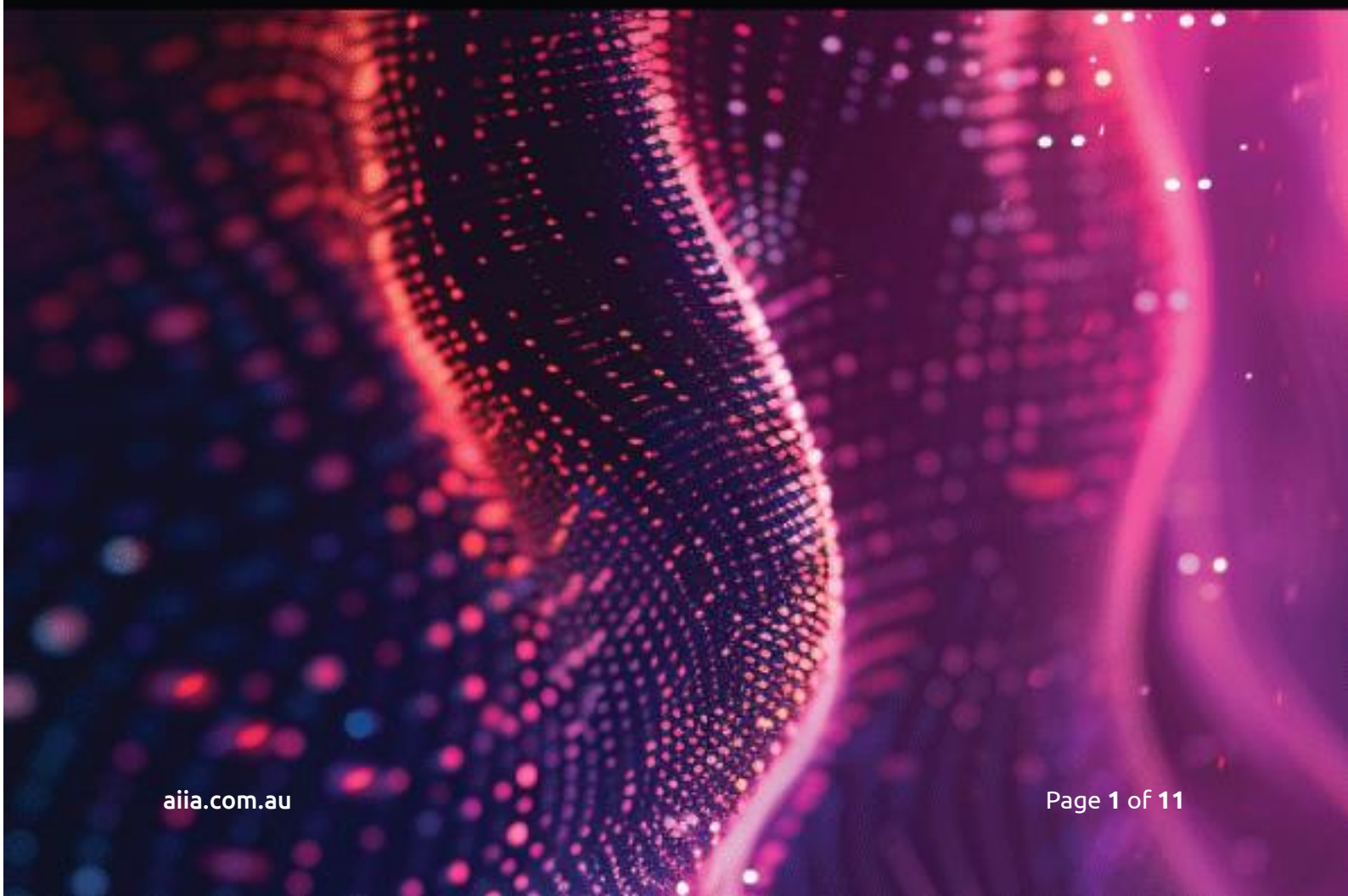
Australian Information Industry Association

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# Submission on the South Australian Productivity Commission's Red Tape Review



## About the AIIA

The Australian Information Industry Association (AIIA) is the nation's peak body for those in the digital ecosystem, leading strategic policy and advocacy to shape a thriving digital sector. Through strong engagement with government, industry, and the broader community, the AIIA ensures the voice of its members informs decision-making on technology, innovation, and digital capability.

