















Audit  
**Tasmania**

# Planning and early implementation of the Human Resource Information System (HRIS)

**Report of the Auditor-General No. 10 of 2025-26**

# HRIS projects are notoriously expensive and complex

Jurisdiction	Project	Estimated Cost	Result	
	Canadian public service payroll system	\$3.5 billion (CAD)		Widespread pay errors required years of costly remediation and additional investment.
	Queensland Health payroll system	\$1.2 billion		Implementation failures led to Commission of Inquiry and 'terrible consequences' for employees.
	NSW public service payroll system	\$360 million		Implemented a common platform for 75 agencies in 2024, extending to another 100 agencies.
	Western Australia public service shared services	\$370 million		2003-2011 project to centralise finance, procurement and human resources did not succeed. New \$270m HR reform program in WA Health underway.
	Australian public service finance, HR and procurement system	\$340 million		Project terminated when objectives were not achieved.
	ACT public service HR system	\$78 million		Only one module (a learning management system) delivered

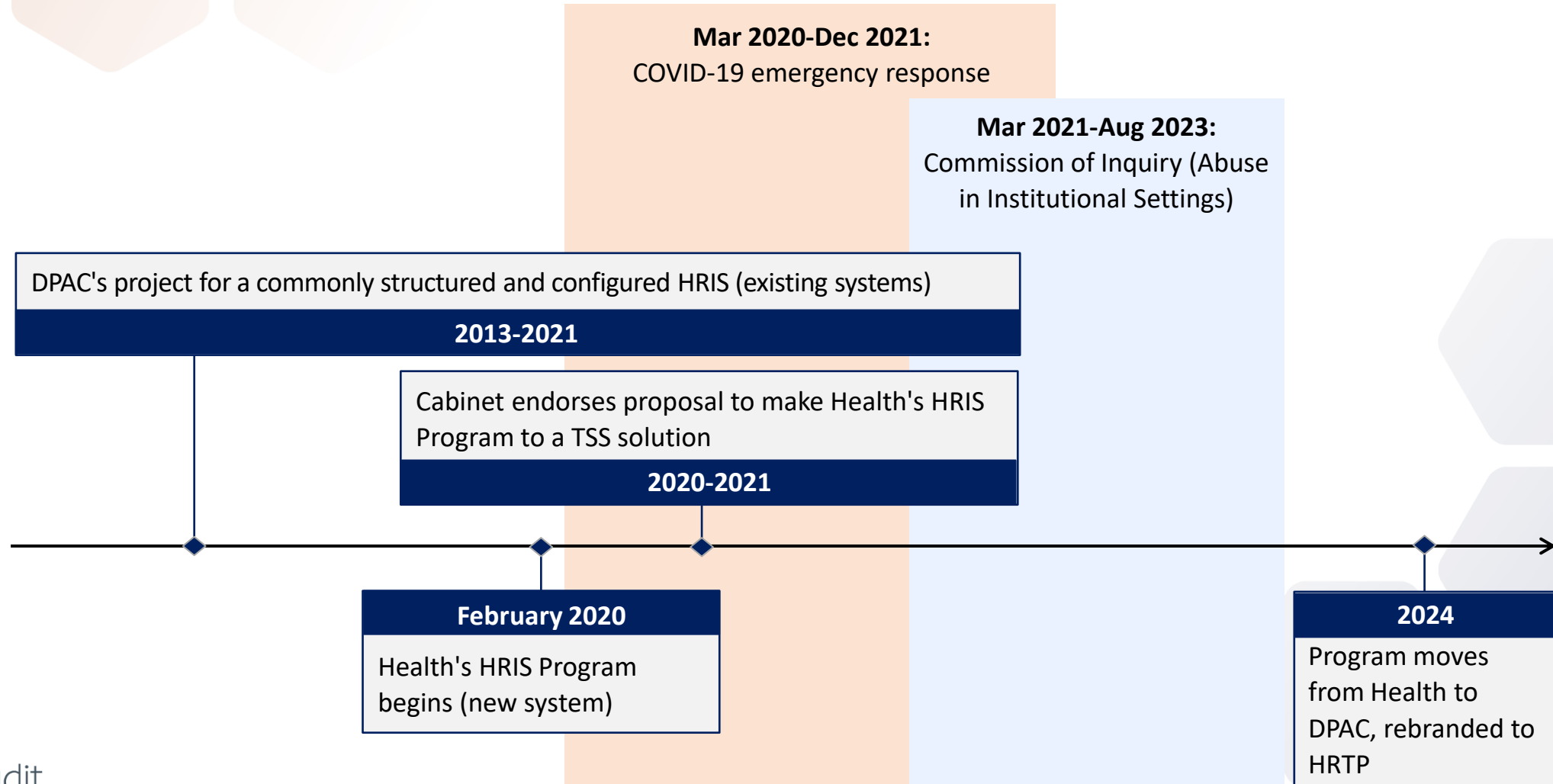
# There is a critical need for this project to succeed but...

