

## Part 3: Our Service Areas and Commercialised Business Units

The performance information of the Department of Housing and Public Works is published in the annual Service Delivery Statements and presented by service areas. These service areas align to the broad types of services delivered by our department. Service areas have defined objectives.

### **Our service areas are:**

- Housing and Homelessness Services
- Government Accommodation and Building Policy Services
- Procurement Services

Our department also delivers services through our two commercialised business units:

- Building and Asset Services
- QFleet

The following pages highlight our achievements under each service area and commercialised business unit.

# Housing and Homelessness Services

## Our Objective

To deliver quality frontline human services by providing responsible and integrated housing and homelessness support services to vulnerable Queenslanders.

## What We Do

Housing Services provides housing assistance and homelessness support services to Queenslanders most in need, for the duration of their need, through a mix of direct delivery and arrangements with funded service providers. This includes remote Aboriginal and Torres Strait Islander housing, social and private housing assistance, homelessness support services and crisis accommodation.

Housing Services also includes the Office of the Registrar which oversees the National Regulatory System for Community Housing (NRSCH) in Queensland. The NRSCH is a national system for registration, monitoring and regulation of community housing providers. It provides uniform legislation that regulates community housing organisations with the aim of growing the capability and capacity of these organisations. The Registrar operates independently from the funding arm of Housing Services.



## Building a better housing future for all Queenslanders

The *Queensland Housing Strategy 2017-2027* is a 10-year framework to deliver better housing pathways, drive key reforms, and targeted investment to provide every Queenslanders with the opportunity to access a safe, secure and affordable home that meets their needs and enables participation in social and economic activity.

The Strategy was released by the Queensland Premier on 12 June 2017, and is backed by a \$1.8 billion investment to deliver more social and affordable housing, and transform the way housing and homelessness services are delivered to better support people in need.

The Housing Construction Jobs Program is a core initiative of the Strategy, redefining how the Queensland Government will deliver housing to support urban renewal, generate new jobs, provide affordable housing, and drive innovative housing design that responds to contemporary needs.

The Strategy also ensures those most in need are supported by a safety net of targeted early interventions, flexible packages of support, supportive social housing and genuine wraparound services. Young people, women and children escaping domestic and family violence, and people at risk of homelessness, in particular, will be able to access more early intervention and prevention services before they reach crisis point.

The housing and homelessness services reforms outlined in the Strategy will be driven by a more person-centred approach to service delivery. This will involve collaborating with people to identify what they need and want, the resources and skills they already possess, and the additional services they need to achieve their housing aspirations.

The modernisation and better integration of homelessness, housing and human services will deliver coordinated support that enables people to meet their needs, and progress through the housing continuum, from homelessness through to home ownership.

The *Queensland Housing Strategy 2017-2020 Action Plan* documents the specific steps the department will take toward achieving the 10-year vision and sets out clear priorities for implementation. These actions set the foundations for longer term reform, and will guide and inform the development of subsequent action plans.

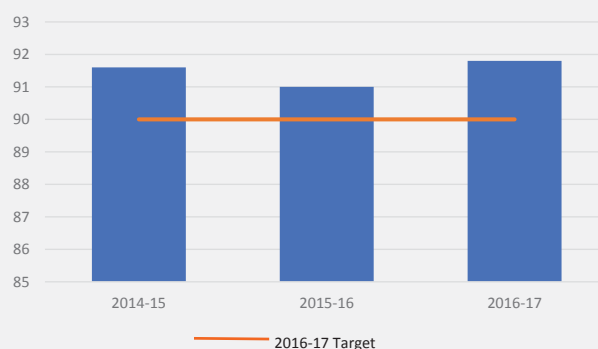
## Our Achievements

### Improving Housing Assistance

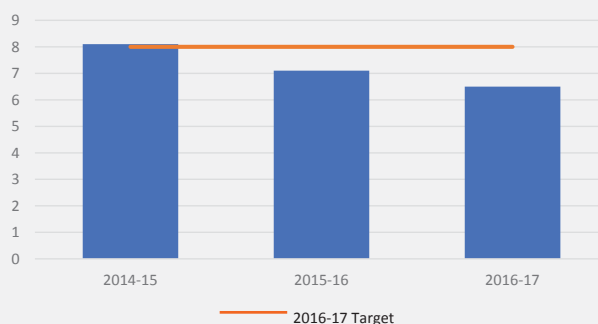
In 2016–17, we:

- released the *Queensland Housing Strategy 2017–2027* to shape the strategic direction of housing assistance, homelessness services, housing affordability and specific issues affecting Aboriginal and Torres Strait Islander peoples
- assisted 71,992 low-income households with social rental housing, including 7,197 new households
- delivered 562 (482 completions, 80 purchases) new social housing dwellings, 656 construction commencements and completed 10,109 upgrades to existing dwellings to maximise asset life or improve amenities to meet specific tenant needs such as disability modifications
- commenced the roll out of smoke alarm upgrades to 71,800 social housing dwellings to improve tenant safety
- partnered with Churches of Christ to deliver a 40-apartment development in Acacia Ridge, targeted at seniors aged over 55 years and people with a disability
- commenced a 12-month trial of a tenant hub at Kingston, to test a place-based approach to tenancy engagement to deliver improved services, a safer neighbourhood and support tenants to build pathways to a better future
- continued to implement a Mental Health Demonstration Project to test a new preventative and early intervention, collaborative approach to integrated housing, health and human service delivery. This will better enable people who are experiencing mental illness, mental health issues or related complex needs to sustain their social housing tenancies
- implemented a Tenant Engagement Program that creates opportunities for public housing tenants to engage with the department and their neighbourhoods as well as builds confidence and new skills that may improve other life outcomes, including better health, access to education, employment and greater community connection
- investigated options for the establishment of a Housing and Homelessness Service Hub in Toowoomba to test an integrated service delivery model, co-locating government, non-government housing, homelessness and other support services, aimed at ensuring clients have their housing and support needs addressed in a cohesive way
- worked with the Department of Communities, Child Safety and Disability Services and the National Disability Insurance Agency, to ensure a seamless transition to the National Disability Insurance Scheme for housing and homelessness services. This includes working to improve access to existing housing and increase the supply of accessible and affordable housing that responds to the needs of people with a disability
- developed an action plan to better position housing assistance services on the Gold Coast in response to increased demand for housing assistance, anticipated due to the Commonwealth Games
- supported whole-of-government forums to progress an integrated child and family support system which contributes to reforms of the Queensland Child Protection Commission of Inquiry final report
- contributed to the Better Planning for Queensland Reform, led by the Department of Infrastructure, Local Government and Planning, to facilitate improved housing affordability and diversity outcomes in communities across Queensland
- reviewed the public housing rent policy to ensure fairness
- progressed amendments to the *Retirement Villages Act 1999* and the *Manufactured Homes (Residential Parks) Act 2003*, to enhance fairness and consumer protection, balanced with industry viability
- released the ‘Seniors Living Series’ to help seniors make informed decisions about where to live during retirement, and things to be considered when making these decisions
- progressed amendments to the *Residential Services (Accreditation) Act 2002* to ensure the regulatory framework protects residents, promotes fair trading practices, and encourages the growth and viability of the residential services industry
- released a new *Guideline for Medication Assistance* to support residential services to develop policies and procedures, implement safe practices and minimise the risk of harm from inappropriate use of medication by residents.

