

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates, 2 November to 3 November 2005

Question: SBET 59

Topic: ASIC – Information & Communications Technology

Hansard Page: Written

Senator Conroy asked:

1.
 - (a) Please provide details of total departmental/organisational spending on Information and Communications Technology products and services during the last 12 months.
 - (b) Please break down this spending by ICT function (eg communications, security, private network, websites).
 - (c) Was this spending in line with budget forecasts for this 12 month period?
 - (d) If not, please provide details of:
 - (i) The extent that ICT spending exceeded budget forecasts for this 12 month period;
 - (ii) Details of specific ICT contracts which resulted in department/organisation spending in excess of budget forecasts for this 12 month period;
 - (iii) The reasons ICT spending exceeded budget forecasts for this 12 month period.

2. Please provide details of any ICT projects that have been commissioned by the Department/organisation during the past 12 months that have failed to meet designated project time frames (ie have failed to satisfy agreed milestones by agreed dates).

For such projects that were not completed on schedule, please provide details of:

 - (i) The extent of any delay;
 - (ii) The reasons these projects were not completed on time;
 - (iii) Any contractual remedies sought by the Department/organisation as a result of these delays (eg penalty payments).

3. Please provide details of any ICT projects delivered in the past 12 months that have materially failed to satisfy project specifications.

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4. Please provide details of any ICT projects that were abandoned by the Department/organisation within the last 12 months before the delivery of all project specifications outlined at the time the project was commissioned.
- (a) For such abandoned projects, please provide details of:
- (i) Any contractual remedies sought by the Department as a result of the abandonment of these projects.
 - (ii) Any costs of re-tendering the ICT project.

Answer:

1a.

Employee & Goods & Services Expenditure	\$18.729m
Depreciation	<u>\$10.166m</u>
Total	<u>\$28.895m</u>

Capital Expenditure \$14.427m

1b.

Applications Support and Development	\$4.090m
CIO	\$0.398m
IT Operations	
IT Projects	\$0.333m
Helpdesk	\$1.758m
Voice & Video Communications	\$0.333m
Systems Operations (midrange & mainframe)	\$6.070m
Desktop Operations	\$3.816m
IT Ops Mgt	\$0.513m
IT Reform Program	\$0.558m
Strategy & Architecture	\$0.646m
IT Security	<u>\$0.214m</u>
Sub Total	<u>\$18.729m</u>
Depreciation Software	\$5.429m
Depreciation Equipment	<u>\$4.737m</u>
Total	<u>\$28.895m</u>

1c.

Operating Expenditure was overspent against Budget by \$0.6m.

1d.

- (i) \$0.6 in opex.
- (ii) No ICT contracts resulted in the overspend in opex.
- (iii) The variance between the IT budget opex allocation and the variance at year end was \$600,000. This variance was primarily attributable to an ASIC business need, and approved Commission initiative, to increase the current

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scope of ASIC Disaster Recovery Capabilities. This change request resulted in an additional \$350,000 opex spend.

The remaining variance is attributable to a lower capitalisation rate than planned for at the beginning of the financial year.

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2.

Project Title	Extent of the delay	Reason for Delay
Clerp 7 Compliance Project - Rel 1	8 months	* Original project scoping in 2003 was underestimated for CLERP requirements. * Also added components from release 2 scope to release 1 as release 2 was cancelled.
Clerp 7 Compliance Rel 2	Project Cancelled	* The project was cancelled as the ROI was no longer viable * Some critical functionality was moved into release 1
Clerp 7 Compliance Rel 3	Project Cancelled	* Project cancelled as the ROI was no longer viable
Clerp 7 EFT/Bank Reconciliation	4 weeks	* Minor delay due to sponsor change request to scope. This caused the deployment to move into the EOY Change Freeze window. Resources were not wasted as they were redeployed onto other C7 program, however warranty was extended and two contracts had to be extended to 4 weeks and 2 weeks respectively.
Clerp 7 Electronic Products & Services	4 weeks	* Minor delay due to sponsor change request to scope . This caused the deployment to move into EOY Change Freeze window. Resources were not wasted as they were redeployed onto other C7 program.
Clerp 7 Fees & Reinstatement Product	6 weeks	* Minor delay due to sponsor requesting change to scope. Resources were not wasted as they were redeployed onto other C7 program, however warranty was extended and two contracts had to be extended to 4 weeks and 2 weeks respectively.
Clerp 7 Requisitioning	3 months	* Scope changes requested by sponsor. * minor delays due to implementation underestimation due to the unavailability of critical deployment resource (on LSL)
NIRS - NICU Workflow	6 months	* Product was implemented on time but sponsor signoff was withheld. * There were no cost increased incurred during the delay in signoff

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Peoplesoft - Online Charting	6 months	* Project is being rescoped and a new project estimate has been requested by the sponsor.
IT Reform Prj - Documentation of core applications	10 months (original completion estimate 2/09/05)	* Project scope expanded as requested by sponsor. * Resource shortages (Project Manager and Technical Writer did not renew contracts). Lost time recruiting resources to accommodate extended scope requests.
IT Reform Prj - Establishment of Test Environment	8 months (original completion estimate 28/06/05)	* Project Scope expanded * Delays experienced in identification of candidate Toolsets due to ASIC software platforms (ADABAS/Natural)

2.iii

There was no requirement to seek penalty payments for any delay.

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3.

All projects delivered within the last 12 months have satisfied agreed project specifications.

4.

No projects have been abandoned as such. Phase 2 and 3 of the Clerp 7 program of work was cancelled before work commenced. This was because there was insufficient budget available to support the project and there was concern regarding the business return on investment.

There were no costs or contractual concerns associated as this review occurred before both project phases commenced.

Clerp 7 Compliance Rel 2	Project Cancelled	* The project was cancelled as the ROI was no longer viable * Some critical functionality was moved into release 1
Clerp 7 Compliance Rel 3	Project Cancelled	* Project cancelled as the ROI was no longer viable