

DEPUTY SECRETARY — CORPORATE
Mr R. Tonkin

DEFENCE INFORMATION SYSTEMS

HEAD DEFENCE INFORMATION SYSTEMS
Mr Patrick Hannan (1)

CORPORATE INFORMATION POLICY AND PLANS
Brigadier M.A. Swan

INFORMATION MANAGEMENT SERVICES
Mr Colin Tolano

INFORMATION INFRASTRUCTURE
Mr Mike Herron

YEAR 2000 PROJECT
Mr Geoff Davis

Note:

1 Head, Defence Information Systems is responsible to Deputy Secretary Corporate.

Effective at 30 June 1999

GROUP 12: DEFENCE INFORMATION SYSTEMS GROUP

OBJECTIVE

To provide a secure and cost-effective information management environment and associated infrastructure and systems to enable the achievement of the Defence mission.

DESCRIPTION

The Defence Information Systems Group develops information management policy and provides operations support for in-service systems, develops new information management capabilities, manages the Defence communications infrastructure and is the coordinating Group for Year 2000 within Defence. The Group comprises four areas; Information Policy and Plans, Information Management Services, Information Infrastructure and the Year 2000 Project Office.

PERFORMANCE OUTCOMES FOR 1998-99

The Defence Information Systems Group achieved the following outcomes for 1998-99:

Corporate systems are refined to ensure timely and effective information flow to meet the identified requirements of government and performance agreements with client Groups

Pending the introduction of major new Defence personnel and financial systems, the Group maintained existing corporate systems for its clients throughout the reporting period and made necessary modifications to meet changes in government policy. The Standard Defence Supply System was further developed to improve the determination of ship allowance capability, the efficiency of ship provisioning and warehousing operations. An inventory management reporting system was introduced to assist Support Command Australia in its rationalisation of Defence inventory. Personnel and pay systems were modified to reflect implementation of the Defence Employees Industrial Agreement and other personnel policy changes. Essential upgrades and maintenance to the Defence Management Information System were carried out pending the introduction of its replacement system, the Resource and Output Management Accounting Network, phase one of which was brought on-line as scheduled on 1 July 1999. Requested changes to the Canberra Region Information System Precinct operating environment were implemented to cater for a range of specialised business applications, primarily for the Acquisition Group.

Information management plans and policies are developed to support an enterprise-wide information management system

The Defence Information Environment Strategic Plan was endorsed by the Defence Information Environment Board in March 1999. This plan provides strategic intent and direction to the development of the Defence information environment and addresses the wide range of capabilities (technical, organisational, personnel and process related) that contribute to better decision making in the conduct of operations and Defence business.

Development continued on the Defence common operating environment. Supporting policy was issued in respect of desktop operating systems and support software, network operating systems, terminal emulation and anti-virus software. A common environment will promote interoperability, reduce information technology operating, support and training costs, increase the re-use and portability of applications, promote user effectiveness, enable the economies of scale available in purchasing to be realised and simplify the implementation of new systems.

A Defence Common Operating Environment Rationale Development and Use manual was produced to provide complete transparency of the development process to Defence stakeholders and software vendors.

The provision of integrated computing support to the new Russell buildings is achieved in accordance with the project schedule

Full migration to the Canberra Region Information System Precinct environment of all Russell personnel was completed in May 1999. Some cost increases over the original project budget occurred as a result of new requirements over and above the initial project scope. These new requirements included additional secret-rated terminals in Buildings R1 and R2; a second Russell gateway in Building R5 to ensure the site has redundancy of connectivity; installation of the environment into the National Capital Centre building, and additional business application migration requirements, particularly from the Acquisitions Group. Planning was undertaken for the introduction of the environment to Defence's Campbell Park offices, following Defence's decision to retain these premises. This extension is also outside the original scope and budget of the project.

While some initial teething problems were experienced migrating such a large number of users to a new environment, these were largely overcome and users are now receiving a reliable, quality service. In total, the network has around 4,500 terminals, with a further 1,500 on the secret-rated network. The Group aims to expand the system environment to all areas of Canberra where it is cost effective.

