 47%
Global: Yes, 51%

Digital skills vs investment in workforce:

- Employees have sufficient skills to execute organization’s digital strategy: 34%
- Organization provides opportunities and resources to obtain the right skills: 33%

Workforce-skills lacking:

- Agility: 62% Australia, 59% Global
- Entrepreneurial spirit: 49% Australia, 53% Global
- Business acumen: 42% Australia, 46% Global
- Collaborative processes: 40% Australia, 45% Global
- User experience design: 39% Australia, 45% Global
- Technological savviness: 43% Australia, 46% Global
80% say that digital technologies and capabilities enable employees at their organization to work better with customers/citizens.

74% say improving customer/citizen experience and transparency is an objective of their organization’s digital strategy.

How are digital trends impacting your organization’s customer/citizen service quality?

Australia: Improving, 72%

Global: Improving, 78%

What is the biggest driver of digital transformation?

Global:
- Customer/citizen demands: 11%
- Cost and budget pressures: 14%
- Federal/central government directives: 38%
- Others: 37%

Australia:
- Customer/citizen demands: 13%
- Cost and budget pressures: 9%
- Federal/central government directives: 35%
- Others: 43%

What is the level of customer/citizen involvement in co-creating digital services for your organization?

Australia:
- Don’t know: 19%
- Low: 55%
- Neither high nor low: 19%
- High: 8%

Global:
- Don’t know: 11%
- Low: 53%
- Neither high nor low: 23%
- High: 13%
**CULTURE - INNOVATION, COLLABORATION, OPEN SOURCE, AGILE**

86% find culture to be a challenging area to manage in their organization’s transition to digital

To what extent does your organization use open source technology to deliver digitally transformed services?

- **Australia**
  - Great extent: 3%
  - Moderate extent: 12%
  - Small extent: 31%

- **Global**
  - Great extent: 5%
  - Moderate extent: 18%
  - Small extent: 35%

Is the transition to digital altering your organization’s attitude towards risk?

- **Global**
  - Don’t know: 26%
  - Neither improving nor degrading: 46%
  - Improving: 28%

- **Australia**
  - Don’t know: 28%
  - Neither improving nor degrading: 40%
  - Improving: 25%

78% say that digital technologies and capabilities enable employees at their organization to work better with other employees

Digital trends are changing these dynamics within my organization:

- **Collaborative culture**
  - Don’t know: 2%
  - Degrading: 35%
  - Neither improving nor degrading: 60%

- **Innovative culture**
  - Don’t know: 2%
  - Degrading: 31%
  - Neither improving nor degrading: 64%

67% globally say digital trends improve collaborative culture

65% globally say digital trends improve innovative culture
PROCUREMENT

73% find procurement to be a challenging area to manage in their organization’s transition to digital.

68% say that government procurement needs to change significantly or very significantly to accommodate digital transformation.

28% say that they are satisfied with the community of vendors that currently serves the digital government marketplace.

Top 3 obstacles to better procurement practices in the digital age:

<table>
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<th>Australia</th>
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<tbody>
<tr>
<td>1. Rules/regulations</td>
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<tr>
<td>2. Lack of flexibility</td>
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<tr>
<td>3. Procurement skill sets</td>
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In what ways does procurement need to change to enable digital transformation?

- Agile development process
- Less restrictive terms and conditions
- More open to small and medium-sized companies
- Less control from the center
- Modular development
- Shorter contract periods

- Australia
- Global