- In 2020, Health's business case anticipated the implementation of a complete HRIS system by the end of 2022, at a total capital cost of \$22m
- The program has now been running for 6 years, and not a single planned module has been delivered
- DPAC's most recent (draft) business case (there have been at least 6) envisages completion by Q4 2028

# There is a critical need for this project to succeed but...

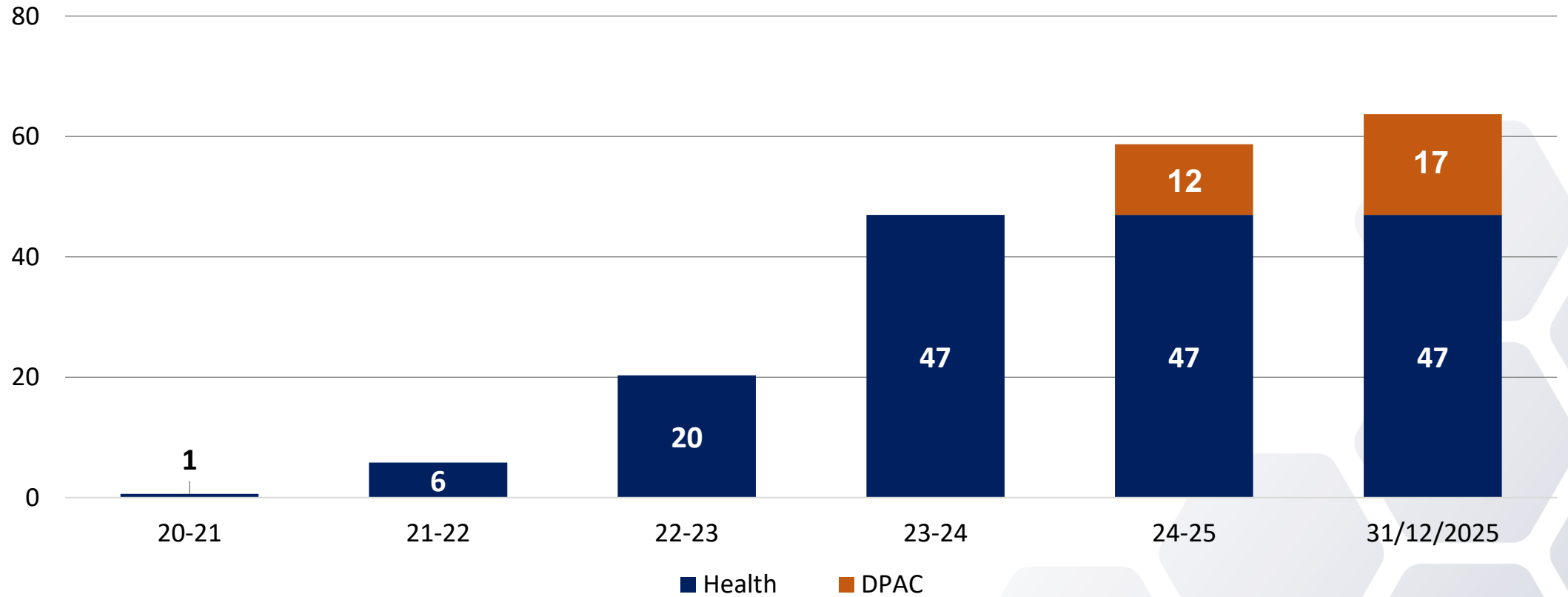
- To date, the program has cost \$66.7m. The current estimate to complete the project is an additional \$53.1m, resulting in a total expected cost of \$119.8m
- Of the \$53.1m estimated to complete the project, only \$24.8m was included in the recent budget and nothing provided in the forward estimates
- We are unable to provide assurance that the program will succeed in its current form or within its current cost estimate.

