LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

12th Assembly

Public Accounts Committee

Asset Management System Public Hearing Transcript

12 noon, Tuesday, 27 August 2013

Litchfield Room, Parliament House

Members:	Ms Lia Finocchiaro, MLA, Chair, Member for Drysdale
	Ms Larisa Lee, MLA, Member for Arnhem
	Ms Bess Price, MLA, Member for Stuart
	Ms Natasha Fyles, MLA, Member for Nightcliff
	Ms Nicole Manison, MLA, Member for Wanguri
	Mr Gerry Wood, MLA, Member for Nelson
Witnesses:	Mr Alan Wagner, Chief Executive, Department of Infrastructure
	Ms Anne Bradford, Custodian of the Asset Management System, Department of Infrastructure
	Mr Frank McGuiness, Auditor-General for the Northern Territory

Committee commenced 12.05 pm.

Madam CHAIR: We will get this public hearing under way. On behalf of the committee, I welcome everyone to this public hearing into the Asset Management System. The Public Accounts Committee has been concerned about the AMS since the Auditor-General first reported on problems with the management of the project in his February 2011 report.

During the last assembly of the Public Accounts Committee, the Public Accounts Committee received two briefings on the project. Following the less than successful experience when the system went live in April last year, this committee held a public hearing in December on what was being done to get the system fully operational.

In March this year the Auditor-General reported on his audit of the implementation of the project. That audit found eight key contributing factors to the project not meeting expectations. Today, the committee wishes to explore those findings against three main themes. First, what is being done to fix the system and complete the project; second, what went wrong with the delivery of the project and how were the risks of the decision to go live managed; third, what is being done to ensure that lessons are learnt from this experience and applied across the Northern Territory government agencies.

We have limited time for this hearing so we will need to keep things moving along to allow consideration of all of these issues. I welcome to the table to give evidence to the committee, Mr Alan Wagner, Chief Executive of the Department of Infrastructure, and Ms Anne Bradford, Deputy Chief Executive of the Department of Infrastructure and, of course, Mr Frank McGuiness, the Auditor-General.

Thank you all for appearing before the committee. We appreciate you taking the time to speak to the committee and look forward to hearing from you today.

This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee apply. This is a public hearing and is being webcast through the Assembly's website. A transcript will also be published.

If, at any time during the hearing, you are concerned what you say should not be made public, you may ask that the committee go into a closed session and take your evidence in private. I will ask each witness to state their name for the record and the capacity in which they appear. I will then ask you to make a brief opening statement before proceeding to the committee's questions.

Mr McGuiness, perhaps if we could start with you. Could you state your name and the capacity in which you are appearing?

Mr McGUINESS: Madam Chair, my name is Frank McGuiness and I am appearing in my capacity as Auditor-General for the Northern Territory.

Mr WAGNER: Alan Wagner, Chief Executive of the Department of Infrastructure.

Ms BRADFORD: Anne Bradford, Deputy Chief Executive of the Department of Infrastructure and appearing as custodian of the Asset Management System.

Madam CHAIR: Mr Wagner, would you like to make an opening statement?

Mr WAGNER: Yes, Madam Chair, and thank you for the opportunity to appear before the committee.

Since the last hearing you referred to late last year, the health check we talked about at that time put forward four options to government. We subsequently had a Cabinet decision to continue with the AMS project and, subsequently, we will talk about the Auditor-General lessons learnt exercise that we received in March 2013.

The primary focus prior to Christmas was continued remediation for the end of financial year aspects of the system. Broadly, we changed the governance at Christmas with the appointment of Anne as the custodian, changed the government's model and, effectively, kicked off the recovery process.

We have continued to prioritise the end of financial year aspects of the system and we look forward to getting into the broader recovering implementation. I believe AMS is improving slowly and our staff are looking forward to it becoming effective into the future. I would just like to make introductory comments at that level.

Madam CHAIR: Thank you, Mr Wagner. The committee will now proceed through a series of questions. As I mentioned before, the committee has three areas of concern with the Asset Management System. Those are: will the problems with the system be fixed in a timely and cost effective way, what are the causes of the failure of the project; and what is being done to ensure the failures do not occur again? That is the essence of what we are here for today. My colleague, the member for Wanguri, will ask the first question.

Ms MANISON: Mr Wagner, my first question is regarding the SAP implementation. Are there any outstanding issues with the implementation of the SAP component of the Asset Management System and, if there are issues, what are the plans for resolving them?

Mr WAGNER: Thank you for the question, member for Wanguri. Perhaps I can flick to Anne, as the custodian, to describe broadly the new governance structure and the new plan that has been put in place post-Christmas to answer your question.

Ms BRADFORD: Thank you, member for Wanguri. I have actually put together a briefing that might be of use before we go into your questions.

Madam Chair, would it be all right if I table that, noting the process?

Madam CHAIR: Yes, that would be great, thank you.

Ms BRADFORD: What I have actually done in an attempt to assist was to look at both those actions undertaken this year. It will address your question. I have a briefing paper for each of you.

If I look at the areas that are most problematic with the SAP implementation, no, it is not complete. However, having said that, through a number of processes we are, in fact, addressing it. I go to the briefing notes momentarily. We have focused on the fact that this is a business solution, not an IT solution. SAP is a product which is an IT tool. We lost sight along the way that, in fact, we were delivering an IT tool rather than a business solution to address the requirement for asset management.

We have now developed a functional alignment with our structure that aligns with how business needs it to operate, as opposed to how we were driving a project in a non-productive environment. So, the production environment is the go-live environment. We were operating a team of people who were all doing the same thing, but in the one

environment. We have separated that out to assist us getting clarity between delivering on the SAP product and delivering a live system that is currently working, that business is working in.

We have looked at the business positions we need to deliver that. If you separate out the team which is delivering on the remediation and recovery from those people who are working in the business, what we have done is given focus on those people who are remediating and recovering, as opposed to those people who are trying to deliver the in-year work.

In addition to that, we have started putting some policies and standards together that allow us to operate within the normal raft of business requirements.

We have completed what is called a tiger team activity. That tiger team activity was a three-week activity that occurred in March/April this year. In that, we detailed all of the outstanding deliverables that were yet to occur to make a functioning system. There were around 70 outstanding issues. Of that group of 70 issues, we identified 10 which called high-priority issues. That was to assist us in closing the books for last financial year. The financial year 2012-13 was quite problematic in that we did not have a truly functioning SAP product that would allow NT government to report against its asset management for the jurisdiction.

We committed to government that, of those 10 projects, we would deliver four by the end of the financial year, which we did. We have just finished the fifth, and we have five that are still going to be delivered between now and the start of November. We are on track, on time, on budget, and on scope with those remaining activities.

