



Report of the Auditor-General

No. 10 of 2025-26

Planning and early implementation of the Human Resource Information System

25 May 2026



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Foreword

I undertook this performance audit at the request of the Public Accounts Committee and senior officials in Government because they were concerned about the cost and time spent on the Human Resource Information System (HRIS) program and did not know what was being achieved. Their concerns were justified.

There is a critical need for contemporary HR practices supported by an appropriate digital solution in the Tasmanian State Service. The costs of not addressing this known problem have been, and will continue to be, significant until a solution is implemented.

Over 4 years from 2020 to 2024, the Department of Health (Health) spent \$47 million in public funds and did not deliver any intended modules of the system. Since transition to the Department of Premier and Cabinet (DPAC), that agency has spent a further \$19.7 million and anticipate a further \$53.1 million will be required to complete the program. So, according to DPAC's latest business case and amounts already expended, this results in a total expected program cost of \$119.8 million.

When seeking to understand why, we found key system design requirements such as interpretation of awards, handling multiple or concurrent employment, and rostering, that needed to be addressed before the program could work. These issues were raised within Health repeatedly throughout 2022 and 2023 but never resolved. Health then commissioned an external review in 2024 which found that overall governance of the HRIS program was ineffective. The review also found that the steering committee did not have the required capability to successfully govern the program.

In 2024 DPAC assumed responsibility for the program. While there have been improvements in governance and some dependencies are being addressed, it is too early to provide assurance on its likely outcome.

While outside the scope of this audit, it is critical that Health addresses the recommendations of this report before progressing with more expansive digital solutions planned as part of its 10 year \$478 million Bluegum Health Transformation.

State entities should either demonstrate effective digital program capability, or transfer program management, to prevent further waste of public funds. Programs such as these are complex business transformations. It is important that all State entities learn from past mistakes, lest they be repeated.



Martin Thompson
Auditor-General

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2026
PARLIAMENT OF TASMANIA

Planning and early implementation of the Human Resource Information System

25 May 2026

Presented to both Houses of Parliament pursuant to
Section 30(1) of the *Audit Act 2008*

Acknowledgement of country

In recognition of the deep history and culture of Tasmania, we acknowledge and pay respect to Tasmanian Aboriginal people, the past and present custodians of this island. We respect Tasmanian Aboriginal people, their culture, and their rights as the first peoples of this land. We recognise and value Aboriginal histories, knowledge and lived experiences and commit to being culturally inclusive and respectful in our working relationships.

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Executive summary

Our conclusion

The Department of Health's (Health) planning and early implementation of its Human Resource Information System Program (HRIS Program) was not effective or economical. Governance arrangements were ineffective, and Health spent \$47m without delivering any of the intended modules at the time of the transition to the Department of Premier and Cabinet (DPAC) in mid-2024.

Under DPAC, planning and early implementation of the new Human Resource Transformation Program (HRTTP) has improved. Governance arrangements, stakeholder engagement and external reporting practices have also improved. However, the program remains at risk as DPAC has not resolved the significant issues that Health failed to address.

Disclaimer

Our inability to access Cabinet documents limited the audit. We could not assess whether Health's implementation of the HRIS Program was consistent with the Cabinet decision. See paragraphs 2.23 to 2.25 for more detail.

Our key findings

Health's management of the HRIS Program

Overall, Health's planning, early implementation, and program governance for the HRIS Program was not effective or economical.

Health spent approximately \$47m over 4 years on the HRIS Program prior to its transfer to DPAC in mid-2024. As the program of work did not progress to system testing, Health was not able to deliver any of the intended HRIS modules. The reasons for this were:

- the business case, and other critical program documentation, was never finalised following changes in the HRIS Program's scope
- despite its aims to deliver a business-led organisational change program, the HRIS Program evolved as an IT system project due to Health:
 - not establishing adequate mitigation strategies for known risks, resulting in those risks remaining unresolved throughout the life of the project
 - not sufficiently engaging relevant stakeholders when assessing risks as the key dependencies were not acted upon at the right levels in the organisation
 - not establishing an appropriate decision-making framework
 - using steering committees without sufficient capability to lead a complex transformation of this kind.

As a result, Health did not resolve or properly manage key risks nor make key system design decisions. These were not IT issues but were necessary steps for the HRIS Program to

succeed. They included the following key system design elements, which were identified in the business cases, risk registers and steering committees' meeting minutes, but never resolved.



Source: Audit Tasmania, based on internal Health documentation.

Health advised that many of the issues were buried deep in the organisation at the regional and unit levels and the steering committee did not have the reach to enable resolution. This reinforces earlier findings by Audit Tasmania in relation to Health's 'lack of action to address known issues and the risks they create.'

Health did not establish an appropriate external-facing communication strategy to inform the Parliament, the public or other stakeholders (such as end-users) of program progress. Health did not provide sufficient briefings to Ministers, meaning Parliament was not adequately informed on impediments to progress and the decision made by Cabinet to expand the program to whole-of-government.

In mid-2024, responsibility for the program was transferred to DPAC.

DPAC's management of the H RTP

DPAC has, in part, strengthened governance for the H RTP (formerly HRIS Program) and re-established the program as a whole-of-government change.

DPAC has appropriately defined outcomes, and integrated lessons learned from Health and other jurisdictions. However, as with Health's HRIS Program, the business case has not been finalised and approved by all relevant stakeholders.

DPAC has planned, assessed, and assigned management of risks in accordance with its enterprise-wide risk management framework. However, DPAC has not yet addressed key risks and dependencies since taking over the program in mid-2024. As a result, we are unable to provide assurance at this point that the program will succeed in its current form.

DPAC has made recent progress on establishing a strategy for engaging with relevant external stakeholders, however it is too early to assess the effectiveness.

DPAC has identified that the project will not be able to be completed within the available budget, however, are continuing to progress on the expectation that additional funding will be provided in future budgets. Therefore, there is an ongoing risk that mistakes at Health will be repeated in DPAC's program.

Subsequent Event – H RTP Funding

On 21 May 2025 the Tasmanian State Budget was presented to the Parliament. While the Budget provided for \$24.8m in funding for the H RTP in 2026-27, no amount was included across the forward estimates. DPAC’s latest business case identifies that H RTP costs across the budget and forward estimates period are expected to be \$53.1m. The gap of \$28.3m represents expenditure that DPAC has identified as necessary to deliver the H RTP that is not included in the forward estimates. This creates a level of uncertainty as to the availability of funding to deliver the project as detailed in the latest business case.

In relation to this matter, DPAC advised: ‘...we have been working with the Department of Treasury and Finance to finalise the latest version of the H RTP Business Case, which was approved this month. This will now provide the basis for a final 2027-28 Budget request for the remaining funding to finalise the rollout of the Whole of Government solution which is estimated to complete in 2028-29 financial year. Our budget requests have been iterative, based on updates on enterprise solution rollout costs and impact on agencies for business readiness and transition.’

Recommendations

We made one recommendation to Health and two recommendations to DPAC, which are noted in the table below. While directed to the agencies audited, it would be advisable for other State entities to take note of the contents of this report.

We recommended that...	The recommendation was...	Expected completion is...
<p>1. Health only progresses current and future IT projects if the Department:</p> <ul style="list-style-type: none"> ensures approved business cases are developed and approved before substantive work begins 	<p>Accepted – the Department already mandates that all major digital initiatives require formally approved and endorsed business cases prior to commencement of substantive delivery activity. The Department’s Strategic Information Management and Technology Committee (SIMTC) has been reviewed and recreated as an authorising environment with key Health Board and THS Executives as members.</p>	<p>Completed</p> <p>Responsible party: Chief Information Officer</p>

<ul style="list-style-type: none"> engages with business process owners during planning and risk assessments to resolve key project dependencies at an early stage 	<p>Accepted – for major digital transformation projects, the Department will strengthen requirements for early and ongoing engagement of business process owners throughout program design, planning and risk assessment. This will include clear accountability for identifying and resolving key dependencies, particularly those relating to business process, policy and workforce design, prior to commencement of major implementation activity.</p>	<p>Underway – December 2026</p> <p>Responsible party: Chief Information Officer</p>
<ul style="list-style-type: none"> plans for, and undertakes, sufficient external communication to keep relevant stakeholders informed 	<p>Accepted – The Department will continue its structured stakeholder engagement and communication framework for major digital initiatives. It already requires identification of internal, external and cross-agency stakeholders, defined communication objectives, and delivery of communication activities aligned to program lifecycle stages, including external visibility for complex transformation programs.</p>	<p>Completed</p> <p>Responsible party: Chief Information Officer</p>
<ul style="list-style-type: none"> establishes and complies with well-defined project gates to ensure the impact of any ineffective governance is minimised 	<p>Accepted – the Department has established and embedded formal project and program gating frameworks, with clearly defined entry and exit criteria aligned to governance, business readiness, risk exposure and design maturity for major digital transformation programs. Governance structures will be required to formally assess progression at each gate, with authority to pause, reset or cease delivery where criteria are not met.</p>	<p>Completed</p> <p>Responsible party: Chief Information Officer</p>
<ul style="list-style-type: none"> assesses steering committee’s capability to govern over relevant projects. 	<p>Accepted – the Department will implement a formal process to ensure that governance bodies for major initiatives (including steering committees and executive oversight groups) are appropriately structured and capable, with sufficient seniority, expertise and organisational reach to support decision-making and resolution of enterprise-level issues. This will include periodic review of governance effectiveness for complex programs. The first step in this has been the review and re-invigoration of SIMTC.</p>	<p>September 2026</p> <p>Responsible party: Secretary</p>

<p>2. DPAC finalises and receives approval from all relevant stakeholders on its business case before moving forward with the H RTP.</p>	<p>Accepted – the 2026 HR Transformation Business case has been reviewed and approved.</p>	<p>Completed Responsible party: Head of Agency</p>
<p>3. 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.</p>	<p>Accepted – the Department has embedded formal stage gates within the program, with clearly defined entry and exit criteria assessing, technical aspects, change management, business readiness requirements together with a formal risk assessment.</p> <p>Established program governance forums assess progression at each gate, with authority to proceed, pause, or cease delivery where gating criteria are not met or risks are not sufficiently mitigated.</p>	<p>Completed Responsible party: Program Director</p>

Summary of submissions and comments received

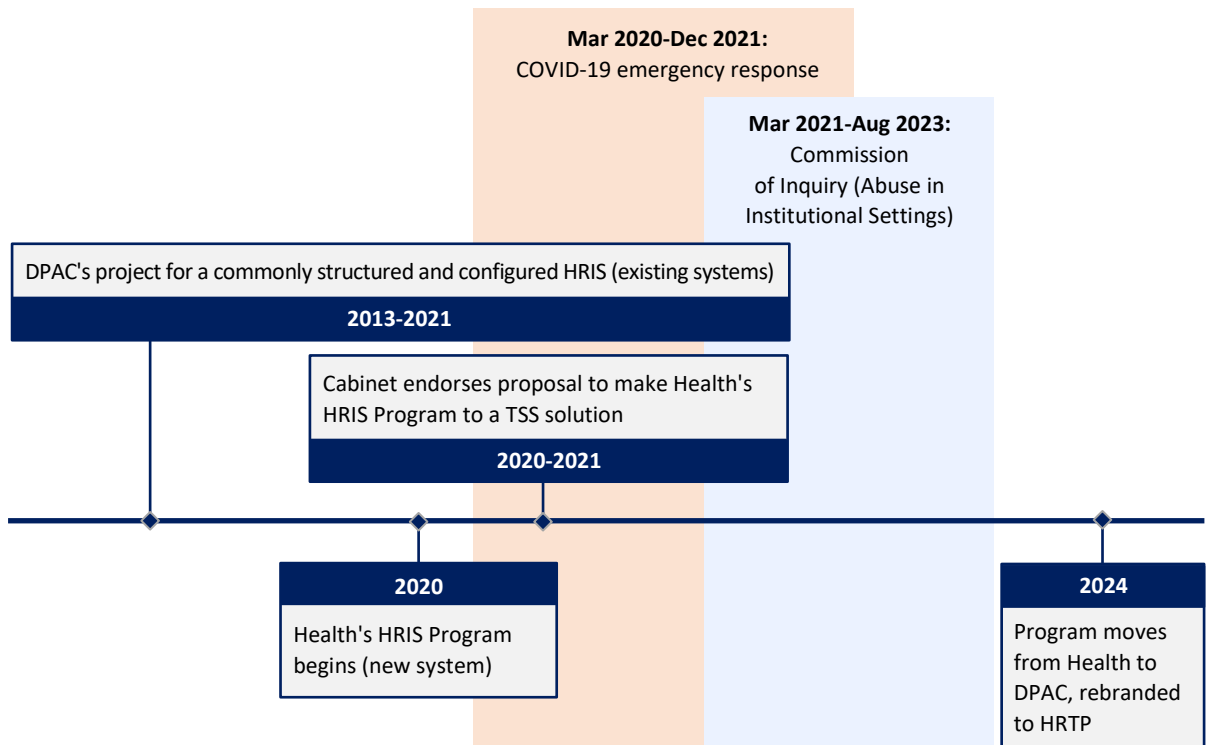
Both Health and DPAC agreed to all recommendations. The agencies' full responses to the report are at Appendix C, as well as a response from the Premier.

