

# Service Areas



## HOUSING SERVICES

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.

The objective of Housing Services is to deliver a flexible, efficient and responsive housing assistance system for our most vulnerable Queenslanders.

### Our Achievements

#### Improving housing assistance

In 2015–16, we:

- constructed 395 new social and affordable housing dwellings, purchased 93 dwellings and completed over 11,800 upgrades

to maximise asset life or improve amenities to meet specific tenant needs such as disability modifications

- initiated development of the Queensland Housing Strategy to shape the strategic direction of housing assistance and homelessness services over the next 10 years
- released the *Working together for better housing and sustainable communities discussion paper* to seek feedback from Queenslanders on a range of housing issues from homelessness and social housing through to affordable rental, home ownership and retirement
- implemented three new policies: *Fair absence from your home*, *Fair listing for vacancy* and *Fair expectations of behaviour policies*
- developed the Fairness Charter which puts people first, outlining how the department will work together with its clients, tenants, staff and network of service partners to achieve the best outcomes for people who need support
- commenced a two-year Mental Health Demonstration Project to test a new integrated housing, mental health and social service delivery model to better support social housing tenants with mental illness or related complex needs to sustain their tenancies
- established 72-hour crisis shelters in Brisbane and Townsville for women and children escaping domestic and family violence so immediate safety

and support needs can be met while they await refuge placement as part of our response to the *Not Now, Not Ever: Putting an End to Domestic Violence in Queensland* report

- contributed to the Advisory Taskforce for the Residential Transition for Ageing Queenslanders and worked with the Department of Communities, Child Safety and Disability Services in supporting the Taskforce with research and issues development
- worked with the Department of Communities, Child Safety and Disability Services and the National Disability Insurance Scheme Agency to prepare for the National Disability Insurance Scheme (NDIS) roll out in Queensland and create a seamless interface with housing and homelessness programs at a local level.

#### Delivering private market assistance

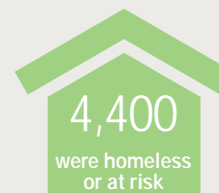
In 2015–16, we assisted over 124,000 low income households to access or remain in the private housing market. To achieve this we:

- reinstated an independent tenant advice service, known as the Queensland Statewide Tenants' Advice and Referral Service (QSTARS), to provide all Queensland tenants with access to free tenancy information, advice and assistance – since commencement on 1 October 2015, 32,057 instances of assistance were provided

Provided social rental housing to



including





- expanded income eligibility for the Bond Loan and Rental Grants programs to include recipients of Veterans' Affairs disability payments
- assisted 17,071 households to find, secure or sustain a home in the private rental market through RentConnect services
- provided 23,301 new bond loans to households unable to afford to pay full rental bonds to move into private rental accommodation
- provided 4,283 rental grants to households experiencing a housing crisis or who were unable to afford some of the immediate costs of moving into private rental accommodation
- assisted 44,248 households through Home Assist Secure by providing free information and referral about home maintenance, repairs, modifications and home security to people 60 years and over, and people of any age with a disability, who wish to remain living in their home

- assisted 2,685 new households to access affordable housing through the National Rental Affordability Scheme and provided \$28.2 million as incentives to investors to support over 10,200 affordable private rental dwellings across the state
- continued to support the Park and Village Information Link to provide free, independent and specialised legal advice and information to 309 manufactured home and retirement village residents
- provided 101 people in need with a rental subsidy through the Housing and Employment Program, allowing them to undertake training, education and employment
- provided housing loans and mortgage relief to 16 households.

### Improving housing in Aboriginal and Torres Strait Islander communities

In 2015–16, we:

- continued to support home ownership on Aboriginal and Torres Strait Islander land, including through the transfer of 13 social housing dwellings for home ownership
- reduced overcrowding in Aboriginal and Torres Strait Islander communities by completing 201 new social housing dwellings and commencing construction of 99 dwellings
- maintained and refurbished the Aboriginal and Torres Strait Islander communities' property portfolio of approximately 4,800 dwellings to an acceptable social housing standard
- delivered 117 serviced lots of land for social housing construction
- purchased five dwellings in regional centres for the benefit of people wishing to relocate from remote Aboriginal and

