

**Question on Notice
No. 7
Asked on 11 February 2014**

MR BYRNE asked the Minister for Police, Fire and Emergency Services (MR DEMPSEY)—

With reference to the QPS Ministerial Briefing Note dated 27 March 2013 which states ‘the requirement to outsource print services has led to an average increase in print associated costs for internal QPS clients of greater than 50%’ and that the QPS had reduced printing costs by simply printing less—

- (1) Why was the outsourcing of print services to Ergo Asia Pty Ltd approved when the unit cost of printing increased by more than 50 per cent and was any action taken against any individual for approving a deal that increased unit costs by more than 50 per cent?
- (2) Will the Minister explain how a 50 per cent increase in unit cost for printing after outsourcing printing is good value for taxpayers?
- (3) Will the Minister list what community education literature (for example domestic violence or road safety pamphlets) QPS stopped printing to save costs?
- (4) Were any public servants made redundant or contracts not renewed as a result of the decision to outsource print services?

ANSWER:

- (1) The costings provided in the Ministerial Briefing Note of 27 March 2013 did not include overhead expenses. The information has since been updated based on a larger sample of work and amended to reflect estimates for overhead expenses which include electricity, wages, leasing, depreciation, maintenance, wastage, information technology capability, etc. The price differential for the sample changed from an increase of 50% to an increase of 4.8%.

The Queensland Police Service (QPS) closed its print facility because of staff losses resulting from the Voluntary Separation Program carried out in February 2012 by the previous Labor Government. As a result of staff losses, it became increasingly difficult to maintain the provision of print services to meet client demand. Increasingly more work was being directed through Ergo Asia Pty Ltd (Ergo). The QPS closed its print facility in February 2013.

The QPS had been using Ergo since January 2011 as part of a whole-of-government procurement initiative led by the Department of Housing and Public Works (DHPW) through the Print Management Unit (PMU). DHPW advised in late 2012 that the PMU was closing. The QPS subsequently decided to continue using Ergo. It should be noted that Ergo is a print brokerage company and not a printer.

- (2) As indicated in the first paragraph of the above answer to part (1), the real costs of providing the relevant printing services in-house are comparable to the private

sector. It should also be taken into account that the cost comparison was completed on estimates and potentially may be conservative in its nature.

In addition, the in-house print facility had a relatively narrow scope in which to operate, only providing print services where it had capacity and capability to do so. Private sector print providers can be utilised to meet capacity and capability which cannot be duplicated in an in-house facility given the different types of printing requirements that exist.

- (3) Community education literature has increasingly come to be provided online, especially crime prevention material. The resources are able to be easily updated as needed, and are more widely and readily accessible to those who need them. The QPS still has many printed items relating to crime prevention in stock which are provided to regions on request. However, the increased focus on the online provision of community education literature has delivered efficiencies and reduced the likelihood of having storerooms full of brochures that become outdated and are thrown out.

Some printing of community education literature is done and funded externally to the QPS. For example, the Australian Federal Police supplies resources to the QPS at no cost for the 'Cyber Bullying (Think U Know)' initiative and the funding for the Seniors Forum program delivery and formulation is provided by the Commonwealth Home and Community Care program.

The Neighbourhood Watch initiative has not been affected. Neighbourhood Watch has been allocated with \$500,000 annually for three years and its resources are printed as needed through Ergo at a reasonable cost.

- (4) As per Part (1) of this answer, the QPS closed its print facility because of staff losses resulting from the Voluntary Separation Program carried out in February 2012 by the previous Labor Government. Of the five staff members within the print facility, three permanent staff members participated in the Voluntary Separation Program, one vacant permanent position was abolished, and one permanent staff member remains within the QPS.