1. Introduction

HRIS reform has been needed for the TSS since at least 2013

- 1.1 Most Tasmanian State Service (TSS) entities have used EmpowerHR for payroll since the early 1990s. They also use a range of other digital and paper-based systems and processes for other employee-related tasks such as staff management, recruitment, rostering, leave, and learning and development.
- 1.2 The need for reform was identified as early as 2013, when DPAC developed a business case to deliver a commonly structured and configured system. This business case was endorsed in 2016 and a project to better configure existing systems ran until early 2021. It was stopped following a review which found there was:
 - no proper project management approach
 - a lack of appropriate governance arrangements
 - a lack of reporting and accountability for decisions
 - extreme or high levels of risk for all areas examined as part of the review.
- 1.3 This audit report focusses on the planning and early implementation of the HRIS Program and H RTP that followed these earlier efforts. The project was intended to replace, rather than reconfigure, old systems. This audit covered:
 - Health's **Human Resource Information System Program (HRIS Program)**, which ran from 2020 to July 2024
 - DPAC's **Human Resource Transformation Program (H RTP)**, which began in July 2024 and is ongoing.
- 1.4 Figure 1 outlines major TSS HR reform programs and other significant events that have occurred since 2014.

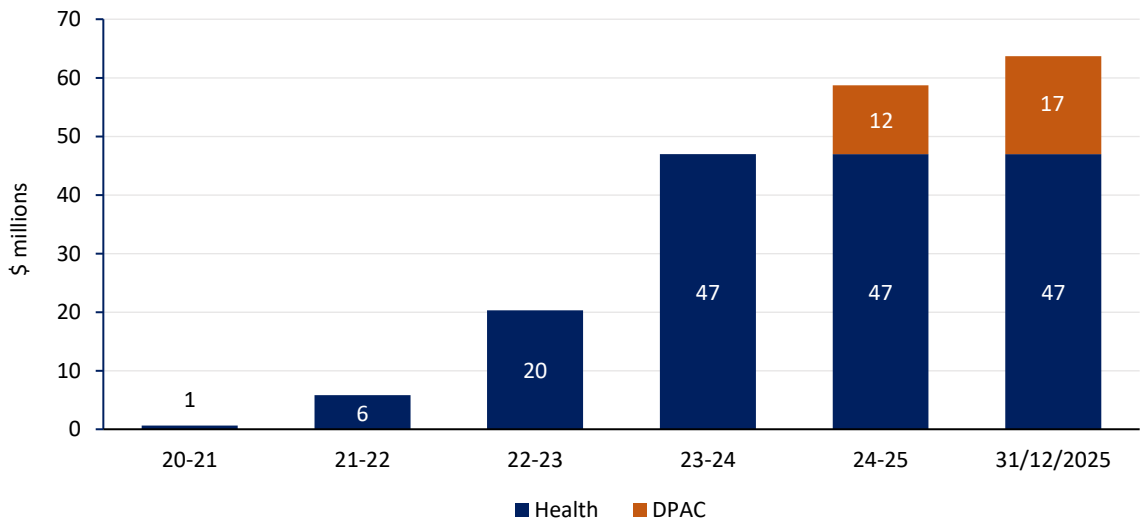
Figure 1: Major TSS HR reform programs since 2014



Source: Audit Tasmania, based on public information¹ and DPAC and Health documentation.

1.5 Figure 2 shows the total spend on the HRIS Program and H RTP to date.

Figure 2: Health and DPAC expenditure from fiscal year 2020-21 to December 2025





Note: During 2024-25 the program of work transitioned from Health to DPAC. As budgets for both agencies were already allocated, DPAC's expenditure occurred primarily in Health's accounts. For simplicity, we have represented this only as DPAC expenditure.

¹ Department of Premier and Cabinet (January 2016), [TSS Annual report](#), Chapter 4, accessed 12 March 2026; Parliamentary Standing Committee of Public Accounts (August 2020), [Response to Question on Notice](#), accessed 12 March 2026; Commission of Inquiry (August 2023), [Full Report](#), accessed 12 March 2026.

TSS HR administration is complex and there are strong reasons for reform

1.6 Figure 3 shows the size, diversity and complexity of the TSS workforce that makes the potential benefits and costs of HR reform very high. Figures are estimates from internal DPAC documentation.

Figure 3: HR administration in the TSS

	Over 35,000 full and part time employees, 10,000 casual workers, and 10,000 volunteers
	Over 20,000 workers paid via manual timesheets fortnightly, and 7,000 staff with more than one employment agency
	Over 40 statutory authorities and government agencies supported by central agencies
	Over 30 industrial instruments (awards and agreements)
	More than 1 million payslips every year
	Approximately \$6 billion in wages and salaries paid annually
	Over 7,000 recruitment advertisements annually
	More than 40 systems in use to manage the workforce

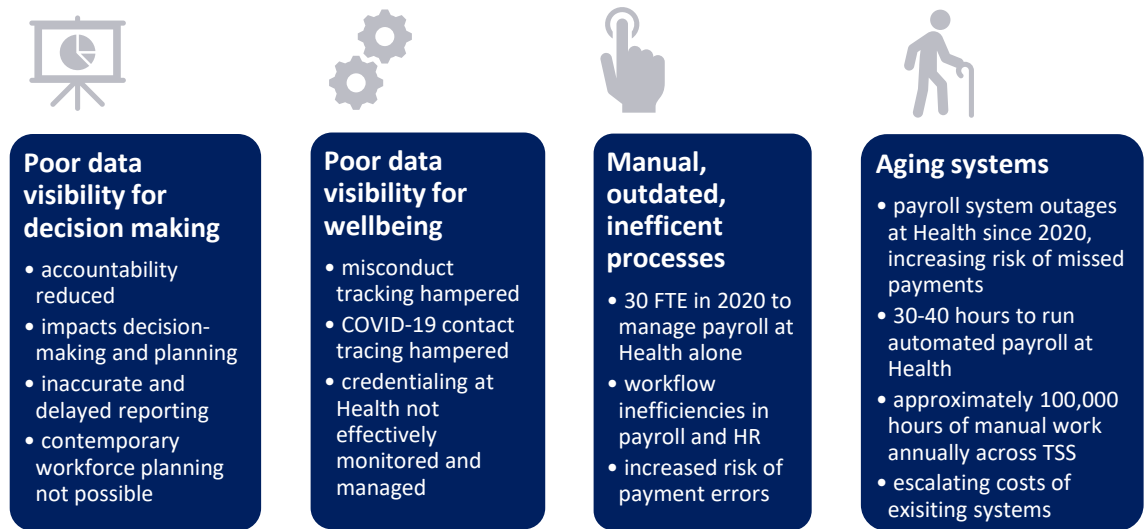
Source: Audit Tasmania, adapted from DPAC internal documentation.

1.7 There are financial and other costs associated with not undertaking reforms. Many internal and external reports note that current TSS HR systems are expensive to maintain and no longer fit-for-purpose. Decentralised and disparate systems and processes have also led to serious gaps in information, as well as performance, efficiency and consistency issues. These include issues with:

- tracking employee misconduct relevant to the Commission of Inquiry into the Tasmanian Government's Responses to Child Sexual Abuse in Institutional Settings²
- contact tracing employees during the COVID-19 Northwest regional hospital outbreak in 2020.

² Commission of Inquiry into the Tasmanian Government's Responses to Child Sexual Abuse in Institutional Setting (August 2023), [The Report](#), accessed 4 March 2026.

Figure 4: Key limitations and impacts of current HR systems



Source: Audit Tasmania, adapted from DPAC and Health internal documentation and public reports.³







1.8 DPAC estimates a centralised system that resolves these issues could save the TSS \$296m over 14 years.

Governments consistently underestimate the complexity, cost and time needed for HRIS reforms

1.9 HRIS reform projects in other jurisdictions demonstrate that projects of this kind in the government sector are both expensive and difficult. They do not always realise intended benefits, run for longer than expected, cost overruns are significant and failures are common. Figure 5 summarises estimated costs, including operating, capital and unanticipated costs, for HR information systems in various jurisdictions.

³ Department of Premier and Cabinet (July 2021), [Tasmanian State Service Review](#), accessed 5 March 2026; Commission of Inquiry into the Tasmanian Government's Responses to Child Sexual Abuse in Institutional Setting (August 2023), [The Report](#), accessed 4 March 2026; Department of Health (April 2020), [Covid-19 North West Regional Hospital Outbreak Interim Report](#), accessed 24 February 2026; Tasmanian Audit Office (November 2019), [Rostering of specialists in Tasmania's major hospitals](#), accessed 24 February 2026

Figure 5: Comparison of HRIS reform programs

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

Source: Audit Tasmania based on publicly available information, noting figures are not directly comparable due to non-separation of capital and operating costs.

2. Health's management of the HRIS Program

In this chapter we focus on Health's **Human Resource Information System Program (HRIS Program)**, which ran from 2020 to July 2024. We assessed if Health effectively managed planning, early implementation, and program governance.

We expected Health to:

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

Chapter summary

Overall, Health's planning, early implementation, and program governance for the HRIS Program was not effective or economical.

Health spent approximately \$47m over 4 years on the HRIS Program prior to its transfer to DPAC in mid-2024. Health was unable to deliver any of the HRIS modules that were planned. The reasons for this were:

- the business case, and other critical program documentation, was never finalised following changes in the HRIS Program's scope
- despite its aims to make it a business-led organisational change program, the HRIS Program evolved as an IT system project, due to Health:
 - not establishing adequate mitigation strategies for known risks, resulting in those risks remaining unresolved throughout the life of the project
 - not sufficiently engaging relevant stakeholders when assessing risks as the key dependencies were not acted upon at the right levels in the organisation
 - not establishing an appropriate decision-making framework
 - using steering committees without sufficient capability to lead a complex transformation of this kind.

As a result, Health did not properly manage key risks nor make key system design decisions. These were not IT issues but were necessary steps for the HRIS Program to succeed. They included the following key design elements, which were identified in the draft business cases, risk registers and steering committee meeting minutes, but never resolved.

To succeed, Health needed to address a consistent approach to...



...interpretation of awards



...multiple or concurrent employment



...rostering

Source: Audit Tasmania, based on internal Health documentation.

During consultation on these matters, Health commented that many of the issues were buried deep in the organisation at the regional and unit levels and the steering committee did not have the reach to enable resolution. This reinforces earlier findings by Audit Tasmania in relation to Health's 'lack of action to address known issues and the risks they create.'⁴

Health did not establish an appropriate external-facing communication strategy to inform the Parliament, the public or other stakeholders (such as end-users) of program progress. Health did not provide sufficient briefings to Ministers, meaning Parliament was not adequately informed on impediments to progress and the decision made by Cabinet to expand the program to whole-of-government.

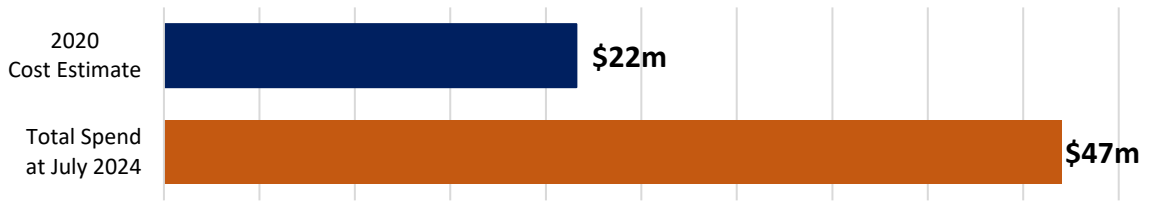
Background of Health's HRIS Program

- 2.1 Health's HRIS Program began in 2020 and was first funded for \$22m over 3 years in the 2020–21 budget. Funding was provided to replace Health's various manual and electronic HR systems with one fully integrated HRIS.⁵
- 2.2 By May 2021, the HRIS Program team was advised Cabinet endorsed that the HRIS Program business case 'be developed with regard to it being a whole-of-government solution in the future, where applicable.'
- 2.3 A budget shortfall of \$20m was identified by the program team after a request for tender process was finalised in 2021. The tender was for a Health-only system. The then Secretary of Health approved an internal increase in funding to cover the \$20m gap in September 2021, which was later reflected in the 2023-24 budget.
- 2.4 By the transition to DPAC in 2024-25, the total estimated program cost was \$66m, and Health had spent \$47m.

