

Submission to Whole-of-Government - Shared and Common Services Programme

Open Source Industry Australia Ltd

Amplifying the voice of the Australian Open Source Software Industry

Lodged 9 February 2016

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1 About Open Source Industry Australia

Open Source Industry Australia Ltd (here after referred to as OSIA) represents & promotes the Australian open source industry by:

- Ensuring that the Australian business, government and education sectors derive sustainable financial and competitive advantage through the adoption of open source and open standards;
- Helping Australian Governments to achieve world leadership in providing a policy framework supportive of open standards and of the growth and success of the Australian open source industry;
- Ensuring Australia's global standing as the preferred location from which to procure open source services & products.

OSIA's members are organisations in Australia who invest in or build their future on the unique advantages of open source software. For further information, see the OSIA website at <http://osia.com.au>.

1.1 Contacts

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1.2 Copyright

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2 Response to the Discussion Paper

The following pages contain OSIA response to the review of the Whole-of-Government - Shared and Common Services Programme. The questions we have sought to respond to are ones that directly affect our members.

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Answers to Questions

1. Given the background provided and the development and maturity of the internal provider arrangements, how would you advise that the shared and common services strategy develops?

The size of the service providers must not be a primary consideration, but rather the ability of the organisation to provide the service given the expertise available. Open Source support does not necessarily depend on the size of the service provider, but the level of activity in the community to contribute to active development and maintenance of the software product, and this does not necessarily correlate to the size of the organisation. In active projects, this distributed support eco-system is far more resilient, performing and flexible than that provided by a single large organisation, who may for reasons of their own may phase out support for a particular product (eg: phase out of support for older Windows OS versions).

¹Open Source Software facilitates a genuine competitive marketplace for "vendor level" support (can be provided by any organisation with enough sufficiently skilled engineers -- as opposed to closed source, where only the vendor can do it effectively, as nobody else has access to the source or the right to modify it, so nobody else can fix bugs). As with any other market, increased competition drives costs down and service levels up.

4. How would you advise that the requirements of smaller agencies are met such that these agencies have access to the services they need and a sufficient voice in the overall shared services agenda?

Through the use of Open Source software the agencies will be able to gain access to applications and tools that are of the same standard across the board without being subject to draconian license restrictions. They then have broader access to companies that can provide support for said applications/services and will be able in a lot of cases to access local support companies, which then in turn helps to grow the Australian Technology Sector.

With an Open Source Software approach, an agency might choose to outsource the analysis, design & establishment (plus perhaps future rounds of modification), but keep the service itself in-house (supplemented by third party support where required). In particular, avoiding SaaS offerings might prove simpler when attempting to enforce compliance with the many & various data privacy obligations that arise across Commonwealth agencies.

¹ <https://opensource.org/licenses> Link to list of supported Open Source Licenses

If the DTO is able to as stated license their applications and services developed under GPL then the sharing of these applications would be permitted by the license, therefore negating the old school mindset that prevails in government departments of “Closed Silos” as the licence facilitates and encourages sharing. This would also see a large reduction of costs through elimination of duplication in human labor and also government software development time frames.

5. What further information or clarifications about the operations of the APS generally and the current providers specifically do you believe would be required by the market to allow it to engage and support the provision of shared services to the APS?

With the recent launch of the DTO further clarification is required about the sharing of services and applications developed under a GPL Open Source licence structure and how these would and could be shared with the APS initiative.

The questions we would like to see answered are below;

Would the APS be following the same software licensing objectives as the DTO?

²Would vendors/providers working with the APS be required to contribute code back to the community?

The ³DTO has just announced that ⁴GovCMS, which is a GPL licensed product, and promoted now acting as an open API platform. Because it is under GPL, the code from this project can be distributed to both the public and other Government departments as permitted by the license. OSIA's concern for smaller agencies would be that if an agency were to redistribute a derivative work without releasing it in its entirety under the GPL, the resulting license breach would give rise to financial and/or reputational risks for the Commonwealth. Our concern for smaller agencies is that for some reason the DTO or the APS breaches a software license or does not understand the impact or the legal responsibility of the license. It is impossible in the year 2016 to build any web services without including Open Source licensed code this is anything from the library used for one website connects to another or a frontend framework to enable a site to be mobile responsive. As the APS will interact with the public and vendors alike it needs to understand the implications of various software licenses and how they interact and also how some are legally incompatible.

2 <https://www.dto.gov.au/standard/design-guides/open-standards/>

3 <https://www.dto.gov.au/standard/design-guides/open-standards/>

4 <https://www.govcms.gov.au/>

We propose that the Commonwealth Government engages one or more experts in software licensing and compliance in dedicated roles, much has been done at US Federal Government agencies and other large IT vendors like Adobe and Amazon. All of these employ people who can accurately understand software licenses and departmental needs and obligations. These people would then be able to interact with the business sector and confidently stipulate what is required from providers for software and services licensing needs.

6. What areas of best practice or innovation do you believe that Finance should consider in the further development of its strategy for shared services? In each area, please provide examples and reference points to illustrate where these have delivered value for money in similar situations.

Firstly the value proposition offered by the service must be compelling enough that agencies will actively seek to opt in to it. Merely mandating participation does not work -- no matter how tightly worded the policy may be, those agencies who see a diminution in value through migration to shared services will find ways to circumvent the policy. Involving agencies intimately in the analysis & design phase is therefore essential.

