



**Government
of South Australia**

Minister for Human Services

Level 12 South
1 King William Street
Adelaide SA 5000
GPO Box 2832
Adelaide SA 5001
DX 115
Tel 08 8463 6560
Fax 08 8463 4480

Our ref: 18MCOR/0093
Your ref: 7128257

Ms Nat Cook
Member for Hurtle Vale
PO Box 158
WOODCROFT SA 5162

Sent by email: Tristan.rust@parliament.sa.gov.au

Dear Ms Cook,

Freedom of information application

I refer to your application under the *Freedom of Information Act 1991* (the Act), received by the Office of the Minister for Human Services on 12 October 2018 seeking access to:

Copies of any and all documents (including but not limited to physical and electronic material) regarding Ministerial agenda item "Business System Transformation (BST) – Replacement of SAHT Mainframe systems" from 2 May 2018.

Unfortunately, a determination was unable to be made within the 30 days, therefore it is considered to be a 'deemed refusal' under section 19(2)(b) of the Act. However, our office has continued to process your application outside of this timeframe. Section 19(2)(a) of the Act provides that an agency can release documents outside of the thirty-day timeframe, and this is still taken to be a determination under the Act.

One document has been identified as falling within the scope of your application and I have determined to release the document in full.

Please find enclosed a copy of the document, and a document schedule containing a brief description of the document.

In accordance with the requirements of Premier and Cabinet Circular PC045, details of your FOI application, and the documents to which you are given access, may/will be published on the agency's disclosure log. A copy of PC045 can be found at <http://dpc.sa.gov.au/what-we-do/services-for-government/premier-and-cabinet-circulars>.

If you have any questions in relation to this matter, please contact Amanda Hockings, Office Manager, on telephone 8463 3388 or by email at amanda.hockings2@sa.gov.au. If you are dissatisfied with the outcome of your FOI application, you have the right to complain to the Ombudsman SA. Please contact the Ombudsman directly on (08) 8226 8699.

Yours sincerely



Amanda Hockings
ACCREDITED FOI OFFICER

5 13 /2019

9SCHEDULE OF DOCUMENTS – MCOR/0093

Freedom of information application from the Ms Nat Cook seeking access to *Copies of any and all documents (including but not limited to physical and electronic material) regarding Ministerial agenda item "Business System Transformation (BST) - Replacement of SAHT mainframe systems" from 2 May 2018.*

No	Author	Addressee	Date	Description of document	Determination	Reason
1.			02/05/2018	Agenda Item – Business Systems Transformation (BST) – Replacement of SAHT mainframe systems	Released in Full	



MINISTER FOR HUMAN SERVICES MEETING		
AGENDA ITEM		
TITLE OF PAPER:	Business Systems Transformation (BST) – Replacement of SAHT mainframe systems	
MEETING DATE	02 / 05 / 2018	DISCUSSION
KEY POINTS	<ul style="list-style-type: none"> • BST is a three year program to replace SAHT’s legacy mainframe solution, which is its core property, tenancy and support service ICT system. • While the primary driver is to reduce risk of system failure, the replacement program is providing significant opportunity to reform SAHT practices and procedures and to improve the way it works with its business partners. • When complete in end 2020, it will realise annual savings in excess of \$6m per annum. • A Steering Committee, led by an independent chair, oversees the program implementation. 	

Minister’s Comments:

.....

.....

.....

.....

.....

.....

.....

.....

BACKGROUND

The Business Systems Transformation program will replace the SA Housing Trust’s legacy computer system with a modern commercial off the shelf cloud-based service. The new system will be implemented in 2020.

In October 2015, the Report of the Auditor General to Parliament noted the urgency of action associated with a withdrawal of technical support for the SAHT’s 20-30 year old mainframe legacy system, noting ‘this increases the risk of system failure and business interruption, which would carry significant, legal, reputational and financial implications.’ Failure would cease SAHT’s automated functions in rent collection, maintenance provision, private rental assistance and support services, impacting the agency, its partners and customers.

The chosen product by NPS Housing was selected from a competitive tender process. It is used by five other housing jurisdictions in Australia and New Zealand, including NSW, QLD, WA and ACT and another 200 housing authorities across the world.