⁴ Audit Tasmania (May 2025), [Department of Health's funding of community sector organisations](#), accessed 24 February 2026

⁵ Tasmanian government, Parliament of Tasmania, [Budget Paper 2020-21 No. 2, Volume 1](#), accessed 24 February 2026

Figure 6: Health’s 2020 HRIS Program cost estimate compared to 2024-25 expenditure



Source: Audit Tasmania

2.5 Figure 7 shows the HR systems in Health in 2020, the intended future state, and modules that were actually delivered by Health.

Figure 7: 2020 systems, intended state, and delivered modules

Function	2020 State					Intended Future State	Achieved
	Empower HR	Page Up	eCredential	Theo	ProAct / manual	New HRIS (SAP)	Y/N
Core HR (People & Positions)	✓					✓	✗
Payroll	✓					✓	✗
Recruitment		✓				✓	✗
Accreditation			✓			✓	✗
Learning				✓		✓	✗
Rostering					✓	✓	✗
Workforce Management, Talent Management, Analytics, Dashboards, Workflow, Mobility, Self-Service						✓	✗
Case Management						✗	✓

Source: Audit Tasmania, adapted from Health internal documentation.

Health developed a largely appropriate draft business case at the time, but it was never finalised after scope changes

- 2.6 We expected Health to have a business case and related project documentation that clearly defined evidence-based program outcomes, agreed by all relevant stakeholders.
- 2.7 This is important because the HRIS would change business practices across Health and, later, the TSS. It therefore required a clear and agreed vision.





An appropriate business case, as a minimum...

- sets out the problem or opportunity
- provides options to resolve the problem or realise the opportunity
- assesses the feasibility of the proposed solution
- clearly articulates the intended measurable benefits of the investment
- specifies costs, benefits, risks, and dependencies
- ultimately supports the investment decision.

Health developed a largely appropriate draft business case which defined intended outcomes

- 2.8 Health did develop a largely appropriate draft business case that met the above criteria. It clearly defined intended benefits and deliverables. The HRIS Program was aligned to broader strategic imperatives of both the State Service and Health. The draft business case included clear evidence that there was a need for the HRIS Program's intended benefits. Health's draft business case was also supported by related project documentation including benefit realisation strategies to measure program success. The draft business case also clearly set out key risks, dependencies, and limitations to decision makers.
- 2.9 Figure 8 summarises the intended benefits defined by Health.

Figure 8: HRIS Program intended benefits summary

	The intended benefits were...	These benefits align with...
	<p>Payroll efficiency, accuracy and legislative compliance</p> <ul style="list-style-type: none"> • Ability to pay workforce accurately and on time • Reduction in overpayments and ad hoc pay processing 	<ul style="list-style-type: none"> • Covid-19 North West Regional Hospital Outbreak Interim Report recommendations⁶ • Audit Tasmania’s report on Rostering of specialists in Tasmania’s major hospitals recommendations⁷ • <i>Tasmanians State Service Review</i> recommendations (finalised after the draft business case was developed⁸) • Internal audits at Health • Health’s Information and Communication Technology Strategic Plan
	<p>Workforce management</p> <ul style="list-style-type: none"> • Increased ability to manage a large, complex workforce • Increased ability to make informed, and data decisions 	
	<p>Employee engagement</p> <ul style="list-style-type: none"> • Improved employee experience from application to exit • Increased employee self service 	
	<p>Technology benefits</p> <ul style="list-style-type: none"> • Reduced system outage risk 	

Source: Audit Tasmania, adapted from Health internal documentation.

Health’s business case was never finalised or approved

2.10 Health’s business case was never finalised or approved by the steering committee. Papers were tabled at the relevant steering committees with senior leadership representation, seeking appropriate endorsement of the intended outcomes and program approach. The steering committees were also prompted to finalise the draft business case by an independent project assurance advisor, who they had engaged to support the HRIS Program.

2.11 Notably, in March 2023 the steering committee was made aware that there were 4 different versions of the HRIS business case, none of which had formal approval. The project team was using version 1 throughout the project to that date, as they were

⁶ Department of Health (April 2020), [Covid-19 North West Regional Hospital Outbreak Interim Report](#), accessed 24 February 2026

⁷ Audit Tasmania (November 2019), [Rostering of specialists in Tasmania’s major hospitals](#), accessed 24 February 2026

⁸ Department of Premier and Cabinet (July 2021), [Independent Review of the Tasmanian State Service](#), accessed 24 February 2026

unaware of the later versions that were prepared to inform the whole-of-government business case.

- 2.12 The HRIS Program therefore ran for 4 years and expended \$47m without having clear evidence of endorsement and approvals from the relevant delegates. Despite the draft business case being largely appropriate, the intended outcomes and approach were not agreed.
- 2.13 Root causes of the lack of approval were ineffective program governance and the inability of the HRIS Program to resolve known issues. This is explored further in the relevant section below. This finding also aligns with earlier findings by Audit Tasmania in relation to Health's 'lack of action to address known issues and the risks they create.'⁹

The program area did not sufficiently engage with business process owners when developing the draft business cases

- 2.14 Related to the above finding, engaging with areas of the organisation that would be impacted by the HRIS Program would have been essential to developing an appropriate draft business case. These areas could help to identify risks, issues, dependencies, and opportunities of which a central IT area might not be aware.
- 2.15 In March 2024, Health engaged an external reviewer to assess the HRIS Program (the 2024 Review). The findings of the 2024 Review were agreed to by the relevant senior executives.
- 2.16 The 2024 Review found that Health did not effectively engage with areas that owned the HR processes that would be changed by the HRIS Program. This was because the business process owners' forum, which would have been critical to success, was not in place early enough. As a result, these areas could not provide appropriate support to system design and other decisions.
- 2.17 Health advised the reviewers that:
- the Chief People Officer position was vacant for 12 months soon after the draft business case was developed, but Health's annual reporting states the position was occupied through various acting arrangements for the full period.¹⁰
 - processes within HR had not been well understood and varied significantly between regions and individual units
 - streams of work, such as rostering, did not have a central area responsible for monitoring consistency in practice.

⁹ Audit Tasmania (May 2025), [Department of Health's funding of community sector organisations](#), accessed 24 February 2026

¹⁰ Department of Health (October 2022), Annual Report 2021-22, p181, accessed 30 March 2026.

2.18 As a consequence, relevant stakeholders did not all buy-in to the HRIS Program's intended outcomes and approach.

Health did not seek approval for draft business cases or conduct a feasibility analysis when the scope of the HRIS Program changed significantly

2.19 As noted above, the HRIS Program team was advised in May 2021 that Cabinet had made a decision that Health's 'business case be developed with regard to it being a whole-of-government solution in the future, where applicable.' This significantly changed the scope of the HRIS Program, potentially introducing far greater complexity, a much broader cohort of stakeholders, and the need for a TSS-wide program approach.

2.20 The draft business case only considered risks, dependencies, and limitations of a Health program. It excluded whole-of-government considerations from scope.

'...activities relating to whole-of-government HRIS procurement or implementation' are out of scope.

Health's internal business case

2.21 Importantly while Health did reconstitute its program governance to take on a more whole-of-government lens, it did not conduct a feasibility analysis to determine whether it was viable for them to deliver a system for whole of government. This meant the HRIS Program was not sufficiently recalibrated to reflect the scope change until it moved to DPAC in mid-2024 (see Chapter 3).

2.22 The lack of feasibility analysis meant Health's capability to deliver a whole-of-government HRIS solution was not assessed. The root causes of the lack of feasibility analysis are threefold:

- the inability to access information on the decision
- the pressure to deliver a solution in response to several reports¹¹ about HR systems may have meant delivery was prioritised over appropriate re-planning following the change in scope
- the broader ineffective governance arrangements.

¹¹ Commission of Inquiry into the Tasmanian Government's Responses to Child Sexual Abuse in Institutional Setting (August 2023), The Report, accessed 4 March 2026; Department of Health (April 2020), Covid-19 North-West Regional Hospital Outbreak Interim Report, accessed 24 February 2026; Tasmanian Audit Office (November 2019), Rostering of specialists in Tasmania's major hospitals, accessed 24 February 2026

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

2.23 Audit Tasmania was advised a reason for this was that the HRIS Program team was not given visibility of Cabinet's decision, despite making multiple requests. This impacted the HRIS Program team's ability to successfully deliver the program, as it did not have a full understanding of the decision. The available text about the decision stated that Cabinet endorsed that the business case 'be developed with regard to it being a whole-of-government solution in the future.' This is very ambiguous and could mean, among other things, that the system would either be built:

- for Health and be a proof of concept, demonstrating to the broader public service that Health's new system could work as a solution for TSS agencies, so other agencies could begin their own projects to develop a similar solution
- for Health and be a proof of concept, after which a review would be performed and advice provided back to Cabinet about the feasibility, risks and cost impacts of delivering the system more broadly
- entirely by Health and implemented in every government entity from within Health.

2.24 The HRIS Program team advised that the correct interpretation was not entirely clear to them and that they had never seen the full Cabinet decision. The Department later advised that it had no record of the decision other than an email quoting from it.

2.25 Audit Tasmania was also unable to access the full Cabinet decision to independently determine the intended meaning, despite broad powers to access information under the *Audit Act 2008*. This has also occurred in other recent audits.¹² This limited our ability to meaningfully conclude on the effectiveness of Health's delivery of the HRIS Program.

Health had an appropriate risk assessment framework but did not effectively assess risks

What is a risk?

A risk is anything that could happen that might prevent an objective from being achieved or cause harm, delay, or additional cost.

Why do risk assessments matter?

Proper risk assessments allow organisations to recognise and remediate risks before they become real-world failures.

¹² Audit Tasmania (September 2025), [Proposed sale of Wilkinsons Point](#), accessed 13 March 2026.

What is a risk register?

A risk register:

- records details of all the risks identified from planning onwards
- grades risks in terms of likelihood and seriousness of impacts
- documents strategies to mitigate risks and rates their effectiveness
- assigns responsibilities for risks and mitigation strategies
- is reviewed and updated regularly.

2.26 A centralised risk register was developed in planning for the HRIS Program. It had the required elements including consequences, status of mitigation strategies and risk owners. Key dependencies and constraints identified in the initial business case were reflected in the risk register. Risks were monitored, adjusted, and routinely and transparently reported to the steering committees by the HRIS Program team across the life of the program.

Risk categorisation and business owner involvement limited the effectiveness of Health’s risk assessments

2.27 As noted above, Health engaged an external reviewer to assess the HRIS Program (the 2024 Review). The findings were agreed by the relevant senior executives. It found that

Risks were separated into categories: strategic, operational and HRIS. This was inconsistent with these kinds of transformation projects, where all three categories are related, and treatments of risks should be related.

Therefore, the impacts were not adequately expressed, and the mitigation strategies were limited to the scope of each category.

This ‘highlights a level of inexperience in the team to identify key risks and recommend suitable mitigation strategies.’

As an example, for one of the risks, the proposed mitigation strategy was ‘reduce the likelihood,’ which is not a mitigation strategy.

Adapted from Health’s external review of the HRIS Program

2.28 In other words, while the HRIS Program needed to transform strategic, operational, and systems-based practices, it considered each of these things in isolation. It also meant mitigation strategies were not proportionate to the severity of identified risks.

2.29 Additionally, the 2024 Review identified that the stakeholder and business owner’s feedback was not reflected in the risk identification and mitigation strategies. This

follows from the above finding that business process owners were not sufficiently engaged when assessing risks as the key dependencies were not acted upon at the right levels in the organisation. Some risks identified by the system integrator were also not included in the program's risk register.¹³

- 2.30 The lack of proportionate mitigation strategies and lack of inclusion of all knowable risks contributed to risks not being successfully managed within the HRIS Program (see below). It also contributed to the program proceeding as an IT development program, without successfully driving the necessary transformational change to business practices.

