



New South Wales Infringement Processing Bureau: the IMPS project

On 28 August 2003, Michael Egan, Treasurer of the State of New South Wales, requested, under the terms of Section 57(1) of the *Public Finance and Audit Act 1983*, that the Public Accounts Committee (PAC) of the Parliament of NSW inquire into problems surrounding the implementation of IMPS, a new computer system in the NSW Infringement Processing Bureau (IPB). A due diligence review commissioned by the Treasurer in July 2003 had found that, due mainly to problems with IMPS, large numbers of fines had not been processed as quickly as they should have been, resulting in lost revenue from fines in 2002-03 of approximately \$32 million. (The revenue was lost when a fine was not processed by the IPB within six months of the date of the infringement, which was then the deadline under legislation.) As a result of the findings from the due diligence review, the Treasurer requested that the PAC inquire into the implementation of IMPS and report back with findings and recommendations.

The Committee issued its report on 15 September 2004. In his Chairman's Foreword to the report,¹ Matt Brown MP wrote:

“The Committee attributes the problems within the IBP largely to Senior Management within NSW Police... The result was that up to \$41 million in revenue for clients of IBP was lost in the period 1 September 2002 to 31 January 2004. The cost to NSW

This case was written by Professor Michael Vitale, Australian Graduate School of Management (AGSM). It has been prepared as a basis for class discussion rather than to illustrate either effective or ineffective handling of a managerial situation.

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¹ Except where noted, this case is based on the New South Wales Parliament Public Accounts Committee Inquiry into Infringement Processing Bureau / Public Accounts Committee. (Report no. 149 / Public Accounts Committee) ([Parliamentary paper]; no. 6/53). This document will be referred to hereinafter as the “PAC Report”. It is available on the Internet at [http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/c8d06cb6bb273cd6ca256f10001a665f/\\$FILE/IPB%20final%20report.pdf](http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/c8d06cb6bb273cd6ca256f10001a665f/$FILE/IPB%20final%20report.pdf) (visited 20 September 2004)

Government entities (e.g. the Roads and Traffic Authority and NSW Police) was \$29 million. A further \$9.6 million was paid or is payable to non NSW Government clients of IBP, such as local councils. The project itself also ran over budget by about \$8 million. There has also been a significant human cost in terms of the morale and well being of current and former employees of IBP and NSW Police, resulting from mismanagement.”²

The report led some NSW parliamentarians to question NSW Police’s ability to manage large projects, and – whether coincidentally or not – funding for Police’s agency-wide computer upgrade, known as COPS2, was cut in half. “I have very little confidence in the police service being able to manage a project of this magnitude,” said one parliamentarian, who did not want to be named. “I also find it astounding that nobody in Treasury noticed a problem of this scale [with IMPS] until now.”³

The Infringement Processing Bureau

The IPB was the NSW government agency responsible for the collection of fines.³ Infringement notices were issued for traffic and parking offences, as well as red light, and speed camera, liquor, and other offences. Such infringements could be settled by the payment of a fine without an appearance in court. Although most of its work was done for the NSW Police, which had created the bureau, the IPB also had more than 700 client agencies including, amongst others, local Councils, the Roads and Traffic Authority (RTA), the National Parks and Wildlife Service, the Waterways Authority, the Casino Authority, and the Environmental Protection Authority. The IPB provided infringement processing, payment processing, correspondence, and Court Election processing for one all-encompassing fee per infringement. This service could include the handling of all correspondence and enquiries from members of the public. Payments for fines were received by the IPB and paid to client agencies on a monthly basis. Similarly, fees for service were invoiced monthly. In the 2003-2004 financial year⁴ the IPB received approximately 2.8 million infringements with a face value of around \$390 million.⁵

The infringement system provided for on-the-spot penalty notices to be affixed to an offending vehicle or provided to an offending individual. In the case of camera-detected offences including red light, speed, Sydney Harbour Bridge, and tollway cameras, a penalty notice was posted to the registered owner of the vehicle concerned. An initial infringement notice allowed a period of 21 days within which payment could be made. During this period, the accused person could also write a letter challenging the fine, or could sign a statutory declaration that he or she was not the driver of a vehicle when the offence occurred. If the infringement notice was still outstanding after 21 days, a reminder notice was forwarded to the person named in the original notice or to the registered owner of the vehicle, as recorded by the RTA. The reminder notice allowed a further period of 28 days to pay. Infringement notices that were not satisfied within the time periods allotted were referred for further enforcement action.