**New households assisted into Government-managed social rental housing who were in very high or high need (%)**



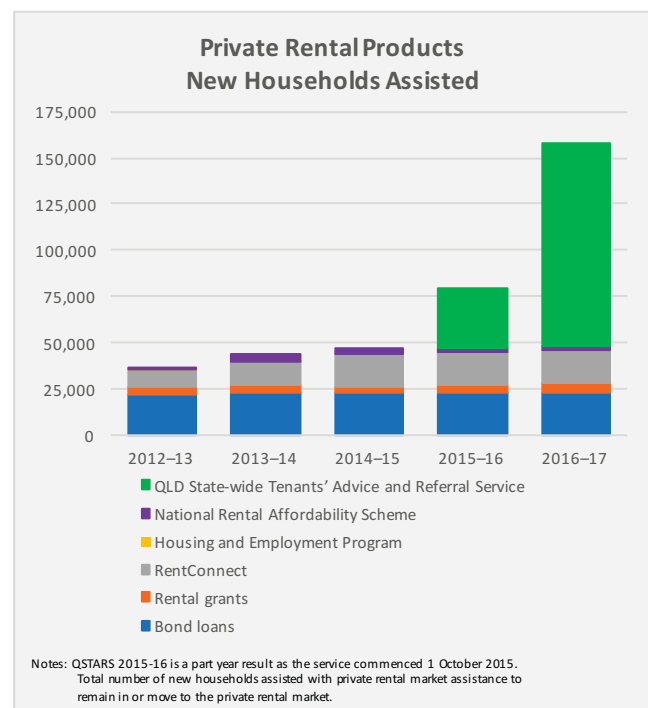
**Average wait time to allocation for assistance with Government-managed social rental housing for clients in very high or high need (months)**



## Delivering Private Market Assistance

In 2016–17, the department assisted over 200,000 low income households to access or remain in the private housing market. To achieve this, we:

- assisted 17,410 households to secure and sustain a home in the private rental market through RentConnect services
- provided 23,334 new bond loans to households unable to pay full rental bonds, provided 5,066 rental grants to households experiencing a housing crisis or who were unable to afford some of the immediate costs of moving
- assisted 42,676 households through Home Assist Secure by providing free information and referral about home maintenance and repairs, to people over 60 and those who have a disability
- assisted 2,209 new households to access affordable housing and provided \$27.211 million as incentives to investors to support over 10,200 affordable private rental dwellings across the state through the National Rental Affordability Scheme (NRAS)
- continued to support the Park and Village Information Link to provide free, independent and specialised legal advice and information to 216 households
- delivered the Housing and Employment Program to 88 households to assist people in undertaking training, education and employment
- provided 109,298 instances of advice and assistance through the Queensland State-wide Tenants' Advice and Referral Service (QSTARS).



## Improving outcomes in Aboriginal and Torres Strait Islander communities

In 2016–17, we:

- continued to develop and refine processes supporting home ownership on Aboriginal and Torres Strait Islander land, working to resolve outstanding Land Holding Act and Block holder entitlements and to make social housing dwellings available for purchase. In particular, we ensured dwellings transferred to home ownership were in good condition by completing condition assessments on 48 dwellings, approving works on 39 dwellings and completing works on six dwellings
- responded to six requests for a 99-year home ownership lease, with one lease finalised
- delivered NRL Cowboys House, a 52-unit facility in Townsville, for students from Aboriginal and Torres Strait Islander communities pursuing employment, education and training opportunities
- delivered 106 new dwellings and commenced construction of 243 new dwellings to reduce overcrowding
- achieved all agreed National Partnership on Remote Housing targets and exceeded all performance benchmarks
- completed the construction of Dale Parker Place, a supported specialist accommodation facility in Townsville consisting of 40 self-contained units providing shelter for rough sleepers
- maintained and refurbished existing dwellings in Aboriginal and Torres Strait Islander communities.

## Reducing homelessness

In 2016–17, we:

- launched the Dignity First Fund to assist Queenslanders experiencing homelessness to live with dignity and approved:
  - 24 projects under round one
  - 31 projects under round two
- commenced the delivery of three new initiatives funded under the National Partnership Agreement on Homelessness – Domestic and Family Violence (DFV) Mobile Support, Youth Mobile Support, and Multi-Disciplinary Street to Home
- commenced trialling new services for high need client groups including: the Gold Coast Project for Homeless Youth (Bill Hoyer House), immediate supported accommodation service for young people, and the Lions in Place mobile support service for women and children who are homeless as a result of escaping domestic and family violence on the Sunshine Coast
- purchased two, eight-bedroom facilities in Roma to be used as a homelessness temporary supported accommodation service for women and children escaping domestic and family violence

- established an agreement between the department and QShelter to tackle complex problems and reduce housing stress in Queensland, by establishing the conditions necessary for the community housing sector to successfully work with government to increase the supply of affordable housing
- commenced work to deliver a women’s shelter in Coen, in partnership with the Department of Communities, Child Safety and Disability Services
- commenced work to replace shelters for women and children escaping domestic and family violence in Aboriginal and Torres Strait Islander communities of Pormpuraaw, Cherbourg and Woorabinda
- piloted refuges that cater for families with companion animals as part of the service provision for women escaping domestic and family violence
- worked with Queensland Treasury’s Social Benefit Bond Pilot Program to deliver innovation in cross agency collaboration for improved housing outcomes for young people exiting statutory care or custody.

Regulatory Services

In 2016–17, we:

- completed the assessment of 77 applications from non-government community housing providers seeking registration under the National Regulatory System for Community Housing
- completed the assessment of 10 applications from local government community housing providers seeking registration under the Queensland State Regulatory System for Community Housing

- completed a targeted investigation into unregulated operators of residential services. There were 36 complaints received relating to 64 properties during the investigation period. 100% of the complaints received during the investigation period have been actioned.