Health's governance arrangements did not effectively facilitate decision-making and risk management

What is program governance?

Program governance is the way:

- decisions
- accountability, and
- oversight

are organised to make sure a program delivers what it was intended to deliver.

It is important because it helps ensure public money is spent lawfully, transparently, and in line with intended outcomes.

Roles and responsibilities were initially defined appropriately and revised as the program evolved

- 2.31 To support effective management and governance of the HRIS Program, Health appropriately defined high-level governance roles and employee-level roles and responsibilities. Figure 9 sets out these roles, as outlined in the draft business case.

¹³ A system integrator is the individual or organisation you hire to make multiple systems work together as one solution—designing, configuring, building integrations, and testing end-to-end so the overall system operates as intended.

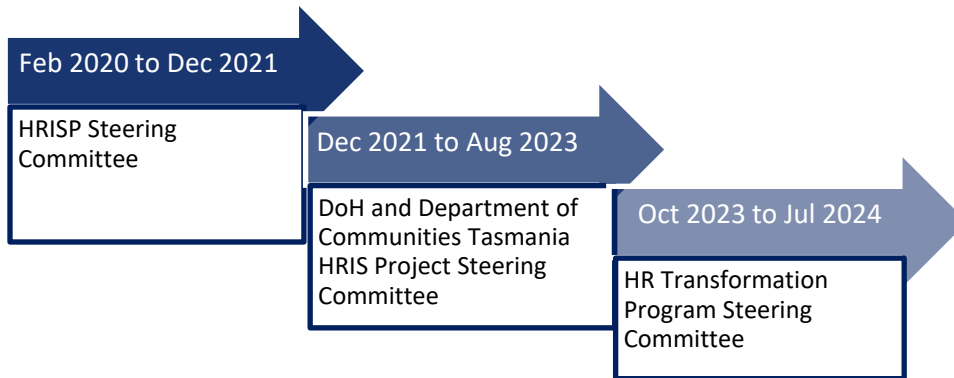
Figure 9: HRIS Program roles and responsibilities as defined in Health’s initial business case

The...	Is...
Chief Information Officer	<ul style="list-style-type: none"> • ultimately responsible for the program • accountable for successful delivery of the program and ensuring key milestones and deliverables are achieved to a quality standard
Program Sponsor	<ul style="list-style-type: none"> • responsible for ensuring the Program is focused on achieving its objectives and benefits • the chair of the steering committee.
Steering Committee	<ul style="list-style-type: none"> • responsible for policy and resourcing decisions essential for the delivery of program deliverables and attainment of overall objectives • responsible for ensuring appropriate management of components • made up of senior representatives from human resources, information services, allied health, nursing, the state Service Management Office, and HRIS Program Team members.
Project Director / Manager	<ul style="list-style-type: none"> • runs the program on a day-to-day basis within constraints • has primary responsibility to ensure that the program delivers the required products to the required standard of quality and within the specified constraints of time and cost • key relationship point with vendor.
Project Team	<ul style="list-style-type: none"> • the team of full-time and part-time employees and external consultants who deliver the work
Project Support Officer	<ul style="list-style-type: none"> • responsible for administrative support and maintenance of configurable program documentation • administers change control processes, sets up and maintains program records, update plans, distribute program and supports the steering committee
Quality Advisor	<ul style="list-style-type: none"> • an external consultant • engaged to provide a quality assurance function to the program sponsor and steering committee.

Source: Audit Tasmania, based on Health's documentation.

2.32 As noted above, the HRIS Program's steering committee (in its various forms) was the overall governance authority. Figure 10 shows the iteration of the steering committees of the HRIS Program.

Figure 10: The iterations of the steering committees of the HRIS Program



Source: Audit Tasmania, adapted from Health internal documentation

2.33 Health engaged a system integrator whose role was to develop and configure the proposed HRIS solution, including by designing, configuring, building integrations, and end-to-end testing. The draft business case noted that delivery would be in partnership with a system integrator but did not define its role. The role was defined in a project management plan (PMP), which detailed areas of responsibility for each activity as well as in the tendering and contract documentation. However, while the PMP was approved by the steering committee, it was ancillary to the unapproved business case.

2.34 More specific detail on the system integrator's deliverables was included in statements of work, which were documents related to an overall contract. The 2024 Review made related findings.

Individual contractor deliverables were defined in statements of work.

However, the program was disproportionately focused on the completion of individual tasks in statements of work. Instead, it should have established a method to govern program delivery. As a result, the program could not manage dependencies, including other technologies and business programs.

This was an extreme risk, as the statements of work did not tightly integrate with the overall program work.

Adapted from Health’s external review of the HRIS Program

2.35 Again, these issues contributed to the program proceeding as an IT development program, without success driving the necessary transformational change to business practices.

Risks were monitored, assigned, and transparently reported, but design decisions that were risks to the program were not resolved

2.36 We found that the risks and mitigation strategies were monitored and reviewed regularly and reported to the appropriate steering committee in accordance with established governance practices. The individual risks and mitigation strategies were assigned to risk owners in the risk register.

2.37 Despite this, Health was unable to make key system design decisions to turn existing HR practices into ones that could be done in an information system. Figure 11 sets 3 of these key decisions, which were recorded in the draft business cases, risk registers and steering committee meeting minutes, but not ultimately resolved.

Figure 11: Key system design decisions the HRIS Program did not resolve



Source: Audit Tasmania, based on internal Health documentation.

2.38 Taking one of the above decisions as an example, Health’s largely paper-based and inconsistent rostering practices were initially flagged by Audit Tasmania in a 2019 report,¹⁴ and were identified by Health as a dependency for the HRIS Program in 2020. The failure to implement a consistent agency-wide approach contributed to both:

- problems with contact tracing of Health staff during the 2020 COVID-19 NWRH outbreak
- failure to deliver the HRIS.

2.39 Rostering remains unresolved 6 years on.

2.40 This is consistent with findings of the 2024 Review.

The overall governance of the program was not effective.

The HRIS Program lacked the required decision-making framework and committee representation to effectively consider the status of the program, including issue escalation and resolution. It did not address the transformational elements of the program. This included key decisions which support the rationale for the program, including rostering process improvement and awards interpretation alignment.

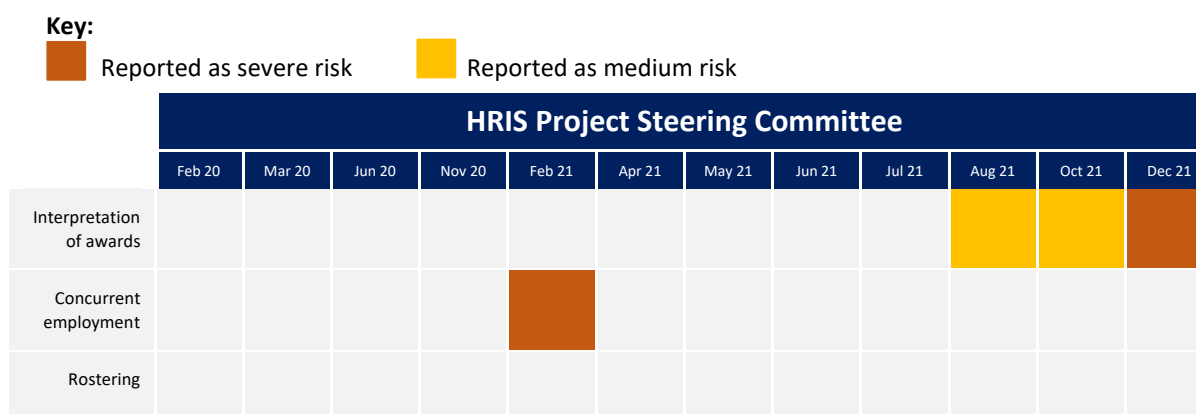
The HRIS Program chose to address these decisions later, while continuing to build an IT solution, which has heightened the likelihood of rework and additional costs.

Adapted from Health’s external review of the HRIS Program

2.41 As noted above, reporting to the relevant steering committees was transparent.

Figure 12 sets out how frequently the unresolved key system design decisions were reported to the various steering committees. This occurred mostly in 2022 to 2024.

Figure 12: Examples of reporting on unresolved key system design decisions



¹⁴ Audit Tasmania (November 2019), [Rostering of specialists in Tasmania’s major hospitals](#), accessed 24 February 2026

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	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange
Concurrent employment	White	White	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange
Rostering	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	White	White	White	White	White	White	Yellow	Orange	Orange	Orange

HR Transformation Program Steering Committee							
	Oct 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jul 24
Interpretation of awards	White	White	White	White	White	White	White
Concurrent employment	Orange	Orange	Orange	Orange	White	White	White
Rostering	Orange	Orange	Orange	Orange	White	White	White

Source: Audit Tasmania, based on internal Health documentation.

2.42 While there was evidence the steering committees considered pausing project activities until key system design decisions could be resolved, they never did. For example, in the July 2022 report, the project assurance advisor noted issues in resolving the key design decision as to how concurrent employment would be treated by the HRIS system that was being built. The advisor noted the steering committee should “determine whether the project should continue to configure [the IT system]... or pause some project activities until a further determination on these matters is available”. The steering committee members noted the assurance advisors report and agreed to the proposed actions. However, the concurrent employment issue was not resolved before the HRIS Project moved to DPAC.

2.43 The 2024 Review also identified that the HRIS Program:

- steering committee did not have the required capability to assess the material provided by the HRIS Program team to make an informed decision
- moved in and out of program stages without consistently meeting the entry and exit criteria
- experienced challenges maintaining stable program leadership, teams, and structures, and
- was not able to assign the required resources.

2.44 Ultimately, the HRIS Program could not deliver the modules intended because it did not resolve these key system design decisions.

Health delivered a case management system, but it was not part of the original scope of work and is no longer fit-for-purpose

2.45 While the HRIS Program was underway, Health delivered a whole-of-government case management system in response to the Commission of Inquiry into the Tasmanian Government's Responses to Child Sexual Abuse in Institutional Settings. This work was not part of the original program scope. We note that limitations of the new case management system have since been identified, and early plans are being developed to replace it.

After 4 years and \$47m, Health stopped the HRIS Program without delivering planned modules

2.46 In early 2023, the HRIS Program had substantially progressed its system build despite key issues being unresolved. It engaged a second external contractor to review whether it was ready to move from the initial build phase to implementation. At the same time, the independent assurance advisor Health had engaged advised the steering committee that 20 to 30 requirements were not yet met, and 7 deliverables were outstanding from the system integrator.

2.47 As a result of this reporting and testing of readiness, the HRIS Program did not proceed with implementing an unsuitable system.

Health demonstrated good practice by stopping before more significant risks were realised

2.48 Despite significant investment, the system was not ready for implementation. The HRIS Program had previously advanced through stage reviews without meeting criteria. In this case, however, the Steering Committee halted progression into implementation. This decision prevented Health from further failures such as those seen in similar Canadian and Queensland government programs (see Chapter 1).

Health's reporting was not effective or sufficient

Health established and implemented transparent internal reporting practices, but they were not effective

2.49 We expected Health to have a clear strategy in place for reporting and tracking of progress and costs within the broader HRIS Program team.

2.50 We found that the business cases did set out a broad outline of reporting activities. The project management plan also indicated, in general terms, how costs and progress would be reported. As noted above, we found that the HRIS Program team did consistently track and transparently report progress to the steering committee. This meant that within the formal governance structure, communication on progress and costs was relatively clear.

2.51 However, as noted above, an independent review found that the steering committee did not have the required capability to assess the material provided by the HRIS

Program team to make an informed decision. This meant that while progress and costs were being reported, these reports did not have the intended effect.

Health did not sufficiently communicate program progress externally

- 2.52 We also expected Health to have a clear strategy in place for communicating externally, outside the HRIS Program team.
- 2.53 Health's business cases indicated a communication plan would be developed setting out who needs what information and how they would get it. Health did develop a change management strategy, which outlined the communication internally and externally, for example through Health's intranet and, in the later phase, via the media and to the whole of government.
- 2.54 However, the change management strategy was not finalised, approved or implemented. It was developed as a framework to support the successful implementation and adoption of the HRIS within Health. Health never moved out of the planning stage and never developed and implemented a communication strategy informing the public and end users. Formal external communication was limited to annual reporting.
- 2.55 Health did not sufficiently inform Ministers of HRIS Program progress and issues.
- 2.56 A relevant Minister was briefed twice – in December 2021 and February 2022. Based on the available evidence, these briefings were limited to basic background information about the program, and preliminary plans for informing both the public and the Minister about outcomes. Health also developed briefing material for Question Time and Budget Estimates. These again provided basic background information, but do not provide any evidence that Health kept ministers appropriately informed of progress or impediments to progress.
- 2.57 Health advised there were other briefings. Nonetheless, there is no evidence ministers were sufficiently informed to make threshold decisions about this project such as the allocation of public resources and expansion to a whole-of-government program.

