

Review of Home Affairs Technology and Major Capability Group

s. 47F(1)

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Executive Summary

The Department of Home Affairs (the department) plays a crucial role in delivering government services, particularly in protecting the Australian border, processing immigration, facilitating trade, and managing the flow of people entering and departing the country. Additionally, the department oversees domestic functions such as government cyber policy and national resilience.

The department's technology function is extensive and complex, s. 47E(d)

However, many of these technology solutions are

s. 47E(d)

s. 47E(d) the department is reviewing the structure and operating model of the Technology and Major Capability Group (TMCG) to ensure it meets future needs. The review focuses on optimizing digital and data functions, maximizing technology resources, supporting a 10-year technology strategy and roadmap, and s. 47E(d)

The review also considers the findings of the Home Affairs Capability Review and the s. 47E(d)

lack of strategic direction, and opportunities for transformation. The department's Transformation Agenda sets three key principles: exemplary leadership, a game-changing agenda, and collaboration at its core.

The current structure of TMCG includes the ICT Division (ICTD), Major Capability Division (MCD), and Cyber Risk Services Branch (CRS), each with specific roles and responsibilities. However, the structure requires adjustments to balance functions and support future technology needs.

s. 47E(d) competing business priorities, s. 47E(d)

and misalignment between business and technology. It also highlights the need for a clear department-wide strategy and better alignment of technology operations with departmental outcomes.

In line with similar APS agencies and departments, the review proposes to retain and consolidate a centralised model for the technology group. A restructure of TMCG is also proposed that provides a better alignment of functions under leadership roles. The review also recognises that technology is an enabling capability and must work closely with the relevant business groups. To that end, identify opportunities to create multi-disciplinary teams to capture the value that a federated technology organisation, such as improved collaboration, standardization and s. 47E(d), can provide.

The proposed structure includes three divisions: strategy and data, application development, and technology operations. There are two options presented for how to structure this within the Chief Operating Office Group (COOG). The review recommends retaining the major capability function within technology, consolidating technology functions across the department, and developing a business and technology strategy to support future growth s. 47E(d). The department must also establish clear roles and responsibilities, improve governance, and create a voice for technology at the executive table.

Summary of Recommendations

s. 47(1)(b)

Strategy & s. 47E(d)

5. **Develop an appropriate business and technology strategy:** Ensure the strategy is adequately resourced, gains organisation-wide support, and considers a range of options including transformation and private sector involvement.

6. s. 47(1)(b)

7. s. 47(1)(b)

Governance

8. **Deliver regular status reporting on technology delivery:** Develop a more timely, regular, and complete status reporting framework to demonstrate the value that the technology group is delivering against the organisation's priorities.
9. **Develop clarity over roles and responsibilities:** Clearly define the roles and responsibilities between the business groups and the technology group, s. 47E(d) and priority setting.
10. **Establish a joint governance forum:** Create a formal governance forum that includes both business and technology professionals to manage the commercial arrangements for operational capability functions.
11. **Create a voice for technology at the executive table:** Ensure the leadership group spends sufficient time discussing and debating the relative merits of technology s. 47E(d) and the best way forward.

Introduction and background

The department plays a very important role in the delivery of Government Services. The department supports a number of key Government functions in the protection of the Australian Border, including the processing of immigration, facilitation of trade and also the flow of people entering and departing the country. In addition, the department operates a number of domestic functions such as the s. 47E(d)

The department’s technology function is as large and complex as any of the key service delivery agencies in the Australian Federal Government. To demonstrate the breadth and complexity of the technology services we can reflect on the technology landscape. The technology group supports:

s. 47E(d)

The department is reviewing the structure and operating model of the TMCG to ensure it supports the department’s future needs and is set up to:

- Meet government priorities, business, and operational outcomes
- Deliver contemporary and agile technology operations
- Support the development and delivery of a 10 year technology Strategy and Roadmap
- s. 47E(d)

The focus of the review concentrates on a number of important questions to provide a framework and identify options to establish the organisational platform to drive the digital and technology ambitions of the department and Government. The points of focus cover:

- Optimises the department’s delivery of digital and data functions
- Maximises the impact of the department’s technology resources including s. 47E(d)
- Considers the ongoing placement of major capability with the department’s digital functions
- Provides a platform for future growth in technology investment (where practicable)
- Clarifies roles and responsibilities between the COOG and business/operational areas

