




Speech By
James Martin

MEMBER FOR STRETTON

Record of Proceedings, 12 October 2023

TRANSPORT AND RESOURCES COMMITTEE

Report, Motion to Take Note

 **Mr MARTIN** (Stretton—ALP) (3.46 pm): I rise to speak to the Transport and Resources Committee report on Auditor-General report No. 18 of 2021-22 titled *Enhancing government procurement*. I acknowledge the members of the committee and the committee chair, the member for Kurwongbah. Effective government procurement strategies are vital in delivering better value for money and savings across projects in Queensland. Cost pressures from high inflation have had a huge impact on infrastructure and service delivery around the world, including in Australia and, of course, in Queensland. Thus, it is important that we are able to negotiate good contracts with suppliers so that we can save money to deliver cost-of-living relief to Queensland businesses, individuals and households—something that the Palaszczuk government is committed to doing.

The Queensland Audit Office identified a number of areas to enhance government procurement such as getting the right data and analysis, strong collaboration with departments working together and effective monitoring and reporting. In the past, procurement analysis has often been performed with an agency focus, but with so much new and emerging technology, there are plenty of opportunities for the use of data analysis and collaboration across departments to support the effective identification of government-wide savings that do not come at the expense of jobs and massive cuts as we saw from the previous Newman government.

The Queensland government takes expenditure data across several budget sector agencies. Around 27 million unique rows of data are gathered each year and then that data is cleansed and turned into procurement data, removing anything that is not related to procurement. That data is then analysed against categories to gain a good understanding of what we need in procurement contracts. The report was interesting, because it outlined a great example of collaboration where the Department of Energy and Public Works saved taxpayers \$42 million in 2019-20, and a further \$35 million in 2020-21 for electricity contracts. This is another great example of the Palaszczuk government spending public money efficiently, but without looking for savings by cutting people's jobs or cutting services. Prior to the electricity arrangement, the department was buying from spot pricing, which can be quite volatile. Being able to lock in an arrangement with a supplier enabled us to stabilise those prices. Plus, the benefits are not just restricted to up-front deals because there is also better ongoing supply and management.

Other examples of collaboration include Queensland travel arrangements where the department was able to negotiate the return of credits from travel that was cancelled or delayed during COVID and those credits were held over and returned to government departments, so that is another great win for the Queensland public. Further examples include standing-offer arrangements and preferred supplier panels. They are common-use arrangements whereby the department and the owners of those arrangements do the due diligence and up-front checks. This makes it easier for budget sector agencies

to access those suppliers, knowing that due diligence has already been done and that better prices have already been negotiated. Importantly, the quality of service is also clarified and, in the end, that saves time for people on the other side when they are doing the buying.

I note that the departments are in the process of working up memorandums of understanding to formalise data strategies that outline data sharing between agencies, and the recommendation for this data strategy has been verified and endorsed and is now in the process of being implemented. Queensland Treasury is also undertaking a business case to look at upgrading its whole-of-government financial management systems and Queensland Government Procurement will be a key stakeholder in that case to see how its systems can provide an even more efficient and effective outcome for expenditure going forward. A huge benefit to having centralised data collection is that it will provide a consistent framework to be used across departments and the data provides a much more detailed level of spend and enables departments to work together to aggregate demand and potentially negotiate far better deals with suppliers. I am certainly proud that the Palaszczuk government has a Buy Queensland approach and that we are supporting local suppliers and manufacturers and that this strategy ensures Queenslanders are the ones getting secure, well-paid jobs rather than having their jobs shipped overseas or outsourced.