Our Future Focus

In 2017–18, the department will continue to deliver initiatives that will make a difference to Queenslanders by:

- implementing the *Queensland Housing Strategy 2017–2020 Action Plan*, which will drive key service delivery reforms and targeted investment across the entire housing continuum
- progressing the Housing Construction Jobs Program, as part of the Housing Strategy
- developing an Aboriginal and Torres Strait Islander Housing Action Plan dealing with housing outcomes and complex challenges
- continuing to work with communities and local governments to assist with home ownership in discrete Aboriginal and Torres Strait Islander communities
- expanding the department’s capabilities in housing market data collection, research and analysis, to ensure that program planning is robust and evidence based and meets the needs of local communities
- funding projects under the Dignity First Fund to assist Queenslanders experiencing homelessness, to live with dignity as well as prevent or reduce homelessness.



Source: AIHW National Social Housing Survey 2016, as reported in Report on Government Services 2017, vol. G, Housing and homelessness, Productivity Commission, Canberra.



## Service Standards - our results for 2016–17

Housing and Homelessness Services	2016–17 Target/Est.	2016–17 Actual
<b>EFFECTIVENESS MEASURES</b>		
<b>Level of overall client satisfaction</b>		
<b>Public Housing</b> Variance between 2016–17 target/estimate and 2016–17 actual is due to improved client satisfaction that may be attributed to a range of service delivery factors such as the quality of dwelling conditions and implementation of four new policies: Fair absence from your home, Fair listing for vacancy, Fair expectations of behaviour and Fairer Rent Policy.	80%	85.8%
<b>Community Housing</b> Variance between 2016–17 target/estimate and 2016–17 actual is due to the original estimate being based on available data and anticipated trends at that time. The 2016–17 actual is the 2016 satisfaction result published in the Report on Government Services 2017. Ongoing registration of community housing providers under the National Regulatory System for Community Housing is anticipated to improve tenant satisfaction in the future. The scheme provides tenants with greater assurance about the social housing system by establishing a consistent regulatory environment and clear performance measures for providers to meet.	80%	78.3%
<b>Bond Loans</b> This service standard has been discontinued in the Service Delivery Statement 2017–18 as it only represents a portion of all private housing products offered by the department. In addition, the Bond Loan survey is only conducted on a triennial basis, which is viewed as inadequate for annual measurement purposes. Any future survey results will be reported through Annual Reports.	95%	96%
<b>Home Assist Secure</b> This service standard has been discontinued in the Service Delivery Statement 2017–18 as it only represents a portion of all private housing products offered by the department. In addition, the Home Assist Secure survey is only conducted on a triennial basis, which is viewed as inadequate for annual measurement purposes. There is no 2016–17 target/estimate or 2016–17 actual as this is a triennial measure and the next survey would have been undertaken in 2017–18. Any future survey results will be reported through Annual Reports.	..	n/a
<b>Percentage of new households assisted into Government-managed social rental housing who were in very high or high need</b>	90%	92%
<b>Percentage of department owned social rental housing dwellings in acceptable condition</b>	98%	99%
<b>Percentage of clients who were homeless or at risk of homelessness who needed assistance to obtain or maintain independent housing and obtained or maintained independent housing after support</b> Variance between 2016–17 target/estimate and 2016–17 actual is due to the original estimate being based on available data and anticipated trends at that time. The 2016–17 actual is based on published Report on Government Services data.	64%	66%
<b>Proportion of exits from social rental housing to private market housing that were tenant initiated</b> This service standard has been discontinued in the Service Delivery Statement 2017–18 as it focuses on a small component of the overall service area and is not reflective of the department's current service delivery focus and effort.	48%	50%

Housing and Homelessness Services	2016–17 Target/Est.	2016–17 Actual
<b>Proportion of total new households assisted to remain in or move to the private housing rental market that were assisted through National Rental Affordability Scheme, RentConnect, Rental Grants, Housing and Employment Program or Bond Loans</b>	45%	53%
<p>This service standard has been discontinued in the Service Delivery Statement 2017–18 due to a change in the calculation methodology. This measure has been replaced by a new service standard which includes the Queensland State-wide Tenant Advice and Referral Service (QSTARS) from 2017–18.</p>		
<b>Proportion of newly constructed social housing dwellings meeting the Livable Housing Design guidelines gold or platinum standards</b>	50%	44%
<p>Variance between 2016–17 target/estimate and 2016–17 actual is due to the composition of completed dwellings varying to the original plan. Some dwellings not requiring accessibility features were completed earlier than planned, and some with accessibility features originally planned to be completed in 2016–17 will now be completed in 2017–18.</p>		
<b>Average wait time to allocation for assistance (months) with Government-managed social rental housing for clients in very high or high need</b>	8	6.5
<p>Variance between 2016–17 target/estimate and 2016–17 actual is due to a slight increase in the number of allocations in recent months. While allocation times improved in 2016–17, tightening of the rental market and other external housing market conditions are likely to continue to have an effect during 2017–18.</p>		
<b>Percentage of homelessness services clients who requested assistance relating to domestic and family violence and received this assistance</b>	87%	88%
<b>Percentage of under-occupied Government-owned and managed social rental housing</b>	14.0%	15.8%
<p>Variance between 2016–17 target/estimate and 2016–17 actual is due to maintaining existing practices in anticipation of a policy review and broader strategy being developed and implemented in 2017–18 to manage under-occupancy.</p>		
<b>Proportion of government-owned social rental housing stock matched to greatest demand</b>	54%	54%
<b>EFFICIENCY MEASURES</b>		
<b>Average tenancy and property management administration cost per households assisted</b>	\$1,233	\$1,202
<p>Variances between the 2016–17 target/estimate and 2016–17 actual are primarily due to households assisted remaining relatively stable with lower than anticipated rates of exits.</p>		

# Government Accommodation and Building Policy Services

## Our Objective

To deliver the best possible accommodation solutions for government in terms of office space and employee housing to ensure agencies can deliver essential government services to the community; to engage and strengthen relationships with the building and construction industry and provide effective and efficient Queensland building and plumbing policy and legislation.

## What We Do

Government Accommodation and Building Policy Services deliver the Queensland Government's office accommodation and employee housing portfolio and manage significant

building and property initiatives. Services include developing and advising on building and plumbing legislation, codes, building policy, research, standards, design and building industry engagement in Queensland. Services also include strategic asset management of an owned accommodation portfolio of approximately 200 buildings, ranging from large office blocks, particularly in regional centres, to non-office properties, such as heritage buildings, theatres, convention centres, cultural facilities, industrial properties and bridges. Government Accommodation and Building Policy Services provides planning, strategy and policy development, leasing and tenancy management, and maintenance management across owned and leased portfolios.