² PAC Report, viii.

³ “IT Flaws a Drain on the Public Purse”, B Woodhead, *Australian Financial Review*, 9 November 2004, page 32.

³ Information about the Infringement Processing Bureau was taken from www.ipb.nsw.gov.au visited on 20 September 2004.

⁴ Information provided by NSW Office of State Revenue.

⁵ All money in Australian dollars. As at 1-1-2003 1 \$A = approximately .56c US.

This included referral to the State Debt Recovery Office (SDRO⁶, part of NSW Treasury), at which time a further penalty amount was imposed, or referral to the RTA for license or vehicle registration cancellation. Fines that the IPB was not able to process within a statutory period after the infringement became “statute-barred”. Once fines became statute-barred, the IPB and the SDRO lost the right to enforce the recovery of the fines. On 1 August 2003, in the midst of a crisis at the IPB, the statutory period for most fines was increased from six months to one year.

In 1999 the Premier of New South Wales had announced that the IPB would relocate by 2001 from urban Parramatta to rural Maitland, about 175 kilometres northeast of Sydney, as part of the NSW Government’s Office Accommodation Reform Program. Senior management of the NSW Police, of which the IPB was then a part, put forward the view that the IPB could relocate to regional NSW and, through the use of a newly-developed computer system, reduce employment from 229 to 139. In June 1999 an initial capital funding allocation of \$4 million was made for the following financial year, to begin the development of the new Infringement Management Processing System (IMPS), which would be used by IPB once it moved to Maitland. The total costs predicted for the project were “on the order of” \$12 million for capital, plus changeover costs of \$3.34 million. The business case predicted “tangible benefits” for the project of about \$18.5 million per annum.* The Public Accounts Committee noted in its 2003 report that:

“The cost of the IMPS project was estimated at \$11 million in 1999-2000, assuming that \$1.8 million was to be spent on hand-held devices. The actual cost was \$11.612 million to the end of 2002-2003, without any hand-held devices being purchased. In addition, in 2003-2004 OSR [Office of State Revenue] spent a further \$2.4 million on IMPS, mainly on enhancements, e-payment improvements, and infrastructure and capacity planning. The 2004-2005 budget forecasts another \$1.5 million to be spent on IMPS. To the end of 2004-2005, the expenditure on IMPS is therefore likely to be about \$6.3 million more than that predicted in the original business case.⁷ ... The project that was actually implemented by NSW Police was significantly different to that assumed in the original business case. ... Many of the changes that were not implemented, were the basis of the forecast efficiency gains.”⁸

The origins of IMPS

Prior to the implementation of IMPS, the New South Wales Police relied on the Traffic Penalties System (TPS), which was installed in 1985. Ian Rea, who was appointed IMPS Project Manager in September 1999, described TPS as follows:

“The traffic penalty system ... basically was a support system for manual processes at the Infringement Processing Bureau. It was more or less an accounting system and people would be told, ‘You owe us \$10. Have you paid?’ The reporting functions of the

⁶ A list of acronyms is included as *Exhibit 4*.

* While NSW Police did not make a submission to the inquiry, it did write to the Committee on 28 April 2004 and offered to supply copies of documents relevant to the inquiry. In response to this offer, the Committee requested copies of documents, including the original business case. A number of documents were received by the Committee, including an “Abbreviated Business Case”. A copy of the original business case was not supplied, apparently because it could not be located. (PAC Report, page 2) The figures quoted here are from the Abbreviated Business Case.

