



HELMSMAN

30 May 2008

Sir Peter Gershon

ICT Review Secretariat
Department of Finance and Deregulation
John Gorton Building
King Edward Terrace
PARKES ACT 2600

Dear Sir Peter

Re. REVIEW OF THE AUSTRALIAN GOVERNMENT'S USE OF ICT

We submit this proposal in response to the Government review on ways to strengthen management and realisation of benefits from ICT investments at a whole of Government level. We make this submission from a research and implementation perspective.

Introduction

- **Helmsman**

Helmsman International are Australia's experts in difficult project execution. Helmsman do not "do" projects, we support clients to deliver their own projects. To help our clients achieve success we have taken the best aspects of strategic consulting, and leavened them with hands on delivery experience from some of the most complex execution tasks in the USA and Australia.

- **The Helmsman Institute**

The Helmsman Institute is committed to improving project governance and project performance in Australia through world class research, education and professional development. The Institute draws intellectual rigor and insight through it's associations with a number of leading universities and education institutions across Australia.

- **Objective:**

The Helmsman Instituteⁱ is coordinating an Australia wide research effort to determine the governance factors that prevent project blowouts.

This effort is intended to define the tools need by program auditors, boards and governing bodies to ensure programs remain on track.

Executive Summary

In 2007 Helmsman Institute commissioned a survey "Australia's Project Resource Constraints – A Cross Industry Issue. A copy of this research is attached under Annexure A..

According to the Australian Government Information Office (AGIMO), ICT vacancies over the coming year are expected to rise in the Australian Government and the supplies of ICT skills and services from industry.

The 2006 CCS recruitment and retention report indicates that 37 per cent of organisations plan to increase their number of ICT staff, with only 8 per cent expecting to decrease.

In Candle's 2007 ICT market analysis report, national demand for permanent ICT staff during 2005-06 increased by 13 per cent on 2004-05, with demand in New South Wales up by 25 per cent.



The Department of Employment and Workplace Relations ICT vacancy index for February 2007 reveals that the one-year growth in ICT vacancies was 35.1 per cent, it's highest level since August 2001.

The ACT accounted for 8 per cent of total ICT vacancies, an increase over the year to February 2007 by 42.1 per cent.

This is during a time when academic institutions offering formal ICT skills training are reducing the number of courses being offered due to low levels of take-up by students. Ten years ago the student intake at all Australian Universities was moving at a steady pace. Job prospects for graduates were strong and education institutions were achieving their student (and budgetary) targets.

However, since 2000 the ICT industry and profession has been under threat: poor business decisions, even poorer systems performance and the media focussed on bad ICT stories.

Confidence waned in the industry, jobs are perceived to be transient as the pressure mounted on ICT departments to cut costs, become more efficient -- or go offshore to achieve both. The repercussions were felt across the board but never more so than in the education sector.

ICT student enrolments have been dropping. One university reported student numbers cut by more than 50 per cent in four years, Students were avoiding the ICT courses as an unattractive choice. Even TAFE colleges, to a certain extent, were finding the same problem. The TAFE sector is less exposed as the students are generally across all age groups with many more mature age students attending.

Students are pursuing careers in ICT, but the approach to personal development is taking a different path. Once initial technical competence has been acquired to gain employment in the ICT field, further acquisitions of skills are gained in the workplace. For career development more ICT workers are seeking careers in other disciplines.

One exception to this trend is that ICT technicians are seeking alternate pathways to professional development. There is an increasing awareness that business management skills can enhance technical performance. Educational institutions are imbedding these skills into curriculum to both attract students and meet industry expectations.

Two of these disciplines that are keenly sought are the areas of project management and business analysis. By comparison both these occupational groups are in high demand due to the short supply.

There are four key resource areas in terms of increasing importance to project delivery certainty:

- Qualified Engineering resources
- Skilled Trade resources
- ICT Professionals and
- Senior Project Professionals

Leading industry bodies agree that an inability to address the limited availability of professional project skills will be a major factor in determining whether or not the new capital expenditure programs can be implemented successfully.



A good project manager would tend to have 5-15 years of experience before being in a position to manage a large ICT project. In Australia's case the majority of senior project managers capable of taking on a large capital project are in the later years of the profession and near retirement. The next generation of project manager is not well developed.¹

Therefore, whilst continuing quality education and focus on the development of Project Management as a recognised profession is essential it is in itself inadequate to resolve the immediate skills issue and shortage of Senior Project Professional that Australia is currently facing.

To minimise the impact on the Federal government ICT infrastructure by this shortage of Senior Project Professionals and improve the likelihood of project success for Government and Industry, the Project Management industry needs to consider a new approach to cross-industry project resourcing.

The Helmsman Institute has observed that whilst employers and utilisers of technical and professional workers acknowledge the skills shortage, there is a secondary issue affecting utilisation of available skills. There is a supply misallocation of skills in the sections of industry that use project management.

Helmsman has observed fluctuations in demand within industry, particularly in the areas of project management and business analysis. When an industry reduces its demand for skills, there is little ability to recognise this opportunity and develop frameworks for the cross-industry transfer of available skills.

The Helmsman Institute makes 5 cross-industry recommendations to help address the immediate resource constraint issue:

1. Create the ability to share resources more effectively through forward planning and load balancing across industries
2. Create greater transparency on project opportunities and the availability of PM's particularly those with the capability to work across industries
3. Utilise the best resources where needed by properly matching competency to project difficulty across industries
4. Establish cross-industry training, familiarising PM's with the inner workings of other industries
5. Provide PM's with a better understanding of career path development so they can plan their learning and gain the experience necessary to put them in higher demand in other industries

Proposals for Consideration in the Review

- The Review considers the establishment of a skills research study to determine which ICT, project management and business analysis skills are common to all industries, and identify those that are industry specific.
- Based on this review establish professional development pathways that will enable the fast tracking of skills gaps to be closed in an effective manner.
- Helmsman proposes that the review considers ways for professionals with specific industry skills to contextualise their skills to allow cross industry transfer.
- Helmsman proposes that a "market" place be created to develop visibility of the availability of roles and professionals.
- The government promote the concept of cross industry transfer of skills.

Yours sincerely



HELMSMAN

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