3. DPAC's management of the H RTP

In this chapter we focus on the **Human Resource Transformation Program (H RTP)**, which replaced the HRIS Program and has been running since mid-2024. We assessed if DPAC is effectively managing planning, early implementation, and program governance.

We expected DPAC to:

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

Chapter summary

DPAC has in part strengthened governance for the H RTP (formerly HRIS Program) and re-established the program as a whole-of-government change.

DPAC has appropriately defined outcomes, and integrated lessons learned from Health and other jurisdictions. However, as with Health's HRIS Program, the business case has not been finalised and approved by all relevant stakeholders.

DPAC has planned, assessed, and assigned management of risks in accordance with its enterprise-wide risk management framework. However, DPAC has not yet addressed key risks and dependencies since taking over the program in mid-2024. As a result, we are unable to provide assurance at this point that the program will succeed in its current form.

DPAC has made recent progress on establishing a strategy for engaging with relevant external stakeholders, however it is too early to assess the effectiveness.

DPAC has identified that the project will not be able to be completed within the available budget, however, are continuing to progress on the expectation that additional funding will be provided in future budgets. Therefore, there is an ongoing risk that mistakes at Health will be repeated in DPAC's program.

Background of DPAC's H RTP

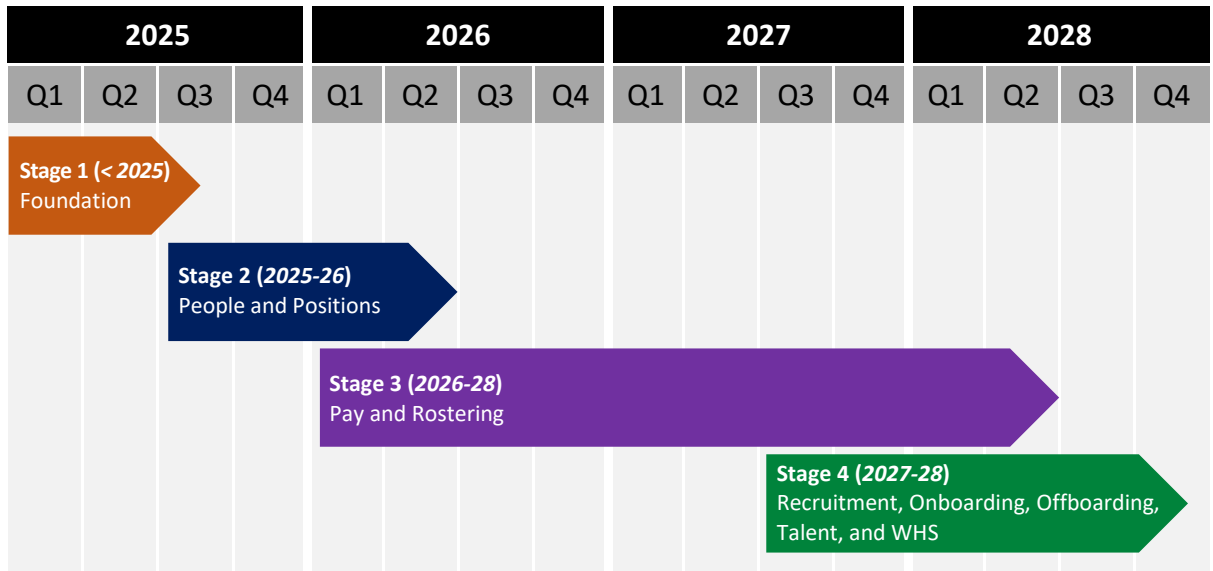
- 3.1 The 2024 Review identified that HRIS Program governance was not effective, and that Health was not making the transformational changes to business practices necessary for a whole-of-government HR reform program. Shortly after the report was finalised, DPAC moved the program to their agency and renamed it the H RTP.¹⁵
- 3.2 DPAC and Health collectively expended \$12m in 2024-25, against a budget of \$12m, during the program's transition. All program funding formally shifted to DPAC in the

¹⁵ DPAC was initially allocated \$2m in the 2024–25 budget from September 2024, at which time most funding remained with Health. All program funding formally shifted to DPAC in 2025-26 budget from November 2025.

2025-26 budget (November 2025). Up to December 2025, DPAC has expended an additional \$5 million. Figure 2 set out total expenditure on both the HRIS Program and the H RTP.

3.3 Figure 13 shows DPAC’s proposed timeline for the delivery of the H RTP, as of January 2025.

Figure 13: H RTP delivery timeline as of January 2025



Source: Audit Tasmania, adapted from DPAC internal documentation.

DPAC has developed a draft business case, but it has not been finalised or approved

DPAC has developed a draft business case which reflects the scope of the H RTP and clearly defines intended outcomes




An appropriate business case, as a minimum...

- sets out the problem or opportunity
- provides options to resolve the problem or realise the opportunity
- assesses the feasibility of the proposed solution
- clearly articulates the intended measurable benefits of the investment
- specifies costs, benefits, risks, and dependencies, and
- ultimately supports the investment decision.

3.4 DPAC has developed a broadly appropriate draft business case, with clearly defined objectives and intended benefits. It also aligned its business case to the need to reform TSS-wide HR practices and systems. Further, DPAC has engaged with other jurisdictions on how they overcame similar challenges and documented this in its

business case. The business case therefore better reflects the scale of delivering a whole-of-government HRIS reform program.

Figure 14: H RTP intended benefits summary

<p>Deliver a Single, Shared Source of Truth</p> <p>A unified, accurate, and accessible workforce reporting system across the TSS, providing full auditability, real-time insights, and a seamless digital experience.</p>	
<p>Enable Efficient Service Delivery</p> <p>Implement systems that automate people-management processes, reduce errors, ensure compliance, and enable better resource sharing across agencies.</p>	
<p>Improve Safety and Risk Management</p> <p>Adopt a consistent approach to managing risks, incidents, and investigations for all workers, including volunteers and non-permanent staff.</p>	

Source: Audit Tasmania, adapted from DPAC internal documentation.

3.5 DPAC has developed a suite of supporting project documentation. This includes a detailed benefits realisation plan, which sets out specific and measurable intended outcomes for the program, and the phases at which those benefits should be realised.

DPAC’s business case has not been finalised or fully funded

3.6 As noted above, Health operated without an approved business case. This was one root cause of the 2024 Review’s related finding that the HRIS Program proceeded as an IT project but did not sufficiently engage with the need to transform business practices.

3.7 As of March 2026 – 20 months since the program moved from Health – DPAC’s business case has also not been finalised. DPAC advised that the delay has been caused by:

- budget uncertainty for the seven months between May 2025 to November 2025¹⁶
- the inherent complexity of service-wide enterprise design.

The business case has been revised multiple times in this period, and reflects DPAC’s ongoing work investigating, identifying and managing program risks.

¹⁶The Tasmanian State Service did not have a budget between May 2025 and November 2025 due to a no-confidence motion in parliament and subsequent election.

- 3.8 The H RTP team is also still seeking full funding through Government budget processes. In the 2025-26 budget released in November 2025, the H RTP was provided a further \$41m over the 2025-26 and 2026-27 financial years.
- 3.9 This also means relevant stakeholders have not agreed to H RTP's intended outcomes and approach.

DPAC considered risks in planning, and has improved engagement with stakeholders

What is a risk?

A risk is anything that could happen that might prevent an objective from being achieved or cause harm, delay, or additional cost.

Why do risk assessments matter?

Proper risk assessments allow organisations to recognise and remediate risks before they become real-world failures.

What is a risk register?

A risk register:

- records details of all the risks identified from planning onwards
- grades risks in terms of likelihood and seriousness of impacts
- documents strategies to mitigate risks and rates their effectiveness
- assigns responsibilities for risks and mitigation strategies
- is reviewed and updated regularly.

DPAC has developed an appropriate risk assessment framework

- 3.10 DPAC documented and assessed design and implementation risks, identified key dependencies, translated them into risks, and recorded them in a centralised risk register. The risk assessment processes and documentation complies with the DPAC's enterprise risk management framework.
- 3.11 Based on the risks that DPAC has identified, it has developed broadly proportionate mitigation strategies.¹⁷ This is because it has, among other things:
- accurately described potential causes
 - identified risks that have major consequences and require immediate action

¹⁷ This does not provide assurance as to whether DPAC has identified and assigned strategies for all program risks that are or may be relevant (see next section), or that the mitigation strategies will be successful.

- appropriately allocated responsibility for high-risk issues to senior executives with appropriate breadth of responsibility.

Some stakeholders were not fully engaged in risk assessment processes, which is being rectified by the H RTP team

- 3.12 As noted above, Health’s external review of the HRIS Program identified that the stakeholder and business owner’s feedback was not reflected in risk identification and mitigation strategies.
- 3.13 To support the H RTP, DPAC has established a Human Resource Directors Forum (the Forum) to engage with HR managers from across the service. The broad purpose of the Forum to consider and approved changes to business processes and ensure alignment across the TSS.
- 3.14 Audit Tasmania surveyed members of the Forum in October 2025. Responses indicated that members felt that they have not been sufficiently involved in risk identification and mitigation strategy development. Members indicated information on risks and risk management was not being transparently shared with them as business owners. This could mean there are knowable program delivery risks, or problems with proposed mitigation strategies, that have not been identified. Members could not provide assurance on the reasonableness of program-level risk assessments due to these transparency issues.

‘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 [the Human Resource Director] in as timely a manner as would be preferred.’

‘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.’

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

Respondents to Audit Tasmania’s survey

- 3.15 DPAC has advised a root cause of this issue is that the H RTP has been operating with a limited and uncertain budget and has not been fully progressed into the enterprise design phase. These issues have been recognised by DPAC. Since October 2025, DPAC

has:

- developed an agency intranet page for consistent communication and information sharing
- developed a suite of resources available to agencies to support their business readiness activities
- presented information to all agencies on the proposed implementation approach and timeline
- created processes for agencies to self-report on their progress, which would support identification of risks.¹⁸

3.16 These initiatives indicate DPAC is making progress on improving engagement with Forum members and agencies. As the project moves into the next phase and has clearer funding, DPAC will need to ensure members and agencies are appropriately engaged and ensure transparency in the flow of information from the steering committee to members.

DPAC has established an appropriate governance framework, but has not yet resolved key system design decisions

What is program governance?

Program governance is the way:

- decisions
- accountability, and
- oversight

are organised to make sure a program delivers what it was approved to deliver.

It is important because it helps ensure public money is spent lawfully, transparently, and in line with intended outcomes.

DPAC has established a governance and decision-making framework appropriate for a whole-of-government reform program

3.17 DPAC has clearly defined and documented roles and responsibilities in the (unapproved) business case and related program documentation.