We re-engaged with the stakeholders, the agencies that are involved in wanting that for a business reason: Infrastructure, Transport, Housing, DCIS, and we have done it with Treasury and Finance. We got them involved in the tiger team activity to ensure each one of them had a say at the table.

We have also identified a way of breaking down the long-term strategy. Once we complete the remediation activity, we will then have built a product that is functioning. Once we have built that product, we then need to re-clarify whether it is what we needed to build and it is fit for purpose. That recovery will occur once we identify why we want the tool, what we want the tool to do and, in fact, the processes required to deliver on that tool. That process between what we have built and what we need to build is called recovery. We are not at recovery yet. What we have done is ruled a line in the sand to say no more money is going to be invested in this product until we have landed a remediated product. Before we commence recovery we want to stop and see what we have built, then we will have a pause point or a stage-gate that will go back to government and confirm, 'Yes it is within the money that we have available, yes it is within the risks and tolerances of the profile that we had agreed, and yes, we have the right people to do it'.

We have conducted a range of briefings so the question you ask is valid. We have made sure that every stakeholder around government has had an opportunity for a briefing. You will see in the briefing papers that I have referred to the briefings we have provided on a specific date for certain agencies and, as a consequence, there is far more understanding about what the process is that we are recovering.

We have also put together a generic presentation so any of the CEs from any agency are able to deliver the presentation themselves. I have a copy of that if you would like it. Having said that, we have also done a formalised governance framework. I might provide Attachment E, if that is okay, Madam Chair. Attachment E is the governance framework we have just implemented. Remembering I started in January this year, we implemented this governance structure in April this year. This governance structure is all around the process of ensuring everyone knows their role and responsibility, that everybody understands, from a simple diagram that is a triangle, precisely what different reviews are done at which stage. As you look at that triangle, on the left hand side you will see a series of lines. One is tactical, which is down the bottom, then operational, then strategic, and then government review.

At the bottom level the tactical perspective is in a governance group called the AMS working group. That group's whole purpose in being is to recommend a course of action. When it comes to remediation or where it comes to recovery, or whether it comes to the end production environment to making changes to it, that is the single group that will recommend its right course of action. That group are tactical people: people that are working every day in the tool for business. The operational perspective is represented by EDs, or Executive Directors or Directors, and they form a group called the Business Management Group. That group meets monthly. Their whole purpose is to look at those recommendations and endorse them from their business perspective. From an agency perspective, do they support what their team has suggested - yes or no? If yes, it is endorsed and goes to the CEO Steering Committee and their role is at a whole-of-government level to represent the whole-of-government interests. They then approve the course of action we then take. The government structure is very robust and addresses the formality of independent people making decisions on spend of government money.

The final layer of the governance framework I have put together involves a Ministerial Oversight Committee. That Ministerial Oversight Committee has a group of people on it: the Chief Minister, the Treasurer, the minister for Lands and Housing, DCIS, as well as Treasury and Finance is represented, as well as the sponsor who is the Chair, the Minister for Infrastructure. Central to that concept of governance to make sure those decisions are correct is the Change Advisory Board. They are the IT people that provide us the right timings to make those changes to the system to make sure it does not impact on business. That is the governance we are using to ensure we have done that.

In addition, we have produced a conceptual framework. Once again, I ask for your indulgence to give you a model handout. This is about the conceptual framework done as a consequence of the Targeting Report. The conceptual framework is singly the most important document we have launched. It explains to everybody how we intend to fix the problems of the past by bringing it into the future. There is no point me reflecting on all the bad decisions or decisions that were taken, but rather coming up with a strategy as to how we can move it forward.

As you look at that diagram, you will see down the side a series of blue boxes. Those boxes include Strategy and Governance, Business Ownership, Recovery Program, End of Financial Year Urgent Remediation, and the Business as Usual.

The first activity was to separate out my Business as Usual activity from the project and program work which was being done. The second one was to re-clarify the Strategy and Governance that needed to be there.

Going to the top line again to the AMS vision. It has now been confirmed by government what that vision is. The vision, as far as this government is concerned, is to enable greater coordination of strategic government expenditure and capital investment. We have a clear aspiration we are trying to achieve.

From that, we then go to a solution architecture. Currently, if you ask the IT people, the tool is 97% fit for what we ask for. If you ask business, any one of the departments will tell you we have a 12% solution. Evidently, in the understanding between what we asked to build and what we ended up building, there is a huge differential between the two. So, my role is very much to ensure that the architectural framework for solution is fit for business purpose, not for IT purposes.

The next one is about that change control, and I have addressed that in my configuration or governance framework. The next area I need to look at is the whole-of-government policy for asset management. There currently does not exist a whole-of-government asset management policy. Therefore, part of a framework I am working on at the moment is a framework for that which, in particular, aligns for infrastructure and would sit into a broader asset management framework.

In infrastructure, there are three component parts which we are most interested in: capital, maintenance, and disposal. There are a huge number of other areas in asset management, ranging from fleet management to ICT assets, and so on. I am not, at the moment, looking at those other attributes. The only one I am trying to get fit for purpose is in that infrastructure space. That is not the department of Infrastructure space, it is infrastructure; the built environment.

In addition to that, I have been working through the information governance. Some of the problems we have are in data, and I will talk about that in more detail. Data and master data is still a significant issue for us in the project.

The next one is the program evaluation. To give you satisfaction and assurance that we have delivered what we said we were going to, I need to give you an evaluation framework. In other words, what does success look like when I have finished? I am still unable to give that to you, because I do not know. Until I know what each agency wants, I cannot tell you what success will look like. So, that is part of my recovery, as Stage 1 of my recovery.

The final part of the governance and strategy is to do with the AMS, asset management system, business as usual policy and standards. I am currently putting those together at the moment to ensure my team, which is delivering the in-production in go-live area, is delivering in accordance to the performance measures we have set. That is the first layer.

The second layer refers to the business vision. Part of Stage 1 recovery is to go to each of the 34 agencies and ask the questions: why do you want it; what do you want it to do; how can we help you deliver in your business space; and can we get some synergies and alignment between your process and the whole-of-government process we need to have?

I then need business to own their process and to own their data. Recovery is all about ensuring the scope is redefined: that the functional requirements are re-clarified once we know what they want; then going through the same process we are undertaking for remediation.

The remediation line is all around doing your gap analysis, which is what we did, followed by a whole series of activities to ensure we closed the books on last year.

You will see on the diagram there is a series of stage gates. Each of those means I need to go back to a governance group or to the ministerial oversight committee to ensure I still have the money, I am still within the risk profile I have been given, and I have adequate ability to deliver as I have promised. That is the conceptual framework I have been working to since the start of this year.

