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# IT Roadmap including Key Risks

Risk Assurance Special Briefing, August 2012

Withheld under Section 9(2)(a) of the Official Information Act



## Purpose

**Not Relevant**

- The purpose of this presentation is to provide that special briefing, which includes a brief history of Transformation,

**Not Relevant**



# IR's transformation journey started in 2008 with a compelling case for change

- In May 2008, the Executive Board agreed there was an organisational imperative for change, resulting from the 'Compelling Case' report, and "Transform IR" was born as a result
- Two key drivers for change related to the 'burning platform' legacy mainframe environment and tax system, known as "FIRST":
  - Unisys had informed that support for the Clearpath mainframe environment was ending
  - The FIRST system was becoming increasingly unstable, with more frequent outages
- In January 2009 Transform IR (TIR) was set up as a business unit with a focus on Integration/Planning.
- In early 2010 TIR was reformed into the Business Transformation business unit, led by a new Deputy Commissioner. In September 2010 the Business Transformation Programme & Board (BTPB) was established for the delivery management of the IR business transformation programme.

# The earlier Transformation approach was technology and product focussed

- The 'burning platform' called for the need to replace FIRST, and the approach to transformation was based on deployment of a new tax and social policy system, followed by a product-by-product migration into that system
- In 2010 the Executive Board approved the Transformation Board's recommended purchase of the Oracle ETM, OPA and SOA suites as the foundation technologies that would replace FIRST
- The first transformation project, Student Loans redesign, was intended to deploy the Oracle products and deliver a new Student Loans system based on automated business rules and reusable enterprise services
- Other projects would then follow (Child Support, Simplifying Customer Requirements, Debt Optimisation ...) to build the future landscape, piece by piece

## In early 2011 a new approach was needed

- In early 2011 it became apparent that the approach to Student Loans Redesign could not meet legislative timeframes, and a decision was taken to implement the changes in FIRST instead
- The impact of this decision required a re-assessment of the state of the 'burning platform', and for a new approach to Transformation
- Much of the existing planning work was reused in developing the new approach in two separate workstreams; 'Technology Transformation Options' and 'Business Blueprint'
- These two workstreams were integrated into high-level planning papers to Ministers in September 2011, which set the scene for the new approach to Business Transformation Planning.
- These papers presented the 'FIRST Base Case' and the new approach to Transformation.

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**Pages 6 – 11 Not relevant**



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# Detailed planning for the Transformation roadmap and business case is underway

- In September 2011 the Ministers accepted the approach that we had presented and requested further detailed planning
- Recognising that additional capability and capacity was required to complete detailed planning, Capgemini were selected as a planning partner via an RFP and on-boarded during December 2011
- The work programme, budget and resources were agreed by the Transformation Planning Board in February 2012
- Capgemini have confirmed the validity of the earlier work and the conclusions we had reached with regards to viable technology transformation options
- Detailed Planning has been the focus from December 2011 to July 2012, and is now moving to development of roadmaps and the high level business case(s)

# The drivers for change are now better understood...

- IR systems and processes are not able to sustain or improve tax collection or social policy disbursement
- IR is not able to implement policy or operational initiatives in a timely and cost effective way
- IR is not able to adequately respond to deliver better public services and is failing to meet stakeholders' expectations

# ...As are the goals for Better Public Services Result Areas 9 and 10...

## Result 9

- Business costs from dealing with government will reduce by 25% by 2017 through a year-on-year reduction in effort required with work with agencies
- Government services to businesses will have similar key performance ratings as leading private sector firms by July 2017 and businesses will be able to contribute to this through an online feedback system from July 2013

## Result 10

- By 2017 an average of 70% of New Zealanders' most common transactions with government will be completed in a digital environment

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## ...And the things that Transformation needs to deliver

- New ways of interacting with customers
- Fundamentally different ways of designing and delivering our services
- Innovation in the collaboration with other agencies and 3<sup>rd</sup> parties.
- Modernisation of our technology environment
- New ways of thinking about information
- Enablement of relevant Better Public Services Result Areas

**As a result of these insights, Business Transformation now has a much stronger “business change” focus, and it is this that will drive the development and deployment of our technology change.**

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# The next steps will determine the sequencing of Transformation activities and initiatives

- Consolidate BT roadmap with current IR portfolio
- Factor in known constraints and impacts (policy, business and system) in order to develop business cases
  - BT programme (strategic case) - September/October 2012
  - BT detailed business case – February 2013
  - Series of project detailed business cases over next ten years



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## In Conclusion.....

- Transformation is IR's major driver of business and technology change.
- The business change needs to drive the technology requirements, rather than the other way around
- FIRST is sustainable but its ability to meet future Transformation and speed-of-change requirements is declining – and the gap is widening
- Technology Lift and Shift was considered and discounted - replacement over the next decade is inevitable
- IT Investment plans include initiatives necessary to mitigate risk and to sustain and safeguard FIRST operation during replacement and migration
- IT Investment plans are, and will remain, aligned with Transformation plans to ensure efficient use of capital



Questions?



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