Technical and infrastructure support to new corporate systems, especially Personnel Management Key Solutions, allows those projects to achieve their implementation targets

Under joint project management arrangements with the business sponsors of new enterprise-wide systems, the Group provided full-time information technology technical staff, as well as resources of the Defence Computing Bureau, to the project offices of the Resource and Output Management Accounting Network (financial), Personnel Management Key Solutions (human resources) and the document and records management system. The assistance provided was critical to these projects as they worked towards their first phase implementation deadlines.

Connectivity is provided across existing networks, and those networks are consolidated and rationalised into an homogenous network supporting the Portfolio

Improvements to the wide-area data-transport service were made to improve the capacity and speed of interconnection of regional networks and to facilitate an improvement in the transmission capacity of secure networks. Significant improvements in network functionality were introduced, including increased connectivity between the Lotus Notes and Microsoft Exchange e-mail systems and improved accuracy and completeness of the global address list and address book available to Exchange and Notes users.

In synergy with Year 2000 remediation activities, major advances were made towards standardisation of Defence's information technology operating environment nationwide. Along with the development of the Defence common operating environment, this standardisation represents a critical first step towards the eventual goal of a single homogenous network supporting Defence.

PERFORMANCE AGAINST FORECAST FOR 1998-99

- *Provide information management guidance to Defence Groups through the Defence Chief Information Officer*

Achieved as Forecast The role of the Defence Chief Information Officer was strengthened in the reporting period through reforms to the Defence Information Environment Board (formerly the Defence Information Management Board) and the adding of the Vice Chief of the Defence Force and the Deputy Secretary Strategy and Intelligence as executive members. Strategic planning for Defence information management was undertaken as a sub-set of broader strategic planning initiatives launched by the Defence Information Environment Board, led jointly by Capability Development Division and the Defence Information Systems Group and directly engaging a wide group of stakeholders. The Group managed the Defence Information Environment Board's work plan and agenda as well as providing its secretariat.

- *Continue to rationalise regional networks and improve inter-connectivity of networks and the capability of systems by introduction of policy standards for all facets of systems support*

Partially Achieved as Forecast Major advances were made towards the rationalisation and standardisation of Defence's regional networks under the Defence Information Architecture Remediation for Y2K project. Activity under the project resulted in the Year 2000 remediation and, simultaneously, the standardisation and rationalisation of some 80% of Defence's national information technology infrastructure. The project adopted a strategy of 'intelligent' remediation with regional networks being rationalised and upgraded where it was cost effective and not disruptive to the overall Year 2000 remediation program. Another project, Northern Exposure, integrated a significant number of Northern Territory bases and establishments into a single geographical network, thereby ensuring a more efficient, effective and reliable information service in this key region of ADF operations.

The Backbone Infrastructure Nodal Deployment project, a key element of the wide-area control of the Defence restricted network, was initiated to facilitate the migration of the existing disparate Defence information environment into a single homogeneous corporate information environment. The project is expected to be substantially complete by the end of 1999.

The complexity and rate of change of network development post-Defence Reform Program has necessitated concomitant rapid development of new policies and procedures to support the operation and maintenance of the evolving environment. However, the rapidity of change has posed challenges for configuration management. The Defence Information Systems Group is addressing this situation through the formation of the Directorate of Network Engineering, centralising previously-disparate configuration management elements within Defence. The Group, through this directorate, is progressing the development of a new configuration management regime as a matter of priority.

- *Implement and monitor Programs' progress against the Year 2000 Project Plan and coordinate external reporting requirements*

Achieved as Forecast Defence has virtually completed its Year 2000 remediation of mission-critical systems, including full remediation for all weapons systems and operational assets, and has met all external reporting obligations required by government. In the 5th Quarterly Report to Cabinet, covering up to July 1998, Defence reported that, for mission-critical systems, 8% were under assessment, 28% were under repair, 17% were undergoing testing following repair, and 47% were Year 2000 compliant. This compares to the 8th Quarterly Report covering

up to June 1999, which reported assessment at 100% complete and over 99% of mission-critical systems as Year 2000 compliant.