If I continue on with those notes, once again I have covered off on pretty much the whole-of-government asset management framework. We conduct weekly meetings with both the sponsor, the Minister for Infrastructure, with my Chief Executive, Al, and the AMS team. Every week we have formal meetings where we provide a formal report on an update.

In those meetings we address: what did we achieve, what were our priorities going to be for the following week, what is on the horizon we need to be aware of, what risks are we managing and are now within the profile we have accepted, and what issues are now bubbling up which require assistance to resolve. We do that for each of the lines of productivity or the deliverables we are working on. Every one of those lines is now being reported weekly.

We have done a review of the documentation that currently exists and have now developed what is called a quality management plan. The activity was originally conducted by a consultant named Deloitte because we identified such a shortfall in some of the documentation that was there.

We are currently putting an implementation plan together to ensure every document this project is involved in meets those requirements.

I mentioned the evaluation framework. I have mentioned we are doing the reporting. We have done a review of the budget versus actuals from 2008-09 onwards. We have analysed it line by line. We have done a reconciliation because we could not get it to align with what we thought it was saying. We have identified all outstanding invoices and they are either paid or will be paid this financial year.

We have the charges for the architecture and the supply arrangements that are being modified significantly.

We have sought a formal definition of the word 'capitalisation' because there was some misunderstanding of what we could capitalise in the tool and what was part of our operational budget.

When we were looking at our budget versus actuals, there was some confusion between when we could and when we could not capitalise because it is an IT tool. We sought formal advice from Deloitte to provide that to us.

In addition, we have confirmed a formal methodology for project management. We have done planning documentation for each and every project, program, and portfolio level activity. We now have a formalised reporting suite for weekly, monthly and six monthly reports. We do executive summaries of all reports and programmed activities, and we are maintaining a very detailed risk and issues log.

We have reviewed and redesigned every single project document and every template that will be used from now on with the team. We have developed our own new AMS Risk Management Framework to prevent any problems for the future of our governance groupings being unaware of what we are exposing the whole of government to.

We have developed a template for the capturing of those risks for their assessment and mitigation. In the past we captured them and assessed them, but we did not do the 'so what'. We have workshopped and implemented the template with the AMS team, and have ensured there is a full and comprehensive understanding of that and ensured everyone is applying that.

We have proposed risk management workshops for all governance groups so they understand their role and responsibilities.

When it comes to vendor management, we have re-established a formal dialogue with Fujitsu. We have done that through regular monthly meetings. We have established a formal contract administration and management position within the team to ensure deliverables are achieved and are continued to be achieved.

We have confirmed the status of contractual arrangement with all providers, not just Fujitsu regarding their milestones, deliverables and the interrogation of all outstanding retention monies. We have conducted meetings with the Fujitsu CEO, who came to Darwin to meet with me, to re-establish my expectations, and to resolve outstanding issues. As a consequence, Fujitsu has taken on board and is addressing its professionalism and behaviour.

From our perspective, the outstanding payments that relate to how we have approached financials in the past – they have elected to re-do the warehouse business intelligence module. They have given us a short-term solution which is to get the tool working and then re-implement over a three month window. It means we should be able to have an analytic that means we can report against everything that is currently in the tool.

With Fujitsu, we have looked at their contract failures, both from a deliverable and documentation. One of the big problems we have is, normally with an IT project you have a library of documentation that explains the configuration and how the thing was built. We have no library. We have no documentation that is fully detailed. So, Fujitsu is going to come back to the table and complete the documentation and the due diligence that was required. They have not delivered on their industry development deed. Therefore, they have come back to the table and are re-implementing that. They are also acknowledging the relationship failures, and also investigating other and future panel contracts and opportunities.

We have reviewed the contractor and consultant supply agreement. A lot of money has been invested over the last couple of years on having contractors come through at a very large cost to government. We have reviewed that and, in fact, we are no longer going to put

people on for longer than three months. They will, in fact, have to go through a series of checks and balances to ensure their contribution is needed before we continue. We have developed a three-month forecast.

As I mentioned, we have reviewed the documentation provided from vendors; in addition to that, the data migration. As I mentioned earlier, probably my single most difficult area at the moment is the data migration from legacy systems. We have done a complete review of the data migration and the master data, both internal to NTG as well as external. We had Deloitte come through and do a full review of the master data, which has resulted in a formalised data governance strategy. We have now drafted a data governance implementation plan, with an implementation and completion schedule expected to take around six months.

I might share a diagram with you, once again. This is Attachment K, which is to do with the contaminated data sources. Probably it will explain the problem to you; this diagram says it all. The diagram is a very simple lake view with three pipes going into it. That is the problem I have. In the past we have invested millions of dollars, in fact, in cleansing the data. As you look at the pool, we have central to that a data quality treatment plant. Simply put, it is where you filter the data and the pool then keeps clean. Our problem is, if you do not address the root cause problem, then the pool is going to continue to become corrupted.

This diagram explains to you there are three root causes to the corrupt data. The first of that is the problematic GAS interface, the government accounting system asset management interface. There are huge data issues in that space. The second is the business as usual data issue, and that is wholly and solely because our training has not been good enough to ensure those people who are using the tool actually understand where we need information to be put and where and why it needs to be on multiple pages. The final source of corrupted data is, in fact, the migration data: the data we brought across from legacy systems. They are the three root causes of the problem. Until I can switch those off and clean that, the pool will continue to be corrupted.

Out of that comes our reporting. You only get reports of the data that is in there. So, if it is dirty data, you get dirty reports out. What is not supposed to be in this diagram is how it flows back to all of those sources. This is only to explain the corruption that is currently with the dataset, the master data that is in asset management. That activity we have been undertaking to put together the data governance implementation plan is a critical part of recovery and, alone, will take six months.

We have also done a full check of our testing methodology, both internal to asset management and externally, which has now resulted in a detailed testing strategy that involves functional system testing, followed by system integration testing, followed by user acceptance testing, and the final part is the product verification testing. In other words, test it, test it, test it, and test it again. If it fails on any one of those things, it means the testing regime has done its purpose, and it goes back to the start and it goes through it all again.

Finally, training. Probably one of the single most important activities I wanted to commence on starting the job was a three-pillar approach to the business as usual: training, stakeholder engagement, and help desk. Without a good training team, people do not know how to use the tool. Without good stakeholder engagement, people have no way of giving us

feedback and telling us where we have failed, and without the ability to provide a number where people can ring and say, 'I have forgotten how to do X', there is no point having a training team and no point having stakeholder engagement if we cannot be timely with our response.

At the moment we are in the process of recruiting. In fact, correction, we have recruited the trainers. They are in the process of being trained and immersed in the tool. There is no point sending people out who might be IT savvy but have no understanding of its applicability in the business.

