

## The Australian Government's Abandoned Infrastructure Outsourcing Program: what can be learned?

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### Abstract

Early in 2001, after a damning public report by the Auditor-General, the Australian Federal Government abandoned its highly promoted "whole of government" IT infrastructure outsourcing initiative. This about-face was greeted in the press with reports that the initiative conducted by the authors suggests a more complex picture. Like many other "selective" outsourcers of IT, the Federal Government had been led to believe that it was adopting a relatively low risk strategy that would, if well managed, lead to significant cost savings. Implemented many widely promoted "best practices", the Federal Government found a substantial discrepancy between what outsourcing promised to deliver, and what was actually achieved. In this respect their experiences were no different from those of many other outsourcers, who responded to a substantial contemporaneous survey. This case study examines why the Government's expectations were not achieved, and arrives at conclusions that have important implications for decision makers confronted with choices about s

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