

Transport For NSW

Case Study -- IT project budgets fall off the rails

Dubbed “Making It Work For You”, the \$425 million project was meant to transform the information technology systems for the state's transport agencies.

But internal documents released under freedom of information laws show the major IT project for Transport for NSW has completed only a third of its end-user goals despite spending \$348 million since it began almost five years ago.

A report from a consulting firm hired by Transport for NSW found last month (February 2018) that the IT service delivery team established in 2011 is facing substantial challenges including a lack of funds to deliver the capabilities to successfully function as a systems integrator.

A final report by Third Horizon marked “confidential” and “sensitive”, paints a worrying picture of the state of IT systems at Transport for NSW and the agencies which fall under its control such as Sydney Trains, bus operator State Transit and Roads and Maritime Services.

Financial benefits from centralising IT functions “are not being fully realised”, the service delivery performance appeared to be “worsening” and its credibility was declining. In a broad swipe, the report said the IT service delivery “does not appear to be meeting the service requirements” of the transport agencies, resulting in “significant broader impacts”.

Apart from factors such as “technical complexity”, it raised concerns about “governance issues” and took a shot at the “mindsets and behaviours” of those in the IT team that “hinder improvement”, warning that “major interventions” were needed to fix the situation.

And with the “Making It Work For You” project now scheduled to put in place “significant technical change”, the report dated February 19 this year (2018) warned of “large end-user impacts in the next four months”.

Greens transport spokeswoman, Mehreen Faruqi, who obtained the report by using freedom of information laws, said the government needed to reveal whether the IT project would ever be completed and how much more public money would be wasted.

“This government has boasted about going digital but a project that was supposed to deliver the most basic technology upgrade to one of its largest agencies has completely fallen through,” she said. “Ultimately, taxpayers bear the cost of their inability to deliver projects to budget and on time.”

Transport for NSW said in a statement that the IT project remained within the approved funding envelope and was “delivering against” a revised scope put in place in March 2017, which would be completed later this year.

The Third Horizon report does not mention the revised scope last year but has made a series of recommendations, including the need for “stronger leadership” and changes to the IT team's “structure and capacity”.

Problem Solving:

Cost Management

(Q1) Was this budget realistic? Why /why not?

(Q2) What are the possible causes that influenced the project budgets fall short?

(Q3) Was this the right time to evaluate project performance/progress by an external firm? Yes/No, why?

(Q4) "IT service delivery team is facing substantial challenges" – what are possible challenges the team is facing EXCEPT a lack of funds?

Scope Management

(Q5) Is there any issues with the project scope? What could be potential (significant, broader) impacts?

Scope and Cost Control

(Q6) What went wrong from project management perspectives, in terms of meeting the goals of two of the triple constraints -- scope and budget?