Membership provides direct access to influential networks, premium events, and opportunities to collaborate on initiatives with the sector's best and brightest to drive industry growth, improve productivity, and secure Australia's place as a global technology leader. AIIA members access real collaboration, real connections, and real outcomes.

## Introduction

The Australian Information Industry Association recommends that South Australia prioritise reforms that reduce the cost of supplying technology to government, improve certainty for digital infrastructure investment and remove repeated requests for information. These changes would benefit technology businesses and the many South Australian firms that depend on their services.

Effective regulation supports confidence in digital services and investment. Reform should preserve those benefits while addressing administrative requirements that add cost without materially improving outcomes. For AIIA members, the practical objective is to make it easier to compete for government work, deploy proven technology and invest in the infrastructure that supports productivity.

We propose four reform areas for the Commission's shortlist: consistent and proportionate ICT procurement; coordinated data centre approvals; reuse of routine business information; and consistent assurance for AI, cloud and cybersecurity services. Procurement reform should address recurring negotiation over intellectual property, liability and insurance, alongside simpler access for SMEs and clearer pathways from trials to commercial deployment. Published Australian evidence supports the financial significance of coordinated ICT sourcing and the efficiency of pre-negotiated terms. The benefits achievable in South Australia should be established using local transaction and supplier evidence. Each proposal builds on existing state arrangements and targets identifiable administrative requirements.

Implementation should start with removing unnecessary requirements and clarifying agency responsibilities. Digital tools should then support the simplified process. Success should be measured through lower supplier effort, shorter decision times and effective management of the relevant risks. Businesses should not have to complete a new reporting process to demonstrate that government has reduced red tape.

## Recommendations

AIIA proposes the following indicative ranking for the technology sector and its customers. Procurement reform has broad supplier relevance and supporting Australian evidence; data centre coordination supports substantial investment and enabling capacity; information reuse offers recurring transaction savings; and proportionate assurance supports trusted adoption. The relative net benefits remain to be tested against South Australian costs, delays, risks and implementation requirements. DTF should lead procurement reform, with the Department of State Development contributing to SME access and innovation pathways.

1. **Reduce ICT contracting and bid costs and improve SME access** by reviewing DTF procurement templates, evidence requirements and Supplier Hub SA processes.
2. **Coordinate data centre approvals and access to navigation support** by harmonising existing state assessment pathways, referrals and agency coordination.
3. **Reuse routine business information across selected transactions.**
4. **Recognise relevant assurance and assess only additional risk** by reviewing and streamlining state digital procurement and deployment assurance requirements.

## Scope and evidence

On 6 October 2026, AIIA convened a procurement roundtable with the South Australian Department of Treasury and Finance (DTF). Participants described repeated requests for supplier information, overlapping panel applications and recurring negotiation of similar contract departures. They also identified opportunities to improve tender notifications, collaborative response preparation and commercial templates. DTF outlined work underway to improve the procurement ecosystem, including reusable supplier information and greater visibility of procurement arrangements. This discussion provides practical South Australian evidence supporting the procurement reforms proposed in this submission.

AIIA's South Australian AI Strategy[1] submission supports simpler procurement and pathways from pilots to deployment. Our Secure Australian Jobs Code[2] submission supports proportionate compliance and reuse of existing evidence. Our infrastructure advocacy[3] supports clear approvals and investment certainty. Those positions provide further basis for the proposed reforms below.

Published Australian evidence demonstrates the potential financial significance of ICT procurement reform. The NSW Department of Customer Service reported $400.9 million in benefits secured through its ICT Procurement Savings program over 2019–20 and 2020–21, including $210.5 million in cash savings. The program combined coordinated

[1] AIIA, An Artificial Intelligence strategy for the South Australian government, February 2026, 10-12, 13-16.
[2] AIIA, Secure Australian Jobs Code submission, February 2026, 6-7. The compliance principles are applied here to state procurement.
[3] AIIA, Australia's digital future depends on infrastructure decisions made today, 30 March 2026.

telecommunications, software and cloud purchasing with expenditure optimisation. These results concern a broad sourcing program and do not isolate savings from simplifying contract clauses.[4]