## Consulting on building reforms

Everyday more than 220,000 Queenslanders earn a living in the building and construction industry. They make an enormous impact on the communities in which we live.

This is why our department reached out to Queenslanders in extensive state-wide consultation sessions through the *Queensland Building Plan – A discussion paper* for industry and consumers which addressed ten proposed areas of reform ranging from Non-Conforming Building Products (NCBPs) and Security of Payment to Inclusive Communities and Liveable Housing Design.

Sessions were held in 15 key locations including Cairns, Bundaberg and Toowoomba providing the opportunity for 1,100 stakeholders to have their say about the development of a Queensland Building Plan and set the long-term strategic direction of the building and construction industry.

Additional consultations included: 19 deep dive sessions, 13 trade breakfasts at Bunnings stores, 13 trade breakfasts at Reece stores and a stall for four days at the Courier-Mail Home Show in Brisbane. We also received over 800 written submissions and over 1,700 responses to the online surveys.

The outcome of these consultations will be the Queensland Building Plan which will guide changes to policy and legislation to create a safer, fairer and more sustainable industry. It will also enhance consumer confidence in the industry and drive innovative, liveable and sustainable design.

Processes will be simplified and unnecessary red tape reduced to improve efficiency and save both time and money while compliance frameworks and improved regulatory powers will result in having the right person and materials for the job at hand.

Changes to laws for NCBPs will mean that all players in the building supply chain will have to take responsibility for ensuring building products are safe and fit for intended purpose.

New laws for Security of Payment will ensure that subcontractors are paid in full and on time for the work they do.

While consultation played a key role in determining priorities, it also highlighted issues within the building and construction industry that require further, targeted collaboration with stakeholders.

The Building Industry and Policy team continues to work with industry, peak bodies and consumers, so that Queenslanders get the safe, secure and productive building and construction industry they deserve.



## Our Achievements

### Delivering Building Industry Policy

In 2016–17, we:

- launched the *Queensland Building Plan – A discussion paper for industry and consumers* addressing ten proposed areas of reform
- progressed the *Building and Construction Legislation (Non-conforming Building Products—Chain of Responsibility and Other Matters) Amendment Bill 2017*. The Bill, which included enhanced provisions for improving safety on building and construction sites, was introduced to Parliament in May 2017
- worked closely with the Queensland Fire and Emergency Services to legislate changes to building legislation through the *Building Fire Safety (Domestic Smoke Alarms) Legislation Amendment Regulation 2016*, which introduced the requirement for photoelectric interconnected smoke alarms in response to coronial recommendations leading from the tragic fire in 2011 at Slacks Creek
- supported local economies and regional communities through the wild dog fencing regulation
- maintained strong relationships with stakeholders and industry with departmental representatives on the Service Trades Council and the QBCC's Fire Protection Working Group
- implemented reforms to expand the Queensland Home Warranty Insurance Scheme
- progressed proposals to improve security of payment for subcontractors in the building and construction industry
- commenced work to implement Project Bank Accounts on government building and construction projects from 1 January 2018
- continued to work with the Sustainable Built Environment National Research Centre which is a leader in fostering collaboration between industry, government and research organisations to improve Australia's built environment industry
- sponsored the Brisbane Open House event in October 2016, as a founding partner in conjunction with the National Trust of Australia (Qld), where a record number of 68,000 people visited 100 buildings over two days. This is a free public festival that celebrates Brisbane's architecture and offers behind-the-scenes access to buildings across the city.

### Consulting on building reforms



consultation sessions attended by over **1,100** industry stakeholders

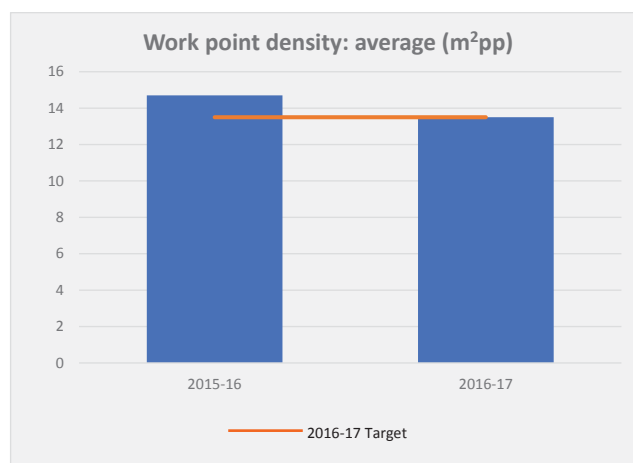
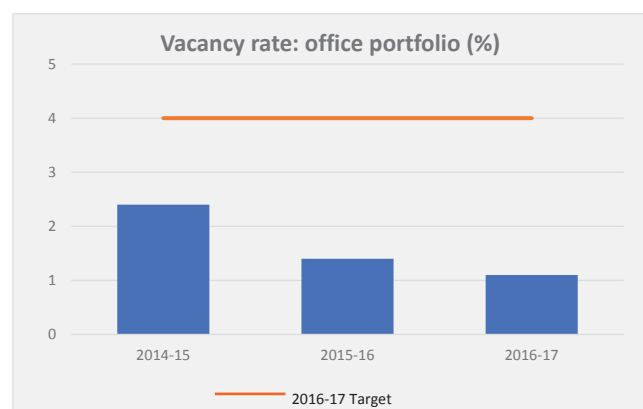


Received over **800** written submissions and over **1,700** responses to the online surveys

## Delivering Government Accommodation

In 2016–17, we:

- continued the implementation of Phase 1 of the *Brisbane CBD and Fringe Area Government Office Accommodation Strategy 2015–25*. By the end of 2017, Phase 1 will see 16,000 public servants move across the Brisbane CBD and Fringe Areas to 1 William Street and various CBD and fringe buildings. As part of Phase 1, the Government vacated the Queens Wharf Brisbane precinct for the Integrated Resort Development
- commenced the development of Phase 2 of the *Brisbane CBD and Fringe Area Government Office Accommodation Strategy 2015–25*, focusing on replacing a number of expiring leases aimed at achieving rent savings and improving utilisation rates across the government office accommodation portfolio
- negotiated over 250 new or renewed leases comprising over 160,000m<sup>2</sup> of office space and negotiated lease make-good savings to government
- developed and implemented a comprehensive facilities management service including the provision of security, cleaning, concierge and visitor management services for the 75,000m<sup>2</sup> of 1 William Street, Brisbane
- reduced the vacant space across the portfolio to 1.07%.
- continued to implement environmentally sustainable measures to reduce waste, through improved separation and recycling
- continued to audit energy usage in government office accommodation and initiated energy saving retrofits in the owned and leased office building portfolios, as part of all maintenance and upgrade programs and or lease renewals
- continued to pilot the use of a Green Star Performance rating tool for three owned regional office buildings and the Green Star Interiors rating tool at one building in Brisbane.
- piloted a new agile fitout for Queensland Government Accommodation Office staff
- opened two new whole-of-government Distributed Work Centres in Robina and Maroochydore in addition to the centre opened in Ipswich in 2015–16. The three Distributed Work Centres now enable more than 120 government workers to avoid lengthy commutes to the Brisbane CBD, preserve work/life blend and increase productivity.