⁷ PAC Report, page ix

⁸ PAC Report, page x

old traffic penalties system were outdated and did not give us the information that we needed. The system fell far short of the Government's policy for electronic service delivery down the track. It had ended its useful life."⁹

Barry Douse, the General Manager of Infrastructure and Processing within NSW Police from late 1998 until he left the police in early 2001, was the initial IMPS Project Sponsor. He described the benefits of changing from TPS to IMPS as predicted in the business case:

"The biggest issue about the capability of the Infringement Processing Bureau was taking the manual processing out of it. The things that most affected processing capability were bottlenecks caused by taking infringements out of the automated process and requiring manual intervention. These reforms were crucial to making the overall system work and allowing it to work at full capacity."¹⁰

In 1995 NSW Police contracted EDS Management Consulting Services to complete a functional specification for the conceptual design of a new traffic penalties system. Four years later, the Department of Public Works and Services was contracted to consider the work of EDS and to undertake a review of the IPB to establish its core business function and to identify outsourcing opportunities. The findings of this review were incorporated into an Abbreviated Business Case for IMPS, which was submitted to the NSW Treasury in May 1999¹¹. The Abbreviated Business Case assumed that the new system would be built using the UNIX operating system and would incorporate imaging, workflow, optical character recognition, document management, and hand held computer technology for parking patrol officers and highway police officers. Based on an annual volume of 1.7 million fines, the business case predicted that, after introducing IMPS and changing some business processes, the number of staff within IPB could be reduced from 240 to fewer than 150. Accordingly, the new IPB building in Maitland was constructed to accommodate a maximum of 150 staff. Asked by the PAC his opinion of the business case at the time it was approved, IMPS Project Sponsor Douse replied, "I had been party to putting it together and I was absolutely confident it was doable, practical, and realistic."¹²

Peter Ryan, the then Commissioner of NSW Police, approved the Abbreviated Business Case on 17 June 1999, and an initial capital funding allocation of \$4 million was made for the following financial year. The NSW Treasurer had directed, in October 1997, that all NSW agencies requiring budget funding to implement new information and communications technology projects costing \$500,000 or more were henceforth required to prepare and forward business cases for the projects to the Office of Information and Communications Technology (OICT) for assessment. However, the IMPS business case was not submitted to the OICT, which therefore took no role in approving the business case or overseeing its implementation. Asked by the PAC why the OICT had not been asked to assess the business case, Barry Douse was unable to recall, but said "Treasury would certainly [have been] provided with a business case".¹³

⁹ PAC Report, page 6

¹⁰ PAC Report, page 7

¹¹ As noted above, the PAC was not able to locate a copy of the full original business case.

¹² PAC Report, page 14

¹³ PAC report, page 17

Tender specifications for IMPS flowed from the business case. The tender specified that the system must be able to support the initial expected infringement volume of 2.8 million per year, rising to 3.09 million after 5 years. The tender also specified a three-tiered architecture, which would provide scalability and avoid single points of failure. The tender to design and build IMPS was won by the Australian arm of Accenture, a global consulting firm.

As the development of IMPS proceeded, NSW Police decided not to implement the system architecture assumed in the business case. The PAC Report noted, “There is no evidence that NSW Police performed adequate sensitivity analysis of the architecture options, prior to making the decision to deviate from the business case. ... There is no evidence ... that the Commissioner of Police approved the decisions to deviate from the business case.”¹⁴

NSW Police also made decisions about the intended features of the new system. At the time the business case was prepared, infringement notices were hand-written, and as a result were often incomplete or illegible. The business case assumed that hand-held devices would be introduced, leading to time savings and increased accuracy. However, as implementation costs began to exceed the project budget, a decision was taken not to procure the hand-held devices. During the PAC hearings, IMPS Project Manager Ian Rea was asked, “Obviously, by not implementing the hand-helds what was implemented changed from the original business case. Was there a reassessment of the business case by Accenture?” Rea replied, “No, not to my knowledge.”¹⁵ The business case also assumed that savings would occur in the adjudication of representations, which occurred when fined individuals requested to be excused for fines. Savings were to be achieved through introducing a standard form, automating the adjudication process, and providing the public with access to IPB’s guidelines for adjudication.

