



MEDIA RELEASE

PUBLIC ACCOUNTS COMMITTEE

20 August 2013

PUBLIC HEARING ON THE ASSET MANAGEMENT SYSTEM

The Public Accounts Committee (PAC) is holding a public hearing on the implementation of the NT Government's Asset Management System at Parliament House on 27 August 2013.

"Ultimately, this system should deliver significant cost savings and benefits through more efficient management of the Northern Territory's large asset base, however, the PAC has concerns about the implementation process which has taken significantly longer and cost substantially more than was originally planned," commented Ms Lia Finocchiaro, MLA, PAC Chair.

"Consequently, the PAC will be looking in detail at what is being done to make the system work properly, why things went wrong and how Agencies can ensure better management of IT projects in the future," said Ms Finocchiaro.

The Asset Management System is intended to bring together and replace nine computer systems across the whole of the NT Government for the management and maintenance of public housing, buildings, roads and other infrastructure assets.

The PAC from the previous Assembly undertook an investigation into the Asset Management System after the Auditor-General reported in February 2011 that problems with the management of the project led to the commencement date slipping from April 2010 to April 2011, and an increase in project costs from \$14 million to \$24 million.

The commencement date has continued to slip and while Phase 1 of the system went live in April 2012 it did not run as planned and the Auditor-General described the system as 'functionally incomplete' at the June 2012 Estimates hearings.

During the present Assembly the PAC held a hearing in November 2012 where it was told that actual costs at the end of August 2012 were \$28 million and that the total cost on completion is expected to be around \$70 million.

"A projected blow out that is 5 times the original cost is of great concern to the PAC. Our role is to ensure public service accountability and that tax payers' money is properly accounted for", Ms Finocchiaro said.

To date, Phase 2 of the project has still not been implemented and the estimated timeframe for achieving a fully functional system is another 2-3 years.

At the 27 August hearing, the PAC will receive an update from the Department of Infrastructure on the current status of this project and will hear the Department's explanations regarding the causes of project failures and what is being done to ensure that such failures do not occur again.

The hearing will commence at 12 noon in the Litchfield Room, Level 3 Parliament House.

Details available from <http://www.nt.gov.au/lant/>

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