## New flexible ways of working

The ability to work anywhere, at any time is important to ensure our business continuity, including in times of natural disaster. Finding new ways of working is also key to supporting our workforce to embrace flexible working arrangements.

When we start working anywhere, or at any time, we need to rethink what and how we are using our office space. We are doing just that, with the department currently running two pilots: the agile working pilot in the Brisbane CBD where people share desks and collaborative spaces, and the Distributed Work Centre pilot in Ipswich, Robina and Maroochydore where people book workspaces, when needed, working closer to their home base.

Both pilots were designed from the user perspective and pioneer new ways of working that support flexibility and mobility across government. They required physical space and behavioural change programs and consistent virtual technology solutions (tablets, laptops and collaboration software) that allow people to 'work anywhere'.

To date, the results have been overwhelmingly positive showing an increase in staff wellbeing, collaboration and productivity. In addition, the department has been able to improve the utilisation of existing space and contain rental costs.



## Delivering Government Employee Housing

In 2016–17, we:

- delivered 31 new government employee residences to enable provision of essential services and retention of skilled government staff in Thursday Island, Cooktown, Mornington Island and Weipa
- delivered maintenance, upgrade and improvement programs to enhance the quality and standard of government employee housing
- improved occupancy of government employee housing in areas with long term vacancies, by engaging real estate agents to lease properties to the private market
- implemented a new tenancy management model, to enable leasing agencies to self-manage or have the department undertake tenancy management services for them
- transferred the ownership of 90 properties and 40 parcels of vacant land from the Department of Education and Training as part of phase two of the government employee housing centralisation project.

## Coordinating Disaster Response

In March–April 2017, Severe Tropical Cyclone Debbie impacted many areas of Queensland. The department continues to be an integral part of Queensland's disaster management arrangements by providing support to other agencies in the key role of building and engineering services and was actively involved in the response and recovery to the disaster.

In 2016–17, we:

- received and processed 310 applications for emergency housing assistance (all were closed by 13 June 2017)
- assisted a further 171 people with short term emergency accommodation during the event in the North Queensland Region
- made more than 1,000 calls to vulnerable social housing tenants to check on their welfare
- deployed 42 staff as part of the Community Recovery Ready Reserve, with a number of officers doing repeat deployments
- completed 1,991 damage assessments of government buildings
- progressed work to repair government buildings. As at 22 June 2017, 70 per cent (6,518) of the 9,373 requested tasks were completed on site
- received requests from the Department of Communities, Child Safety and Disability Services for 385 Structural Assistance Grant assessments (as at 27 June 2017). 94% (362) had been completed.

## Our Future Focus

In 2017–18, the department will continue to deliver initiatives that will make a difference to Queenslanders through:

- progressing reforms through the Queensland Building Plan
- implementing Project Bank Accounts on government building and construction projects from 1 January 2018 and preparing for broader introduction from 2019
- collaboratively working with the Australian Government, states and territories, industry and relevant regulators to address issues relating to non-conforming building products
- implementing reforms to the Prequalification (PQC) system and provide industry visibility of a forward pipeline of opportunities
- implementing the *Brisbane CBD and Fringe Area Government Office Accommodation Strategy 2015–2025* including a reduction in the government office portfolio through vacating expiring leases and consolidating where possible the tenancy and space management of the Government's leased office portfolio
- commencing a targeted four-year capital, maintenance and upgrade program, to deliver safe and secure government employee housing in regional and remote locations across the state, including Aboriginal and Torres Strait Islander communities, thereby enabling police, teachers, medical professionals and associated government employees to deliver critical frontline services to the people of Queensland
- delivering 46 new government employee housing residences to support the provision of essential government services in regional and remote areas including Aurukun, Doomadgee, Baralaba, Saibai Island and Winton
- continuing to implement a new regional tenancy management model that better supports leasing agencies and government employee tenants to initiate and manage the practical and legislative aspects of their tenancy, such as lease documentation and entry/exit condition assessments.

## Service Standards - our results for 2016–17

Government Accommodation and Building Policy Services	2016–17 Target/Est.	2016–17 Actual
<b>EFFECTIVENESS MEASURES</b>		
<b>Return on investment: commercial properties included in the office portfolio</b> The purpose of this service standard is to measure the return to government on the level of assets employed/owned by the department for the provision of office accommodation. Variance between 2016–17 target/estimate and 2016–17 actual is due to normal fluctuations in gross rental income and property valuations, resulting in the commercial property portfolio's net return on investment exceeding the benchmark target and continuing to track private sector investment performance measures.	≥6.5%	6.9%
<b>Return on investment: government employee housing</b> The purpose of this service standard is to measure the return to government on the level of assets employed/owned by the department for the provision of accommodation to government employees.	≥1.5%	2.06%
<b>Vacancy rate: office portfolio</b> The purpose of this service standard is to assess the rate of vacancy within the office accommodation portfolio. The data is used as an indicator of the effectiveness of the service area's ability to strategically manage its leased and owned portfolios.	≤4%	1.07%
<b>Vacancy rate: government employee housing</b> The purpose of this service standard is to assess the rate of vacancy within the government employee housing portfolio. The data is used as an indicator of the effectiveness of the service area's ability to strategically manage its leased and owned portfolios. Variance between 2016–17 target/estimate and 2016–17 actual is due to the downturn in occupancy in the mining sector that is impacting rental returns and vacancy rates resulting in agencies reducing requirements for employee housing in these locations. A large portion of the government employee housing portfolio is located in these areas, with the current average vacancy rate of around 6%. Although the department is continuing to adopt strategies to minimise vacancy rates, the factors affecting the 2016–17 performance are likely to continue through 2017–18, with expected continuation of highly competitive rental markets and some decline in rent revenues due to increased vacancies.	≤5%	5.75%
<b>EFFICIENCY MEASURES</b>		
<b>Work point density: average</b> The purpose of this service standard is to determine the level of work point density for government offices. This area excludes special purpose areas such as conference room facilities.	13.5m <sup>2</sup> per person	13.5m <sup>2</sup> per person
<b>Work point density: new fitout</b> The purpose of this service standard is to determine the average level of utilisation to be implemented for new government office fitouts. Special purpose areas such as customer services centres and conference room facilities are excluded from this calculation. The variance between the target and actual is due to using existing built areas in some new fitouts and the inclusion of non-standard office facilities in other fitouts.	12m <sup>2</sup> per person	12.6m <sup>2</sup> per person

# Procurement Services

## Our Objective

To provide expert advisory, enabling and support services to agencies, suppliers and the community in the achievement of procurement outcomes.

