Tabled by Minister *Page* *notes*
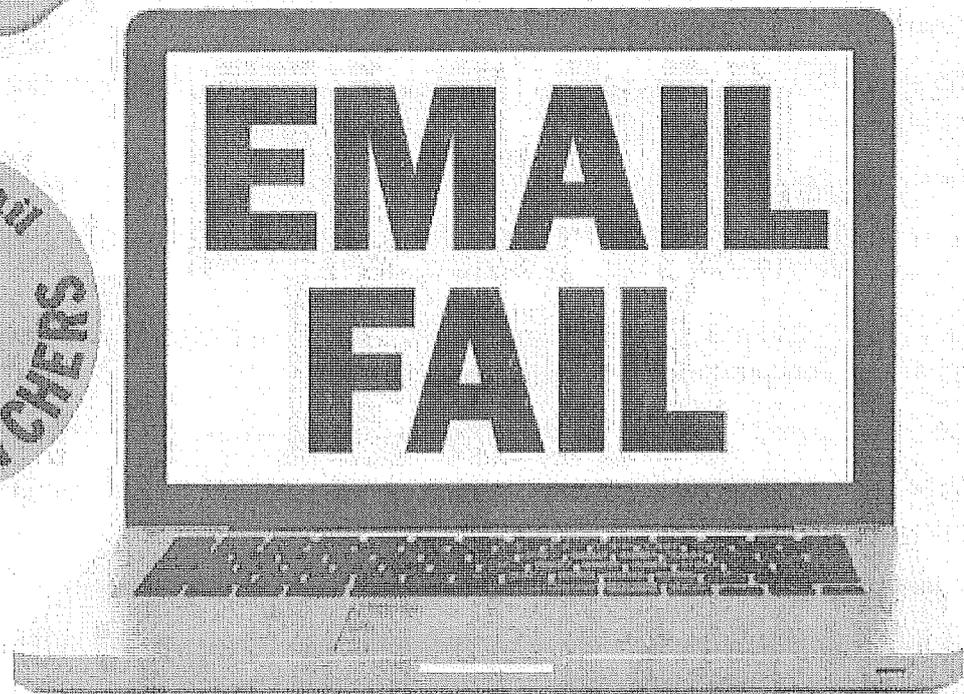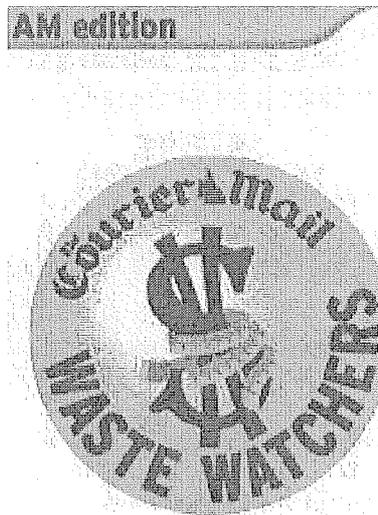*ElC Estimates hearing 16/10/12 7.56*

The Courier-Mail

Queensland

State email system a $46m white elephant

- by: Koren Helbig exclusive
- From:The Courier-Mail
- December 06, 201111:36AM
- 217 comments

AM edition

Source: The Courier-Mail

A MUCH-hyped email system which cost taxpayers $46 million has been rejected by most State Government departments.

LNP leader Campbell Newman this morning slammed the email program as a poorly handled waste of money.

He promised more accountability for IT projects if the LNP won government.

"You betcha," he said this morning, promising robust business cases and better oversight for all major projects.

He condemned ICT Minister Simon Finn's flippant dismissal of the decision to write off a $46 million loan to build the system.

"The Minister seems to pass it off as 'oh, it's only government money'," he said.

"Minister, by wasting this money, you're wasting the people's money ... and that's why people are paying higher water and power prices and rego bills."

Mr Finn hit back, insisting the system was under budget although behind schedule.

"This project is progressing on budget and within scope by any objective measure it is a success," he said.

Earlier, *The Courier-Mail* reported that a much-hyped email system which cost taxpayers $46 million had been rejected by most State Government departments.

Trumpeted as a revolutionary way to centralise systems allowing workers to more easily move between agencies, the email platform was rejected as too costly by some of the departments it was specifically designed for.

So far only 2000 users have signed up, at an estimated cost of $23,000 each – the price of a small car.

A Public Works Department spokesman insisted the Identity, Directory and Email Services program was set for wider installation by 2013 but sources said the Education, Communities and Community Safety departments had already opted out.

The state's largest agency, Queensland Health, is not included in the project scope and is unlikely to sign up.

The system has also been plagued by delays and is already two years behind schedule.

It is budgeted to cost $252 million over the next decade, with hopes $123 million would be recouped in efficiency savings.

But already a $46 million treasury loan, spent setting up the system, has been wiped to reduce charges and encourage hesitant agencies to join.

About 81,000 users are needed for the system to break even.

ICT Minister **Simon Finn** *(http://www.simonfinnmp.com/)* said the wiped loan was not a loss because "it's all the Government's money".

An industry source said: "They will never save one dollar on this project, ever."

It is the latest in a series of government IT failures, with $219 million already wasted on the health payroll debacle. The Public Works spokesman admitted the IDES savings were dependent on agencies accepting the system.

But he said the department was "currently in discussions" with agencies to move more bureaucrats on to the system, with Transport and Main Roads already committed.

Mr Finn denied agencies had opted out and stood behind the email system, saying it would improve security while giving staff more mobility and better remote access.

Sources said many who had commissioned the project had since left and those who took their place had "inherited a basket case" and were likely to become scapegoats for the system's failures.

They said the project, which included a single log-in so employees could access all programs after entering their details only once each day, was a "great idea" but had been "terribly executed".

Opposition ICT spokeswoman Ros Bates labelled the system a "monumental waste" that mirrored the payroll disaster because managers had "declared themselves exempt from good project governance".

Auditor-General Glenn Poole, in a June report, condemned the project's management as "not fully effective", with no clear business owner to push agencies to accept whole-of-government change.

He found only four agencies were expected to accept the system, with others choosing to reassess their priorities.

The summer floods had also hit budgets, meaning more departments had baulked at the cost to migrate, he found.

Mr Poole estimated only 20,000 users would be using IDES by December next year - 75 per cent less than expected.

"This will result in the program incurring further losses," he wrote.

Mr Finn disputed that, saying 53,000 users were expected by 2013.

All 10 government agencies using Microsoft Exchange would be forced to migrate by mid-2015 anyway, he said, with the remaining three departments given the option to choose.

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