During the reporting period, the Defence Year 2000 Project Office developed a risk management strategy that included a contingency planning framework. This framework built on existing plans and procedures to ensure that an integrated Year 2000-specific, risk based, planning process is in place prior to and immediately after the Year 2000 event period. Work on refining Defence's contingency planning will continue.

- *Implement infrastructure and systems into the new R1 building and progress towards a standard operating environment in Canberra through CRISP*

Achieved as Forecast For further details, refer to the *Performance Outcomes* section.

- *Progress, with the Defence Acquisition Group, the concepts and funding for the formation of the Joint Systems Support Agency for command, control communications and intelligence projects*

Achieved as Forecast The Joint Systems Support Agency has been established to support Defence's operational command, control, communications and intelligence systems. Key to the effective operation of the ADF, these systems have been in development for several years and are now transitioning into operational systems, necessitating the establishment of a support agency to provide unified and cost-effective operational support and maintenance. A concept of operations for the agency was developed by the Group and endorsed by both the Defence Capability Committee and the Defence Information Environment Board.

Agreements were reached with Defence stakeholders on the client support requirements for the agency. The Network Operation Centre at Deakin, in Canberra, was moved to 24-hour operation to raise the level of service. Funding for the agency in 1999-2000 was secured through the 1999-2003 Five Year Defence Program 'net personnel and operating costs' process and by drawing together extant funding for command, control, communications and intelligence systems within Defence. Funding levels after 1999-2000 will continue to be refined.

- *Provide advice, and assistance in the implementation and operation of all financial, human resource and other new systems*

Achieved as Forecast The Group assigned full-time personnel to provide technical advice to the project teams developing and implementing Defence's new corporate systems. The Defence Computing Bureau provided infrastructure support to the projects, acquiring additional equipment as necessary. Separate environments were established for development, testing and training for the Resource and Output Management Accounting Network project. This support enabled production to be completed in May 1999 and was a key factor in the project meeting its phase one implementation deadline of 1 July 1999. Continued support was provided to the Personnel Management Key Solutions project towards the start of phase one, which is scheduled to begin in October 1999.

- *Identify, consolidate and rationalise software licensing arrangements across the Portfolio*

Partially Achieved as Forecast Negotiations were conducted with current and potential software vendors to consolidate and rationalise Defence software licence holdings, standardise licence terms and reduce overall licensing costs. However, due to the devolved nature of Defence software licence holdings prior to the Defence Reform Program, as well as major organisational changes over the past several years, the task of consolidating and rationalising corporate licence holdings remains an ongoing task for Defence. Nevertheless, evidence is

growing that activity in this area is directly reducing Defence exposure to unnecessary software expenditure, with far greater scrutiny now afforded to the business case underlying each proposed purchase. The development of the Defence common operating environment and the centralisation of the software library function within the Defence Information Systems Group have also contributed to this improved outcome.

- *Continue to invest in new technologies to provide efficiencies in wide-area networks for the Department*

Achieved as Forecast The core, wide-area transmission protocol was upgraded to 'asynchronous transfer mode'. This enables a flexible and scalable use of transmission and lower costs relative to other available technologies. Long-distance voice telephone traffic was also fully integrated into this system. As Defence makes almost three million voice calls per month, significant savings are now obtainable by routing this traffic over Defence's own network, traffic which would otherwise have been delivered via the public switched telephone network at a significant cost (that is, at STD rates). New 'help-desk' technologies were also introduced in the reporting period for both voice and data services, a move that will significantly improve the provision of services to the Group's customers as well as improve the efficiency of providing those services. A standard set of network management, configuration and auditing tools were introduced to support the Defence Restricted Network infrastructure and operating environments, following the Defence information architecture remediation for Y2K project.