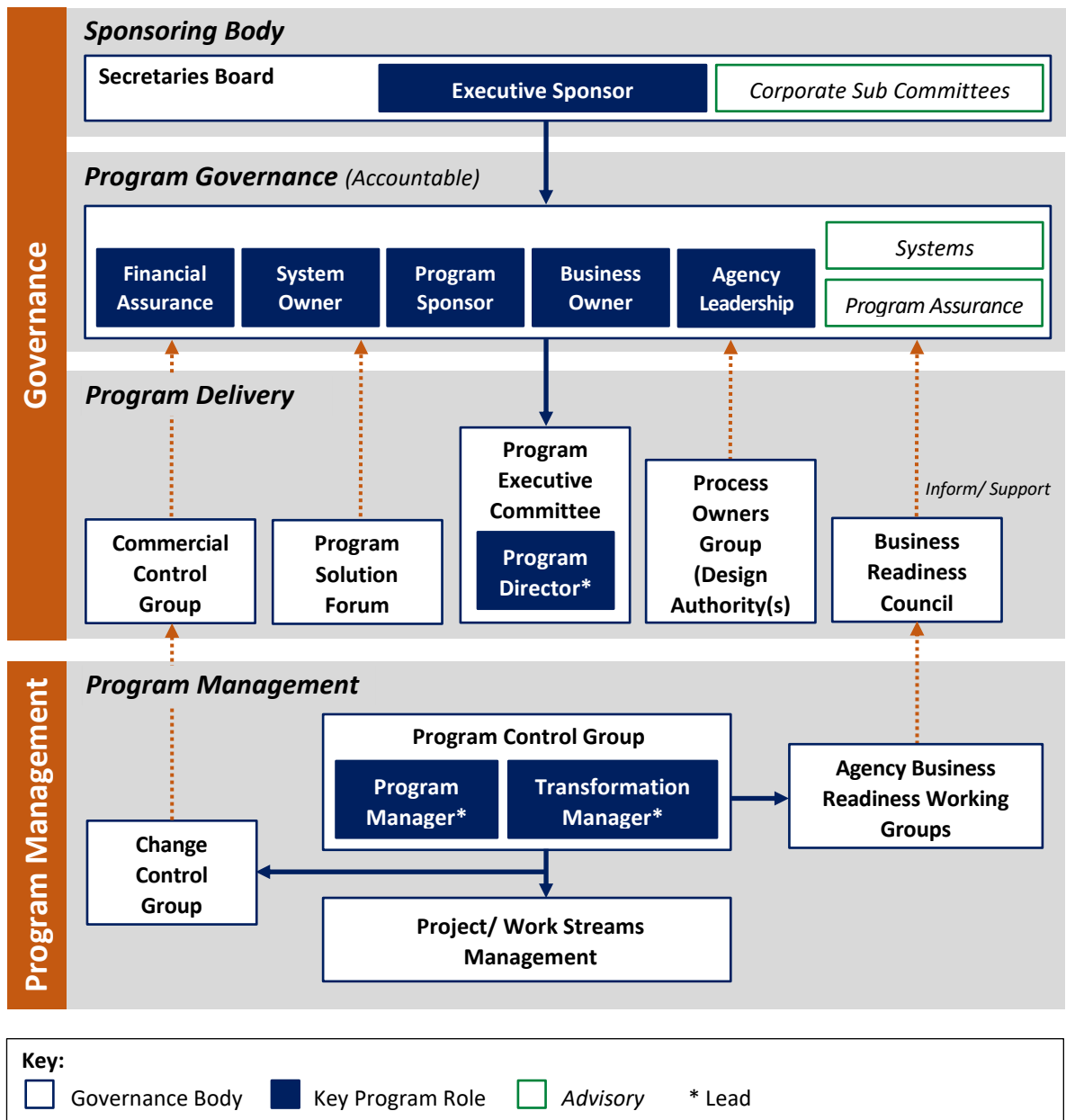
3.18 Importantly, DPAC has established new and elevated governance arrangements. As noted above, one of the reasons Health's governance arrangements were not

¹⁸ The effectiveness of these new strategies has not been assessed for this audit, given they were implemented at the time of report writing.

effective was that it did not have the required committee representation to effectively consider the status of the program, including issue escalation and resolution. These new arrangements assign program sponsorship and, for the beginning of the program, steering committee duties, to the TSS Secretaries Board. This means that the most senior leaders with the reach and capability to resolve service-wide issues have appropriate oversight and decision-making roles. This is appropriate for a whole-of-government reform program.

- 3.19 The new governance arrangements also more clearly assign responsibilities to business process owners. These arrangements are set out in Figure 15. DPAC is having regular, formalised meetings with key stakeholders from across the service. These are appropriately scheduled, documented, and attended with a quorum. Risks and mitigation strategies are monitored and reviewed regularly, and the status of the risks are reported transparently, with clear assignment of responsibility. Finally, DPAC has established gate criteria that must be met for the program to move from one phase to another, but has not yet progressed through any formal gates.

Figure 15: Current H RTP governance structure



Source: Audit Tasmania, adapted from DPAC internal documentation.

3.20 Per Chapter 2, Health’s HRIS Program proceeded as an IT project without sufficiently engaging with the prerequisite need to transform business practices. An additional positive change to governance that DPAC has made is to H RTP accountabilities. Health assigned ultimate responsibility for the program to the Chief Information Officer (see Figure 9). DPAC, however, has integrated more accountability to agency leaders, business owners, and system owners whose leadership be required to deliver business transformation.

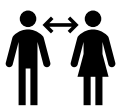
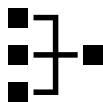

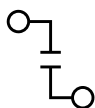


DPAC have not resolved key system design decisions

3.21 As noted above in Figure 11, there were several key system design decisions that must be resolved for a HR reform program to succeed. For example, without TSS-wide agreement on how:

- awards should be interpreted and
- concurrent employment, where an employee holds multiple positions, should be treated

the H RTP will be unable to implement the proposed payroll functionality. These two examples have been known issues since Health began its program.

Figure 16: Summary H RTP key system design decisions

Design Decision		Description
Concurrent Employment		Employment practices relating to staff who hold multiple positions are inconsistent across the TSS, as the TSS legislation and industrial instruments are largely silent on how to treat this cohort of employees.
Pay Harmonisation (Single Identity)		The TSS currently has 3 different pay cycles and different practises within payroll in most agencies.
Award Interpretation and Integration		A centralised approach for managing the interpretation and application of the 16 awards and more than 62 agreements across the TSS is required.
Payroll Remediation Strategy		There is a high chance of inconsistent application of conditions and entitlements which will need to be remediated.
Data Sharing across agencies		The proposed system requires employee data to be shared across and within agencies, and there are inconsistencies in advice around what can be shared.
Finance Systems Integration		The TSS has at least 8 instances of FinanceOne, with each agency using their HR and Finance systems differently. A common approach to data strings sent to proposed HRIS and to entities charts of accounts is required to realise the benefits of the proposed HRIS.

Source: Audit Tasmania, adapted from DPAC internal documentation.

- 3.22 Despite the elevated and improved governance arrangements, these key system design decisions continue to be unresolved for the H RTP program. Other key risks, such as long-term funding certainty, have not been resolved.
- 3.23 However, DPAC has made substantial progress on key system design decisions. The issues are clearly acknowledged in the latest version of DPAC's business case and progress is transparently reported to the steering committee. DPAC has also established a roadmap for how and when these decisions need to be made.
- 3.24 In relation to concurrent employment, DPAC has developed a proof-of-concept which has been internally accepted.¹⁹ The State Service Management Office (SSMO) has also recently developed detailed instructions of how entitlements should be treated in the system for employees with concurrent employment.
- 3.25 In relation to awards interpretation, DPAC has established a process by which it will develop a centralised interpretation. The H RTP team is developing an initial proposed interpretation, which is being reviewed by the SSMO.²⁰
- 3.26 Nonetheless, the consequences of these key system design decisions are very broad, because there is inconsistency in HR practices across the service. As DPAC has identified, a payroll remediation strategy is necessary.
- 3.27 There is an ongoing risk that DPAC will be unable to resolve the key system design decisions that Health did not resolve. Unknown issues or failure to resolve the consequences of key system design decisions may significantly impact the delivery of the H RTP, and resolving these issues requires whole-of-government action.
- 3.28 While DPAC has established appropriate governance arrangements, this report does not conclude on whether it will succeed. The H RTP remains high risk.

DPAC has appropriate internal and improving external tracking and reporting

DPAC has established and implemented transparent internal reporting practices

- 3.29 We expected DPAC to have a clear strategy and practices in place for transparently tracking and reporting progress within the broader H RTP team.
- 3.30 DPAC established plans for internal tracking and reporting of program costs and progress in its (unapproved) business case. It notes the steering committee would be provided with regular assurance on progress against deliverables, resourcing, risks and issues, budgeting, and program scope changes.

¹⁹ This was developed in collaboration with the current system integrator Accenture.

²⁰ DPAC has also advised the key system design decisions on how leave management would occur across a diverse employment groups has been resolved.

3.31 DPAC has implemented these practices. It provides transparent monthly reporting to the steering committee and appropriately acquits program financials.

DPAC has not established a strategy for communicating program progress externally

3.32 We also expected DPAC to have a clear strategy in place for reporting progress externally, outside the HRTP team. Because of the scale of the HRTP, the length of the program, and its impact on all areas of the TSS, we expected this to include external communication with the public and end users.

3.33 We found that in the early stages of the program, DPAC had not established a communications strategy. However, its communications approach has been strengthening since September 2025. It has now developed a communication strategy with identified target audiences and communications principles. This strategy is being supported by plans for individual phases of the HRTP.

3.34 DPAC has also advised and noted in its communication strategy documentation that it considers the HRTP to be too early in its lifecycle for broad external communication. Audit Tasmania considers it appropriate for DPAC to communicate with broader users on the progress and status of the HRTP, given there is awareness of the HRTP and the need for this reform across the TSS (see Recommendation 34 in the State Service Review). A lack of engagement with a key stakeholder group – in this case, end users – increases risks:

- that knowable program risks will not be identified and managed
- that agencies will not be appropriately prepared for the new system
- to system uptake and sustainability after implementation.

Information provided to decision makers was not complete or adequate

3.35 We also reviewed communications with relevant Ministers. We reviewed 5 briefings that had been provided to parliamentarians on the HRTP in 2024 and 2025.

3.36 Some of the information provided is incomplete and does not adequately support informed decision making. For example, a State Service Management Office briefing to the incoming government in 2024 was not transparent on the extent of the risks. It did not provide information on what Health had expended on a very similar program without delivering any outcomes. Advice to the Premier in October 2025 indicate Health's expenditure successfully delivered a Case Management System; however, this was not part of the original HRIS Program, and at the time, there were known issues with that system and early plans to replace it.

3.37 In response to this finding, DPAC advised it had begun regular reporting to the Infrastructure Delivery Subcommittee of Cabinet. Reports were provided in January 2026 and February 2026. These reports provide better transparency and greater clarity on the status of the HRTP and the associated risks. Therefore, communication has improved. This reduces risks to informed decision-making and loss of trust in the public sector.

Appendix A – Independent assurance report

This independent assurance report is addressed to the President of the Legislative Council and the Speaker of the House of Assembly. It relates to my audit of the effectiveness and economy for the planning, early implementation, and program governance for the Human Resource Information System (HRIS).

Audit objective

The objective of the audit was to assess whether planning, early implementation, and program governance for the HRIS Program is effective and economical.

Audit scope

This audit examined Health and DPAC's activities related to the governance, planning, and management of the HRIS Program, with a focus on decision-making processes, issues resolution, and benefits realisation. The audit also examined the activities of Health and DPAC's program teams, including their interactions with relevant stakeholders and contractors.

The time period covered was from early 2020 through to December 2025. Events occurring subsequent to this have not been audited.

The audit did not examine:

- detailed procurement and contract management, given recent identification of systemic issues with both at the Department of Health.²¹
- detailed technical reviews of IT infrastructure or software development methodologies, including the Audit Tasmania-led identification of technical risks (but entity-led identification and management of risks was assessed)
- the performance of broader HR functions and system.

Audit approach

The audit was conducted in accordance with the Australian Standard Assurance Engagements ASAE 3500 Performance Engagements issued by the Australian Auditing and Assurance Standards Board, for the purpose of expressing a reasonable assurance opinion.

The audit evaluated the following criteria:

1. Did Health effectively manage planning, early implementation, and program governance for the initial HRIS Program?
 - Were intended outcomes clearly defined and evidence-based?

²¹ Audit Tasmania (May 2025), [Department of Health's funding of community sector organisations](#), accessed 24 February 2026

- Were design and implementation risks assessed appropriately?
 - Did governance arrangements facilitate effective decision-making and risk management?
 - Was progress tracked and transparently reported?
2. Did DPAC effectively manage re-planning, early implementation, and program governance for the current HRIS Program?
- Were intended outcomes defined and informed by the 2024 independent review of HRIS Program and lessons learned from other jurisdictions?
 - Were design and implementation risks assessed appropriately?
 - Are governance arrangements facilitating effective decision-making and risk management?
 - Is progress being tracked and transparently reported?

Responsibility of management

The management of organisational resources is governed by the *Financial Management Act 2016*. It requires accountable authorities to ensure effective and efficient use of resources in achieving the government's objectives.²²

The relevant program steering committees, which included senior executive members, was the single point of overall accountability. Its role was to ensure the program is focused throughout the program's lifecycle on realising the objectives and delivering products that will achieve the forecast benefits.

