




Speech By
Melissa McMahon

MEMBER FOR MACALISTER

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LEGAL AFFAIRS AND COMMUNITY SAFETY COMMITTEE

Report, Motion to Take Note

 **Mrs McMAHON** (Macalister—ALP) (3.34 pm): I rise to speak to the House as we consider Queensland Audit Office report No. 3 titled *Delivering shared corporate services in Queensland*. The Queensland Audit Office handed down its third report of the 2018-19 period, which examined the status of shared corporate services. This report was tabled on 27 September 2019. In examining the report, the committee held a meeting with the then acting auditor-general to discuss issues raised in the report.

To provide context to members, shared services are agencies that deliver centralised, standardised and automated services to a range of departments and organisations. These agencies achieve efficiencies by simplifying and centralising expertise so that customer organisations can reduce their administrative overheads. Examples of services that can be shared include finance, procurement and human resources.

A survey by Deloitte found that an organisation or organisations, both private and public, can achieve annual savings of up to eight per cent on these costs. Shared corporate service providers in Queensland include agencies like Queensland Shared Services, CITEC, the Public Safety Business Agency and even the Queensland Parliamentary Service. These are four agencies of which I now have the privilege of being an end user.

I make the point that the use of the term ‘customers’ throughout the document refers to the government departments or organisations that use the shared services framework—not the end users. That is not the employees who are administered by the agencies. This is very important when looking at the satisfaction levels from the audit.

What were the key takeaways of the audit? First, the Queensland Audit Office found that customer satisfaction with shared corporate service providers that implemented increasing technology that makes their work easier or costs cheaper was increasing. Conversely, customers who had not seen improvements in their processes or systems or lower costs over time were clearly less satisfied.

One aspect that the Audit Office encountered concerned shared service providers having very little capacity to place a dollar value on the services they provide. This would then impede the ability to drive further improvements and efficiencies, that is, the financial imperative could not be clearly identified. This was highlighted in the context that, when an upgrade to a service or a change of practice is proposed, there is no dollar value allocated to the current process, so it is then difficult to determine the savings to be achieved in further improvements. This means that those further potential cost cuts could not necessarily be passed on to the customer. This also makes it difficult for an organisation to compare shared corporate service agencies in terms of value for money.

From the audit there were 11 recommendations, of which the Department of Housing and Public Works was listed as the lead agency in most cases. The department was considered best placed to lead the government response to this audit because it hosts two of the largest shared corporate services

in QSS and CITEC and hosts other cross-government service providers within its portfolio. It hosts the Government Shared Services Customer Board, is responsible for whole-of-government technology and is leading the digital agenda for the Queensland government.

Following its meeting with the Queensland Audit Office the committee wrote to the relevant government departments identified as having a role in implementing the audit recommendations, requesting an update on the implementation of those recommendations. The Department of Housing and Public Works, named in nine of the 11 recommendations, advised the committee that five of the recommendations had already been delivered and that the final four recommendations were on track to be completed by the agreed implementation date. I can report to the House that the last of those implementation dates was 31 December last year, although it is important to note that recommendations 5 and 11 are ongoing recommendations and involve multiple departments. I commend the Queensland Audit Office for its report and for its work in this area.