## What We Do

Procurement Services manages the Queensland Government's procurement policy and related frameworks. It provides expert advice to stakeholders, and helps enable agencies to achieve their procurement outcomes by sharing procurement information, best practice and innovation; developing whole-of-government frameworks in areas including capability, accreditation and performance; and working with agencies to reduce the cost of doing business with the Queensland Government.

### Improving procurement capability



**2,000**  
public sector staff

COMPLETED PROCUREMENT AND  
LEADERSHIP TRAINING PROGRAMS



**300**

Procurement officers  
and contract managers

ATTENDED CONTRACT MANAGEMENT TRAINING



QTravel Regional Roadshow

**1,800** attendees



## New way of doing business

Effective government procurement supports the delivery of frontline services such as housing and social services, as well as the building and maintenance of important infrastructure assets such as roads, schools and hospitals. With over \$18 billion spent each year, Queensland Government procurement provides the opportunity to ensure government spending can achieve positive economic, social and environmental outcomes across the state.

In July 2016, the Office of the Chief Advisor - Procurement (OCA-P) was established to deliver a new whole-of-government, agency-led, centrally enabled procurement model in Queensland.

The new procurement operating model empowers agencies, strengthens governance, enhances industry engagement, develops procurement capability, and improves systems, data and reporting. The model prioritises forward planning, greater engagement and a category management approach to create and sustain value for money and make it easier to do business with government.

Improved engagement with industry and enhancing overall capacity and capability to deliver for the individual categories has been a hallmark of the new procurement approach.

A new governance framework was introduced to support the new operating model. From the first meeting of the Procurement Industry Advisory Group in September 2016, OCA-P has engaged business advocates and representatives of industry associations on issues of strategic importance to establish a clear pathway towards improved government procurement.

Six Category Councils were also established to provide strategic leadership for each individual category group and to deliver a strategic direction for each category.

This collaborative approach has demonstrated that better engagement can deliver better outcomes.

The new operating model and greater industry engagement are providing a foundation for the development of the Queensland Government Procurement Strategy and the revised Queensland Procurement Policy, due to be launched in 2017–18. The new strategy will deliver an approach which prioritises local jobs, improves processes for agencies and suppliers, increases the visibility of the forward pipeline of procurement opportunities and demonstrates the value of the new operating model.



## Our Achievements

In 2016–17, we:

- formed the Procurement Industry Advisory Group to strengthen engagement with industry
- developed the General Goods and Services Category Strategy to ensure a whole-of-government approach to creating and sustaining value
- facilitated the creation of six Category Councils across government and created cross-agency Category Working Groups and developed category plans to support implementation of the General Goods and Services Category Strategy
- hosted 120 staff representing, 28 government and industry organisations, at a Building Construction and Maintenance Category Collaboration Forum. The purpose of the forum was to work together on strategies to improve value through building construction and maintenance expenditure and discuss the government's pipeline of work
- established the Smoke Alarm Procurement Group to ensure a collaborative whole-of-government approach to the procurement of smoke alarms
- awarded new whole-of-government standing offer arrangements for salary packaging administration services, novated leasing services and for the supply of electricity to small sites within Queensland
- attracted 1,800 attendees to the QTravel Regional Roadshow held across Queensland during April and May 2017, focusing on online booking tool changes (cancellations and changes online) and airfare booking classes
- continued to increase procurement capability across the public sector by delivering procurement and leadership training programs to over 2,000 staff, ensuring agencies are delivering quality outcomes for Queenslanders.
- commenced work on a procurement data strategy and a set of minimum data requirements to improve our procurement data and to enable better decision making

- continued to support the professionalisation of the procurement function by delivering contract management training to over 300 procurement officers and contract managers across the sector
- implemented a new sourcing process for General Goods and Services to identify opportunities for local small and medium sized businesses, Aboriginal and Torres Strait Islander businesses, and social enterprises to participate in whole-of-government supply arrangements.

## Our future focus

In 2017–18, the department will continue to deliver initiatives that will make a difference to Queenslanders through:

- releasing the Queensland Government Procurement Strategy and revised Queensland Procurement Policy
- continuing to implement the whole-of-government procurement operating model
- providing an agency led, centrally enabled function that takes a best practice category management approach to the procurement of general goods and services and enabling Queensland Government departments to construct and maintain Queensland's building infrastructure through the management of the Building Construction and Maintenance category
- driving value for money outcomes for Queensland by enabling government agencies to leverage spend and resources to deliver more services
- embedding category management for the the Building Construction and Maintenance category
- providing advice, support, frameworks and tools, to enable agencies to increase opportunities for local suppliers and grow regional economies
- embedding non-price considerations, including social procurement into government procurement processes, to facilitate opportunities for improved outcomes for targeted social groups
- ensuring local and regional economic benefits are delivered by all Queensland Government agencies, backed by an effective compliance and referral unit.

## Service Standards - our results for 2016–17

Procurement Services	2016–17 Target/Est.	2016–17 Actual
<b>EFFECTIVENESS MEASURES</b>		
<b>Overall satisfaction with advice and support provided by the Office of the Chief Advisor – Procurement (internal to government)</b>  There is no 2016–17 Target/Estimate as this was a new measure introduced in 2016–17 with baseline data collected in 2016–17.	..	56%
<b>Overall satisfaction with advice and support provided by the Office of the Chief Advisor – Procurement (external to government)</b>  There is no 2016–17 target/estimate as this was a new measure introduced in 2016–17 with baseline data collected in 2016–17.	..	75%
<b>EFFICIENCY MEASURES</b>		
An efficiency measure is being developed for this service area and will be included in a future Service Delivery Statement.		

