

Question on Notice

No. 1440

Asked on 30 November 2022

MR B MICKELBERG ASKED THE MINISTER FOR HEALTH AND AMBULANCE SERVICES (HON Y D'ATH)—

QUESTION

With reference to the Health and Environment Committee 2022 Estimates Pre-hearing Question on Notice No. 16—

Will the Minister provide (a) a list of the Information Communication and Technology projects which recorded the \$73.3m underspend and (b) the value of the underspend per project?

ANSWER

While the full program of work associated with the state budget figure of \$120.488M was not realised in the 2021-22 financial year, it should be noted that due to the significant impact of COVID-19 and the support requirements of the health system, ICT resources were redirected and new initiatives stood up, to support Queensland Health's COVID-19 response totaling \$60.97M. These activities included:

- \$20.8 million on COVID-19 Vaccine Management rollout
- \$11.5 million on the COVID Remote Patient Monitoring Program
- \$4.935 million in capital fee-for-service priorities
- \$23.735 million in Clinical Program, Fee for Service activities.

I am advised by the department of the following in relation to the \$73.3M underspend of Information Communication and Technology (ICT) projects.

The reported underspend can be attributed to the following factors:

- Sustaining capital: Underspend of \$20.762M predominantly due to COVID resource challenges for ICT skill shortages and the impacts from supply chain shortage delays. As a result, assigned resources were redirected to support the COVID vaccine rollout and delivery of COVID Patient Management Programs.
- Infrastructure Maintenance Program (IMP): Underspend of \$31.059M was predominantly explained by the building industry-wide delays with sourcing site sub-contractors, compounded by site access impacts due to COVID and flu pressures at hospitals, latent conditions at sites, and impacts of the February 2022 floods.
- \$19.243M in budget reduction impacted the 2021-22 budget figures due to non-capital expense incurred in the ICT Capital project spend. This swap or movement of capital to expense is a standard expenditure re-categorisation to meet accounting standard requirements and results in no impact on total ICT project spend.

- The remaining \$2.236M movement from the estimated expenditure underspend of \$73.3M as compared to the audited expenditure value of \$70.409M spent in 2021-22 is predominantly due to actual expenditures incurred in the Departmental accounts for the end of financial year as compared to the estimated number in the Estimates pre-hearing Question on Notice No. 16.

Further, it is important to note that the variances are predominantly due to expenditure deferrals rather than underspend, due to timing of expenditure which are delays compared to whole of life budgets. As highlighted capital expenditures have been impacted by various factors covered in sustaining capital and IMP explanations outlined above.