An independent review of Commonwealth Single Seller Arrangements identified at least $1.6 billion in purchasing discounts over July 2019 to June 2024, classified as cost avoidance. It also identified reduced legal and administrative effort from pre-negotiated arrangements, without publishing a separate dollar value for those process benefits. These findings support examining consistency and duplication in South Australian ICT contracting. They do not establish a local savings estimate or quantify the benefit of any individual clause reform.[5]

## Priority 1 Reduce the effort and cost of ICT procurement

DTF should strengthen consistent and proportionate ICT procurement through a modular contracting package that agencies can use across software, cloud, hardware and specialist services. This should build on existing procurement policies, standard agreements and the published clause bank. The standard Goods and Services Agreement already preserves pre-existing intellectual property and provides for a risk-assessed liability cap. The reform opportunity is to make suitable ICT terms and proportionate evidence requirements reliable across agencies, with clear guidance on when tailoring is justified.[6]

AIIA supports DTF's work to develop reusable supplier information through Supplier Hub SA. The priority should be to ensure agencies accept relevant, current documents held in the repository and request only additional information needed for the particular procurement. Suppliers should retain control over confidential material and be able to amend transaction-specific information. The system should preserve an appropriate record of the evidence relied on for each procurement.

Tender documentation should distinguish essential eligibility requirements from information needed only from shortlisted bidders or before contract execution. For lower risk purchases, a short response should be sufficient to establish capability and value. Agencies should explain any requirement for extensive upfront evidence or certifications by reference to the actual delivery risk. This approach would reduce wasted bid effort while preserving scrutiny where it matters.

Intellectual property provisions should distinguish existing software, tools and reusable components from specifically commissioned deliverables. Suppliers should retain their

[4] NSW Department of Customer Service, Annual Report 2020/2021, 47.
[5] SolsticeIT for the Digital Transformation Agency, Strategic review of the whole of Australian Government single seller arrangements, "Primary benefits", 3.4, 3.7–3.10.
[6] South Australian Government, Procurement Planning Policy,1 September 2026, 5; Buying4SA, FAQs, sections on finding opportunities and supplier engagement; South Australian Government, Standard Goods and Services Agreement, clauses 13–15 and Attachment 1, Item 19; South Australian Government, Special Conditions Clause Bank.

background intellectual property, while the State obtains sufficient rights to use, maintain and transition the solution. Ownership or broader rights in commissioned outputs should reflect a demonstrated government need and the product or service model.

Liability and indemnity provisions should reflect the delivery exposure and the party able to control each risk. Contracts should use clear default caps, with any exceptions and indemnities expressly defined and justified. Buyers should avoid provisions that unintentionally undermine the agreed cap or transfer risks that suppliers cannot reasonably control.

Insurance requirements should specify cover types and amounts relevant to the service and the contractual exposure. Agencies should recognise suitable existing cover, avoid asking suppliers to obtain unnecessary additional insurance merely to bid, and seek evidence at the appropriate procurement stage. Higher requirements should be supported by the delivery risk.

DTF should publish approved ICT clause options with clear selection guidance and maintain consistent versions. These should accommodate subscriptions, cloud services, hardware and project delivery. Departures should be justified and managed within existing delegations and recordkeeping arrangements. Buyer training should support practical application without introducing another supplier approval process.

South Australia should benchmark its ICT contracting arrangements against comparable interstate models. Queensland's QITC framework offers four contract types reflecting procurement risk and value. NSW distinguishes low-risk ICT procurement up to $1 million excluding GST under Core& from higher-value or high-risk procurement under MICTA/ICTA. These models provide practical references for consistent contract selection and proportionate terms. Comparison should test supplier effort, negotiation time, agency cost and competition for equivalent purchases. The existence of different templates does not, by itself, demonstrate that South Australia is more burdensome or establish the savings available from adopting another jurisdiction's approach.[7]

## SME access to procurement and innovation support

The Department of State Development identifies small businesses as 97 per cent of businesses in South Australia.[8] Smaller technology suppliers often lack dedicated legal and procurement teams, making repeated applications and unclear requirements particularly costly. DTF and State Development should use existing supplier and business-support channels to provide clear referrals, proportionate application requirements and reuse of current business information. Practical guidance should explain how requirements apply to software subscriptions, cloud and managed services.

