

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Prime Minister and Cabinet Portfolio

Commonwealth Ombudsman

Supplementary Budget Estimates Hearings, May 2005

**Question: PM 48a (Performance of Information Technology outsourcing arrangements)**

1. Please provide details of total departmental/organisational spending on Information and Communications Technology products and services during the last 12 months.

**Answer:**

Reporting period 1 November 2004 to 31 October 2005  
Values are excluding GST

| Expense      | Value           |
|--------------|-----------------|
| Operating    | \$0.808m        |
| Capital      | \$0.680m        |
| <b>Total</b> | <b>\$1.488m</b> |

2. Please break down this spending by ICT function (eg communications, security, private network, websites).

**Answer:**

| ICT Function                        | Operating (\$m) | Capital (\$m) | Total (\$m)  |
|-------------------------------------|-----------------|---------------|--------------|
| Communications/Data Services        | 0.294           | -             | 0.294        |
| IT service desk and support         | 0.049           | -             | 0.049        |
| Website development                 | 0.092           | -             | 0.092        |
| Infrastructure                      | 0.077           | 0.307         | 0.384        |
| Maintenance                         | 0.096           | -             | 0.096        |
| Software                            | 0.026           | 0.034         | 0.060        |
| Application support and development | 0.174           | 0.339         | 0.513        |
| <b>Total</b>                        | <b>0.808</b>    | <b>0.680</b>  | <b>1.488</b> |

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:** Yes

4. 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).
  - a. 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;

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- iii. Any contractual remedies sought by the Department/organisation as a result of these delays (eg penalty payments).

**Answer:**

Project 1 – Case Management replacement

- a. i. Four months
- a. ii. Functional specification and acceptance compliance
- a. iii. Re-negotiate contract timeframes and agreed bug fix's

Project 2 – Desktop and peripheral replacement

- a. i. One month
- a. ii. Delivery of peripheral equipment
- a. iii. None

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

**Answer:** None

- 6. 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:** None