

## FINANCE AND ADMINISTRATION COMMITTEE

### REPORT NO. 57 – *INQUIRY INTO PUBLIC SECTOR CONTRACT EXTENSIONS*

#### QUEENSLAND GOVERNMENT RESPONSE

##### INTRODUCTION

On 10 December 2014, the Finance and Administration Committee (the Committee) Report No. 57 – *Inquiry into Public Sector Contract Extensions* was tabled in Parliament.

The Committee made two recommendations: that a whole-of-government review of the benefits and effectiveness of the Procurement Transformation Program (PTP) be conducted and that the Department of Housing and Public Works (DHPW) assess training requirements for all departments.

##### GOVERNMENT RESPONSE TO RECOMMENDATIONS

The Government supports the Committee's view that departments are already in the process of implementing a whole-of-government approach to contract management and that the process of implementation and realisation of benefits require time.

##### Recommendation 1

The Committee recommends that a whole-of-government review of the benefits and effectiveness be conducted following the implementation of the PTP's final phase.

##### Government Response

The Government supports in-principle the recommendation that a whole-of-government review of the benefits and effectiveness of the new whole-of-government approach to contract extensions led by DHPW be conducted.

The Government is committed to conducting a broad ranging review of Government procurement practices to ensure that probity and value for money remain at the forefront of the State's procurement policy and consider local content provisions as part of a new procurement policy for Government.

To support the delivery of this election commitment, an Interdepartmental Committee has been established to undertake a review of Queensland Government procurement. It is proposed to report back to the Finance and Administration Committee by April 2016 after the Interdepartmental Committee review is completed.

The Government notes that to date, the PTP has developed and released a whole-of-government contract management framework with more than 250 staff from across the sector attending training sessions to date.

##### Recommendation 2

The Committee recommends that DHPW assess training requirements for all departments once the final phase of PTP is completed.

##### Government Response

The Government supports the recommendation. A whole-of-government capability survey conducted in 2013 identified a need for strengthening contract management skills across the sector.

The Procurement Transformation Division within DHPW will continue to build capability, by facilitating access to practical and consistent training in critical aspects of procurement to support better outcomes (e.g. contract management, category management, supplier and customer relationship management).

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