The next page of my report talks about the progress in repairing the system. The target team activity I have mentioned identified all the phase 1 deliverable implementation issues. We commenced the remediation project and, as I have said, five have been completed and five are now commenced. We have commenced our governance and strategy delivery program. We have commenced the business-warehouse business-intelligence reimplementation project with Fujitsu. We have commenced the business as usual support transition project that is wholly and solely so agencies have work given back to them. In other words, I have 17 people sitting in a room doing whole-of-government processing. I am not funded to do that whole-of-government processing. By now, noting we went live in April 2012, business should have had the ability of both training and skills to be able to do that themselves. We are in the process of working with the agencies to hand back some of that functionality so they own that and my people can focus on improving the tool, recovering the tool, and ensuring it is remediated so it is usable.

We have commenced an organisational culture and structural change project so we are aligned with our functional requirements. We have commenced the recovery by doing the early work to ensure we understand what recovery is going to look like, so a phased approach, and we have initiated level 2 and level 3 outsourcing.

Thank you.

Madam CHAIR: I wanted to follow up with a couple of questions about some of the things you said. I know through our discussions it has come out that there have been issues for agencies with end of financial year reporting. You mentioned that issue right at the start, but perhaps if you could clarify what the status across whole-of-government is in financial year reporting, as far as you are able to, due to AMS.

Ms BRADFORD: The status of end of financial year reporting, we are pleased to report that the one critical thing we needed was a zero ledger transfer facility, which we achieved. Every agency was able to get some level of functionality to assist. However, predominantly our focus has been on Treasury and Finance giving a whole-of-government view rather than merely an agency view. The end of financial year remediation project was only focused on whole-of-government rather than the 34 agencies being able to hit a single button. The analytics are part of the business warehouse recovery. As a consequence, our reporting ability is still somewhat limited. We are in the process of doing a pilot trial to see where we are at regarding that.

Madam CHAIR: I note the enormous lengths you have gone to to put in place significant governance structures, and I know one of the criticisms of the Auditor-General, in his report, was previously the asset management system did not have a good paper trail. I am

wondering, along with all these layers - you mentioned a lot of reporting; however, the documentation of the decisions being made, the information coming through each of those stages, my question is - is particular attention being paid to that so – hopefully not - should the Auditor-General have to revisit it, once again, the paper trail will be in sequence?

Ms BRADFORD: Indeed. In fact, formal minutes are taken of each of the meetings that are held. Those minutes are, in fact, of course, circulated and signed off. In fact, a formal record is electronically held in TRIM, but also a hard copy is held as well.

Madam CHAIR: That is excellent, thank you. You also mentioned you have - I may have this wrong - you have a new project manager overseeing things. One of the criticisms of the project prior to your intervention was that project management and oversight was an issue with this project. Having learnt from that experience, I imagine DOI pursued an individual in a very rigorous manner to ensure they had not only the technical ability but the management capacity to undertake something of this nature?

Ms BRADFORD: Would you like me to answer that?

Mr WAGNER: I guess at the broadest level, I grabbed Anne. That is the first part of the solution. Then, Anne has secured some additional resources. Perhaps you can talk about that project director.

Ms BRADFORD: Indeed. It took me a month to secure the right person. The first person who came on board lasted eight hours. Evidently it is a very complex activity we are asking people to do.

Madam CHAIR: Absolutely.

Ms BRADFORD: So, the individual I originally appointed elected to call me the day after he started and indicated that this was beyond his ability, for which I commend him, because if he did not think he could do it - even aspirationally it is lovely to think that all of us can do everything - he elected to stand down. It then took me another three weeks to locate someone, who comes with great credentials, who had previously worked in the asset management system for Power and Water. In fact, we have secured his services for 12 months.

Madam CHAIR: Okay, great. Is there monitoring of that person's performance?

Ms BRADFORD: Yes.

Madam CHAIR: Okay.

Ms BRADFORD: Daily.

Madam CHAIR: Great, excellent. One last question I had coming out of what you said before. You said something about outstanding invoices had been paid or would be paid. Is that in relation to DoI? I recall when the PAC had Housing in front of us, they were mentioning there were a whole lot of issues with paying contractors and things like that. Could you just clarify what you meant by invoices?

Ms BRADFORD: Thank you. It was my error; the invoices I am talking about are only to do with asset management. I am not referring to any of the invoices that departments have or have not paid. I am referring to - within the project environment we had some outstanding

invoices that had been filed and, when we did a line-by-line reconciliation going back to 2008, it was clear that, in fact, we had not necessarily been as diligent as we could.

I was hoping that last financial year all of those would be addressed. Unfortunately, we could not accrue some of those. Unfortunately, some of them did not get through in time, which means that, if not already having been paid, they will be in the process of being paid now.

Madam CHAIR: Okay, thank you. Either of you can answer. When do you expect the asset management system will achieve its full functionality? If there is no answer – obviously, you are undertaking an extensive …

Mr WAGNER: It is a process answer. The recovery phase is yet to be defined in its full scope and, to a certain extent, the strategy of how we go forward with that. We are anticipating 18 months to two years at the moment.

Ms LEE: The original budget for the asset management system was $14m, was it? How much has been spent on the project to date?

Ms BRADFORD: Would you like me to take that one?

Mr WAGNER: Yes please.

Ms BRADFORD: If I am right - I got this just before I arrived in the room, so I apologise for reading from my electronic medium. To the end of the 2012-13 year, a total of $50.897m has been expended on the asset management system.

Ms LEE: How much more do you anticipate spending to complete the project?

Ms BRADFORD: Indeed, a very good question. The question relies on what does complete mean. If the scope of the works is to provide an enduring contemporary asset management system, then the answer is different if we are going to just deliver a commercial off-the-shelf product to replace nine legacy systems. How much will we spend will depend on the true scope of works required by government.

Ms FYLES: If you compared the original scope with the end product there is a difference, thus the difference in …

Ms BRADFORD: The original scope - the business case stipulated, 'You are to deliver a commercial off-the-shelf product to replace nine legacy systems'. It did not talk about contemporary, in other words, modern. It did not talk about enduring, in other words, it was a point in time going backwards. It did not talk about efficiencies or effectiveness. If we wanted to buy a system that was backward looking for 2008, I do not know what it would now cost us to build. What I am saying is part of recovery is to reclarify what it is we are building. Is it a contemporary system which will keep pace with where technology is moving to provide us with an effective and efficient way of integrating end to end business process as opposed to nine legacy stove pipe systems?

Mr WOOD: Can I ask a question on that, Madam Chair?

Madam CHAIR: Of course, member for Nelson.

Mr WOOD: If you have a $14m version, would it be fair to say that system, if it was running, would have to be replaced after five years or so, whereas this system we are talking

about, hopefully, will not necessarily be replaced just updated? Are we spending $50m for a system which will last for 30 or 40 years as against a $14m version which might have only lasted five years? Is that a fair way to look at it?