Secondly the service must have sufficient flexibility to meet agencies' needs into the future without additional rounds of migration (noting that data migration is almost always the most costly and error-prone phase of large enterprise software projects). As future needs are seldom known in the present, the most effective way to ensure such flexibility is to mandate that all software procured for shared services initiatives is obtained under licences which grant the Commonwealth the rights: (a) to use the software for any purposes; (b) to inspect and modify the source code in any way; and (c) to redistribute it, either verbatim or modified.

The need for the first two rights should be self-evident. The need for the third arises from the fact that use by different agencies, or especially Government Business Enterprises, may in some cases be regarded as redistribution. As those rights correspond to criteria 1, 2 & 3 of the OSI Open Source Definition, the simplest way to ensure they are conferred is to mandate that any software procured be acquired under licences compliant with the OSI OSD.

7. What do you perceive as the greatest challenges that the Programme will face and what recommendations would you make on how these challenges can be addressed?

A large risk for government software projects is that they could be locked into one vendor. This limits the ability of internal staff and third party vendors to assist in support and continual development of the software. The use of Open Source Software ensures that there is no vendor lock-in and a healthy small to large enterprise sector of local Australian support services and vendors.

Agencies can also continue to grow and develop the software internally without the need to rely upon a third party vendor. This enables larger agencies to have their own IT team and more complicated implementations, and smaller agencies to outsource support and help.

Duplication of development work has been a large issue across government departments for many years now. Agencies did not share knowledge between IT teams. This meant that each department spent a lot of time duplicating work and also discovering and solving the same problems. With Open Source Software, when government departments discover and fix a problem, they can share this with other government departments, and also contribute this back into the larger project. This then sees a reduction of labor and mental effort for departments and agencies.

A good example of this is the current GovCMS project. This project enables agencies to get up and running with a website with less effort than previously, by adopting a standardised open source approach. When work is done on GovCMS all of the agencies can benefit and will be able to upgrade to the latest features with no additional cost. If an agency develops a component for GovCMS, they can share this across all agencies. This also enables a reduced time to market for website creation, updates and announcements.

8. What are your views on:

Pricing and charging

Pricing and charging should reflect the value to the agency and the taxpayer. Shared Services can and should provide better bargaining power for public sector agencies. We recommend rejection of so-called maintenance or upgrade fees for proprietary software. Such fees foster no benefit at all beyond being able to continue to use software subject to vendor lock-in.

With open source software, agencies can be active participants in the creation and refinement of software that suits them, and can decide for themselves when any maintenance or enhancement is necessary. Where a software system is working well, agencies can continue to use it as-is with minimal costs. Open source software gives a competitive market for support, so agencies can change their support provider or bring some support in-house if they choose.

Pricing and charging should be reasonably short term and iterative, so ongoing payment is linked to clear demonstration of value.

Offshoring

While agencies must seek the best value for taxpayers, Shared Services also gives an opportunity for public sector agencies to catalyse a stronger open source industry in Australia.

The risks of offshoring are well known - privacy, security, legal jurisdiction, and so on. If some elements of some projects are produced offshore, open source means that arrangement could be changed in future, so some of the risks would be mitigated.

Barriers to engagement

OSIA and our members have seen many incidences of a purchaser mindset, where public sector agencies perceive open source software as one more vendor and conduct a tick-the-boxes assessment against requirements.

There is the opportunity for much more creative and fruitful acquisition. Agencies can conduct a gap analysis between their requirements and existing open source software. Where there is a reasonable fit, a modest one-off investment in closing the gap would be vastly cheaper in the medium and long term.

Public sector agencies are at great risk of being dazzled or even improperly influenced by large multinational software vendors, who have very large margins and as a result very large marketing and entertainment budgets. Smaller, leaner, more efficient suppliers struggle to get their message across. We encourage healthy scepticism towards the claims made by suppliers, and an emphasis on demonstrable value rather than gloss.

9. What role do you believe that the private sector should play in supporting this strategy? In particular, what are your views on:

Areas for the private sector

Open source software allows more flexible collaboration, and eliminates the define a project as solely "internal" or "external". With higher visibility and sharing, private sector suppliers can be involved to a greater or lesser extent in pretty much everything, except high-level goals and requirements and acceptance testing, both of which are clear responsibilities of the agencies themselves.

Commercial structures and legal terms

We strongly advocate that when the taxpayer has funded the creation of software, the taxpayer should be able to share in the results. Software should be released under an existing, well known and well understood licence. Well-meaning organisations have sometimes created their own licences. That greatly reduces the

benefits to other potential contributors, because they must first conduct a due diligence assessment of the licence.

Funding investments and the costs of change

Incremental, iterative development means agencies are paying for demonstrated value. Complete access to the code means agencies could change suppliers in midstream if necessary. So there would be ongoing pressure on suppliers to produce results, and agencies do not need to make long term commitments. If a project did go off the rails, it would be cheap to cancel or to radically revise.

Transition costs are intrinsic to proprietary software and part of vendor lock-in. Proprietary vendors have a vested interest in making it hard for you to leave. Because of the high visibility of open source software, transferring data and transitioning between systems is much easier and cheaper.

APS terms creating concern for the private sector

OSIA and our members have seen terms that could be interpreted as discriminatory against Open Source Software.

For example, there have been times when agencies have sought a guarantee that an open source software system does not contain any copyright violations, without seeking the same assurance from closed-source vendors. The risks are actually *lower* for software created in the open. There is no realistic way for agencies to assess whether or not a closed-source system is riddled with copyright violations. OSIA urges the Commonwealth Government not to follow the poor example set by ICT procurement policies by certain States, which have explicitly discriminated against open source software. It should be noted, for example, that NSW is in the process of reviewing its equivalent guidelines in order to remove such discrimination.