# Sunshine state puts cloud on horizon

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QUEENSLAND has stolen a march on the federal government and other states by introducing a mandatory "cloud-first" policy poised to save tens of millions of dollars on technology products and services.

The Newman government spends $1.1 billion annually on ICT; the bill increases to $1.6bn when staffing is taken into consideration, Queensland Technology Minister Ian Walker says.

Speaking to *The Australian* ahead of the government's cloud computing policy launch today, Mr Walker said "all agencies will have to consider cloud first" when sourcing services.

Industry analysts have applauded the move, saying it was a "sensible thing to do".

Cloud computing services cover a range of technologies such as storage, compute and applications that can be leased over a network.

Traditionally, buyers would have to outlay hefty capital costs up front for IT services, but cloud computing's pay-per-use approach has alleviated the budget burden for many.

Mr Walker said cloud-first policy did not mean cloud-only as "there might be a number of systems that aren't suitable in a cloud-based model".

He said agencies, which did not have a cloud option when purchasing ICT, would be asked to explain themselves.

According to the policy, agencies will "procure cloud-based ICT services as the default option for their ICT requirements unless a sound business case exists for a contrary solution".

Mr Walker did not anticipate much resistance as there was a "good appetite" in government for cloud-based initiatives that would make the transition smoother.

"We already have a good, cooperative arrangement between the departments as part of the new government policy," he said.

That policy requires all IT

## Agencies will 'procure cloud-based ICT services'

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procurement matters to go to a directors-generals council and if expenditure is required the relevant minister tables a proposal to cabinet that has to be co-signed by Mr Walker.

"That (process) has been working well," he said.

Mr Walker estimates that transitioning to a cloud-based email solution alone will save the government $17 million a year.

In April, the government renewed its deal with Microsoft with a three-year, $26.5m contract for Office for 149,000 public servants.

That agreement included Office 365 for messaging and e-mail, which Mr Walker described as cloud-ready.

He said there would be further savings from other applications, but cloud e-mail has been the only whole-of-government business case developed.

"Agencies have also been testing the market for as-a-service replacements for legacy systems," Mr Walker said.

"In some of these cases, preliminary estimates indicate the savings from maintenance costs alone can be enough to fund the as-a-service replacement."

Agencies were also working through their roadmaps for ICT-as-a-service adoption, and savings would only be quantified as each initiative obtained pricing from the market, he said.

He cited the example of the Public Safety Business Agency, which recently invited tenders for payroll services that incorporate an as-a-service solution.

"Standing offer arrangements have been established for cloud e-mail and infrastructure-as-a-service market offerings to assist agencies with their as-a-service adoption," he said.

Mr Walker said the adoption of cloud computing would see a reduction in capital expenditure but a corresponding increase in operational expenditure as government moved from owning and buying assets to procuring services over a network.

"But the overall savings to government will be significant," he said.

Ovum public sector research director Kevin Noonan said the Newman government's decision "should be applauded" and that "moving to a cloud-first strategy was a sensible thing to do".

However, Mr Noonan warned that the challenge was not in having a cloud-first strategy but how to make it work. "It's not about moving the existing mess somewhere else; it's about a change in thinking," he said.

Mr Noonan said the big challenge for Queensland "given that they've had a number of failed projects" would be to move to a simple business model for IT and away from large, big-bang projects. Communication would be key throughout the entire chain of command, outside of the IT realm, he said.

Ian Walker