Ms BRADFORD: I might give that one to Alan. I was not around for the earlier thinking about what we were trying to achieve or its length of time.

Mr WAGNER: For the record, nor was I. However, having asked many questions, the $14m was probably underdone, member for Nelson, in regard to even system definition blueprint, as it was called at that point in time, and we talked about that at the previous session. It was probably underdone against that particular solution.

Your question or logic is valid to the extent the proposed system allows for updating through the SAP software periodically to remain contemporary and enduring, as Anne mentioned.

Mr WOOD: Can any money be retrieved from Fujitsu that we may have been charged for but not got what we asked for?

Mr WAGNER: Yes, we have talked about this before and have sought Solicitor for the Northern Territory advice in this regard, and Anne described earlier that Fujitsu have come back to the table. The bigger issue about damages - we hold some retention, I believe about $1.3m from memory, against their contract. The broader issue of damages has not been finalised yet.

Mr WOOD: Thanks.

Madam CHAIR: We have heard, at length, the mechanisms in place to move forward and what is being done. The committee would very much like to now delve more into what went wrong. Member for Wanguri, would you like to ask a question?

Ms MANISON: Thank you, Madam Chair.

The Auditor-General's March 2013 report catalogues eight contributing factors resulting in the project's failure. Do you agree with the Auditor-General's findings?

Mr WAGNER: Yes, I am on the record as having agreed with the Auditor-General's findings.

Ms FYLES: The Auditor-General noted that limited ownership by various NTG agencies led to a shifting of responsibility for achieving business outcomes of the project. Who were, in your view, the owners of the project?

Mr WAGNER: The model was for the Department of Infrastructure to be the host and owner, given we were the main client. We were asked, as a department, to deliver this project as opposed to DCIS. Yes, we were the owner on behalf of government because of the nature of the content of the IT project.

Mr WOOD: There are two issues here. One is you have developed an IT model which does not match up with the business model, yet the department obviously took it on because it is the business side of life. It deals with graders and trucks etcetera, but you have ended up with an IT model even though you were the department that really dealt with the business side of things. How did you end up with an IT model that did not really suit what is the basic function of department?

Mr WAGNER: Member for Nelson, thank you for that question. My take is that the team that was suffering through performance retreated to their strength, which was IT. The model had seconded business experts to be around the table to advise the team on the requirements going forward. However, one of our weaknesses clearly was: (a) we probably did not have the right level people and decision-makers; and (b) the level of actual engagement through the life of this project, which has been quite extensive.

That was a major weakness and was found by the Auditor-General's report as well. That is how it has broadly ended up. Data migration issues and signed off by the users, perhaps, could have been done much better.

Madam CHAIR: Structurally, when we talk about ownership, DoI is an entire agency. We know other agencies had a vested interest in staying close to the project and, obviously, they did not, and that is part of the failure of the project. In respect to ownership, DoI is taking the lead because, as you said, it is the main client. Where is the failure of either DoI or the entire team, if there was a team involved, to ensure this project achieved what it was supposed to achieve? You own it, but where was that breakdown?

Mr WAGNER: Perhaps I could explain some of the preparation for go-live to give a broader understanding. Certainly, the risk issues were discussed periodically, as you would expect, at the steering committee meetings. We produced a go-live checklist and a subgroup to specifically look at go-live issues in a risk management sense. The theory is we did a trial go-live but, in hindsight, we could have used live data as opposed to the data that was actually used for testing. That could have worked a little better. But, they did a trial go-live. The training process was revised. I think I mentioned to this committee previously that it was initially train the trainer, then moved across to expert trainers which is clearly a better way to go.

We put a data migration expert on late in the process, but other experts have advised that our expert was using a less-than-perfect flat-file structure approach, as opposed to what could have been used, so that did not go as well as it could. In system performance testing, the IT engine size and hardware was ticked, and that has been one of the strengths of this boarder process, as has been the underlining SAP software. It appears that is the way we configured it. So, we had a SAP safeguard expert join the process before go-live to further manage the risk and advise us if there were problems.

I mentioned before, member for Nelson, in answer to your question, we used acceptance testing. The people who actually signed off they were happy with what had been produced, in hindsight - easy in hindsight - left a bit to be desired. So, the people who actually ticked to say yes, across those various agencies, that they were happy with the work, formally signed off their satisfaction with what was produced …

Mr WOOD: Can I just butt in there, Madam Chair? Anne said there was about a 12% satisfaction with the business side of things, and you are saying the agencies signed off that they were satisfied. So ...

Mr WAGNER: Yes. I had a couple of deputy CEs and three or four Executive Directors around the table at the steering committee. The ultimate check, member for Nelson, was for the steering committee to sign off that their various agencies were happy. They had experts

who signed off to say they were happy, but that whole process, clearly, did not give the outcome we were looking for.

Mr WOOD: Does that mean that the CEOs - I am not picking on any particular CEOs - had just made a decision at a certain level and not gone down to the person working at the desk, say, at the department of Planning and say, 'Is the GIS system working?' Or did they just take a stab in the dark? Not quite a stab in the dark, but did they not analyse to the degree needed to make that decision?

Mr WAGNER: That is my understanding. The CEs had put forward delegates as their representatives to sign off the IT as experts in their various areas, including Treasury, our IT area, and the various light agencies. There was a whole group of people involved. Housing, I think, appeared at the last hearing as well and they, perhaps, had the most issues. So, we worked more closely with the Department of Housing. But, yes, they all had representatives who signed off from an expert user that they were happy with the functionality that had been produced, else the steering committee would not have said go live. That was a very important part …

Mr WOOD: Just to finish on it. How did you get the 12% figure? Where did that come from?

Mr WAGNER: That was an outcome from the health check review post go-live, when there was an assessment of the functionality against the intended functionality.

Mr WOOD: There would have been a survey asking, 'Are you satisfied with the new process?', and only 12% of people said it was fine.

Mr WAGNER: The health check experts made that assessment rather than a user group testing survey.

Mr WOOD: We had one lot saying it is fine, it went to go-live and, when it came out the other end, it was more or less opposite to what was said at the beginning?

Mr WAGNER: Often the case is the IT guys will tick the box to say the IT was really good but the data was poor and the configuration - we did exactly what you told us but it does not work, your fault. That team approach, in hindsight, could have been better.

We certainly got the Steering Committee to sign off prior to go-live. We had a business issues risk register, a change impact risk register and, more broadly, the principle I was pushing was it was late, it was over budget, and I have said that to committee before, so we had to make sure it worked. There was a strong focus, given other system failures around Australia, that this one worked. To that extent, there was testing of payments etcetera. Even with the payment stuff we had problems initially, as you know.