Responsibility of the Auditor-General

My responsibility was to express a reasonable assurance conclusion on the effectiveness and economy of Health and DPAC's planning, early implementation, and program governance for the HRIS Program.

Independence and quality control

I have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The Tasmanian Audit Office applies Australian Standard ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements which requires the Office to design, implement and operate a system of quality management including policies or procedures

²² Tasmanian Government (2022), [Financial Management Act 2016](#), Tasmanian Government, section 24(b), accessed 18 March 2026.

regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A handwritten signature in black ink, appearing to read 'Martin Thompson', with a stylized flourish at the end.

Martin Thompson
Auditor-General

25 May 2026

Appendix B – Transmittal letter



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25 May 2026

President, Legislative Council
Speaker, House of Assembly
Parliament House
HOBART TAS 7000

Dear President, Speaker

Report of the Auditor-General No. 10 of 2025-26: Planning and early implementation of the Human Resource Information System

This report has been prepared consequent to examinations conducted under section 23 of the *Audit Act 2008*. The objective of the audit was to assess whether planning, early implementation, and program governance for HRIS was effective and economical.

Yours sincerely

A handwritten signature in black ink, appearing to read "Martin Thompson".

Martin Thompson
Auditor-General

Appendix C – Submissions and comments received

In accordance with section 30(2) of the *Audit Act 2008*, this report was provided to the relevant Minister, Entity Heads of the audited entities with a request for submissions or comments.

Submissions and comments that we receive are not subject to the audit nor the evidentiary standards required in reaching an audit conclusion. Responsibility for the accuracy, fairness and balance of these comments rests solely with those who provided the response.

Response from the Premier

A whole-of-government HRIS constitutes critical public sector infrastructure, underpinning core administrative functions and advancing long-standing reform objectives. It is capable of delivering material benefits in efficiency, automation, and regulatory compliance. It is also well understood, and appropriately acknowledged in your report, that programs of this scale and complexity are inherently high-risk, resource-intensive, and challenging to deliver, with a number of comparable initiatives in other jurisdictions having encountered significant difficulty.

The current Tasmanian Government human resource systems environment comprises more than 40 ageing HR, payroll, and rostering platforms. Many of these systems are at or beyond end-of-life and no longer capable of providing reliable, accurate, or timely workforce data. The need for system-wide reform is both evident and pressing.

The Department of Health (DoH) commenced a standalone HRIS project in February 2020 in response to identified deficiencies and operational risks associated with its legacy systems. That project established a substantive body of foundational work and progressed an initial deployment pathway intended to inform subsequent whole-of-government implementation.

Following machinery of government changes in July 2024, responsibility for the initiative was transferred to the Department of Premier and Cabinet (DPAC), where it has been reframed as the HR Transformation Program. This reflects an intentional broadening in scope to encompass both the delivery of contemporary ICT capability and the associated business transformation required to achieve a standardised, whole-of-government HR operating model.

An updated business case for the HR Transformation Program was approved by the Secretary of DPAC in May 2026. That business case consolidates and builds upon the previously approved Department of Health HRIS business case (2020) and the TSS Whole-of-Government business case (2022), and provides a comprehensive articulation of the program's strategic rationale, anticipated benefits, cost profile, and risk settings to inform

decision-making. The program, as a matter of deliberate design, has leveraged the substantive foundational work undertaken through both the Department of Health initiative and the TSS program. This includes in relation to governance arrangements, risk management frameworks, and change management methodology. It is also directed toward accommodating the inherent complexity of the Tasmanian public sector workforce, including varied employment arrangements across agencies.

Having been briefed on the performance audit report, I consider it necessary to state, in clear terms, that I do not agree with the observations or conclusions as presently framed. In my assessment, the report does not adequately or accurately characterise the program's context, the basis for key decisions, or the extent of work undertaken to date. Nor does it sufficiently reflect the complexity, sequencing, and risk profile inherent in a reform of this nature. Accordingly, the report, in its current form, gives rise to conclusions that I consider to be incomplete and, in material respects, potentially misleading.

I note that both the Department of Health and the Department of Premier and Cabinet will provide detailed submissions addressing specific matters within the report, including issues relating to program expenditure, the development and approval of business cases, governance structures, risk management, and the status of deliverables.

Given the significance of this reform initiative and the potential implications of the report's findings, I strongly recommend that full and proper weight be afforded to those submissions. I further encourage direct engagement with the relevant Secretaries to ensure that their perspectives are fully understood and appropriately reflected prior to the report being finalised.

Jeremy Rockliff MP
Premier

Response from the Secretary, Department of Health

The Department of Health acknowledges the audit and supports the intent of strengthening governance, transparency and delivery discipline for complex transformation programs. The Department also recognises that large-scale HR and payroll reform programs are inherently complex, high-risk and require sustained, coordinated effort across multiple domains.

The Department accepts that the HRIS Program did not proceed to full implementation within the period under review and therefore did not deliver its intended end-state outcomes. The Department also acknowledges the report's observations regarding governance, risk management and the challenges associated with delivering enterprise-scale transformation.

However, the Department considers that key aspects of the program's delivery, context and outcomes are not fully reflected in the report and that some conclusions would benefit from additional context to ensure a balanced and accurate representation.

Program delivery and value

The Department does not accept the characterisation that the program did not deliver any outcomes.

The HRIS Program progressed substantial work through structured design, configuration, build and formal validation phases. This included development of core system architecture, business processes, data structures, integration approaches and functional components, supported by enterprise playback sessions demonstrating live system capability.

While this work did not result in a deployed system within Health, it established a configured and operational platform together with a comprehensive set of artefacts that would otherwise have required recreation in subsequent phases of reform. These outputs constitute tangible delivery outcomes and form critical foundations for ongoing development of a whole-of-service HRIS capability.

In addition to technical outputs, the program delivered significant non-technical outputs necessary for enterprise transformation, including operating model design, business process mapping, workforce readiness planning, stakeholder engagement and communication frameworks, and large-scale data remediation and improvement activities. These elements are essential precursors to successful implementation and should be recognised as substantive components of delivery.

Governance and decision-making

The Department acknowledges that governance arrangements associated with the program would benefit from strengthening in future initiatives. However, it does not accept that program outcomes can be attributed to ineffective governance.

Governance processes identified key risks and dependencies throughout the program lifecycle, including critical enterprise-level design issues. These risks were tracked, reported and escalated through established governance structures. The central challenge was not visibility of risk, but the resolution of complex, cross-agency business issues requiring authority and coordination beyond a single department.

Importantly, the decision to pause implementation in early 2024 was deliberate and appropriate. This decision reflected an informed assessment that critical system design and broader business transformation dependencies had not been sufficiently resolved to enable safe deployment. Exercising the discipline to pause rather than proceed with an incomplete solution represents a key element of effective governance and avoided the risk of significant system failure.

Program complexity and scope

The Department considers that the report does not fully reflect the scale and complexity of the program, particularly as its scope evolved beyond a single-agency implementation.

The HRIS Program transitioned from an initial agency-focused solution to a broader service-wide reform initiative, introducing substantial additional complexity. This included the need to reconcile diverse workforce practices, industrial arrangements and business processes across multiple agencies and employment groups.

Several of the most significant challenges identified, such as award interpretation, concurrent employment arrangements and rostering practices - are structural, whole-of-service issues. These matters are not system configuration problems but require coordinated policy and business design decisions at a broader level. Their resolution sits beyond the authority of a single agency and represents a fundamental dependency for any viable HRIS implementation.

The identification and elevation of these issues through the program was a critical outcome, informing subsequent program design, governance arrangements and sequencing.

Financial presentation

The Department notes that comparisons with other jurisdictions would benefit from consistent treatment of capital and operating costs to ensure like-for-like assessment. The Department also submits that a fair calculation of the operational costs should be a net figure taking into account the current and projected whole of government costs of the EMPOWER system over the same period.

Business case and program evolution

The Department considers that the report's characterisation of business case governance does not fully reflect the context in which the program evolved.

A formal business case was developed and approved at program commencement, with subsequent artefacts iterated as the scope expanded. As the program transitioned to a broader service-wide reform, the nature and scale of supporting documentation evolved accordingly. While formal re-approval processes did not occur in the manner expected for a discrete, static program, the evolution reflects the changing scope and complexity of the initiative rather than an absence of governance discipline.

Communication and external engagement

In contrast to the audit's characterisation of limited transparency, the Department engaged proactively and consistently with the Tasmanian Audit Office from early in the program lifecycle. Formal briefings were initiated by the Department and conducted at senior levels across multiple years, ensuring that Audit Tasmania was informed of program context, risks and progress. This proactive engagement reflects a deliberate commitment to transparency and contrasts with the implication that issues were not visible externally. The Department acknowledges that some external communication

and stakeholder engagement practices were not fully matured during the period under review. This reflects the program's position within the design and early implementation phases and the shift in scope to a broader reform initiative.

In summary, the Department considers that:

- The HRIS Program delivered substantial technical and non-technical outputs that established a foundational platform for ongoing HRIS reform
- The decision to pause implementation was a deliberate and appropriate governance intervention to mitigate the risk of deploying an incomplete and unsuitable solution
- The most significant challenges encountered were structural, cross-agency issues requiring coordinated, whole-of-service resolution rather than issues attributable to a single agency
- The complexity and evolving scope of the program materially influenced delivery outcomes and required adaptation of approach over time

Importantly, the Department emphasises that the Human Resource Information System Program and the subsequent Human Resource Transformation Program represent a single, continuous program of work transitioning from agency-led initiation to whole-of-service delivery. The work undertaken by Health established the core platform, artefacts and enterprise insights that underpin the current program, and has been directly leveraged to enable its continuation and progression.

Accordingly, while the initial phase did not deliver its ultimate end-state outcomes, it was foundational to the current program's progress, materially reducing the time, cost and risk associated with subsequent delivery phases. The outcomes achieved in the period under review should therefore be understood as enabling and integral to the broader reform, rather than as discrete or isolated from current progress.

The Department remains committed to strengthening governance, stakeholder engagement and program gating for major initiatives. An action plan addressing the report's recommendations is attached.

Dale Webster
Secretary

Response from the Secretary, Department of Premier and Cabinet and Head of the State Service

I have reviewed your draft report and strongly agree that it is critical that this reform progresses. Current Human Resource systems in the Tasmanian State Service and associated processes are end-of-life, fragmented, costly, outdated and inefficient and the Department of Premier and Cabinet's (DPAC's) Human Resource Transformation Program (the Program) is tasked with solving this long-term structural problem across Government.

A whole-of-government Human Resource Information System (HRIS) at its core is about getting the fundamentals right: ensuring our people are paid correctly, rostered safely, able to apply for leave and have decisions transparently made, and be properly supported to do the jobs we ask of them. Anything less is not acceptable. We are also clear about what we do not want. We do not want to repeat the failures seen in other jurisdictions, where poorly executed payroll implementations caused real harm to staff and significant cost to government.

As recognised in the audit report, programs of this nature are inherently high-risk and difficult, costs are large and there are several examples of high-profile failures where programs have not succeeded. However, the governance, stakeholder engagement, planning and expert resources that we have implemented sets the Tasmanian State Service up for success.

Having carefully reviewed the findings and acknowledging your conclusions on the importance of the program and the improvements needed to be made, I believe the decision to treat the program as two separate stages of work, has affected the analysis and conclusions.

Having been involved in the HRIS/H RTP Program since its inception in early 2020, I can categorically state that the HRIS/H RTP program is one program of work, not two. Whilst the program did move, from an administrative and machinery of government perspective, from the Department of Health (DoH) to DPAC in mid-2024, following the change of Secretaries for both Departments, this did not mean the cessation of one project and creation of a second project. The broadening of the scope of the program, from a starting Health focus to a whole-of-government solution, did not also split the projects into two. One continuous HRIS/H RTP program has been underway and publicly reported on for 6 Budget periods and scrutinised in 6 sets of Estimates Hearings, since it was originally funded in the 2020-21 State Budget. The program commenced in the Department of Health (as the originating agency for the capital request to urgently replace Health's failing payroll infrastructure) and broadened its scope to a whole of Government solution being rolled out to all agencies, including Health, by DPAC from mid-2024 onwards.

I note that the program was paused in early 2024 so that an external review could assess the readiness for implementation of the HRIS solution that had been built by the System

Integrator for DoH. This is a hallmark of good governance, and I note the audit report reiterates some of the 2024 external review findings that had been previously identified and actioned. The external review led to a reassessment of the delivery approach and replanning, including a change to deployment type and order (moving from a 'Big Bang' approach to a single smaller agency (DPAC) as first pilot with incremental releases of functionality) and the selection of a new System Integrator to finalise a whole-of-government enterprise design.

