




Speech By
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TRANSPORT AND RESOURCES COMMITTEE

Report, Motion to Take Note

 **Mr WATTS** (Toowoomba North—LNP) (3.51 pm): I rise to speak on the examination of the Auditor-General's report No. 18, *Enhancing government procurement*. I might come back to the recommendations as others have spoken about them. I just wanted to give a couple of examples, because this is about taxpayers' money. We tax the people of Queensland so that we can provide services and facilities and build infrastructure, and that should be done in an efficient and effective way. However, there are a couple of examples—and I will use some telecommunication examples—where clearly departments are failing. The recommendations are very important so that we can do that more efficiently. To give one example, I quote from the Auditor-General's report on page 11. It states—

For example, in one department the telecommunications expenditure in 2020-21 for mobile and telephone ... was approximately \$9.54 million, and the total number of devices was ... 27,681 ... To calculate a benchmark figure to report and compare against other departments, a rough cost per device is \$345 ...

Data obtained from the department shows that ... 13 per cent of all devices (3,602 devices) were unused.

It was accepted that there might be a reason for that such as that it might be a backup device. The report continues—

Of this total, we estimated that for 40-50 per cent ... there was no legitimate reason for the lack of use. This represents a (rough) savings ... of \$0.5 million ... per annum.

That saving of half a million or so dollars per year would occur if there was better communication between departments and/or if we were only procuring what was needed. Monitoring that and the recommendations to ensure those recommendations are followed is very important. This is another quote from the same page—

From the 20 departments we analysed, we identified 23,592 devices ... from the main supplier—
so there were other suppliers—

that were unused over the 12-month period.

Some 23,592 mobile phones have been bought by government but have not been used in a 12-month period and, as we all know, that technology dates. That is a massive cost to the taxpayer, so making sure that procurement is being done properly is critically important.

Turning now to some of the recommendations, recommendation 2 states—

Queensland Treasury and Queensland Government Procurement should engage with departments about the costs and benefits (at a whole-of-government level) of moving to a universal classification ...

What is the QAO trying to say here? What we are really looking at is being able to effectively procure and compare between departments to make sure we are getting the best deal across government, but there needs to be an improvement in the universal standard description and

categorisation of what is being procured, because different departments have been recording it differently. It was recommended—

... that Queensland Treasury and Queensland Government Procurement engage with departments to understand the costs and benefits (at a whole-of-government level) of moving to a universal and consistent system for classifying expenditure (such as the United Nations Standard Products and Services Code).

The introduction of new financial systems offers an opportunity to implement it, but it can also be used with existing financial systems.

What we are trying to say is: when we are buying products across governments and across departments, we should classify and record them in the same way so that that data can be compared and we can look for the most efficient outcomes. This is really important, because this is taxpayers' money. It should be spent carefully and cautiously by government, and departments should be held accountable for overprocurement or not getting the best deal they could, and the best way to do that is to compare themselves to other departments so that the whole of the government can get the benefit.