This review considers the recommendations and findings of the Home Affairs Capability Review (Capability Review), the department’s response to the Capability review that is detailed in its Transformation Agenda and the s. 47E(d)

s. 47E(d)

s. 47E(d)

The department’s Transformation Agenda and associated Transformation Implementation Plan sets three key principles for the department:

- Exemplary Leadership
- Game-changing Agenda
- Collaboration at our Core

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Current Structure of TMCG

The department is unique in that it's technology and digital platforms support the service delivery of operational border and emergency management functions as well as policy national security policy functions. s. 47E(d)

TMCG delivers technology and digital services for departmental missions, including traveller, trade, visa, civil maritime, national security and enterprise, that s. 47E(d)

TMCG, led by a Group Manager who reports to the Chief Operating Officer (COO), has a budget of approximately s. 47D which is s. 47D, and a headcount of approximately 2000 across two divisions and one branch. It is the second largest group within the department.

s. 47(1)(b)

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Review observations

Observations, context and challenges identified through consultations

During the review there were a number of themes that were reiterated that set the context and the need for change. These are outlined below:

Some of the key challenges

s. 47E(d)

People risks

The department faces a real challenge in retaining and motivating the people managing the technology systems. There has been significant “churn” especially in leadership roles and they are not feeling very valued for their contribution. Retaining corporate history and skills for the systems needs to be addressed.

s. 47E(d)

s. 47(1)(b)

Business and technology alignment

At all levels, there is a great deal of collaboration for important and immediate issues. For example, when there is a system issue the level of close collaboration is very visible. However, there is operational issues driven by a misunderstanding of priority and pressures. For example, s. 47E(d) and believe that the technology teams don't fully understand the business strategy and pressures. There is also a degree of duplication of work between various business areas and technology driven by this misalignment and the belief that it is required to breach the gaps. This also drives a lack of clarity in terms of roles and responsibilities.

No clear department wide strategy

There are many competing priorities that the department is facing. s. 47E(d)
There is a need to get a corporate view on these priorities and the strategy that supports the technology investments.

s. 47E(d)

In addition, there were some general observations that form the context for any recommendations. These include:

- Generally, there is a respect for the skills and effort of TMCG. Their capability is valued by the business with a recognition that there is a lot of legacy knowledge. The group is clearly valued in operating the business systems (including enterprise technology platforms) and addressing issues when they arise.
- The business and TMCG are misaligned in terms of expectations and priorities. There is not a clear and aligned language. The teams work well in times of crisis but there is friction when it comes to investment priorities and roles and responsibility.

s. 47E(d)

s. 47(1)(b)

s. 47E(d)

- Business sees TMCG as a blocker. TMCG is frustrated by the belief that the business does not understand the challenges and issues that need to be attended to.

Recommendations:

Develop an appropriate business and technology strategy: Ensure the strategy is adequately resourced, gains organisation-wide support, and considers a range of options including transformation and private sector involvement.

Review structures within business groups for priority setting and requirements: Ensure business groups provide clarity in terms of setting priorities and defining requirements.

Create a case for a more enduring model for sustainment S. 47(1)(b)

Deliver regular status reporting on technology delivery: Develop a more timely, regular, and complete status reporting framework to demonstrate the value that the technology group is delivering against the organisation's priorities.

What can we learn from other organisations and how they are structured?

How are other agencies and departments organised to deliver technology support and operations?

Traditionally there have been two models that organisations, particularly in the Australian Public Service (APS) have used for the deployment of the technology function. These are:

Centralised

Characterised by:	Having all the technology professionals in a centralised group which will provide services to the business units or group
Advantages:	• Critical mass of technology capability • Can be a lower cost overall to the organisation as a whole as much duplication is eliminated • Standardisation of approaches, technology and solutions
Disadvantages:	• Can result in a chasm between business and technology in terms of collaboration • Lack of clarity on technology investment decisions and priorities

Decentralised

Characterised by:	Each business group having responsibility and resources for technology matters, including hardware, architecture selection and operations.
Advantages:	• Closely aligns the technology group into the business priorities • Often results in quicker delivery of technology solutions
Disadvantages:	• Overall will be more costly for the organisation as standards are not always followed and technology decisions are devolved • Results in additional costs from duplication of people and technology assets • Greater challenge and cost for managing the standards relating to technology, cyber and operations

In both of these models, there is typically a trade-off between the costs of delivery and degree of duplication with the autonomy of business lines and the speed of technology delivery. While the centralised model on the surface is a more cost-effective way to organise the function, there are a number of uncoded implications including shadow IT, duplication of function between the business and technology and additional governance that results.

