

**Senate Finance and Public Administration Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
**Finance and Administration Portfolio**  
**Department of Human Services and agencies**  
Supplementary Budget Estimates 2006-2007, 13<sup>th</sup> and 16<sup>th</sup> February, 2007

**Question: HS3**

**Department: Department of Human Services**

**Outcome 1, Output 1**

**Topic: IT expenditure**

**Hansard Page/Written Question on Notice: Hansard Page F&PA 139**

**SENATOR LUNDY** asked on 13/2/2007:

**Senator LUNDY**—Could you take on notice to provide the previous five years total expenditure and any appropriate breakdown of expenditure on IT and also your forward estimates?

**Mr Wadeson**—There is one issue with that. I noticed when I was looking at some data that there was a discontinuity when the shape of the IT group was changed. It actually shows a sudden drop-off in our expenditure, which I expect is when the call centre people took their bit of it and said, ‘We are really about telephony; we are not about IT.’ So there is that discontinuity. It goes up and down a bit with major projects, but it has not varied all that much over the time.

**Senator LUNDY**—Could I ask the Department of Human Services the same question and for each of its agencies? Centrelink have got their patch covered, but could you take that on notice for everybody.

**ANSWER:**

Details on IT expenditure for the Core Department and each agency can be found in the tables below. Please note that, where possible, information has been broken down into each of the elements requested by Senator Lundy – Telephony, Infrastructure – Hardware, Infrastructure – Software, Staff/Administration/Contractor/Operating costs and Systems enhancements/Capital costs.

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Core Department

<b>IT Cost Category/Financial Year*</b>	<b>2004-05<sup>1</sup></b>	<b>2005-06</b>	<b>2006-07**</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>
Telephony	86,137	95,214	128,218	155,000	155,000	155,000
Infrastructure - Software	<sup>2</sup>	<sup>2</sup>	109,500	499,000	499,000	499,000
Infrastructure - Hardware	262,295	179,007	187,595	615,000	615,000	615,000
Staff/admin/contractor/operating costs	62,367	394,183	675,743	950,000	950,000	950,000
Systems enhancements/capital costs	<sup>2</sup>	<sup>2</sup>	425,000	350,000	350,000	350,000
<b>Total</b>	410,799	668,404	1,526,056	2,569,000	2,569,000	2,569,000

\*Please note that this includes only IT support costs related to the Office of Access Card not costs related to roll-out of the access card.

\*\* includes estimates for March – June 2007

<sup>1</sup> Department created in October 2004

<sup>2</sup> breakdown not available and figure included in operating costs above

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Child Support Agency

<b>IT Cost Category/Financial Year</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>
Telephony	16,704,649	14,480,800	13,614,554	13,611,121	13,001,776	12,774,757	13,117,390	13,510,063	13,780,264
Software Licence / Maint Fees	811,934	727,903	1,457,240	1,569,288	1,438,661	1,719,347	1,776,123	1,864,929	1,958,175
IT Services (ATO/EDS Costs)*	18,462,654	18,617,907	23,910,778	23,340,241	22,186,923	26,897,080	28,088,154	29,492,561	30,967,189
Systems Enhancements (Capital)	32,919,755	123,125	36,576	5,796,851	5,288,093	12,391,852	11,080,594	7,650,274	7,911,840
Staff & Admin Op Expenditure	6,050,654	9,804,021	10,377,671	8,951,982	8,793,258	10,993,000	12,092,300	12,455,069	12,455,069
<b>Total</b>	74,949,647	43,753,757	49,396,819	53,269,483	50,708,710	64,776,035	66,154,561	64,972,896	67,072,539
*Infrastructure is leased through EDS & ATO. This includes all hardware costs and maintenance.									

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CRS Australia

<b>IT Cost Category/Financial Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>YTD 2006-07 (28 Feb 2007)</b>
Outsourced IT Activities	4,066,100	3,829,272	3,600,282	2,747,034	1,466,667
Datalines	1,113,900	1,350,728	1,589,718	2,127,966	2,648,935
Software Licence Fees	520,000	550,120	581,520	605,200	479,010
Staff	1,743,067	1,651,186	2,011,432	1,810,977	1,958,992
External Consultants	922,848	326,668	1,429,399	239,176	942,746
Other IT Costs	1,806,657	34,769	1,615,488	335,880	443,845
<b>Total</b>	<b>10,172,572</b>	<b>7,742,743</b>	<b>10,827,839</b>	<b>7,866,233</b>	<b>7,940,195</b>

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Centrelink

<b>IT Cost Category/Financial Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Telephony - telecommunication charges	64,850,000	51,420,000	56,600,000	57,700,000	51,060,000
Infrastructure					
<i>Software - costs and licensing</i>	93,770,000	102,350,000	105,020,000	120,120,000	129,300,000
<i>Hardware - capital costs</i>	54,750,000	55,130,000	20,160,000	69,820,000	109,300,000
Systems modifications	111,760,000	106,180,000	99,320,000	107,650,000	127,750,000
Staff/admin/operating costs	84,470,000	96,490,000	78,960,000	89,120,000	108,130,000
<b>Total</b>	<b>409,600,000</b>	<b>411,570,000</b>	<b>360,060,000</b>	<b>444,410,000</b>	<b>525,540,000</b>

Note:

2006-07 figures are budgeted figures, not actual expenditure.

Forward estimates are not available for 2007/08 or 2008/09.

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Medicare Australia

<b>IT Cost Category/Financial Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
<b>Applications Development and Maintenance</b>	17,765,412	29,765,522	28,726,523	23,472,875	31,829,901	32,466,499
<b>Infrastructure (incl. software and depreciation)</b>	68,714,334	73,237,923	89,851,540	98,981,885	100,352,650	112,744,884
<b>Communications (data, voice and X400)</b>	15,238,186	17,310,351	21,743,238	23,178,650	24,147,395	22,993,103
<b>Other</b>	5,948,759	2,922,499	3,798,436	5,908,662	0	0
<b>Total</b>	107,666,691	123,236,296	144,119,738	151,542,073	156,329,946	168,204,486

Note:  
2007-08 are projected figures

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Australian Hearing

<b>IT Cost Category/Financial Year</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Operating Expenditure	3,120,000	3,410,000	3,840,000	3,970,000	4,120,000	4,130,000
Salaries	1,840,000	2,380,000	2,470,000	2,560,000	3,240,000	3,470,000
Capital Expenditure	6,700,000	4,300,000	60,000	2,600,000	2,900,000	3,300,000
<b>Total</b>	<b>11,660,000</b>	<b>10,090,000</b>	<b>6,370,000</b>	<b>9,130,000</b>	<b>10,260,000</b>	<b>10,900,000</b>

Note:

2006-07 are forecasted figures.

Australian Hearing is currently completing the budget process for Financial Year 2007-08 and it is not expected that Board and Ministerial approval will be received until May 2007.

Health Services Australia

HSA expended \$3,455,358 on general computer expenditure since October 2004. All HSA computer expenditure falls within the category of general corporate computer costs.

HSA does not prepare forward estimates.

To prepare this answer it has taken approximately 23 hours and 35 minutes at an estimated cost of \$1390.