# Building and Asset Services

## Our Objective

To partner with government agencies to strategically manage their building construction and maintenance activities.

## What We Do

Building and Asset Services, in partnership with Queensland Government agencies, supports strategic asset management by managing risks for diverse building asset portfolios and providing expertise in planning, procurement and delivery of new building infrastructure, asset and facilities management. In doing so, Building and Asset Services works closely with industry and local suppliers to maximise value for money procurement and contract management outcomes. This assists government agencies to meet their service delivery outcomes for the community, and provide employment opportunities across the state including regional and remote communities of Queensland.

## Our Achievements

In 2016–17, we:

- partnered with Housing and Homelessness Services and Government Employee Housing, to develop a strategy to deliver integrated maintenance and upgrade services on all government housing stock
- continued to work closely with the Department of Science, Information Technology and Innovation on the development of a whole-of-government asset life cycle management system that aims to facilitate better longer term strategic planning and budget allocations
- partnered with Aboriginal and Torres Strait Islander Councils to successfully deliver maintenance services and build capability and capacity in these communities by supporting local employment and local small business development
- maximised value for money procurement and contract management outcomes, through increased engagement of local businesses that maintain a presence within the proximity of where the goods or services were supplied
- encouraged innovative procurement solutions through local industry by undertaking early market engagement activities for the capital works programs in Aboriginal and Torres Strait Islander communities under the National Partnership on Remote Housing

- supported the delivery of 223 dwelling commencements and 95 dwelling completions under the National Partnership on Remote Housing
- extended facilities management agreements designed to reduce future unplanned maintenance works, through bundling maintenance tasks to achieve improved value for money outcomes, to a further 69 government facilities
- continued to maintain a rapid response capacity to support disaster recovery, urgent after-hours repairs, asbestos issues, and vandalism impacting on government facilities
- supported the Department of Education and Training in delivering their Advancing Queensland Schools Program, which commenced in 2016–17.

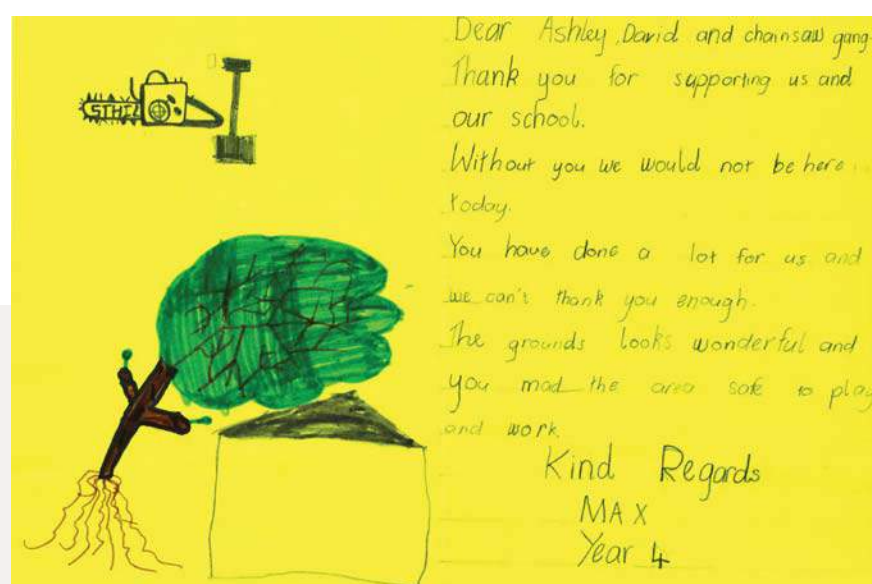
## Our Future Focus

In 2017–18, the department will continue to deliver initiatives that will make a difference to Queenslanders by delivering strategic solutions in partnership with government agencies, including:

- developing a category management approach for building construction and maintenance works to further strengthen procurement engagement activities with local and regional communities
- phasing the implementation of a social procurement framework and supporting documentation to enhance sustainable and strategic procurement practices and contribute to building stronger communities
- continuing to partner with Aboriginal and Torres Strait Islander Councils to deliver capital and maintenance programs under the National Partnership on Remote Housing and the National Affordable Housing Agreement, to maximise employment opportunities and provide economic stimulation to those remote communities
- reducing preconstruction planning and procurement timeframes for detached housing projects delivered in Aboriginal and Torres Strait Islander communities, from a current average of 44 weeks to an average of 28 weeks, saving 16 weeks in pre-delivery time over a four-year period
- strengthening the role and recognition of Building and Asset Services (BAS) in delivering construction services and trade skills in Queensland including through increased capacity and opportunities for apprentices.

## Service Standards - our results for 2016–17

Building and Asset Services	2016–17 Target/Est.	2016–17 Actual
<b>EFFECTIVENESS MEASURES</b>		
<b>Overall customer satisfaction</b>  There is no 2016–17 target/estimate and 2016–17 estimated actual as this is a biennial measure with the next survey to be undertaken in 2017–18.	..	..
<b>Percentage of maintenance spend on Building and Asset Services' customer's facilities with regional suppliers</b>  Variance between 2016–17 target/estimate and 2016–17 actual is due to the refinement of data resulting in a better than anticipated result for this measure that was introduced in 2016–17.	70%	87.2%
<b>EFFICIENCY MEASURES</b>		
<b>Gross profit as a percentage of revenue generated from work delivered on behalf of BAS customers</b>  Variance between the 2016–17 target/estimate and the 2016–17 actual is mainly due to an accounting treatment realigning the delivery of certain support costs.	8.6	8.1
<b>Net profit before tax and dividends as a percentage of sales</b>  Variance between 2016–17 target/estimate and the 2016–17 actual is mainly due to the increase in contribution from expected higher volume of sales.	0.0	1.2
<b>Current ratio</b>  Variance between 2016–17 target/estimate and 2016–17 actual is mainly due to higher cash balance at the start of the year than originally budgeted, and an increase in payables due to the anticipated increase in contractors' invoices reflecting the higher volume of work at the end of the financial year.	1.75:1	1.55:1



### Clarke Creek school kids say thanks

When Tropical Cyclone Debbie swept across the Queensland coastline, many schools were badly damaged. Local Building and Asset Services teams across the State helped get many schools back up and running, including at Clarke Creek State School. Staff received tokens of appreciation from the school's students for their efforts in managing repairs and renovations, including the removal of large fallen trees on the school grounds.

# QFleet

## Our Objective

To deliver benefits to the Government through aggregated procurement of vehicles and associated services, and provide a central pool of expertise in fleet management.