None of these changes were made. Similarly, the business case assumed that speed camera images would be received digitally, allowing automatic loading and infringement processing by IMPS. Loading was not commenced until August 2003, and the NSW Police eventually concluded that optical character recognition software was not sufficiently accurate for infringement processing.

Even after these deviations from the business plan occurred, however, the prediction that 150 positions would be sufficient for IPB’s operations remained unchanged. When the PAC asked IMPS Project Manager Rea why the staff prediction stayed constant at 150, he replied, “That was not a project decision as compared to the technology, that was a management risk, and I did not have day-to-day involvement in the management functions of the IPB¹⁶.” Peter Wood, who was appointed General Manager of Infrastructure and Processing Services for the NSW Police in late 2001, told the committee, “There was certainly a very strong expectation that there would be only 150 people in Maitland.”¹⁷

¹⁴ PAC Report, pages 26 and 28

¹⁵ PAC report, page 24

¹⁶ PAC Report, page 24

¹⁷ PAC Report, page 24

The move to Maitland

Following the NSW “Country Summit” in 1996, the Premier had made a commitment to relocate 400 public service positions from Sydney to rural and regional NSW by March 1999. On 11 March 1999, the Premier announced that the IPB would relocate to Maitland by 2001, bringing about 150 jobs to the area. The actual relocation of the IPB from Parramatta to Maitland took place in September 2002. The eventual cost of the fit-out of the new Maitland accommodation was \$1.875 million, almost double what had been estimated in the original business case.

In preparation for the move from Parramatta, a consultant was engaged to assess the risk of the relocation impacting on IPB’s service delivery. The consultant’s report identified four areas where problems could arise:

- Reduction in staff productivity;
- Errors made by new staff;
- Errors caused by system error or failure; and
- Delays caused by disruptions from transition activities.

To counter these risks, IPB management developed a transition strategy that included keeping the Parramatta facility fully operational for a period after the move. The staff in Parramatta would continue to use the old Traffic Penalty System to handle infringements issued under the old system, while the new staff based at Maitland, who were trained solely on IMPS, would deal with all infringements that were processed after the move. Barry Douse, who was the IMPS project sponsor at the time the transition strategy was determined, planned for a six-month transition period, to cover the entire time before an infringement was statute-barred. Peter Wood, however, thought that Parramatta should remain operational only for a 12-week period. As Wood was the general manager responsible for IPB at the time of the move to Maitland, his approach was adopted. In the event, however, even the abbreviated transition period was cut short.

The PAC “received conflicting evidence about why the transition plan was not implemented”.¹⁸ Ian Rea, the IMPS Project Manager, said he had “no knowledge” of why the transition plan was not implemented. Peter Wood testified that on the Monday following the Friday move to Parramatta, a batch of infringements was mistakenly loaded onto both TPS and IMPS. The systems were not designed to communicate with each other, so there was a risk that infringements could be processed twice, once by staff at Parramatta on TPS, and again by staff at Maitland on IMPS. Wood said that no notices were sent from the new IMPS system for the first 17 days after it went live. “... then all those infringements were issued at once. We had a massive volume of calls as a result of those infringements going out. When we started to look at why – people were saying, ‘I’ve talked to someone and dealt with this infringement; why am I getting more letters?’ – we discovered that we had two systems operating.”¹⁹ Asked why it took 17 days to detect the problem, Wood continued, “We wrongly took the view that if no-one told us there was a problem, that was the situation.”