More recently organisations, especially in the private sector, have implemented a federated model which looks to take the best of both the centralised and decentralised models.

Federated

Characterised by:	A strong centralised technology function responsible for standards, technology architecture and decisions and common elements Deploying technology delivery teams to work in integrated teams with business. The business delivery teams are retained as part of the technology group but work in joint teams in business aligned delivery teams
Advantages:	• Retains a centralised technology function that enforces standardisation and cost optimisation • Strongest level of direct collaboration between technology professionals and the business in solving real business challenges and delivering value
Disadvantages:	• Requires upfront planning to establish and ongoing oversight

s. 47E(d)

Should we retain the TMCG structure?

The TMCG structure and operating model was established in 2019 to support the expected evolution of the department's missions, including managing major capabilities such as civil maritime.

s. 47E(d)

While the structure is not the only determining factor in improving the delivery of technology services it is a key component. Other factors include the culture of both the technology group and the business areas as well governance models that operate. It is also important to note that the structure needs to reflect the phase of work and challenges the organisation is facing at the time. In other words, the structure is a point in time and has to be revisited periodically to ensure it meets the business challenges in place. For the department at this stage, I would describe the priorities at this stage as having 2 parts:

- Formulating and agreeing a strategy. s. 47E(d)
- Managing the immediate and real business as usual issues. s. 47E(d)

The department has changed significantly over the last five years through the evolution of the Home Affairs Portfolio, subsequent refining of priorities and underlying structures established to deliver on outcomes.

s. 47E(d)

There are a number of opportunities within the TMCG organisation to restructure and rebalance the functions to create a more seamless experience for the business and drive some efficiency gains. s. 47E(d)

There are three very distinct areas of focus for the technology group to organise itself and deliver the platform for future growth in technology investment (where practicable). These are:

s. 47E(d)

Build - Application development teams – these are the branches that undertake much of the technology delivery and systems development work. These branches manage the applications used by the business and undertake development and enhancements. While retained as technology function, the adoption of a multi-disciplinary team and user centred design approach would empower these teams to work more closely with their business partners to create greater delivery impact. These would be managed on a capacity basis based on the investment levels available to each of the business areas.

Run - Technology operations – s. 47E(d). These would typically report to a Chief Technology Role (CTO). s. 47E(d)

How best to structure the technology group?

s. 47(1)(b)

By the end of this Financial Year, it is expected that MCD functions will change and yield a significant imbalance the TMCG structure.

The current structure of TMCG has been in place for several years. It is completely appropriate and timely to consider the ability of this structure to meet the immediate demands and pressures the department is facing.

Anchored to the distinct areas of focus (Plan, Build and Run) required for a technology group to organise itself and to support the need to:

- Meet government priorities, business, and operational outcomes
- Deliver contemporary and agile technology operations
- Support the development and delivery of a 10 year technology Strategy and Roadmap
- s. 47E(d)

Retain a centralised technology model. Specifically, the group would be responsible for the operations, and development of technology solutions as well as all technology decisions. A key focus would be on standards and policy as well as hardware operations and support.

Bringing the relevant technology areas currently in the business areas into the technology group. In parallel ensure that the business groups are also structured to streamline working with the technology group. Spend time developing clarity about the respective roles and responsibility between the business groups and the technology leadership. What is the scope of services, who has responsibility for making investment decisions, and create a multi-disciplinary team construct focused on achieving outcomes.

This will also require work to establish the most effective governance arrangements as well as define the roles and responsibilities of each party. s. 47E(d)

Four options for how to structure these three groups or portfolios were considered. The key elements of the design:

