

**02 June 2010
FOR IMMEDIATE RELEASE**

MEDIA RELEASE

INTERMEDIUM: HOW WILL THIS YEAR'S NSW BUDGET MEASURE UP?

New South Wales' 2010-11 budget is due for release on 8 June at 12:15 pm, and the ICT industry will be keenly waiting to see what opportunities it may contain following sizeable technology allocations in 2009-10.

The 2009-10 Budget contained around \$1.11 billion in total ICT capital expenditure, with the biggest individual winners being Education and Training, which captured over \$212 million, and Transport and Infrastructure, which received \$168 million for their technology initiatives, according to *Intermedium's* analysis.

The bulk of ICT capital expenditure in 2009-10 went towards the provision of IT services, with over half of all the budgetary allocations falling into this category.

Judy Hurditch, Director of *Intermedium* says firstly this year, I expect to see the budget statements framed at the super department level and that in itself may make for a very different budget format.

The announcement in the 2009-10 Budget of the formation of the super departments came too late to allow for budget statements to be prepared at that level. "There will be plenty of analysis to do in terms of working out whether these super departments are able to deliver on the efficiencies the amalgamations were expected to yield, given that many of them have done very little serious organization integration as yet'.

As far as I am concerned, the Department of Human Services, with an organization review expected to be announced 'in June' (timing is no coincidence with regard to the budget announcements) is one of the few that we could expect to have major budget implications

'A big question is whether we will see an increase projects which have an intrinsic ICT component in this, the last budget before the election', says Hurditch

'This government is keen to find administrative savings wherever it can, and pump them back into the frontline – teachers, doctors, nurses and police. Any new ICT projects are likely to be all about finding efficiencies that drive down costs', she says.

'At the whole of government level, there is likely to be a focus around the ICT support of more effective shared service arrangements for the super departments. I wouldn't be surprised to learn of measures to rationalise the instances of ERP platforms.' she said.

At the individual agency level, we can expect NSW Health, always a big beneficiary, to feature heavily because of the changes coming from Federal Government initiatives'..

We should also expect that the Budget will reflect the results of the NSW Review of ICT costs, being conducted by the NSW Treasury.

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'Although it has not been publically stated, in line with the approach taken by the Gershon Review of ICT costs undertaken by the Federal Government through calendar 2008, we can expect to learn of reinvestments of at least some of the Business as Usual savings the NSW ICT Cost Review uncovers', she added.

The Government's Better Services and Value initiative, announced in last year's Budget and of which the ICT Review was an initial project, requires NSW departmental CEOs and CFOs to produce a 1% efficiency dividend through a rationalisation of their ICT expenditure. It is understood that the Super Departments have been struggling to find the efficiencies the dividend will require.

Last years' biggest ICT allocation went to the Department of Education and Training's *Digital Education Revolutio*. As the largest single ICT initiative, it was worth \$82.6 million in 2009-10 and \$211 million overall. This project aims at providing wirelessly enabled laptops to all public school students in years 9-12 by 2012, and is funded by the Commonwealth's National Secondary Schools Computer Fund.

The energy sector also came out ahead in terms of ICT funding, with Energy Australia, Country Energy and Integral Energy receiving a combined total of nearly \$200 million for upgrades to business operating and network management infrastructure.

June 8 will reveal who the biggest ICT winners will be in 2010-11.

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Event Details:

Date: Wednesday 30 June 2010

Time: 07:15-09:45am

Venue: Rydges Hotel, North Sydney

<http://www.intermedium.com.au/content/nsw-budget-ict-impacts-briefing>

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