- *Implement information management Rules of Governance, an information management framework and a revised Strategic Plan, and related policy standards and architectures for information management*

Achieved as Forecast The rules of governance, introduced in May 1998 and revised in 1998-99, provide the basis for the Defence information management framework and are the keystone documents defining Defence information management responsibilities. A further revision has commenced to reflect the recent restructure of the Australian Defence Headquarters. The Defence Information Environment Strategic Plan was endorsed by the Defence Information Environment Board in March 1999.

- *Develop a strategic program plan for the market testing of systems and infrastructure support*

Not Achieved as Forecast Defence market tested the Defence Computing Bureau, prior to the establishment of a whole-of-government information technology outsourcing initiative. As a necessary precursor to the market testing of remaining information technology support functions, the Group commenced a product costing initiative during the reporting period with the task of identifying the baseline costs of all information systems' activities. Also established was the related optimal cost of ownership program. Under the program, all information technology networks and support will be reviewed to identify minimum cost of ownership to Defence, with all realisable savings harvested prior to the market testing of each nominated information-technology support area. Though the work of both these initiatives is not yet finalised, it will be a vital source of input to the Group's market testing strategic plan currently under development.

The Office of Asset Sales and Information Technology Outsourcing has commenced discussions with Defence in relation to its requirements under the Government's information technology outsourcing initiative. Defence is focusing on ensuring that all Year 2000 issues undertaken by the Group are resolved before going to the market. All Year 2000 initiatives undertaken by the Group to date have been designed to complement and facilitate future market-testing activities.

RESOURCES

Table 12.1: Defence Function Outlays Summary

Sub-Group	1998-99	1998-99	1998-99	Variation	
	Budget	Revised	Actual	(98-99 Actual less	
	Estimate	Estimate	Outcome	Revised Estimate)	
	\$m	\$m	\$m	\$m	%
12.1 Information Policy and Plans	16.5	17.5	16.3	-1.3	-7.1
12.2 Information Management Services	15.9	23.4	24.0	0.5	2.3
12.3 Information Infrastructure	207.4	208.7	306.2	97.5	46.7
12.4 Year 2000 Project Office	10.6	55.7	2.8	-52.9	-95.0
Group Total	250.4	305.3	349.2	43.9	14.4

Table 12.2: Staffing Summary

Sub-Group	1998-99	1998-99	1998-99	Variation	
	Budget	Revised	Actual	(98-99 Actual less	
	Estimate	Estimate	Outcome	Revised Estimate)	
	Personnel Numbers			No	%
12.1 Information Policy and Plans	53	51	48	-3	-5.9
12.2 Information Management Services	248	243	240	-3	-1.2
12.3 Information Infrastructure	918	977	1,051	74	7.6
12.4 Year 2000 Project Office	5	4	4	0	0
Group Total	1,224	1,275	1,343	68	5.3

Table 12.3: Staffing Profile

Personnel		Sub-Group				Total
		12.1	12.2	12.3	12.4	
Permanent Force	98-99 Budget	22	75	661	0	758
	98-99 Revised	22	75	661	0	758
	98-99 Actual	22	75	661	0	758
Reserves	98-99 Budget	0	0	0	0	0
	98-99 Revised	0	0	0	0	0
	98-99 Actual	0	0	0	0	0
Civilian	98-99 Budget	31	173	257	5	466
	98-99 Revised	29	168	316	4	517
	98-99 Actual	26	165	390	4	585
Total	98-99 Budget	53	248	918	5	1,224
Personnel	98-99 Revised	51	243	977	4	1,275
	98-99 Actual	48	240	1,051	4	1,343

1998-99 Defence Reform Program Progress

The roll-out of the Canberra Region Information System Precinct environment to Russell was completed. Total efficiency gains in 1998-99 from this activity were \$1.5m. Rationalisation of the Defence Voice Network commenced during 1998-99. Network rationalisation also will facilitate future market testing of Defence's information-technology service delivery.