- There would be three SES Band 2 roles retained in the structure. A First Assistant Secretary Strategy and Data; A First assistant Digital Capability and a First assistant Secretary Operations (FAS operations).
- The creation of the **FAS Strategy and Data** is a reflection on both the multiple recommendations to develop an organisation wide strategy in partnership with the business; as well as the effort that will be required to deliver a strategy for the organisation. s. 47E(d)
- Creation of a **FAS Operations** role consolidates the teams managing the hardware and software assets of the organisation. he s. 47E(d)
- The third division would be headed by the **FAS Digital Capability (Chief Digital Officer)**. This division comprises the various business systems teams that are in place to manage, operate and enhance these business systems.
 - While being a direct report to the FAS Digital Capability the department should investigate and test the recommendation of also embedding these teams within the business area and providing integrated teams closely aligned to the business. These teams would remain an integral part of the technology structure but also have a direct line of management to the relevant business area working in an integrated teams with their relevant business colleagues.
 - A pre-requisite for this is to establish the rules of engagement (i.e. the roles and responsibility of each party) as well as the appropriate governance bodies that need to be put in place for communication, alignment and collaboration.

There is a strong case to be made that Home Affairs, as with the other major Government delivery agencies such as the s. 47(1)(b) could justify a SES Band 3 role responsible for technology and digital functions as part of the senior leadership team.

s. 47E(d)

s. 47E(d)

Whilst a SES Band 3 role may not be required immediately, the required alignment across the department, including the Australian Border Force (ABF), of expectations and priorities for technology will need to be managed closely to ensure that immediate efforts are supportive of s. 47D. Consideration needs to be given on how the complex technology operations and anticipated digital and data transformations are coordinated. There are two options:

- The commonality of functions, complexity and sheer size of TMCG warrants the continuation of centralised digital and data function led by a GM (with a lead Band 2).
- The alternative option is to flatten the reporting lines of TMCG to the COO role to drive the coordination and promotion of technology and digital functions across the organisation.

s. 47E(d)

Recommended Structure option:

Of the four options outlined the recommendation is to proceed with s. 47E(d)

s. 47E(d)

Recommendations:

- Restructure and recruit:** Restructure the technology organisation, in line with option 1, to better align to core functions and balance workloads equitably. Commence the recruitment of the technology leadership team as a matter of priority.
- Create a voice for technology at the executive table:** Ensure the leadership group spends sufficient time discussing and debating the relative merits of technology investments and the best way forward.

s. 47E(d)

s. 47E(d)

Establishing a shared governance forum for regular interactions with the vendors on contract compliance, user satisfaction and improvements would be beneficial to all the parties.

Recommendations:

- Retain the major capability function within technology:** It makes sense to retain the current procurement and management functions within the technology group, as they are heavily technology-based and require compliance with Home Affairs technology standards and cyber requirements.

Are there any areas of duplication within the organisation?

Across the department, a devolution of some technology functions has occurred to enable immediate business needs and have since remained in place. This includes technology related functions that would typically be overseen centrally, such as architecture, operational and ICT technology procurements.

This devolution of functions has resulted in gaps, overlaps and inconsistencies in the delivery of digital capabilities. Disparate practices, assurance and governance arrangements leads to variability and uncertainty in the management of risk and complicates the realisation of opportunities, such as improving our existing cyber posture.

This devolution of functions also results in reduced transparency of workforce capability and capacity which impedes the transportability of skills across departmental priorities and associated initiatives.

s. 47E(d)

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s. 47E(d)

Recommendations:

Consolidate technology functions across the department: Transfer various technology functions that exist across the department into the technology organisation to amalgamate related functions and create better efficiencies.

s. 47E(d)

Develop clarity over roles and responsibilities: Clearly define the roles and responsibilities between the business groups and the technology group, including the role of the investment committee and priority setting.

Establish a joint governance forum: Create a formal governance forum that includes both business and technology professionals to manage the commercial arrangements for operational capability functions.

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Recommendations

The recommendations of the review are classified into three main categories.

Structure and capability – how best to structure the technology group for the challenges of today and into the future;

Strategy and s. 47E(d) – what additional work is required that is not structural in nature but is required to develop the technology backbone for the organisation;

Governance – additional governance changes required to improve the IT function of the department.

Structure and capability

Restructure and recruit

Restructure the technology organisation groups to better align to the core functions and balance workloads equitably. In addition, work with the business areas to identify opportunities to eliminate any duplication and also to streamline business prioritisation.

Commence the recruitment of the technology leadership team as a matter of priority. There are a number of vacancies in the technology group and it is essential to get strong leadership to provide stability and clarity for the rest of the group.