# Tasmanian HRIS timeline so far



# Cumulative expenditure on HRIS so far

\$ millions



# What we expected to find...

We expect Health and DPAC to:

- define **clear** and evidence-based program **outcomes** from the HRIS
- assess design and implementation **risks** during planning
- establish **governance** arrangements that facilitated effective decision-making and risk management
- track and transparently **report** program progress.

# What we concluded

- Health's planning and early implementation of its HRIS Program was not effective or economical. Governance arrangements were ineffective, and Health spent \$47m without delivering any of the intended modules before the transition to DPAC.
- While planning, governance and early delivery have improved under DPAC, the HRTP remains at risk due to unresolved the significant issues that Health failed to address.

# Limitation of scope

Cabinet's decision was not transparent to the HRIS program team or Audit Tasmania.

This meant:

- the HRIS Program team's ability to successfully deliver the program was adversely affected; and
- Audit Tasmania's ability to meaningfully conclude on the effectiveness of Health's delivery of the HRIS Program was limited.

# Key findings – Health

1. In 2020, Health developed a draft business case in an appropriate format, however:
  - Health’s several steering committees did not approve the business case
  - Insufficient engagement with business process owners during business case development
  - Lack of feasibility analysis or revision after significant HRIS Program scope changes.

# Key findings – Health

2. Health did not effectively assess or manage risks
  - Lack of stakeholders and business owner’s feedback reduced the efficiency of risk assessment
3. Health’s governance arrangements were not effective
  - Roles and responsibilities not finalised or revised as the program evolved
  - The key system design decisions were not resolved
  - Health delivered a case management system, but it was not part of the original scope of work and is no longer fit-for-purpose

# Key findings – Health

To succeed, Health needed to decide on a consistent approach to...



...interpretation of awards\*

\*identified as a dependency in 2020



...multiple or concurrent employment



...rostering\*

\*identified as a dependency in 2020, audited by Audit Tasmania in 2019

# Key findings – Health

HRIS Project Steering Committee																			
	Jan 22	Feb 22	Apr 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	
Interpretation of awards	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	None	None	None
Concurrent employment	None	None	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	None	None	None
Rostering	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	Severe	None	None	None	None	None	Medium	Severe	Severe	Severe	Severe

**Key:**



Reported as severe risk



Reported as medium risk

# Key findings – Health

4. Health's reporting was not effective or sufficient
  - Health's internal reporting practices were not effective
  - Health did not sufficiently communicate program progress externally

## Key findings – DPAC

1. DPAC has developed a draft business case, however, DPAC's business case has not been finalised or fully funded.
2. DPAC considered risks in planning and has improved engagement with stakeholders.
  - Some stakeholders were not fully engaged in risk assessment processes, which is being rectified by the HRTP team.

# Key findings – DPAC

Respondents to Audit Tasmania’s survey – key stakeholders do not feel they understand the risks adequately

*‘There isn't a risk register (or similar) that is shared and updated in discussion with the HR Directors, so I have little confidence that risk mitigation strategies are clearly defined and managed and appropriately escalated through the governance model.’*

*‘At times, detailed information regarding risk assessments have not flowed through to HRD's in as timely a manner as would be preferred.’*

*‘I do not feel that I have a comprehensive view on all the risks and barriers and how these are being managed’*