¹⁸ PAC Report, page 33

¹⁹ PAC Report, page 34

Faced with the duplication of data, IPB management decided to train the new staff in Maitland to use the old system, TPS, to deal with inquiries about outstanding traffic penalty matters, and to shut down the Parramatta office immediately. Project Manager Rea noted that although there was meant to be a “new system with new staff trained in the new system and a new culture at the IPB, leaving the old behind, to look after the old”, “in effect, that did not happen – after we trained the IPB staff in the new system they had to sit back and be trained in the old system”.²⁰

The IPB Business Development Manager, Mick Roelandts, described the situation within IPB at the time of the relocation: “Unfortunately, pressure was brought to bear by senior management to immediately effect the staff reductions, which were to be expected once IMPS was fully implemented, which meant that we no longer had the opportunity to allow TPS to run its course. We had to take that backlog of work with us to Maitland. We then had a situation where a whole new staff were confronted with having to learn two systems.”²¹

The PAC asked Roelandts about the duplication of data referred to by Peter Wood. “We found,” Roelandts said, “that trying to run the two systems in parallel with the reduced staff, albeit a totally new staff, was becoming far more cumbersome.” “Are you saying,” a committee member asked, “that the decision was taken to close down Parramatta and remove those staff before the decision was made to try to process [the duplicated infringements] on IMPS?” “Yes,” Roelandts replied. Commenting further on the actions taken by senior management in this period, Roelandts said, “No positive decisions were taken, no assistance was provided.”²²

The IPB staff in Maitland commenced processing infringements with IMPS in October 2002. Mick Roelandts commented about the operations of the IPB immediately after the relocation: “We were behind the eight ball.²³ We incurred about two months’ worth of backlog [from TPS] and there was a month’s learning. [Therefore] we were three months behind at the beginning. ... I am aware that numerous attempts were made by the Director at the time [Peter Wood] to secure additional resources, to utilise displaced experienced staff at Parramatta and to obtain funding for overtime for staff at Maitland. All requests were declined.”*

Summarising his perception of his responsibility with regard to the relocation, Peter Wood said, “The brief I received was that we had to open Maitland in about August or September, which we did. We needed 150 staff in place. We had to have an IMPS system which could do better work and which involved much less data entry than the TPS. That was put in place.”

²⁰ PAC Report, page 32

²¹ PAC Report, page 33

²² PAC Report, page 39

²³ Commonly used expression from the game of pool, meaning in a difficult position and likely to fail.

* PAC Report, pages 39 – 40. The PAC noted that the evidence provided by Peter Wood “presents a vastly different picture to that of Mr Roelandts. ... The Committee is not in a position to be able to resolve inconsistencies in the evidence presented to it. History has shown, however, that problems did emerge within IPB, with the result that up to \$41 million in fines became statute barred, and this could only have occurred because Senior Management did not take effective action to manage IPB’s business continuity throughout and following the relocation.”

Faced with a backlog from TPS, with the need to learn to use two computer systems, and with a steadily growing number of infringements (see *Exhibit 1*), the new IPB staff in Maitland quickly fell behind (see *Exhibit 2*). The number of items in the backlog increased steadily from about 130,000 items in November 2002 until peaking in April 2003 at over 530,000 items. As the backlog grew, the percentage of fines on IMPS that became statute-barred (and therefore legally uncollectible) increased. Historically IPB operated on a benchmark of 1 percent of infringements going statute-barred, based on a six-month statutory period of limitation. The percentage of fines on IMPS that became statute-barred peaked in May 2003 at 28.1 percent (see *Exhibit 3*). The Deputy Director of the IPB later reported that about \$41 million in fines had become statute-barred. Of this \$41 million, \$29 million was to be collected for NSW Government entities such as the RTA and the NSW Police, while a further \$12 million was to be collected for clients such as local councils. The NSW Treasurer approved a compensation package to those clients of 80% of the \$12 million they were owed, or \$9.6 million. The president of the Local Government Association commented that "...usually councils only get about 73 percent of the money through parking fines because of non-payments and things like that, so to get 80 percent is a decent amount of money."²⁴

The turnaround

On 13 February 2003 an article appeared in the *Newcastle Herald* alleging a range of problems within the IPB. The article said, "Maitland's new state-of-the-art \$12 million infringement processing bureau is besieged with problems and [is] battling to cope with a backlog of up to 150,000 outstanding items."²⁵ Shortly thereafter, the NSW Treasurer announced that the IPB would transfer from the NSW Police to the NSW Office of State Revenue (OSR) on 1 October 2003.