The government accounting system, and its ability to talk to this new age SAP system, remains a fundamental issue in the effectiveness of asset management in the Northern Territory government.

All those important people signed it off, ticked the box and, ultimately, we did go-live. We had initially planned to go-live in April 2011, and subsequently September 2011, and then a notional plan of November before the revised date of April 2012. I did pull three go-lives prior to getting to this one to ensure it had the most chance of working.

That is broadly my take on the process. Clearly, some of those aspects did not happen. The Auditor-General's learnings cover a variety of those processes, including project governance. I recall describing the process where we put an Executive Director in to be director of the project to give more firepower to that governance when I first came along to try to address some of the initial findings.

We did respond broadly. Perhaps we could have been a bit quicker on the data migration side of it, but clearly, the outcome was not as good as it should have been.

Ms LEE: If the agency relies on someone else to deliver the project that is critical for that agency, who is responsible for managing that if the project fails? Is it the CE, is it the Steering Committee or …

Mr WAGNER: The governance structure we put in place is for the Steering Committee to be accountable for that outcome.

Madam CHAIR: I wanted to ask Ms Bradford, I know Mr Wagner said he agrees with the Auditor-General's findings, and I do not want to put words in your mouth as to whether you agree or not, but perhaps you could clarify that you have reviewed what the Auditor-General has had to say and that has heavily informed all of these governance structures and what you have put together in light of the findings?

Ms BRADFORD: Absolutely. Even before the Auditor-General had published his report I had met with the Auditor-General. I had a plan as to how we would enact what needed to be done, and I found it quite reassuring that he had found very similar to what I had identified. I support it 100%.

Madam CHAIR: Great.

Mrs PRICE: What systems were in place with the Asset Management System to ensure that key agencies were protecting their interest in it and ensuring it met their requirements?

Mr WAGNER: Member for Stuart, just to recap, they had at the various governance levels, a steering committee which featured deputy CEs and executive directors so the line agencies had representatives there. There were also subgroups, and a board that was intended to oversee the process. The client agencies had representatives as part of that governance process and that was the intended way for them to protect their interests.

Mr WOOD: In retrospect, it seems incredible that agencies could continue to be disengaged with the project to replace critical business systems after it had been publicly reported that the project was facing significant problems. What action did your client agencies take to ensure the project you were managing would meet their requirements and can you explain the level of disengagement the Auditor-General found?

Mr WAGNER: I believe Housing had the highest level of engagement because they probably had most skin in the game, as we say, most interest. Some of the other agencies – in answer to your question directly I cannot really explain, except to say that at the steering committee level we thought we had adequate buy-in. In hindsight, it clearly was not there. Perhaps because the project went on for so long and because there were so many implementation difficulties, they had become slightly disengaged with that process.

Mr WOOD: Were there changes in the people who were on that steering committee? Did that have an effect?

Mr WAGNER: Yes, I think that was noted as well, that given the process was over now four or five years there has been a turnover in staff, as you would expect. That, obviously, had an impact on both sides. The Fujitsu solution integrator also had significant turnover of staff, which did not help our process.

Madam CHAIR: It just seems really surprising that you could have such high-level government executives form part of a steering committee, and yet, have such an endemic failure across the board of engagement. I know you do not go to these types of meetings saying 'hoorah, let us go, this is so exciting'; however, it just seems now – and hindsight is 20:20 - that people were just going through the motions.

I imagine, Mr Wagner, you were at those steering committee meetings from, obviously, since the time you came on board. Was it just a matter of going through the motions, and 'she will be right and Fujitsu will take care of this', or – I do not know. Please shed some light on what seems like a great reluctance of agencies to get on board with something that affects their business so greatly.

Mr WAGNER: I will make a couple of broad comments. It is not most of the line agencies' core business. To that extent, they are focusing on their main game and this is a support function. Most of the infrastructure solutions enable client agencies to deliver their main services.

I also add that it is a reasonably complex concept that we are replacing nine systems with one new system. Having people who have an understanding of an IT environment and asset management and the client's needs - there are not lots of those people around, if you know what I mean? I believe, perhaps, in hindsight, the UAT representatives were at too low a level and should have been a higher level, or we should have demanded higher level to sign off to get more experienced people to have a look at that.

Madam CHAIR: My understanding, with the nine legacy systems – I could be completely wrong because I am not an IT person by any stretch. When you say that the other agencies might not have had much buy-in because it is not their core business, can you explain that? If I am Housing and I have my legacy program, and I need that to be able to pay contractors and do all those things, how is it not part of their core business to want to see the evolution of that program? In a sense, a lot of agencies were giving something massive up in exchange for something that was new, shiny, and meant to be better. For those nine systems, or maybe the nine agencies using those systems, I just cannot see how there could be a disconnect, or why that becomes Infrastructure's sole problem. I might be looking at it too simplistically. Can you explain …

Mr WAGNER: The example you used was Housing. Housing was probably the most engaged of these agencies, because they are a construction authority in their own right and have high need for this sort of system. However, some of the other agencies that have a lesser asset base and a lesser need for this have lesser experienced people involved with this process, and perhaps were not as engaged as they could have been, or have ticked off to say they are happy, not really knowing what they were ticking off.

Madam CHAIR: Could you give me an example? Not to name a department to say they did the wrong thing, but an example of a department that might not use it as much. You may not have one …

Mr WAGNER: I think that would be putting me on the spot.

Madam CHAIR: No, that is fine.

Mr WAGNER: In principle, the user acceptance testing was by department's Chief Executive who nominated people to be part of that process, and they were asked to sign that off. They have signed that off. In hindsight, we should have unpacked that or got someone independent to review that process at that time, but we did not see that as a significant risk, unfortunately.

Ms MANISON: Going into that area, the Auditor-General found that the effectiveness of the project's governance was affected by lack of pre-recognition and reporting of key risks, and there was insufficient action taken on the independent quality assurance advice received. Can you explain what led to this finding? Were you aware that the kind of problems that occurred when the AMS system went live were a real risk to the project? What was done to manage these risks, and what action was taken in response to the quality assurance advice received?

Mr WAGNER: Thanks for that question, member for Wanguri. I touched on part of that before when I spoke about the steering committee receiving risk advice from the project director/executive director. Once again in hindsight, clearly the risks may have been presented at a higher level and you would expect, in a logical way, that if they presented the risk to say, 'This thing will not work', then we would have done something about the advice received.

My thinking is we have had discussions and we identified the typical risk for projects of this nature. I should have said, quite clearly we always anticipated the small things to go wrong with any system going live, and that was discussed as well, but the bigger issues about the system not working, the various modules not talking to each other in SAP, that had been ticked off as being checked and worked. That was not discussed at the table at the time of the go-live decision.

