

Finance and Public Administration Legislative Committee

ANSWERS TO QUESTIONS ON NOTICE

Prime Minister and Cabinet Portfolio

Australian Public Service Commission

Estimates 2004-05 – ~~Additional Estimates, May 2005~~

Supplementary November

Question: PM 50

Topic: Performance of Information Technology outsourcing arrangements

Senator ^{Conroy} Evans asked:

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

1) Total Information and Communications Technology spending during the last 12 months is \$1.934m November 2004 - November 2005.

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

2) The disaggregation of spending by ICT function requested is not readily available. The following information can be provided:

Communications \$0.270m

General IT services, equipment, software and support \$1.664m

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 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.

3) ICT spending exceeded original budget by approximately \$0.045m (2%). This was due to investment in productivity enhancements (automation of manual processes) for the Commission. This additional spending was forecast during the year and managed within the Commission's available resources.

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;

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

4) During the period November 2004 – November 2005 one ICT project failed to meet a designated project time frame.

Following an evaluation process the Commission decided to transfer responsibility for supporting its financial management system (SAP) to Volante. Volante is the Commission's outsourced ICT provider. The project was initiated on 9 September 2005 and was scheduled from completion on 21 November 2005. Due to a hardware failure on Friday 18 November 2005 the migration has been postponed and the 21 November timeframe was not met.

It is anticipated that the project will now be completed during January 2006.

The contract does not provide for penalty payments.

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

5) In the past 12 months no ICT projects delivered that have materially failed to satisfy project specifications.

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.

6) In the past 12 months the Commission has not abandoned any ICT projects before the delivery of all project specifications.