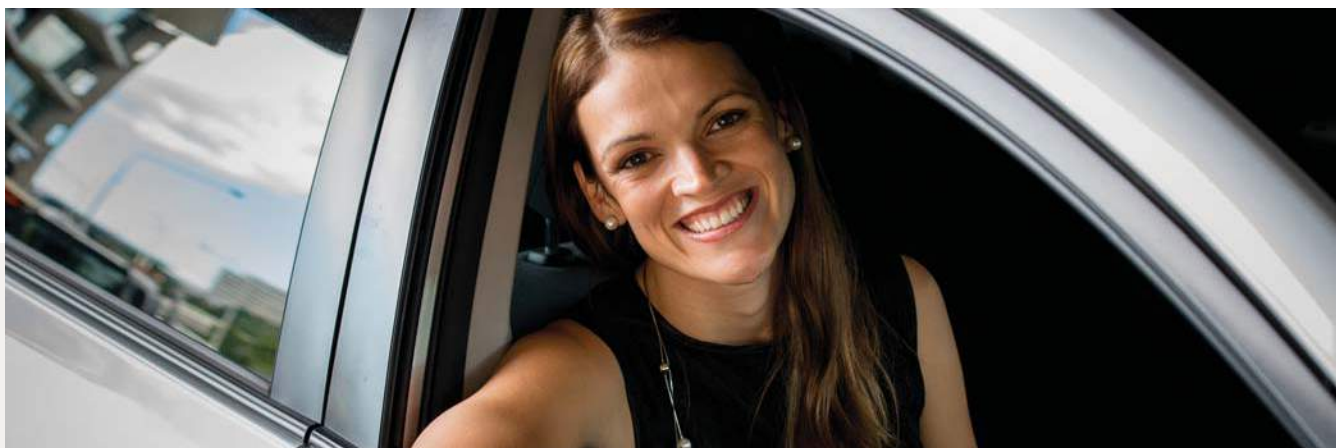
## What We Do

QFleet is responsible for whole-of-government fleet policy development and implementation. Services include vehicle procurement and contract management, fleet advisory services to public sector departments, as well as government-funded organisations, in-service maintenance, accident management, and end-of-life repairs and vehicle remarketing. This supports government agencies to meet their service delivery outcomes for the community.

## Our Achievements

In 2016–17, we:

- completed the car sharing proof-of-concept in the Brisbane CBD to improve motor vehicle utilisation and distribution, by providing access to pooled motor vehicles using leading edge technology
- introduced improved motor vehicle emissions standards for vehicle procurement, to remove vehicles with higher emissions from the fleet
- established a whole-of-government panel arrangement for in-vehicle monitoring systems and fleet optimisation services, to provide a tool for agencies to collect vehicle data to enable more efficient and cost-effective use of their vehicles



## QFleet – mobilising our workforce for more than 25 years

This year marked the 25th anniversary of QFleet. QFleet is one of the largest fleet managers and new car purchasers in Queensland. QFleet is about much more than just buying, selling and hiring cars. In QFleet, evolution is part of business as usual.

Electric vehicle integration, ride sharing, Tesla and self-driving vehicle trials are all part of the vision of the future for QFleet.

Felicity Hawthorne, Acting General Manager of QFleet at the time of the anniversary said, “We are leaders, so we know we need to be on the front foot - not just in terms of providing transport but being a transport solutions provider”.

“Most people understand that cars are depreciating assets, so our challenge is to deliver fleet vehicles that are fit for purpose, meet ANCAP Rating 5 standard safety criteria where we can, and deliver low or no emissions - all at the lowest total cost,” Felicity explained.

Standing still is not an option in this dynamic industry- and that goes for QFleet’s customer service focussed team too. Relationships are key - not only with customers, but with suppliers. In 2016-17, our effort continued to be rewarded through excellent customer satisfaction ratings.

“We know our role is important, and we know the work we do is intricately linked to every one of our department’s plans. That might be in terms of building and housing, where we’re mobilising staff delivering frontline services in every part of the state, or in terms of procurement where we’re focussed on delivering the safest, low cost, low emission vehicles,” she said.

“We’re all about keeping public servants safe as they go about their work. It might not be frontline, but every member of my team knows how important this work is.

“And that’s something we’re proud of, every day.”

- renegotiated aggregated procurement arrangements with vehicle manufacturers, leading to cost savings to government
- established the inter-departmental Road Safety Focus Network to link government fleet managers with workplace health and safety officers to share ideas to improve the safety of government drivers
- sourced and fitted out nine fit-for-purpose Dog Squad Vehicles for Queensland Corrective Services, specially configured to ensure the safe, comfortable and secure housing of the dogs during transportation
- coordinated the delivery of two Land Cruisers, fitted with security features, to Aurukun for the Department of Education and Training.

### Our Future Focus

In 2017–18, the department will continue to deliver initiatives that will make a difference to Queenslanders through:

- developing a strategy to increase the number of electric vehicles in the fleet
- investigating the feasibility of expanding the government car-sharing model to a regional location
- investigating alternative products and services to enhance QFleet's provision of efficient and cost-effective transport solutions
- establishing a standing offer arrangement for whole-of-government use, to leverage spend on tyres and associated services through an approved panel of suppliers who are mandated to be members of Tyre Stewardship Australia.

### Service Standards - our results for 2016–17

QFleet	2016–17 Target/Est.	2016–17 Actual
<b>EFFECTIVENESS MEASURES</b>		
<b>Overall customer satisfaction</b>		
There is no 2016–17 Target/Estimate and 2016–17 actual as this is a biennial measure with the next survey to be undertaken in 2017–18.	..	..
<b>EFFICIENCY MEASURES</b>		
<b>Current ratio</b>		
Variance between 2016-17 Target/Estimate and 2016-17 Actual is mainly due to a higher provision for dividend due to a higher operating surplus than budgeted and an increase in payables due to timing of delivery and payment of motor vehicles prior to year end.	3.00:1	1.96:1
<b>Return on net assets</b>		
Variance between 2016-17 Target/Estimate and 2016-17 Actual is mainly due to a higher operating surplus.	5.0%	8.3%
<b>Gearing level</b>		
Variance between 2016-17 Target/Estimate and 2016-17 Actual is mainly due to a higher operating surplus.	64%	63%
<b>Percentage of vehicle fleet utilisation compared to agreed lease parameters</b>		
Variance between 2016-17 Target/Estimate and the 2016-17 Actuals is mainly due to less actual distance travelled across the active fleet than was expected per the agreed lease parameter mileage.	90%	87.7%