Develop clarity over the roles and responsibility between the business groups and the technology group. This includes clearly defining the role of the S. 47D and the priority setting for the organisation

Retain the major capability function within technology

One of the key questions was to assess whether MCD should be retained within the technology group. It makes sense to retain the key procurement and management functions within the technology group. Key to this is that the core functions this branch carries out are procurement and contract management which are core capabilities within the technology group. Also, the subject of these contracts are

S. 47E(d)

Consolidate the various technology functions across the department into the technology organisation

The various technology related functions that exist across the department should be transferred into the technology organisations. Branches and divisions in corporate areas, Immigration and ABF that are presently delivering technology systems and solutions should be transferred. This may create some efficiency gains by amalgamating technology related functions but more importantly will create better

s. 47E(d)

Consider the role of the Data Officer

It was not a specific objective of this review to look at the role of the data management groups. However, given the strong alignment between data and digital in delivering for the business it would appropriate for a subsequent review of how best to structure the data management teams and their respective roles in the delivery of business solutions. There may be opportunities to drive out a better more aligned end to end outcome for business by closer integration of these two groups.

Strategy and funding

Develop an appropriate business and technology strategy

There are already a number of recommendations to develop a strategy for the organisation. There are 3 important factors to consider.

- The work must be adequately resourced from the technology and the business areas;
- It is essential that the strategy gains organisation wide support at the most senior levels;

s. 47E(d)

Review the structures within the business groups for priority setting and requirements

While not a specific part of the scope one of the key observations is that the business areas also need to ensure they provide clarity in terms of setting priorities and define requirements. In changing the role of the technology group we must also ensure that that the business groups are clearly aligned in terms of roles and responsibility for priority setting and gathering requirements.

S. 47E(d)

Governance

Deliver regular status reporting on technology delivery

Develop a more timely, regular and complete status reporting framework to demonstrate the value that the technology group is delivering against organisation's priorities. This needs to be beyond project status and provide more information regarding the S. 47E(d)

Develop Clarity over roles and responsibility between the Business groups and IT**s. 47E(d)**

recommend that a new set of roles and responsibility be developed, socialised and agreed to ensure alignment and clarity. A suggested framework for developing this is outlined below - roles and responsibilities between the business areas and the technology group. It clearly shows that both groups have a role to play in most of the technology activities. The Bold sections are depicting the primary lead for these activities.

s. 47E(d)

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Attachment A – List of consultations

Name	Role/s
Radi Kovacevic	Acting Group Manager, Technology and Major Capability Group (TMCG)
Claire Roennfeldt	First Assistant Secretary, Major Capability Division (MCD)
Matt Jones	Acting Chief Information Officer (CIO)
Rebecca Giumelli	Assistant Secretary, Technology Operations & Support Branch
Tom Bryan	Assistant Secretary, Risk, Data and Insight Systems Branch
Gavan Reynolds	Commissioner, Australian Border Force
Belinda Conn	Acting Assistant Commissioner, Operational Coordination & Planning and Commander, Border Systems and Program Management
Sarah Vrh	First Assistant Secretary, Transformation Division
Benjamin Evans	Assistant Commissioner, Strategy & Policy and Commander, Governance & Strategic Partnerships
Emma Cassar	Associate Secretary, Immigration Group
Michael Thomas	Group Manager, Immigration Compliance
Michael Willard	Group Manager, Immigration Operations
Drew Layton	Acting First Assistant Secretary, Immigration & Citizenship Services
James Watson	Group Manager, Immigration Programs
Nicole Spencer	Acting Deputy Commissioner, Strategy & Capability and Assistant Commissioner Workforce & Assurance
Kylie Rendina	Assistant Commissioner, Workforce, Safety and Assurance
Nathan Smyth	Deputy Secretary, National Security and Resilience and Chair Capability and Strategic Investments Committee
Tharanie Vithanage	Assistant Commissioner, Strategy & Policy
Alice Stanley	Acting Assistant Commissioner, Strategy & Policy
Stephanie Cargill	Chief Procurement Officer and former Chief Financial Officer
Sophie Sharpe	Deputy Secretary, Executive Group
Alicia Wright	Assistant Secretary, Legal Strategy and Services
Pia Andrews	Chief Data Officer, Data & Economic Analysis Centre
Pete Berlis	Acting First Assistant Secretary, Executive Coordination
James Robinson	First Assistant Secretary, Strategic Policy
Michelle McGuiness	National Cyber Security Coordinator
Hamish Hansford	Deputy Secretary, Cyber and Infrastructure Security

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