

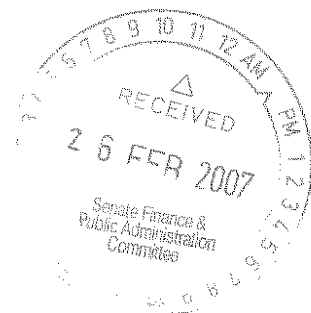


FAXED
23/2/07

Australian Government
Department of Human Services

Secretary

Mr Alistair Sands
Secretary
Senate Standing Committee on
Finance and Public Administration
Room SG60
Parliament House
CANBERRA ACT 2600



Dear Mr Sands

Alistair

DHS AGENCIES DIVERSE IT ENVIRONMENT - IBM AND DIFFERENT SYSTEMS

In the committee hearings on Tuesday evening and again on Friday there was interest expressed by some Senators in the different IT systems employed in Human Services agencies. In my evidence on Friday I indicated that DHS agencies and DVA do not share a common IT platform and the agencies have diverse IT environments and offered to provide further material (see page 24 of Hansard). The agencies are supported by a range of service providers. There is not one single service provider to the agencies. There is not lock-out or lock-in of any vendor or service provider.

Senator Lundy had taken a particular interest in the use of IBM as a supplier. While IBM provides products and services to a number of DHS agencies it is not the only provider but one among a range of service providers. Furthermore, the proportion of agency work contracted to IBM has reduced over time due to a series of competitive procurement exercises. For example, in relation to Medicare, IBM no longer provides data networking (now Optus), telephony (now Optus), card production and printing (G & D), and printing HPA (Hermes Precisa Pty Ltd). Centrelink selected Teradata not IBM for data warehousing. In addition to the competitive procurement processes, Medicare and Centrelink undertake IT benchmarking exercises using independent firms such as CBT Global and Gartner, who monitor global ICT contracts and trends.

The following is a brief description of the key components of the agency environments and how they are managed.

Equipment

There is no common single supplier for equipment across DHS agencies. Server equipment is sourced from a range of vendors including Hewlett Packard, Dell, Sun

as well as IBM. The desktop equipment is provided by ACER, Dell, Hewlett Packard, IBM and Ipex.

IT Services

IT services includes the management and maintenance of facilities and equipment, and in some agencies the operations of the HelpDesk. IT services are provided by a mixture of in-house and external service providers. The external service providers include IBM, ASG Group and EDS.

Data Storage

The data storage used to hold customer data in the agencies is provided by a range of vendors. There is no single common data storage provider nor is there a single repository of data across all DHS agencies. For example, in Centrelink data warehousing is provided by Teradata, whereas in Medicare data warehousing is provided by IBM.

Applications Development

There is no single common applications development environment or provider across DHS agencies. The majority of applications development work is managed in-house by the individual agencies.

I trust this information addresses the Committee's areas of interest on this topic.

Yours sincerely



Patricia Scott

21 February 2007