

QUESTION TAKEN ON NOTICE

SUPPLEMENTARY BUDGET ESTIMATES HEARING : 17 October 2016

IMMIGRATION AND BORDER PROTECTION PORTFOLIO

(SE16/044) - Solon and Rau - Internal Product (DIBP)

Senator Carr, Kim (L&CA 114) asked:

Senator KIM CARR: In 2006, following the inquiries into the Solon and Rau matters, there were extensions to contracts or upgrades of contracts at that point.

Ms Fernandez: They may have been. I would have to take that on notice.

Senator KIM CARR: Can you confirm for me whether or not the Systems for People contract was originally worth \$495 million but ended up costing \$659 million?

Mr Pezzullo: We will take that on notice. To be clear—I was not here 10 years ago either, but my knowledge of these matters is perhaps a bit more precise—Systems for People was a response to those two incidents. They were reviewed by two gentlemen, Palmer and Comrie, as a result of which a significant change program was embarked upon that had the generic title or program name of Systems for People, of which the IT component was very significant. Roughly, I think it initially had a scope in the order that you have suggested, but we will check that on the historical record and come back to you on notice.

Senator KIM CARR: I was here.

Mr Pezzullo: You were.

Senator KIM CARR: And my recollection—I may well have been at this committee at that time—was that the original arrangements were for parallel reviews in a business-needs ICT governance, ICT infrastructure foundations and record keeping that led to contracts being awarded in May 2006, a budget funding of \$650 million. You can confirm whether or not that is the case. The reason I ask this is that IBM is no stranger to this process. How long has IBM been a partner of this department or its predecessors?

Ms Fernandez: IBM has provided mainframe services for Customs and Border Protection since 2007.

Senator KIM CARR: But in the department of immigration? Certainly before that. I just indicated to you 2006.

Ms Fernandez: I would have to take that on notice. It would be quite a number of years.

Answer:

The overall departmental programme budget for Systems for People (SfP) Program was initially \$495 million and was extended to \$659 million. The work awarded to IBM was a subset of the overall departmental spend on the programme.

The initial strategic partnership between IBM and the Department was for the SfP Program between 2006 and 2011. Prior to 2006 the Department had only transacted with IBM on an ad hoc basis for the procurement of various items of computing hardware and software.