[7] Queensland Government, ICT tendering opportunities, "Contracting framework"; NSW Government, ICT Purchasing Framework, framework selection and mandatory application.
[8] Department of State Development, Small and Family Business, business share and existing support channels <https://statedevelopment.sa.gov.au/small-and-family-business>.

For innovative products, agencies should publish the decision criteria, approval responsibilities and commercial pathway from a bounded trial to a production service. The AI Proof of Value program and Go2Gov provide relevant models. Go2Gov supports innovative businesses to trial solutions with government as a first or reference customer; its published program page records applications as closed as at 18 October 2026. AIIA supports assessing renewal or extension against evidence of successful trials, subsequent procurement and public value, with simpler applications and clearer agency-sponsorship arrangements.[9]

Program and procurement requirements should be coordinated so that businesses do not repeat equivalent eligibility, corporate or compliance evidence. Existing business-support services should help SMEs identify the responsible agency and obtain clear guidance on procurement, funding and regulatory requirements. Any follow-on procurement must comply with the applicable competition and probity requirements. The immediate red-tape priority is to simplify government interactions; decisions on additional program funding should be supported by a separate evaluation.

Where procurement conditions seek training or employment outcomes, evidence should recognise relevant ICT pathways, such as supervised graduate development and industry training. Any apprenticeship or traineeship condition should be tested against the contract and the supplier's delivery model. This applies AIIA's existing position that workforce compliance should support capability without imposing unsuitable barriers on smaller technology providers.[10]

## Implementation and assessment

DTF should establish a baseline from a targeted sample of routine and innovative ICT procurements, then trial the revised package with a review within 12 months of commencement. Existing records and voluntary supplier feedback should measure time to contract, negotiation rounds, repeated information requests, legal and administrative effort, and SME participation. Comparisons should account for procurement value, complexity and risk. Buyer training and clear authority to use standard options should accompany implementation.

The assessment should distinguish price discounts and cost avoidance from reductions in contracting effort. Supplier and agency time should be valued using documented assumptions; recorded external fees should be identified separately. Implementation, training and system costs should be deducted when assessing net benefits. Time released should not automatically be described as a cash saving. Results should also test competition, delivery quality and risk outcomes, using existing records wherever possible and without mandatory new supplier reporting.

[9] South Australian Office for AI, AI Proof of Value program <https://www.ai.sa.gov.au/who-we-are/about-our-work/proof-of-value-program>; Department of State Development, Go2Gov Program <https://statedevelopment.sa.gov.au/science-and-research-excellence/rif/stream-2/go2gov-program>.
[10] AIIA, Secure Australian Jobs Code submission, February 2026, 6-7.

## Priority 2 Coordinate data centre approvals

South Australia should consolidate the administration of its existing data centre approval pathways. AIIA has consistently positioned data centres as enabling economic infrastructure and supported clearer planning and investment settings. Timely decisions affect the availability of the computing services used by businesses, government and the wider community.[11]

Recent South Australian reforms are a useful starting point. PlanSA explains that eligible sponsored data centre proposals can be assessed as Crown development, with the State Commission Assessment Panel assessing applications under the general scheme. Applications require SA Water advice and a Technical Regulator certificate. August 2026 changes also permit specified early works under conditional exemptions, while other relevant approvals remain necessary.[12]

The State should build on the Coordinator-General's existing functions under the *State Development Coordination and Facilitation Act*.[13] Section 10(1)(e) provides for a single point of contact, coordination and support on a case-by-case basis. The Coordinator-General's Office should publish how data-centre proponents of all sizes can access approvals navigation, with active case management proportionate to complexity and inter-agency dependencies. Access to navigation should not depend solely on investment value or formal project designation.[14]

The planning and coordination authorities should publish one process map covering application requirements, referrals, utility advice and conditional early works. It should identify each decision-maker and dependencies between decisions. A project requiring multiple state decisions should have a named coordinating contact to organise early discussions, consolidate information requests and arrange concurrent assessment where decisions are independent. Relevant councils, SA Water and the Technical Regulator should be engaged as needed. Each authority would retain its statutory responsibilities. Navigation support should operate through existing channels without another approval or reporting obligation for proponents.