Ms FYLES: My question probably should have been before the member for Wanguri's. The Auditor-General's report indicates that the asset management system went live across the whole of government without an implementation strategy and you have shed some light on that in your previous response. Why was it decided that the whole of government would be switched over at the same time? Who made that decision, assuming there would have been criteria and standards to be met before the system went live and, if so, had they all been met?

Mr WAGNER: My take on the broad thinking behind the system going live with the various SAP modules all in one big bang was part of the original consideration for implementation. That was not discussed per se, except you will recall we talked about doing a phase 1 and a phase 2 when part of the GAS system did not work. We pulled the part out that was going to be problematic to go with the stuff we were confident in. To that extent we made the decision, but, in hindsight once again, perhaps we could have done the more financial parts of it first and got the GAS thing sorted out then moved into the project

management then moved into the asset management. That was not considered. Perhaps the solution integrator, as our expert advisor, may have been able to put that on the table, I do not know. I do not recall it being discussed in my presence.

Madam CHAIR: Who made the decision? Was that the steering committee on advice from the project manager? The decision to go-live?

Mr WAGNER: Yes, the steering committee made the decision to go-live.

Madam CHAIR: It is standard practice with IT projects to conduct rigorous testing of a system before it goes live. The Auditor-General found no evidence that a successful full-scale trial data conversion exercise had been conducted, and there was insufficient documentation of outstanding defects from the system testing that did occur. Mr Wagner, your department specialises in physical infrastructure rather than information technology infrastructure. Do you believe it had the necessary skills for delivering this type of project?

Mr WAGNER: Yes, I do, and to the extent we were supported by expert IT advisors of Fujitsu and a series of other experts as required from time to time. We had the IT expert from government on the steering committee. We had Treasury on the steering committee. We had everyone around the table who needed to be there to make that outcome, yes.

Madam CHAIR: What role did the Department of Corporate and Information Services play in supporting your department's role?

Mr WAGNER: They had a place on the steering committee and I believe they had a seconded staff member as part of the project team.

Mr WOOD: Would it be fair to say – and we are probably going over old ground - you had the IT specialists, but the bit you did not have was the people who checked it out to see whether it worked from a business point of view?

Mr WAGNER: In our business, member for Nelson, there are two levels. There are the technical guys and then the project admin guys. This project, in hindsight, was largely driven by the project administration people and not as much by the technical or user people because the people that interface with these systems are often project administration based. I made a change. We have an executive director and two directors with technical backgrounds on the project on some of those committees Anne referred to earlier.

Mr WOOD: You spoke about going out live. When you went out live the first and second time, did you actually go out live?

Mr WAGNER: No.

Mr WOOD: When you went out live did you warn everybody - somebody says, 'I want to look at this parcel of land', and usually GIS can throw up contours, water logging, vegetation, so someone said, 'What is this land like?', someone puts in the information. Did anyone come and say, 'It only half works, I have the contours, but I have nothing else'? There was no feedback that there were problems on the coalface?

Mr WAGNER: Only minor problems, member for Nelson. The users, through the user acceptance testing, signed off to say they were happy with the functionality of the system as displayed to them. Once again, in hindsight, we did not necessarily do that with live or real data. They did scenario planning with dummy data in the systems. I believe the question

earlier was end-to-end tests with real data. That was a weakness and, in hindsight, we should have done a full end-to-end test with real data.

I guess, in defence of the guys, they did end-to-end tests in terms of a work order and invoice payment to ensure we could actually make a payment through the system, being a key function. That process was ticked, and it still had problems downstream because the GAS interface has some issues, as we have described.

Mr WOOD: But you had nine systems you were trying to put together as one?

Mr WAGNER: Yes.

Mr WOOD: As soon as you went live, you did not get feedback from the person at the front desk who was, all of a sudden, punching in a few details for a customer and they thought, 'This is not working'? You did not get that immediate feedback to say there was something wrong?

Mr WAGNER: Yes, we got a great deal of immediate feedback. The contingency plan was that we would revert back to legacy systems after five days if the thinking was that the system would not work adequately. We went through the first week or so and had a look at it, satisfied the steering committee or the group that was looking at the post go-live had satisfied themselves it was working adequately. Once again, people were telling us they were happy with the way it was working but, clearly, had not used it. So, that is what happened.

Madam CHAIR: I am just trying to think how the steering committee came to the point where it made the decision to go-live. Was that on advice from IT experts from within government, or what that from Fujitsu? Someone must have said to the steering committee , 'We either do it like this, or we do it like this'.

Mr WAGNER: The steering committee had two parts: one with Fujitsu attending as our expert advisers, and one for NTG staff only for that more confidential discussion. The advice I recall from Fujitsu and, in fact, the SAP experts was, yes, there was some risk, but we are good to go, given our representatives had signed off that they were happy.

Ms LEE: I have a really big question. The asset management system is not the first IT project to go significantly over time and over budget and produce other costs and hardships due to failure to function properly. The Queensland Health Payroll System Commission of Inquiry found two principle causes of the failure for the project: unwarranted urgencies, and lack of diligence on the part of state officials.

That commission further noted that those problems are common to this type of project. To quote the commission:

> *The particular circumstances of this failure may not recur, but the problems are systematic to government and to the natural commercial self-interest of vendors.*

That commission made three recommendations to prevent such failures reoccurring: there to be forward planning for all legacy systems; before the initiation of the new ICT project, specific attention be given to what lessons may be learnt from the health system's payroll system; and the government apply an appropriate structure to oversee the large ICT projects.

In his audits of the AMS, the Auditor-General suggested developing a knowledge system management system to capture data about IT system developments in order to reduce the responsibilities of future project teams repeating the mistakes of the past, while also being able to take advantage of the past successes.

What action are you taking to identify the lessons which may be learnt from the AMS project?

Mr WAGNER: I believe we have described the lessons learnt from the Auditor-General in his previous reports, incorporated that into the new government structure through Anne. I believe Anne has given you quite a detailed description of how we are approaching governance for this project going forward, and I am happy that is very thorough, as you have all heard.

Clearly, we have sought additional expert advice from external consultants, including Deloitte, to give us additional comfort that our strategies are sound. We have been that our strategies are sound, so that would be my take.

Madam CHAIR: If I could add to that, and perhaps it feeds into the next question, how would that information be made available to other agencies? Much of our job as a Public Accounts Committee is not only to hold the public service accountable for how it spends taxpayer money, but how we can ensure these types of costly mistakes do not occur going into the future. That is the end result for us and what is important to us moving forward.