A transition plan was put in place, including a due diligence review of the IPB. The preliminary findings of this review, including details of the backlog and the statute-barred revenue losses, led NSW Police and NSW Treasury, in conjunction with the NSW Premier's Department, to agree that OSR should assume effective control of IPB at the earliest possible date. On 28 August 2003 the Treasurer announced the appointment of Brian Robertson, Director of the State Debt Recovery Office, as Transitional Manager of the IPB. Robertson told the PAC, "[On 28 August] there were significant backlogs in work queue items. Lost revenue had been identified as a result of matters becoming statute-barred. We also identified problems with understaffing in the IPB, accommodation constraints, instability in the computer system, unreconciled bank and client accounts, and some management practices. At 1 October 2003 the IPB had 161 full-time equivalent staff. Our estimate at that time was that the establishment should have been about 239 staff."²⁶

Robertson also noted that IMPS had not been implemented in the three-tier environment described in the original design documents, but rather in a much narrower architecture that was not easily scalable and contained numerous single points of failure. In fact, IPB management had considered upgrading the computer hardware when the backlog problem first surfaced, but found that the architecture in use made

²⁴ "Government To Cough Up \$9.6m in Lost Parking Fines", J Norrie, *The Newcastle Herald*, 11 February 2004, page 4

²⁵ *Newcastle Herald*, 13 February 2003, page 1. Newcastle is the nearest large city to Maitland.

²⁶ PAC Report, page 18

upgrades extremely expensive. Moreover, the initial design of IMPS required back-ups to be done after hours and on weekends, leaving less opportunity for staff to work overtime to reduce the backlog. In some cases back-ups were run during the day, consuming system resources and leading to very slow on-line response times.

After taking into account the backlog and other operational challenges, OSR spent \$2.4 million to modify IMPS, then added a second shift to the Maitland operation and increased the number of positions to 309. In order to house more staff, OSR modified IPB's accommodation to be more open plan – one witness at the PAC hearing referred to the original building layout as “rabbit warrens.”²⁷

Within the first eight months of OSR's control, the backlog had been reduced from 400,000 items to about 82,000, and the percentage of fines that were statute barred had fallen to about 0.3 percent. Mick Roelandts described OSR's changes as “action we had been calling for from the senior executive of NSW Police management services for the best part of 12 months.”²⁸ The PAC noted “the fact that management reporting was not adequate may partly explain why [IPB] Senior Management took so long to inform the Minister and the Ministry for Police of the extent of statute-barred revenue losses, and also why it responded so passively to the problems that emerged within IPB.”²⁹

Police Ministry Director-General Les Tree told the OSR just prior to the handover of the IPB that he and Police Minister John Watkins had not been kept informed of the situation. The PAC said that it was “very concerned that Senior Management within NSW Police could have had an impression that was so far removed from reality for such a long time. ... Senior Management within NSW Police was operating under the assumption that no further funding was available to assist with the IPB Relocation or IMPS implementation. However, they did not test the validity of this assumption ... Senior Management felt that its responsibility was to fulfil the ‘brief’ at all costs regardless of the financial consequences. It is true that Senior Management fulfilled the requirements ... by employing 150 staff in Maitland. However, history has since demonstrated that IPB needed significantly more than 150 staff.”

The NSW Police did not make a submission to the PAC inquiry, despite the fact that the IPB was under its control during the relocation to Maitland. The PAC report noted “NSW Police also prevented Accenture, the firm that built IMPS, from providing a submission to the inquiry. An email received by the Committee from Accenture stated that ‘Under the contract Accenture has with NSW Police we cannot disclose any of the information you are requesting without their approval. I have requested such approval from Police but this has not been forthcoming to date.’ The Committee then contacted the Ministry for Police, requesting that Accenture be given approval to make a submission to the inquiry. No response was received.”³⁰

The Inquiry and the aftermath

The PAC hearings in May 2004 and its report the following September generated considerable publicity, including articles with titles such as “Millions Lost in Bungle”,

²⁷ “Fine Bureau Embattled From Outset”, D Sharpe, *The Newcastle Herald*, 20 May 2004, page 18

