

IBM and HP on notice as government reviews IT projects

The federal government has put Hewlett-Packard and other vendors behind technology failures like the Australian Tax Office outage on notice, announcing a review of all current IT projects with a capital expenditure above \$10 million.

The review, which will take in about 100 projects and report to government in the first half of 2017, will be undertaken by the Digital Transformation Agency. It will recommend "remediations" for troubled projects, including the replacement of vendors where necessary, Assistant Minister for Digital Transformation Angus Taylor told The Australian Financial Review.

Projects to be reviewed include the \$1.5 billion Centrelink payments system overhaul, and \$1 billion projects for a Department of Defence enterprise resource planning platform and replacement of the Bureau of Meteorology's computer system.

The DTA will also get a new 'investment management office' to oversee future IT projects, and 35 Department of Finance staff with skills across benchmarking, project management, IT policy and cybersecurity were transferred to it in December.

The government could never rule out another incident like 2016's census failure happening again, but the DTA's new office would provide it a "dashboard of costs, benefits, risks and status of projects" so earlier interventions could be made, Mr Taylor said.

The DTA will also help the government meet its target of a 10 per cent increase in the amount of technology work carried out by smaller suppliers.

The Australian Bureau of Statistics and the Australian Tax Office have attracted criticism for their perceived over-dependence on IBM and Hewlett-Packard respectively. More diversity in suppliers was a priority, Mr Taylor said, adding that he'd like to see a "cluster" of Australian firms with a speciality in servicing government technology needs.

The need for a review was a no-brainer, said Shadow Minister for the Digital Economy, Ed Husic.

"Given the census fail, the Centrelink robo-debt debacle, the repeated crashing of the ATO website and concern about the Child Support Agency's IT upgrade, we just hope the government can get it completed on deadline," he said.

Mr Husic called on the government to provide "clear explanations about what has been happening with all the tech bumbles and how the government will fix them".