

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2005-2006 SUPPLEMENTARY ESTIMATES HEARING

Outcome: ALL
Output Group: ALL

DEST Question No. E493_06 - Final

Senator Conroy provided in writing.

Question:

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

Answer:

Performance of Information Technology outsourcing arrangements

Department of Education, Science and Training

1. During the 2004/05 financial year the Department of Education, Science and Training spent \$33.2m in the delivery of ICT products and services.

2.

| | \$ M |
|-------------------------------------|-------------|
| Application Development and Support | 16.6 |
| Infrastructure | 8.2 |
| Networks and Data | 5.4 |
| Communications | 3.0 |
| Total | 33.2 |

3. Yes.

AIATSIS has provided the following response.

1. \$786,469 for the year to 30 June 2005.
2. This dissection is not available. AIATSIS does not record activity in this detail.
3. No. The budget was \$1,024,000.

AIMS has provided the following response.

AIMS does not outsource IT but does include servicing options in the purchase of PCs which are then supported by the selected provider (AIMS has an agreement with DELL to provide support for PCs). As a critical component of the delivery of research ICT spending is not centralised and it is therefore not possible to extract detailed information on ICT function.

1. AIMS' expenditure on ICT in 2004-05 was \$1,304,478.
2. Spending cannot be broken down by ICT function. ICT is a critical component in the Institute's research activities and the delivery of research outputs and this is the focus of spending.
3. Yes.

ANSTO has provided the following response.

1. The total spending was \$3,807,708. This represents the period from November 2004 to October 2005. This figure does not include computer equipment directly related to scientific instrumentation or other embedded systems (e.g. Computer Numeric Controlled systems), as they cannot properly be disaggregated from the overall systems.
2. Breakdown is provided via project costing allocations.

| | |
|-------------------------------|-------------|
| Network/Server Infrastructure | \$1,179,143 |
| Service Desk | \$609,273 |
| Desktop Support | \$1,028,808 |
| Application Support | \$990,484 |

3. Spending has been within budget forecast. In particular there has been no ICT spending that has exceeded budget forecast.

ARC has provided the following response.

The following table provides total details on ARC spending on information technology products and services in the last 12 months (November 2004 to October 2005).

| ICT Function | Total Nov 04 - Oct 05 (GST-exclusive) (includes estimates for October 2005 as actual invoices not yet received) | Budget forecast for Nov04 to Oct05 | Variance - Under/(over) \$ |
|--|---|---|-----------------------------------|
| Kaz Technologies Group ⁽¹⁾ | | | |
| Help desk | 56,898 | 61,112 | 4,214 |
| Desktops | 103,229 | 110,874 | 7,646 |
| Voice | 59,068 | 63,443 | 4,375 |
| Printers and peripherals | 7,022 | 7,543 | 520 |
| Data network, applications support and remote access | 269,704 | 289,679 | 19,976 |
| Executive support | 21,067 | 22,628 | 1,560 |
| Software management | 4,545 | 4,882 | 337 |
| Change and configuration management | 41,728 | 44,819 | 3,091 |

| | | | |
|---|----------------|------------------|----------------|
| Project-related services ⁽²⁾ | 64,623 | 69,409 | 4,786 |
| Total KAZ technologies | 627,884 | 674,388 | 46,504 |
| | | | |
| Existing Business Applications - support and development | 281,990 | 274,600 | (7,390) |
| Direct voice service costs ⁽³⁾ | 38,860 | 35,681 | (3,179) |
| RMS development project ⁽⁴⁾ | 751,885 | 1,561,814 | 809,929 |
| Accommodation move to Brindabella Park ⁽⁵⁾ | 103,211 | 109,000 | 5,789 |
| Contractors ⁽⁶⁾ | 234,134 | 288,811 | 54,677 |
| Mail House ⁽⁷⁾ | 222,235 | 275,207 | 52,972 |
| ARC selection meetings ⁽⁸⁾ | 46,045 | 42,278 | (3,767) |
| Other ICT products and services ⁽⁹⁾ | 84,650 | 77,725 | (6,925) |

| | | | |
|--------------|------------------|------------------|----------------|
| Total | 2,390,893 | 3,339,504 | 948,611 |
|--------------|------------------|------------------|----------------|

ARC expenditure has been delayed as a result of the relocation. ARC expects to meet the 2005-06 budget.

Note 1. The ARC has an existing agreement with Kaz Technologies Group for the provision of a full range information technology and communication services and support.

Note 2. The Kaz Technologies Group project-related services included services relating to the ARC's accommodation move, communications infrastructure services at external meeting venues and implementation of an ARC Extranet.

Note 3. Although Kaz Technologies Group manages the provision of voice services, call-related costs are passed directly through to the ARC. Call costs are higher than forecast due to a higher call rate and redirected phone services as a result of the ARC's accommodation relocation.

Note 4. The ARC commenced a development project in 2004 associated with a new core business application (Research Management System). The project continues to progress satisfactorily against the project plan milestones although major hardware purchases and contractor services budgeted for 2005 have not been completed due to the ARC's recent accommodation move.

Note 5. A range of ICT infrastructure and products were purchased to support the ARC's transition in September 2005 to a new office at Brindabella Park (Canberra International Airport). Lease costs for communications equipment, whiteboards and projectors are included. The total capital cost for this equipment is \$196,549.

Note 6. The ARC has contracted ICT software developer resources that are required to support and maintain existing business systems.

Note 7. The ARC has an agreement for the provision of mail house services (Hermes Precisa Australia) which support the National Competitive Grants Program peer review process.

Note 8. The ARC implements a number of local area networks at external meeting venues to support the ARC College of Experts in developing its funding recommendations.

Note 9. Other ICT Products and Services include costs associated with ARC Change Requests and includes the acquisition of printers, software (antivirus & publishing), Uninterruptible Power Supplies and phones.

CSIRO has provided the following response.

1. CSIRO IT has spent \$52,725,568 for the 12 month period 1 December 2004 to 30 November 2005. This relates to the provision of IT services to staff who are geographically dispersed over approximately 60 sites around Australia.
2. The breakdown of costs is as follows:

| ICT Function | | Expenditure \$000s |
|---------------------|---|---------------------------|
| Administration | Communication, Finance and HR support | 1,869 |
| | Depreciation of IT equipment | 7,219 |
| Client Services | | 870 |
| IT Service Delivery | | |
| | Service Delivery Management, Governance, IT Solutions | 1,045 |
| | Knowledge Management | 741 |
| | Enterprise Services Centre - including Service Desk | 1,757 |
| | On site support costs | 5,653 |
| | Networks | 5,443 |
| | Email | 1,181 |
| | Data storage | 1,509 |
| | Security | 850 |
| | Database administration | 587 |
| | Desktops/printers | 9,888 |
| | Facilities | 543 |
| | Server operations | 3,175 |
| | Directory services | 389 |
| | IT supporting research | 338 |
| | Enterprise Applications | 2,901 |
| | Infrastructure Management | 420 |
| Program Office | | |
| | Major service improvement projects | 6,347 |
| Total | | 52,725 |

3. The ICT spend exceeded the forecast by \$653,000 for the 12 month period from December 2004 to November 2005. This overspend did not relate to ICT contracts. Expenditure exceeded the forecast due to operational demands.