Published service standards should cover advice, referrals and decisions within state control. They should explain when an application is complete, when a clock may pause and how unresolved delays can be escalated. A short status record should show the outstanding decision and responsible authority. This can build on existing application systems and project coordination, without creating a new approval or reporting obligation for proponents.

[11] AIIA, Australia's digital future depends on infrastructure decisions made today, 30 March 2026 <https://aiia.com.au/wp-content/uploads/2026/03/AIIA-NSW-DC-MR.pdf>.
[12] PlanSA, Recent regulation changes, section on data centres; PlanSA, Regulation changes to provide for Data Centre early works.
[13] *State Development Coordination and Facilitation Act 2025* (SA).
[14] Ibid s 10(1)(e), s 21, s 22.

Assessment requirements should relate to the site's actual energy, water, environmental, transport and community impacts. Planning guidance should use consistent, technology-neutral treatment of data centres. Changes in the computing workload, including greater AI use, should trigger further assessment only where they materially change an impact relevant to the approval. Proposed changes to capacity or infrastructure would still be considered under the applicable requirements.

### Implementation and assessment

The responsible state planning and coordination authorities should test the process map against recent applications, then resolve unnecessary sequencing and duplicate information requests. Measures should include total elapsed time, time with each authority, the number of additional information requests and reasons for delay. Any claim about savings should distinguish administrative delay from necessary technical work or infrastructure constraints. Coordination cannot substitute for sufficient power or water capacity, and automatic approval would be inappropriate for unresolved material risks. Where costs can be substantiated, the assessment should identify duplicate professional fees and holding costs attributable to avoidable coordination delays, using a stated counterfactual and excluding delay caused by necessary technical work or infrastructure constraints.

## Priority 3 Reuse routine business information

The State should select a small number of high-volume business transactions and remove unnecessary recollection of information. AIIA proposes starting with routine licence and permit renewals involving unchanged business details, alongside the supplier information addressed in Priority 1. Selection should be based on transaction volumes, existing forms and evidence of repeat requests, so the reform targets demonstrable effort.

For each selected process, the responsible authority should identify the information it needs to make the decision and remove fields without a clear purpose. Where a government-held record is current and suitable, the business should be able to confirm it or authorise its reuse. A renewal should focus on changes in circumstances and any necessary evidence of continuing compliance. Transaction-specific facts would still be required.

Reuse should include a practical means of confirming that a person can act for the business. Where suitable digital identity and verifiable credential services are available, they can support that task and verification of current qualifications or permits. Adoption should depend on demonstrated savings and interoperability, with a supported alternative for businesses that cannot use the digital channel. A business should not have to buy new credentials or software simply to retain access to an existing service.

Participating state agencies and councils should agree common definitions for the information used in those selected transactions. Larger businesses could use optional

system-to-system reporting where it is justified by volume. Smaller firms should have simple forms with relevant information already filled in. This reform should improve existing channels and connections between them before requiring another government account or standalone portal.

Information sharing must have a lawful basis, clear access controls and a way for businesses to correct inaccurate records. Reuse should disclose which information is being shared and why. Stale information should not silently carry forward into a decision. Where AI assists with classification or document handling, accountable staff should validate consequential outputs and businesses should be able to obtain reasons and seek correction.

Local implementation will need shared templates and practical support, particularly for councils with limited digital capacity. The State and the Local Government Association should develop those resources for the chosen transactions, allowing councils to retain checks justified by their legal responsibilities or local conditions. The objective is consistent information requirements and easier transactions, with clear reasons for any necessary variation.

### Implementation and assessment

The first stage should simplify the selected forms and renewal rules, then test information reuse with participating agencies and councils. Benefits should be assessed using completion time, repeat submissions, processing effort and error rates. Integration and security costs must be included in the assessment. A transaction should move to broader rollout only when the pilot demonstrates a net benefit for government and businesses. For the sampled transactions, estimate the annual resource saving from the reduction in staff time per transaction and the number of affected transactions, adding verified external costs avoided and deducting implementation and operating costs without double counting supplier information reuse under Priority 1.