We have a new governance framework in how to deal with getting AMS back up and going. The next layer is to ensure this never happens again in relation to IT projects. However, could this go into how DoI does business with other projects? How can other agencies, when dealing with IT, learn from these structures? Obviously we are trying to deal with the one critical issue, but it is a fair point that lessons need to be learnt and that is something we are interested in.

Mr WAGNER: Yes, and how we apply this across government. My feeling is the Department of Corporate and Information Services will likely be the lead on these projects in the future. Whether my department is involved with IT type projects of this scale, we would need to step back and look at. As it applies to our department, I am pushing the project management office approach and project management governance. We have trained most of our technical people in project management to give more certainty to appropriate processes to get the best value for money on all the projects we deliver on behalf of government.

Ms BRADFORD: If I might also add, I have done much work with industry to ensure we are educating and grooming our next IT professionals to understand IT is a tool rather than the whole purpose and, in addition, to ensure the lessons learnt are shared with other jurisdictions. I have travelled to Queensland, New South Wales and to Victoria to have a conversation in those jurisdictions about the lessons they have learnt from their large IT projects to ensure we do not replicate those same things. We have a think tank of people and those people are sharing some of those learnings so we do not replicate mistakes continuously.

Madam CHAIR: In my view, when you look at the steering committee and the CEs and the EDs and whoever was on the steering committee, and perhaps that lack of engagement,

this would have been one in a number of projects a CE would have in their mind at any one time - these types of lessons, this type of governance is applied, discussed and is valued because it is not the only project to go belly up in the Northern Territory and it will not be the last. It is not just IT and not just the Northern Territory.

You can be very aspirational in saying, 'We will ensure this goes across government', and things like that, but making it our business to ensure it does is a really important part of the legacy of this mistake. It can be a positive coming out of an extreme negative.

Mr PRICE: Mr Wagner, the failures of the Asset Management System project raised government-wide questions about the structures for the management of ICT projects and risk management. What action will you be taking to recommend any structural or procedural changes across government? Are you aware of any other action being taken across government to ensure changes are made to prevent similar problems reoccurring, and does the government have forward planning for all its legacy ICT systems?

Mr WAGNER: If I can take that question in several parts, the Auditor-General's lessons learnt report is on the record and is for everyone to look at going forward. My responsibility - this is really the only IT project my department is looking at. The other part of the answer to your question perhaps would be best coming from the Department of Corporate and Information Services, which takes the lead on most IT projects across government. I am not trying to duck the question, but they would be most involved in setting up the governance and procurement strategies and needs analysis etcetera for those projects.

Certainly, through the Cabinet decision process for this recovery phase, we looked at who was best positioned to lead this project. The decision, ultimately, was we would keep it in my agency for the reasons we talked about before.

Madam CHAIR: Are there any other questions from the committee?

Mr WOOD: I have one. You said DCIS might look at the guidelines. When Anne finishes her total report – and obviously it is going to be fairly detailed - I presume you will report back to government on what has been done. Will you summarise it to the government in saying, 'If you do not want this to happen again then you need to do this, this, and this'?

Mr WARNER: Yes. Thank you for that point, member for Nelson. Anne may not have made it totally clear; there are five Chief Executives on the steering committee this time around, including the Chief Executive from DCIS, so it is certainly close to those people's attention.

Mr WOOD: You would put some summary which gave advice to government that if they are going to go through a similar project then they will need to do these things to reduce the problems we have had with this existing system?

Mr WAGNER: Yes. We will clearly do a post-project review following this next phase, and report that back to government, no doubt about that at all.

Ms BRADFORD: At the end of each program we are doing a program closure. Part of that is, in fact, a post-activity evaluation to get lessons before we start on the next part of the journey, and that we go through our sponsor, the Minister for Infrastructure. He is very keen to ensure we do not replicate any of the errors of the past.

Mr WOOD: You might be able to sell it to another state.

Madam CHAIR: Wishful thinking.

Mr WOOD: Just to recover some money, that is all.

Madam CHAIR: Obviously the Department of Infrastructure is having to throw a lot of resources at pulling this together now it has come to a critical point. I am conscious also it has not only cost us $50m-plus to date, and it is four or five times over its projected costs but, ongoing, it is not only costing more in whatever the IT solutions will cost, but it is costing government resources, I imagine, Ms Bradford, otherwise you would be pursuing other avenues for DoI and doing other things. Do you have a team, or a rough number of people who are pouring a lot of their time into resolving AMS?

Ms BRADFORD: Indeed, Madam Chair. At the moment, we have roughly a complement of 50 people, of which there are approximately 24 public servants. All of those are fully funded from within the AMS bucket of money.

Madam CHAIR: Okay, no problem. Auditor-General, would you like to say anything?

Mr McGUINESS: Thank you, Madam Chair. What I have heard this morning from Ms Bradford and Mr Wagner it is heartening, in a way that at least we can take comfort from the fact that things are moving, and moving in the right direction.

It is probably unfortunate that it is has been done several years after it should have been. From all of this there are some glimmers of hope. I am aware the Department of Corporate and Information Services is being given the job of developing an IT policy and planning framework. I suspect the experience with the asset management system may well have been a catalyst for this. It is something I want look at in conjunction with DCIS in the next couple of months. I will come back to the Legislative Assembly with a summary of the state of that work and where it is likely to take us. It is probably one of things we need to do to ensure the experience of AMS is not repeated in the future.

A comment I may have made to the committee previously is that IT projects are difficult; no two are the same. A lot of it comes back to getting the right structures in place and having good project managers who can be described, almost, as the managing director of this organisation called the project team. Getting the right people into place is key to preventing these sorts of problems re-emerging.

Madam CHAIR: That is right. Finally, the public services that gives frank and fearless advice, is always the saying. I do not know whether it is too late or whether it would come out of this comprehensive review, but if it came to a point in looking at everything, one of the options that was decided by your review team that this is too much money, it is too far gone, and we just need to stop - is that something you would get to that point and, obviously, advise government on or, 'We are past that and we are sailing towards fixing'?

Ms BRADFORD: I might take that one, Madam Chair. I have given the sponsor my commitment that at no stage am I assuming we are going to continue spending. There will come a point if I believe there is no point going forward, that we need to change our course - I have put stage-gates in the framework I have put together to ensure each of those decisions are taken for the right reason rather than continuing the decisions of the past.

Madam CHAIR: Excellent, thank you.

We will be watching this journey closely. Thank you all very much for coming today. It is of great interest to us and to Territorians. Thank you for the diligence, time and resources you are applying to reviewing this. Thank you for your frank and fearless advice in respect of the project and whether or not it can even go ahead. It would be sad if we could not, but, at the same time, it is comforting for me to know that at least someone would say so.

Thank you very much for that. Thank you to the committee. Mr McGuiness, Mr Wagner, Ms Bradford, thank you very much once again. It was lovely to see you all.