

## Australian Federal Government signs a \$1B five-year agreement with IBM

Agreement will deliver significant cost savings and emerging technologies to Australians

**Melbourne - 05 Jul 2018:** The Australian Federal Government today announced that it has awarded IBM (NYSE: IBM) a new AU\$1B, five-year Whole of Government agreement to be a major technology partner with the Australian government.

Announced by The Hon. Michael Keenan MP, Minister for Human Services and Minister Assisting the Prime Minister for Digital Transformation today, the agreement is a cross-brand solutions partnership involving IBM hardware, software and cloud-based solutions, and includes joint innovation programs in quantum, cybersecurity, and research aimed at furthering the government's digital transformation agenda. It will deliver significant savings over the next five years and supports Australia's goal to become one of the top-three digital governments in the world by 2025, while delivering services that are simple, convenient and easy to use for Australian citizens and businesses.

Under the agreement, all government agencies can access the financial benefits and technologies. For the major agencies that partner with IBM today - Department of Human Services (DHS), the Australian Taxation Office (ATO), the Department of Home Affairs (DHA), and the Department of Defence (DOD) - the agreement improves the current arrangements and gives them the autonomy and flexibility to change the profile of their technology over the next five years. Making it easier, more efficient and cost effective to access emerging technologies such as AI, blockchain, quantum enables the agencies to accelerate the deployment of digital services that are smarter, more resilient and better integrated for Australians.

The agreement, led by the Digital Transformation Agency (DTA), is the highest value contract negotiated by the Australian Government, and reflects the long-term anticipated value of the agreement. This deal brings the best of IBM's cross-brand capabilities with a small portion recognized as services signings. It positions IBM as one of the most established, transparent and easy to engage government technology partners.

IBM's AI and cloud technology can be used by Australian agencies to quickly bring more self-service, automation and digitization to government services. IBM and the DTA will convene a group made up of government and industry leaders to prioritize the introduction of new technologies to citizen services. Not only will this give Australians access to emerging technologies as they are developed, but the company will help the government re-engineer its platforms to protect and encrypt citizen data against modern-day cyber-security threats.

Some of the leading-edge work that will be done by IBM's R&D teams in Australia include the engagement of a Melbourne-based research team to accelerate the application of blockchain, AI and quantum computing in government. Separate units of expert computer engineers and developers will also be based on the Gold Coast and Canberra to work on world-leading cyber security solutions for data protection and the application of supercomputing for government services.

IBM will also provide access to 'Building Digital Capability' tools and resources to help government keep up with the changing needs within the workplace and continue to raise digital literacy.

The arrangement is effective immediately and will be in place until June 2023.

David La Rose, Managing Director IBM Australia & New Zealand, said the agreement is a very tangible

demonstration of IBM's partnership with Australian Government and its agencies.

"The Whole of Government agreement reflects the growing importance of technology to the government's transformation agenda. For agencies it will be more simple and cost efficient to engage with IBM, while our technologies make it possible for government to deliver smarter, integrated, always-on digital services for citizens," he said.

"This agreement is a testament to our forty-year partnership with the Australian Government. It shows trust and belief in our ability to transform and provide world-leading capabilities, leveraging our investments locally in AI, blockchain, quantum and cloud. We look forward to helping the Australian Government to re-define the digital experience for the benefit of all Australians."

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