²⁸ PAC Report, page 41

²⁹ PAC Report, page 42

³⁰ PAC Report, page 1

“Bureau a Fine Mess”, “Offenders Escape \$32m in Fines”, “NSW Cops Bill for Fine Bungle”, and “Bunglers to Account for Fine Fiasco”. Some commentators noted that IMPS was not the NSW Government’s only troubled computer project – there were problems with the \$55 million “Smartbuy” electronic computer system, and a \$240 million hospital software upgrade had suffered extensive delays. Technology failures were estimated to have cost the state at least \$100 million in two years.³¹

In the wake of a \$61 million software project failure at Sydney Water,³² the state of NSW had implemented a series of measures to improve project management and governance. All state agencies that commenced IT projects costing more than \$10 million after 1 May 2003 were required to report to the Office of Information and Communications Technology (OICT) in the Department of Commerce each quarter on the progress of the project. Agencies were also required to publish extracts from the original approved business cases on their websites and in annual and half yearly reports. In its summary, the PAC noted

“The Committee is of the view that if the IMPS implementation was to occur today, and the [reporting] procedures were complied with, the problems that emerged within IPB would not have occurred. However, it could also be argued that if NSW Police complied with the government policies and guidelines that existed during 1999-2000, the problems would also probably have not occurred. This reflects the Committee’s belief that the major cause of the problems that emerged within IPB was poor decision-making and management practices by NSW Police rather than deficiencies in the current system.”³³

By January 2005, the state of NSW had decided to abolish the OICT, whose functions reportedly would be divided among a number of offices within the Department of Commerce. The government was advertising for a Chief Information Officer, who would work in the Department of Commerce and be responsible for statewide IT strategy – a move similar to those made by the state of Victoria and the Commonwealth to centralise IT management. Some concerns were raised, however, that the real issue was a lack of senior executive support for major IT implementations, despite support for those projects from NSW Treasury.³⁴

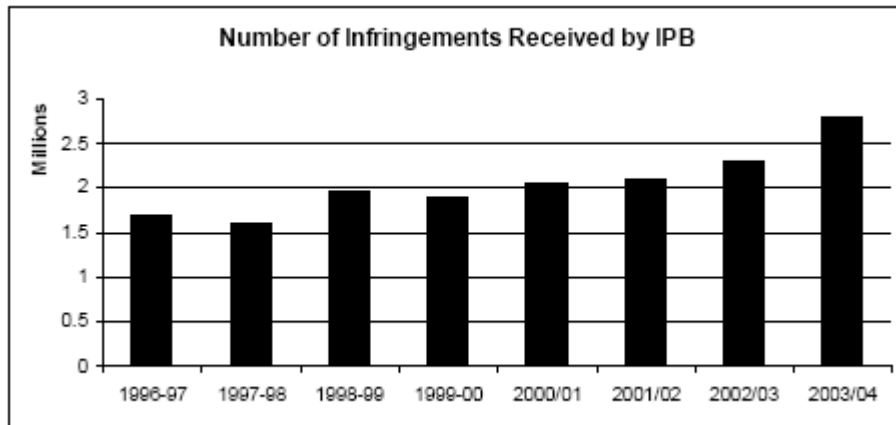
³¹ “Failures Force NSW to Overhaul System”, B Woodhead, *Australian Financial Review*, 7 January 2005, page 40.

³² See “Sydney Water”, ANZSOG case 2003-1.1, for details on the Sydney Water project.

