

Senate Community Affairs Legislation Committee

ADDITIONAL ESTIMATES – 2 MARCH 2017 ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Child Support IT System Upgrade

Question reference number: 35 (HS 39)

Senator: Watt

Type of question: Written

Date set by the committee for the return of answer: 21 April 2017

Number of pages: 2

Question:

- a) How much of the original budget of \$104 million for the upgrade of the child support IT system has been spent to date? Is this project already in excess of the original budgeted cost?
- b) To what areas have the funds already spent been allocated? What proportion funds have been spent on private contractors' fees?
- c) If the child support IT system upgrade is costing a reported \$100,000 per day, how much time is left before the upgrade goes significantly over-budget? Is there currently a firm completion date for this project?
- d) Does the Department have any estimation of the costs incurred through the use of the obsolete IT system – for example, a higher error rate in processing due to incomplete access to data requiring higher levels of manual processing?

Answer:

- a) The original budget for the Child Support System Replacement was \$102.3 million over five years, and this full amount has now been spent. The programme is funded from within the Department. The Department is commencing the national roll-out of the system this financial year. Some additional funding will be allocated internally to complete the program and support the national rollout. Certain aspects of the project have proven more difficult than originally anticipated. For example, the work associated with cleansing data from the legacy system and ensuring its accuracy has taken longer and involved more resources than expected.
- b) Funds have been allocated across ICT and the business for the development of the system. The Department uses a combination of departmental employees and contracted-in experts. During the project lifecycle the size and composition of the workforce changed, particularly as it moves from a full development phase to implementation. No part of this project has been outsourced to private companies.

- c) The reported per day costs are incorrect. The Department commenced trialling new functionality in August 2016 and will commence national roll-out of the system this financial year.
- d) The formulas for calculating child support are prescribed in legislation. The legacy system applies the formulas dependably and accurately calculates assessments under the legislation for the vast majority of customers. As is the normal process with the Department's programs and services staff are involved in highly complex cases to ensure the appropriate outcome. The Department regularly examines the payment accuracy of systems and is satisfied there are no issues as a result of the continued use of the legacy system.