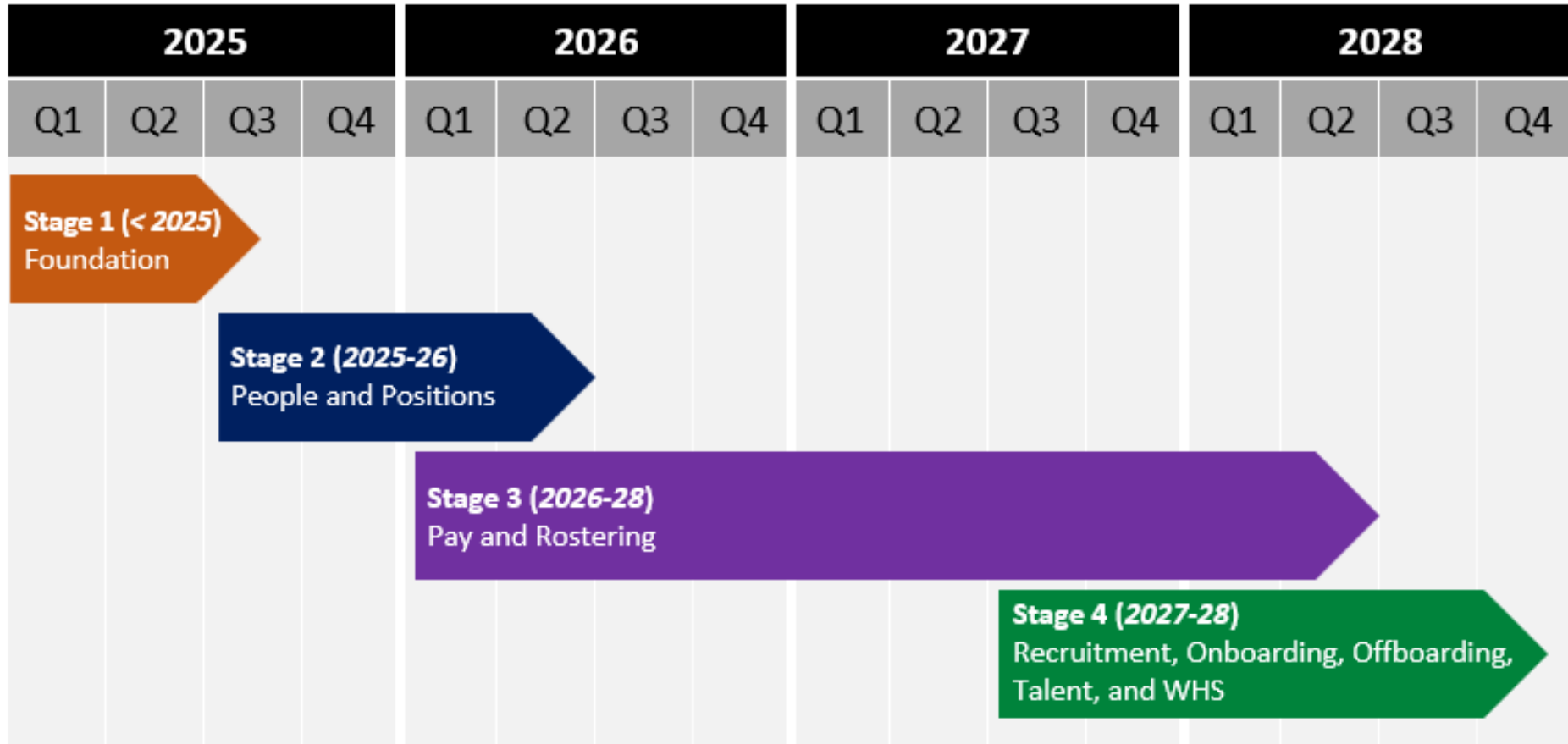
*‘While I offer advice on potential risks and mitigation, I am not aware of what the actual mitigation strategies are, how they were developed or who is accountable for them.’*

## Key findings – DPAC

3. DPAC has established an appropriate governance framework, but has not yet resolved key system design decisions
4. DPAC has appropriate internal and improving external tracking and reporting, but
  - DPAC has not established a strategy for communicating program progress externally
  - Information provided to decision makers was not complete or adequate

***To reiterate, despite the improvements noted, we are unable to provide assurance that the program will succeed in its current form or within its current cost estimate.***

# DPAC's current timeline



# What we recommended - Health

<b>Health</b>	<p>Health only progresses current and future IT projects if the Department:</p> <ul style="list-style-type: none"><li>• ensures approved business cases are developed and approved before substantive work begins</li><li>• engages with business process owners during planning and risk assessments to resolve key project dependencies at an early stage</li><li>• plans for, and undertakes, sufficient external communication to keep relevant stakeholders informed</li><li>• establishes and complies with well-defined project gates to ensure the impact of any ineffective governance is minimised</li><li>• assesses steering committee's capability to govern over relevant projects.</li></ul>	<b>ACCEPTED</b>
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# What we recommended - DPAC

<b>DPAC</b>	<ul style="list-style-type: none"><li>• DPAC finalises and receives approval from all relevant stakeholders on its business case before moving forward with the HRTP.</li><li>• DPAC uses well-defined project gates to resolve key design issues, which may result in stopping or adjusting the program if these issues are not resolved.</li></ul>	<b>ACCEPTED</b>
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# Responses

Both Health and DPAC agreed to all recommendations. The agencies' full responses to the report are at Appendix C of the full report, as well as a response from the Premier.

While, these responses agree with recommendations, they essentially challenge the characterisation of the findings within the report.

Given the nature of the responses received, a brief rejoinder has been included to emphasise the evidence-based nature of the review, including the rigorous checks and balances involved prior to forming conclusions.