Table 12.4: 1998-99 Defence Reform Program Resources Available for Reinvestment

Category	1998-99	1998-99	1998-99 Actual Outcome \$m	Variation	
	Budget	Revised		(98-99 Actual less Revised Estimate)	
	Estimate	Estimate		\$m	%
Information Management	5.3	6.6	6.7	0	0
Superannuation	0.1	0.4	0.4	0	0
Provision for Contractor Support	0	0	-5.6	-5.6	0
Total	5.4	7.0	1.5	-5.6	-80.0

Table 12.5: 1998-99 Defence Reform Program Personnel Reductions – ADF

Category	1998-99	1998-99	1998-99 Actual Outcome	Variation	
	Budget	Revised		(98-99 Actual less Revised Estimate)	
	Estimate	Estimate		No	%
	Personnel Numbers				
Information Management	13	13	13	0	0
Total Personnel Reductions	13	13	13	0	0

Table 12.6: 1998-99 Defence Reform Program Personnel Reductions – APS

Category	1998-99	1998-99	1998-99 Actual Outcome	Variation	
	Budget	Revised		(98-99 Actual less Revised Estimate)	
	Estimate	Estimate		No	%
	Personnel Numbers				
Information Management	57	116	76	-40	-34.5
Total Personnel Reductions	57	116	76	-40	-34.5

Table 12.7: 1998-99 Defence Reform Program Reinvestment

Category	1998-99	1998-99	1998-99 Actual Outcome \$m	Variation	
	Budget	Revised		(98-99 Actual less Revised Estimate)	
	Estimate	Estimate		\$m	%
DRP Transition Costs	0	0	2.2	2.2	0
Total	0	0	2.2	2.2	0

Table 12.8: Reconciliation of Appropriations for DISG Group

Division/Appropriation Item	1998-99	1998-99	1998-99	Variation	
	Budget Estimate \$m	Revised Estimate \$m	Actual Outcome \$m	(98-99 Actual less Revised Estimate) \$m	%
180-01 Running Costs					
Service Personnel	43.1	43.0	43.3	0.3	0.6
Civilian Personnel	29.0	31.6	36.7	5.1	16.2
Administrative Expenses	137.4	184.9	196.5	11.5	6.2
181 Equipment & Stores	40.9	56.5	82.7	26.3	46.5
Total Defence Function Appropriations (A)	250.4	316.0	359.2	43.2	13.7
Total Defence Function Receipts (Offset Within Outlays) (B)	0	-10.7	-10.0	0.7	-6.6
Total Defence Function Outlays (C) = (A+B)	250.4	305.3	349.2	43.9	14.4

Full accrual information for this Group is available in the 1998-1999 Financial Statements in Appendix F to Part One of this document.

Table 12.9: Major Variations between 1998-99 Revised Estimate and Actual Outcome

Appropriation	\$m
180-01 RUNNING COSTS	
Service Personnel (\$0.3m)	
Variation in Accrual Based Superannuation and 3% Productivity Benefit liability as a result of movements in average staffing levels, changes in per capita's and the impact of pay increases.	0.1
Miscellaneous minor variations	0.2
Civilian Personnel (\$5.1m)	
Higher than expected recruitment levels to fill positions vacated by Service personnel.	3.2
Variation in Accrual Based Superannuation and 3% Productivity Benefit liability as a result of movements in average staffing levels, changes in per capita's and the impact of pay increases.	0.3
Net Groups Transfers primarily associated with transfer of functions to Group 13.	-0.3
Defence Reform Program Reinvestment	
Defence Reform Program related redundancies	1.9
Administrative Expenses (\$11.5m)	
Increase in telecommunications, information technology and initiatives associated with Y2K compliance.	10.7
Net Groups transfers.	0.5
Defence Reform Program Reinvestment	
Defence Reform Program transition costs primarily associated with market testing	0.3
181 EQUIPMENT AND STORES (\$26.3m)	
Increased for the replacement of non-Y2K compliant equipment.	20.7
Defence Reform Program Gains	
DVCS contract costs	5.6
DEFENCE RECEIPTS (\$0.7m)	
Variation due to the late receipt of OGIT contribution to Y2K compliance.	1.0
Miscellaneous minor variations	-0.3

