People Manager Complexity

ESTIMATE. PROJECT COMPETENCE.[1]

Details   When a $3.4 million blow-out in the cost of a web-site revamp for the Department of Communications, Information Technology and the Arts hit the fan last week, the most dramatic response came from the responsible minister.[2]

Senator Richard Alston took very large steps immediately in the opposite direction, leaving his department to cop it sweet. 'This expenditure was entirely the responsibility of the department, along with any approval processes associated with spending on the web-site redevelopment,' he said. In response to a question put on notice by Labor IT shadow minister Senator Kate Lundy, the department revealed that the total cost had topped the $4 million mark.

Craddock Morton, chief general manager of the department's Corporate and Business Division, said at the hearing that the department's expectations of the over-all cost of the web-site upgrade had been 'quite unrealistic'. 'The time frame and cost that we originally attributed were obviously unmeetable,' he said. 'Certainly our original estimate was very wrong.' The department had not had adequate development skills at the outset of the process and the scope of the web site's upgrading had increased in the course of the project. 'Various government requirements were imposed on us which required us to go in different directions and to do different builds for example, in relation to the secure environment,' he said. 'By and large, the reason it took so long was that it was a learning process for us as we went and it took us some time to get it right.'

When asked for a more detailed explanation of the cost miscalculation and the decision-making process, a departmental spokeswoman[3] issued a four-point statement:

The department had enhanced its IT project governance framework since, including enhanced budgetary requirements and reporting. 'Undertaking and managing a project of this scale has increased the department's skills, knowledge and understanding of web and online technologies and development issues' the spokeswoman said.

The lead contractor, Fujitsu Australia, declined to provide any comment for the Canberra Times article.

Cast	Role
Richard Alston	Senator, Australian Parliament
Kate Lundy	Senator, Australian Parliament
Craddock Morton	Chief general manager, Corporate and Business Division, DCITA
Unknown	Departmental spokeswoman

Table 1: P_3 Cast

[2] As this is publicly reported event we have kept the real names of the cast.

Date	Amount
Late 1999	$ 600,000
Late 2000	$1,760,000
Mid 2002	$4,018,806

Table 2: Cost Blowout

Tenderer	Amount
Fujitsu	$> \$500,000$
Vignette	$> \$900,000$
Advertising	$\$71,771$
Web-site	$\$1,212,810$
Hardware	$\$661,426$
Software	$\$927,706$
Hosting	$\$956,047$
Enhancements	$\$181,678$
Stamp duty	$\$7,369$
Total	$\$4,018,806$

Table 3: Cost Distribution

[3] When I tried to find out who this person actually was I was told (by another unidentified person on the phone that the department does not identify individual workers, "Who they are does not matter, it is the role they perform that matters." I disagree.

Four Point Statement
Over-ambitious expectations
CMS more complex
Costs were greater
No allowance for ongoing costs
Extra Reasons for excessive costs.
Inadequate development skills
Imposed government requirements

Table 4: Four Point Statement