It is a Software as a Service COTS product, which means SA will not have to continue to invest in hardware or maintain the software, providing flexibility to meet future needs and cloud base connectivity across providers.

For Official Use Only

This document and its contents may contain confidential information and may be subject to legal professional privilege or public interest immunity. If you are not the intended recipient, any use, disclosure or reproduction is prohibited.

The program represents a net saving over a 10 year timeframe. Total implementation cost for the program is \$45 million and will be funded from existing SAHT resources. Net savings from the program will repay the initial outlay by 2026-27.

The cost for the program represents the 'whole of effort' costs. It consists of the costs of SAHT staff included in the project delivery, data cleanse and migration costs as well as the costs of change management and training for the around 1000 users, 40+ external agencies and integration with more than 100 internal and external systems as well as the decommissioning of legacy systems.

Stringent project controls have been established to ensure timely delivery of the program. An independent Steering Committee has been established with regular reporting to the SA Housing Trust Board. Membership of the Committee includes:

- Mr Mike Allen, Independent Chair
- Mr John Hanlon, Chief Executive, Renewal SA (represented by Mr Michael Buchan, General Manager, Property Management, Renewal SA)
- Mr Tony Harrison, Chief Executive Dept. of Human Services
- Mr John Maunder, Independent Member
- Ms Karen Blake, Independent Member
- Mr Peter Marshall, ICT and Digital Government, Dept. of the Premier and Cabinet

Independent gateway assurance reviews are completed by ASG Technology and regular gateway reviews will continue throughout implementation. Four assurance reviews have been completed with each indicating positive levels of program maturity and readiness for the next stage. The next review is due June 2018.

DISCUSSION

Opportunities for service enhancement internally and in the way we work with our partnering organisations have been held back by the legacy mainframe system. Extensive consultations across Housing SA and Renewal SA have occurred over the past two years and will continue throughout the program to identify opportunities for reform and improvements.

The new system will reduce administrative costs and deliver new capabilities, such as:

- online options for customers and business partners so people can choose how to interact with SAHT (e.g. online, email, SMS, post or in person).
- mobility for staff working outside of the office, to help them access information online and improve customer service.
- better information for improved asset management of the homes we own and manage.
- networked systems with not for profit housing and support providers including shared referral and case work, reducing the need for customers to tell their story more than once.
- electronic interfaces with maintenance providers and contracted agencies, reducing administration costs and directing more resources into service delivery.
- provide better life cycle costing capacity to better manage SAHTs \$10b portfolio and support its urban renewal agenda.

Importantly, it will support the continued growth of the not for profit sector, by provide better sharing of information across the system. Consultation with the NGO has commenced. It will replace the current fixed ICT costs with a more flexible payment arrangement, if more properties are transferred to not-for-profit providers.

Media

On 27 April, Leon Byner made reference to the BST program when speaking about the SA Tourism Commission. He stated "Housing SA, as I understand it, have awarded an IT contract of some significant value to a British overseas company. That will likely mean that we will have IT job losses in the public sector."

NPS Housing are compliant with the South Australia Industry Participation Policy. As part of the procurement, consultation occurred regarding with the Office of the Industry Advocate. There were no South Australian based companies that met the core criteria for the program. Given the high risk associated with this complex program, NPS's successful implementation of like projects interstate was assessed to significantly reduce the risk profile.

For Official Use Only

This document and its contents may contain confidential information and may be subject to legal professional privilege or public interest immunity. If you are not the intended recipient, any use, disclosure or reproduction is prohibited.

Division	Housing SA Executive Director Office		
Executive Director	Phil Fagan-Schmidt	 signature	30/04/18
Chief Executive	Tony Harrison	 signature	30/4/18

ATTACHMENTS

Contact Officer:	Phil Fagan-Schmidt, Executive Director Housing SA 0419 822 959
-------------------------	---

For Official Use Only

This document and its contents may contain confidential information and may be subject to legal professional privilege or public interest immunity. If you are not the intended recipient, any use, disclosure or reproduction is prohibited.