³³ PAC Report, page 52

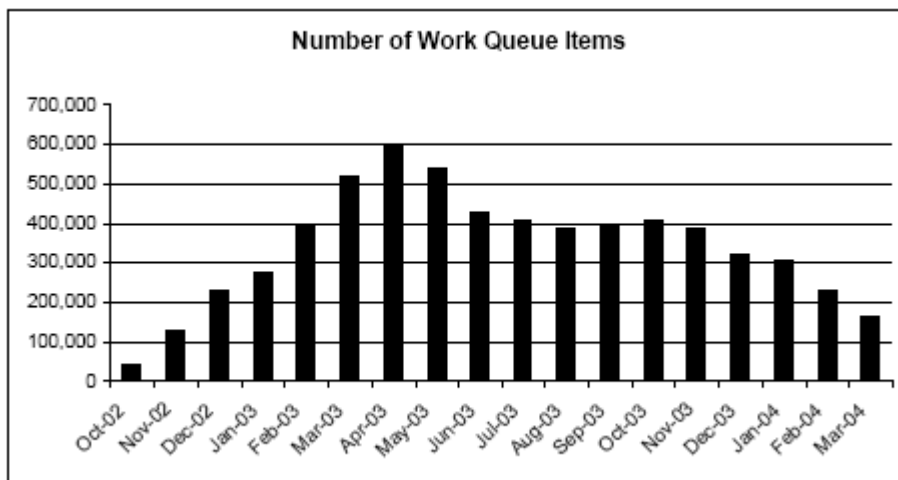
³⁴ “IT Flaws a Drain on the Public Purse”, B Woodhead, *Australian Financial Review*, 9 November 2004, page 32

Exhibit 1



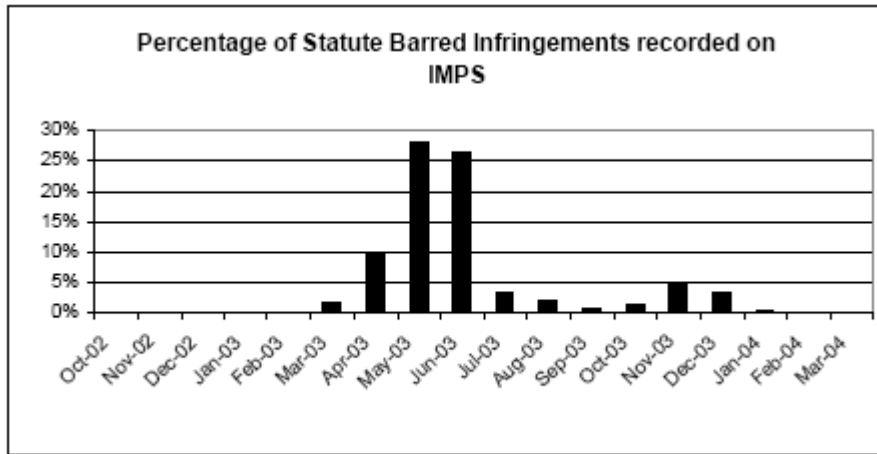
Source: PAC Report, p22

Exhibit 2



Source: PAC Report, p11

Exhibit 3



Source: PAC Report, p9

Exhibit 4

Organisations and individuals referred to in this case

Accenture	Global consulting firm
Brown, Matt	MP, Chair of PAC
Douse, Barry	General Manager of Infrastructure and Processing, NSW Police 1998-2001, initial IMPS project sponsor.
EDS Management Consulting Services	Designed functional specification of new traffic penalties system
Egan, Michael	Treasurer, State of New South Wales
IBP	New South Wales Infringement Processing Bureau
IMPS	Infringement Management Processing System
OICT	Office of Information and Communications Technology, within the Department of Commerce
OSR	NSW Office of State Revenue.
PAC	Public Accounts Committee of the Parliament of NSW
Police, New South Wales	
Public Works and Services, New South Wales Department of	
Rea, Ian	IMPS Project Manager, NSW Infringement Processing Bureau
Robertson, Brian	Director of the State Debt Recovery Office
Roelandts, Mick	IPB Business Development Manager, NSW Infringement Processing Bureau.
RTA	NSW Roads and Traffic Authority
Ryan, Peter	NSW Commissioner of Police as at 1999.
SDRO	State Debt Recovery Office, part of NSW Treasury
TPS	Traffic Penalties System
Treasury, New South Wales	
Tree, Les	Director-General, NSW Ministry for Police
UNIX	Multi-user computer operating system
Watkins, John	NSW Police Minister
Wood, Peter	General Manager of Infrastructure and Processing Services, Infringement Processing Bureau, from 2001.