



Summary of our report

Infrastructure as a Service: Are the benefits being achieved?



In 2010, the Government Chief Information Office (the GCIO) started work on Infrastructure as a Service, which allows public sector organisations (organisations) to buy virtual servers, storage services, and backup services from private providers of information and communications technology (ICT). Organisations can use what they need as their needs change without having to buy new physical infrastructure or change staffing levels. Organisations started using Infrastructure as a Service in 2012/13.

We looked at whether organisations using Infrastructure as a Service and the wider public sector were achieving the benefits expected from it. Although the GCIO has not assessed all of Infrastructure as a Service's expected benefits, we saw some promising signs.

Organisations using Infrastructure as a Service, ICT providers, and the GCIO told us that Infrastructure as a Service is worthwhile and meeting expectations. People we talked to, including those from organisations not using Infrastructure as a Service, consistently understood why it was introduced, how it works, and what it is expected to achieve. This shows that the GCIO has clearly communicated Infrastructure as a Service's expected benefits.

However, some organisations that are required to use Infrastructure as a Service are not using it. This is because they believe it would not benefit them, it is not relevant or fit for their purposes, and it was not affordable.

It is not clear what action the GCIO is taking to ensure that all organisations required to use Infrastructure as a Service will either use it or get an exemption. At the time of our audit, the GCIO had not issued any exemptions.

The GCIO commissioned an external review in 2016 that found there have been measureable financial benefits from the more than 20 shared ICT services that the GCIO manages, including Infrastructure as a Service. The scale of the benefits has increased over time, and the review considered that the Government's target of \$100 million in annual savings would be achieved in July 2017. The target was exceeded by March 2017.

Vital statistics:

- 35 pages
- Presented to Parliament on 27 February 2018
- Download from www.oag.govt.nz
- Contact: reports@oag.govt.nz

However, the GCIO does not measure the other benefits realised from using Infrastructure as a Service. The review recommended that the GCIO work with organisations to identify measures that would provide a fuller and deeper understanding of the benefits of shared ICT services.

The GCIO plans to use the review to help it prepare a framework that measures the benefits of all shared ICT services.

We recommend that the GCIO ensure that the information it collects about all shared ICT services gives as thorough an understanding of their benefits as practical. It is likely that this framework would also provide the GCIO with evidence of benefits that it could use to encourage other organisations to use shared ICT services.

At the time of our audit, about a quarter of the organisations that could use Infrastructure as a Service were using it.

We also consider that, as the functional leader for public sector ICT, the GCIO could monitor and report opportunities and risks for ICT infrastructure throughout the public sector and proactively support organisations to move from traditional ICT models to “as a service” models.

Over time, the GCIO could identify those organisations that have started using Infrastructure as a Service to advance their strategic goals and share the benefits this approach is delivering. This would help other organisations understand how Infrastructure as a Service can help to provide easy access to public services online.