Assessing these program stages as separate isolated programs demonstrates limited consideration of key connections, transition decisions, and cumulative outcomes – the modules that ultimately have been delivered in the 'DPAC Stage' are the product of the work undertaken in the 'Health Stage' of the Program.

With respect to specific audit findings and conclusions, I respectfully provide further comment below.

Program Delivery

I note the Audit conclusion that *"...the Department of Health's (Health) planning and early implementation of its Human Resource Information System Program (HRIS Program) was not effective or economical. Governance arrangements were ineffective and Health spent \$47m, without delivering any of the intended modules at the time of the transition to the Department of Premier and Cabinet (DPAC)."*

Significant work was accomplished by the DoH program that has provided the foundation for the whole-of-government program, not least the procurement, contracting and purchase of ten-year whole-of-government PeopleCentral system licences and build of the PeopleCentral Core Operating System, which has not been acknowledged in the audit report.

The initial design and development of system specifications supported by subject matter experts from across agencies, the subsequent build and configuration of multiple system components including Employee Central (core HR), Recruitment, Onboarding and Payroll modules followed by testing, is evidenced by detailed documentation, and is actively used in executing the current phases of the program.

Specifically, the assertion that the program did not progress to system testing during the initial phase is incorrect. Testing processes were undertaken, including System Integration and Data Migration testing during 2023-24, with formal deliverables documenting the successful outcomes of these testing activities. Furthermore, the artefacts developed to support these testing activities including test scripts, testing strategies and processes continue to be actively used within the Program.

The testing validated the build and configuration of the core system components, which directly enabled the first deployment of PeopleCentral, Establishment Management, to the Department of Premier and Cabinet (DPAC). This was completed in November 2025, using the SAP Successfactors Employee Central platform built in DoH. This is further evidenced by the release of Position Management functionality recently deployed to the

first agency, DPAC, which is founded on and utilises the work undertaken in DoH. Further, fundamental to the operations of the system are data migration and integration tools that were also developed during the DoH phase of the program.

While I accept as fact the audit finding that Health did not deliver any of the intended modules of PeopleCentral prior to transition of the Program to DPAC, the work undertaken and foundation system built in DoH was subsequently used for the first system deployment to DPAC which is now 'live'. The decision not to roll out the first modules in Health was based upon expert advice in the early 2024 review to progress first with a smaller agency and avoid the extreme risk of a 'big bang deployment'.

Business Case

It is acknowledged that several business cases have been prepared for the combined HRIS/H RTP program – the first in 2020 as an urgent 2020-21 Budget capital funding request for Health, due to the continuing failure/restart of the fortnightly Health payroll run, and consequences for the State if Health employees could not be paid.

At this time, and in order to secure Budget funding, Health agreed that it would act as a functional lead for a whole-of-government design solution, as Health employees cover nearly all TSS awards and agreements from an industrial perspective. This functional leadership model was positively noted in Recommendation 34 of the TSS Review which was publicly released in September 2021 (TSSR):

“That the Department of Health continue to develop the Human Resource Information System (HRIS) to provide the foundation for a whole-of government system, with clear whole-of-government business requirements for accurate and timely reporting to heads of agency, the Head of the State Service, the Employer and Parliament.”

The Independent Reviewer, Dr Ian Watt AC, went on to note in his final report:

“The government has agreed to the funding required for the Department of Health to develop a new Human Resource Information System (HRIS), and other agencies are planning to build on this foundation, effectively creating a single integrated HRIS for the State. This is critical to support the strategic role of the Head of the State Service, and even more important under a more decentralised system of decision making. It is important that the design of this system includes the business requirements in this context and that SSMO is taking a leading role in ensuring this is the case.”

Following the TSSR, a formal whole-of-government HR System Business Case was prepared by DPAC and endorsed in 2022 by the Secretaries Board. The business case recognised the DoH HRIS program as the foundation for the roll-out of a whole of government solution to all agencies and was submitted as part of the 2022-23 budget process by DPAC.

The extended whole of government scope was not originally funded in the 2022-23 State budget, however, in October 2023, in the Government's initial response to the

Commission of Inquiry, seed funding was provided to DPAC to commence change management and business readiness within agencies for a whole-of-government rollout, and for DoH to urgently identify, build and deploy, as a matter of first priority, a new case management tool to better manage employee misconduct investigations in response to the Commission of Inquiry into Child Sexual Abuse in Government Institutions.

This whole-of-government approved 2022 business case which includes clear and aligned outcomes across agency stakeholders, was provided to the Audit team, but is not reflected in the findings.

As is noted in the audit, the latest program business case has been revised multiple times to reflect proactive risk management as well as to incorporate effects of the budget timing delays. This updated whole-of-government business case reflects feedback from the Department of Treasury and Finance and our current estimates of cost to finalise build, implementation and operation over the next 10 years.

This business case, like the 2020 and 2022 business cases, has been carefully reviewed and approved, and I attach a copy for your records.

Program Costs

There are several references to various program costs, including interjurisdictional comparisons in the report.

The current estimated implementation cost for the TSS HR System as reflected in the business case is a Net Present Value over the implementation period until 2028 of \$75.4M.

	Years	Costs
Initial system build and implementation costs in DoH	2021-2024	\$47M
Estimated development cost to build (<i>Net Present Value</i>)	2024-2028	\$75.4M

The projected ongoing operating costs of the HRIS system are lower than the current system costs which are escalating rapidly. The costs of the current payroll system alone across Government has grown from \$2.6M in 2023-24 to \$9.2M in 2026-27. As stated in the Business Case, across the 14-year review period, total legacy system licence costs for Empower and other systems would total at least \$116.4M on a Net Present Cost basis. Under the proposed PeopleCentral model, total licence and support costs for the same period is forecast at a total of \$100.2M – a reduction of \$16.2M on a Net Present Cost basis.

	Years	Costs
Estimated cost to operate, <i>over implementation period and 10 years post implementation</i>	2025-2039	\$100.2M
Projected reduction in current licence and support fees from current system	2025-2029	(\$116.4M)

Key Design Decisions

The report reflects the importance of solving the key system design decisions that had not been able to be finally resolved in DoH, notably award interpretation and the management of employees with concurrent / multiple assignments. The audit findings have identified that these key system design issues have now been resolved, with technical solutions identified, structured processes and governance reporting and controls in place.

However, the relative significance of resolving fundamental system design issues, as distinct from other program design and implementation risks, has not been adequately recognised in the key findings. The report also fails to recognise the initial work undertaken by DoH to fundamentally inform the work undertaken through the whole of government project to resolve these key system design issues.

Whilst acknowledging there are material risks regarding change management in implementation and there are complex technical solutions to be solved through the design and implementation stages, the actual outstanding system key design decisions have a lower level of risk and operational impact.

DPAC Recommendations

As I noted above, the latest business case is now approved. A draft of this business case was reviewed by the Department of Treasury and Finance (DTF) and has been finalised in consultation with key stakeholders including Program governance. The approved business case will be provided to DTF and the Infrastructure Delivery Committee of Cabinet.

DPAC has embedded project gates in its established program management practices to manage progression through different stages of the Program. Alongside consideration of the resolution of key design issues, these gates encompass required documents, vendor artifacts and stage specific entry criteria. Additionally, within activity stages, key milestones are defined with documented entry and exit criteria that are formally considered before proceeding.

I note your conclusion that Program governance, stakeholder engagement and reporting have improved under DPAC and that the program has a structured, methodical approach to resolving the complexities and challenges of transforming the delivery of HR services to the TSS workforce.

As the report states, there is a cost associated with not undertaking reforms as current TSS human resource systems are no longer fit-for-purpose and are end-of-life. This vital Program is not simply an IT installation but is a broader reform program responsible for modernising and cleaning up decades of manual, piece-meal approaches to payroll, rostering and employee management. The costs to undertake this data clean-up for tens of thousands of employees, and hundreds of thousands if not millions of lines of data associated with an entire State Service, are large but commensurate, if not favourable in comparison to costs borne in other jurisdictions.

The HRIS program represents a critical investment in compliance, workforce continuity, and institutional risk management in a highly complex workforce and regulatory environment.

I confirm that I will work with all Secretaries to ensure the report's recommendations are fully considered and applied for the benefit of all current and future TSS ICT programs.

Kathrine Morgan-Wicks PSM

Secretary and Head of the State Service

Rejoinder from the Auditor-General

Our audits are conducted in a rigorous and robust manner in compliance with Australian auditing standards which, among other things, emphasises sufficiency and appropriateness of audit evidence to support findings and conclusions.

Our supporting evidence includes documentation (reports, policies, plans etc), testimony (interviews, focus groups, surveys), analysis of entity data (quantitative or qualitative) and observation through site visits and demonstrations.

Quality Control gates are used throughout the audit (planning, implementation, reporting and tabling) to ensure proper review by senior officers, corroboration of evidence and strength of conclusions. An independent team member substantiates the report before it is released for comment, with tracing back of each finding to relevant audit evidence.

For this report, we additionally used a Technical Review Committee to confirm the audit conclusion and an externally contracted Engagement Quality Reviewer to examine the entire audit file at the planning, implementation and reporting phases to provide independent confirmation of the quality and compliance of the audit.

Martin Thompson

Auditor-General

Appendix D – Our role, audit mandate and standards applied

Our role

The Auditor-General and Tasmanian Audit Office (Audit Tasmania) are established under the *Audit Act 2008* and *State Service Act 2000*, respectively. Our role is to provide assurance to Parliament and the Tasmanian community about the performance of public sector entities. We achieve this by auditing financial statements of public sector entities and by conducting audits, examinations and investigations on:

- how effective, efficient, and economical public sector entity activities, programs and services are
- how public sector entities manage resources
- how public sector entities can improve their management practices and systems
- whether public sector entities comply with legislation and other requirements.

Through our audit work, we make recommendations that promote accountability and transparency in government and improve public sector entity performance.

We publish our audit findings in reports, which are tabled in Parliament and made publicly available online. To view our past audit reports, visit our [reports](#) page on our website.

Mandate

Section 23 of the *Audit Act 2008* states that:

- (1) The Auditor-General may at any time carry out an examination or investigation for 1 or more of the following purposes:
 - (a) examining the accounting and financial management information systems of the Treasurer, a State entity or a subsidiary of a State entity to determine their effectiveness in achieving or monitoring program results;
 - (b) investigating any matter relating to the accounts of the Treasurer, a State entity or a subsidiary of a State entity;
 - (c) investigating any matter relating to public money or other money, or to public property or other property;
 - (d) examining the compliance of a State entity or a subsidiary of a State entity with written laws or its own internal policies;
 - (e) examining the efficiency, effectiveness and economy of a State entity, a number of State entities, a part of a State entity or a subsidiary of a State entity;

- (f) examining the efficiency, effectiveness and economy with which a related entity of a State entity performs functions –
 - (i) on behalf of the State entity; or
 - (ii) in partnership or jointly with the State entity; or
 - (iii) as the delegate or agent of the State entity;
 - (g) examining the performance and exercise of the Employer’s functions and powers under the *State Service Act 2000*.
- (2) Any examination or investigation carried out by the Auditor-General under subsection (1) is to be carried out in accordance with the powers of this Act.

Standards applied

Section 31 specifies that:

‘The Auditor-General is to perform the audits required by this or any other Act in such a manner as the Auditor-General thinks fit having regard to –

- (a) the character and effectiveness of the internal control and internal audit of the relevant State entity or audited subsidiary of a State entity; and
- (b) the Australian Auditing and Assurance Standards.’

The auditing standards referred to are Australian Auditing Standards as issued by the Australian Auditing and Assurance Standards Board.

Acronyms and abbreviations

Audit Tasmania	Tasmanian Audit Office
Audit Act	<i>Audit Act 2008</i>
DPAC	Department of Premier and Cabinet
FTE	Full Time Employment
Health	Department of Health
HRIS Program	Human Resource Information System Program
HRTTP	Human Resource Transformation Program
ICT	Information and Communication Technology
m	million
PMP	Project Management Plan
SIMTEC	Strategic information management and technology exec committee
SSMO	State Service Management Office
Treasury	Department of Treasury and Finance
TSS	Tasmanian State Services

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Front cover image: Business meeting.

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