




Speech By
Christopher Whiting

MEMBER FOR BANCROFT

Record of Proceedings, 16 November 2023

STATE DEVELOPMENT AND REGIONAL INDUSTRIES COMMITTEE

Report, Motion to Take Note

 **Mr WHITING** (Bancroft—ALP) (3.41 pm): I move—

That the House take note of the State Development and Regional Industries Committee Report No. 39, 57th Parliament, *Examination of Auditor-General Report 16: 2021-22: Contract management for new infrastructure*, tabled on 1 March 2023.

This speech will follow pretty much the same outline as the one before. Once again, there have been some pertinent recommendations from the Audit Office about how state entities can improve some of their processes. I will talk specifically to what is in this report.

The gist of it is that the Auditor-General made 11 recommendations. The committee report says that there is some really good evidence and some indications that all of those 11 recommendations that the Auditor-General made have been followed through. The two departments—the Department of Energy and Public Works and the Department of Education—should be congratulated for that.

The reason the Auditor-General focused on those two departments is that they deliver approximately 60 per cent of our infrastructure building projects. That is why we need to look at what their project management practices are. Project management is a very specific science these days. There are many experts involved. It is hugely important. My brother-in-law is one of those people who works in project management. To see the level of skill and expertise that is brought to this particular science by many Queenslanders is quite awe inspiring. The committee report recognised the significant work done by both departments to improve their contract management and governance frameworks. That includes training, streamlining business units, updating frameworks and consolidating guidelines.

I will go into some very quick details of what the Auditor-General recommended. Firstly, the Auditor-General said that those two departments have designed their contract management frameworks to manage new infrastructure projects—so those frameworks are there—but they had not adequately updated them. Secondly, the Auditor-General said that some variations can be positive and others can indicate a range of issues. In general, it is managed well. In the time period audited, they averaged about nine per cent of the total cost of the audited projects. That is well within the 10 per cent buffer that is built into those projects.

Thirdly, the Auditor-General said that the capital works management framework, for which DEPW is responsible, is good. They do that well, but they said that the DPEW could promote its services for managing infrastructure contracts to other government departments and, at the same time, other entities could make better use of this department's expertise. Fourthly, the Auditor-General said that both the DEPW and DoE needed to provide better guidance, training and support to their project teams in managing contracts. I think that is relevant to all departments.

When we asked the departments whether they had implemented the 11 recommendations from the Auditor-General and they said, 'Yes, we have,' we were impressed with the amount of detail they provided. I will not have enough time to go into too much of it, but the detail they provided was impressive in showing what they had done to implement the recommendations to improve contract management. For example, in response to the first recommendation to strengthen its whole-of-government framework, the DEPW confirmed that it is modernising the governing framework for infrastructure asset management framework and it has a new building policy framework which consolidates and rationalises four existing frameworks which govern how agencies plan, deliver and maintain government building projects. That would have commenced by now. It is great to see that they have taken charge of that. Secondly, the DEPW has updated, where necessary, the whole-of-government framework.

Another recommendation that I thought was quite pertinent was for the departments to revise their internal policies, procedures and guidance. DEPW advised that they had established a Contract Management Centre of Excellence, a contract management plan and a user guide, which has been released. If organisations such as the Department of Education use that throughout the state, I think we are going to see improvements and get a heightened quality of project management that is already being done by the state government.