



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2023-2024

Mr Mark Parton MLA (Chair), Ms Jo Clay MLA (Deputy Chair),
Mr Michael Pettersson MLA

ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS

Asked by Mr Parton on 31 July 2023: Mr Steel MLA took on notice the following question(s):

[Ref: Uncorrected Hansard Transcript 31 July 2023 [PAGE 50 - 51]

In relation to: HRIMS Learning

[Insert details of question taken on notice]

THE CHAIR: Excellent. As we are not inviting opening statements we will now proceed to questions. Minister, it would seem odd for us starting this session with any other topic than this, just given the publicity that this saga has garnered up until this point, and I am talking about the \$76 million that was spent on the now-abandoned Human Resource Information Management System.

Last year during budget estimates you proudly exclaimed that the HRIMS learning had been launched. You also advised the system's ongoing development would enable us to generate savings in the longer term in the management of those systems through efficiencies and, you know, it is safe to say that those comments did not age well. Can you please advise what date you knew that the program would have to be abandoned and whether this decision was made by cabinet to cease its progression?

Mr Steel: So the decision has been made in the budget to cease the human resource HRIMS program and that was made on the basis of a number of reviews that were undertaken following the first, I guess, point that we knew the program was not on track which was in December 2022. I took on the role of Special Minister of State in November—sorry, my apologies, December 2020. I took on the role of Special Minister of State in November 2020 once we became aware that it was not on track during the height of the COVID-19 pandemic.

We initially sought to reset the program and look at how we could continue to complete the program. Following further investigation we paused the program and undertook a review into what happened and then the subsequent review, which was undertaken later on, revealed that there was an option that had been discounted initially to look at upgrading the existing HR21 and CHRIS21 systems.

And so that is ultimately the budget—we have made a decision through the budget to change approach and pivot to upgrading the existing systems. And what this really came down to was the question of whether we wanted to spend \$142 million more on the HRIMS system, more than we had already spent to deliver that program with the transition to SAP SuccessFactors, or undertake a much lower cost and lower risk process of updating the existing systems.

And so that is the decision that we have made in the budget. I can come back to you on notice around the particular time but I think the review that was undertaken by Geoffrey Leeper came late last year. Certainly though in relation to the comments I made about savings, and the whole purpose of upgrading our outdated legacy HR and payroll systems is to provide efficiencies and the HRIMS program was meant to deliver savings to the system.

Special Minister of State: The answer to the Member's question is as follows: –

The HRIMS Project Management Plan outlined that the 'The ACT Government's vision for HRIMS is to evolve the HR capability through the implementation of an integrated technology backbone to improve process efficiency and effectiveness, allowing resources to focus on higher value add activities'.

In April 2022 the HRIMS Learning management system was delivered and continues to be used across the ACT Public Service.

2022-23 Budget estimates hearings for CMTEDD took place on 26 August 2022. In a response to a question from Dr Paterson I said:

Mr Steel: Obviously this is an important system to replace some of the ageing legacy payroll systems, in particular, across government, going forward. That may enable us to generate savings in the longer-term in the management of those systems through efficiencies. We are trying to make sure that the solution delivers what we set out to deliver, and that is part of what is happening at the moment, working with Deloitte, the delivery partner, to see where we are at in the process in terms of what is being delivered, and then setting a program, going forward, to deliver a project which is value for money.

Throughout 2022 the focus was on completing assessments of the Program to enable the HRIMS Program to recommence and achieve the benefits through the continued implementation of SAP SuccessFactors.

From August 2022 through to December 2022 an assessment of the technical build and remaining effort to complete the SAP SuccessFactors implementation was completed. This work was a necessary precondition to understanding the \$142 million dollar cost that would have been incurred by proceeding with HRIMS, thereby enabling the Government to compare that cost against other options.

In mid-December 2022 the option of upgrading the existing payroll and HR ICT solutions was explored and was subsequently included as an option in the 2023-24 business case.

On 21 March 2023, I was briefed on the business case options which included the revised implementation approach including the option of upgrading the existing HR and payroll solutions.

The final Leeper review was handed to Government in May 2023 and noted that a previous feasibility study had 'discarded any option that would have updated and/or expanded the Chris21 functionality'.

The decision to revise the implementation approach by ending the HRIMS program and instead upgrade the existing HR and payroll solutions was made as part of the 2023/24 Budget process, which was undertaken between March and June 2023.

It is also expected that the new program to upgrade existing HR and payroll solutions will also result in efficiencies being realised, in time, with the removal of manual processes.

Approved for circulation to the Select Committee on Estimates 2023-2024

Signature:



Date:

15/8/23

By the Special Minister of State, Chris Steel MLA