## Priority 4 Make digital assurance consistent and proportionate

South Australian buyers should accept relevant existing assurance for AI, cloud and cybersecurity services, with further work focused on risks specific to the proposed use. This would reduce repeated assessment of unchanged supplier controls while maintaining agency responsibility for the safety and suitability of deployment. AIIA's South Australian AI Strategy submission supports governance based on impact and data sensitivity. [3]

DTF, the Office for AI and the relevant state digital authorities should align the evidence requested through procurement and deployment approval. A common assurance structure should distinguish supplier controls that can be reused, such as independent testing of security practices, from matters that an agency must assess for its own deployment, such as the sensitivity of its data and the consequences of a decision. A procurement team

should not require a supplier to recreate evidence already accepted for the same relevant purpose.

An assessment accepted elsewhere should be reusable when its scope, currency and methods meet the State's requirements. Agencies should identify any remaining gaps and seek targeted evidence. Recognition should not automatically endorse a product for every use, nor make a particular certification an unnecessary entry requirement. Smaller providers should be able to demonstrate equivalent controls through proportionate evidence where this adequately addresses the risk.

Existing national tools offer a practical reference. The Commonwealth AI policy permits an internal assessment process incorporating all provisions of its impact assessment tool and requires revalidation for material changes. The tool's guidance also allows assessments with entirely low inherent risks to conclude at an early stage, subject to approval and monitoring. These are useful design examples for South Australian agency processes; the Commonwealth requirements do not automatically apply to the State. [10, 11]

South Australia should therefore provide a documented initial risk assessment and a lighter pathway for genuinely low-risk uses, with more detailed testing and oversight for consequential applications. Guidance should distinguish assistive functions from systems influencing rights, eligibility, health or safety. It should also allocate responsibilities between suppliers and agencies according to the information and controls each possesses, so suppliers are not asked to certify decisions about deployment that only the agency can make.

Agencies should update the relevant parts of an existing assessment when a model, dataset, integration or use changes materially. Routine security fixes should have a clear route that preserves timely remediation and appropriate review. Common instructions would help agencies and suppliers determine when evidence can be reused and when fresh testing is necessary. These changes should be implemented through specific procurement and assurance procedures, alongside existing state AI policy work.

## Implementation and assessment

The initial test should use comparable deployments in several agencies and record assurance time, reuse of evidence, additional risks identified and control effectiveness. Assessment effort should fall because duplicated work is removed. Agency approval, monitoring and appropriate specialist review remain essential, particularly where deployment affects people or sensitive information. Record the assessment hours and external review costs avoided through evidence reuse separately from agency-specific assurance that remains necessary and compare those benefits with the cost of maintaining the shared approach.

## Implementation and evidence for prioritisation

The Commission should validate the priorities using a targeted sample of South Australian procurements, development applications and renewal transactions. For each process, identify the requirement imposed, the risk or public benefit addressed, recurring staff or external costs, elapsed time and avoidable repetition. Anonymised member examples can supplement agency records. Interstate comparisons should use equivalent transactions and risk profiles. Published Australian ICT procurement results provide context; local evidence should establish South Australia's achievable net benefits.

For each shortlisted reform, identify the responsible authority and the precise policy, clause, form, administrative step or legal provision to change. DTF should lead ICT contracting and supplier-evidence reform; State Development should contribute to SME and innovation pathways; the Coordinator-General and planning authorities should lead approvals coordination; relevant agencies and councils should lead selected information-reuse changes; and the state digital authorities should coordinate proportionate assurance. Implementation should use existing systems and governance arrangements wherever suitable.

An initial three-month phase should map recurring requirements, collect a baseline and agree the contract options and approvals responsibilities to test. Over the following three to six months, participating agencies should trial revised ICT terms, supplier-information reuse and the data-centre process map. Results should be reviewed within 12 months of commencement, distinguishing price benefits, resource savings, implementation costs and changes in risk. Wider rollout should reflect demonstrated net benefit, supplier participation and practical delivery requirements. This sequence is proposed for government consideration and does not require businesses to undertake a new compulsory reporting exercise.

The AIIA supports a reform package that improves members' ability to compete, invest and deliver productive services in South Australia. We would welcome further engagement on the design and testing of these priorities, including opportunities for members to provide specific examples to the Commission.