Torres Strait Islander communities

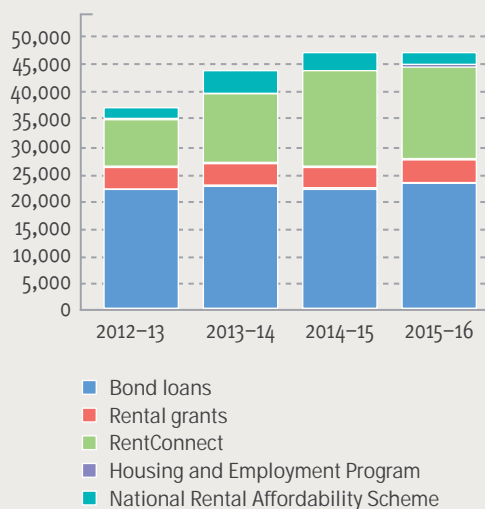
- commenced construction of NRL Cowboys House in Townsville, which will accommodate up to 50 high school students from remote communities to complete their high school education
- negotiated the new National Partnership on Remote Housing with the Australian Government, which replaces the National Partnership Agreement on Remote Indigenous Housing from 1 July 2016.

### Reducing homelessness

In 2015–16, we:

- funded 127 non-government organisations to deliver 218 specialist homelessness services
- continued to deliver the Crisis Accommodation Program to complement specialist homelessness services
- completed construction of a supported accommodation complex in Woree targeting rough sleepers in Cairns, and allocated \$2.4 million over three years for the delivery of support and property and tenancy management services for this apartment complex
- implemented the My Money Program in Cairns – a two-year pilot program to build the financial capability of almost 500 homeless or vulnerably housed people to access and sustain housing
- partnered with Queensland Treasury to pilot a social benefit bond initiative focussing on addressing homelessness and exploring innovative ways to improve housing and homelessness assistance in Queensland.

Private Rental Products  
New Households Assisted





The department has undertaken extensive consultation with Aboriginal Councils and Regional Indigenous Councils to ensure new social housing constructions respond to the needs of the respective communities. To assist in the planning and to drive the momentum of the delivery of new social housing within the communities of the Torres Strait Islander Regional Council, the department established the Torres Strait Islander Housing Project Alliance Board.



### Office of the Registrar

Housing Services 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 the registration, monitoring and regulation of community housing providers with the aim of growing the capability and capacity of these organisations. The Registrar operates independently from the funding arm of Housing Services.

The Registrar also regulates the residential services, manufactured homes and retirement village industries.

In 2015–16, we:

- registered 32 community housing providers under the NRSCH and undertook compliance action against two registered providers which resulted in a return to compliance
- registered four new retirement villages and conducted 21 compliance visits at retirement villages
- investigated options for applying rate rebates or rental assistance to residents of retirement villages including discussing concerns with the Local Government Association of Queensland
- progressed the review of the *Retirement Villages Act 1999* by meeting with seniors groups, resident and industry stakeholders and conducted consultations via the *Working Together for Better Housing and Sustainable Communities discussion paper* and consultation process
- renewed the accreditation of 95 residential services, provided initial accreditation of eight residential services and registered three new residential services
- prosecuted a residential service provider for failing to comply with conditions placed on their accreditation. The service chose not to re-apply for accreditation and the service ceased to operate after their existing accreditation expired
- secured an injunction against an unregistered residential service provider, requiring the provider to cease operation
- progressed the review of the *Residential Services (Accreditation) Act 2002* by undertaking research with residents, operators and service providers to identify key issues
- recorded 11 new manufactured homes residential parks and conducted 31 compliance visits at recorded manufactured homes residential parks
- progressed the review of the *Manufactured Homes (Residential Parks) Act 2003*
- obtained a determination in the Supreme Court against a park owner, requiring the park owner to record the park in accordance with the *Manufactured Homes (Residential Parks) Act 2003*.

### Our Future Focus

Our new Strategic Plan 2016–20 sets out our long term vision to build better housing futures, and deliver greater opportunities for all Queenslanders. We are aiming to:

- improve access to safe, accessible and affordable homes
- build a fair and responsive housing assistance system
- improve the health and safety of people in their homes.

Our reviews and consultations in the past year have set a sound foundation for the department to develop and implement a new 10-year Housing Strategy in 2016-17 to shape the strategic direction of housing assistance in Queensland.

## Our Performance: Housing Services

Measures	2015–16 Target/Est.	2015–16 Actual
<b>Effectiveness measures</b>		
<p><b>Level of overall client satisfaction</b></p> <p>The wording of this service standard has been amended to clarify that the service standard measures overall satisfaction. The methodology remains the same. 'Client satisfaction' is an indicator of the government's objective to provide housing assistance that is appropriate for different households.</p>	..	..
<ul style="list-style-type: none"> <li>• <b>Bond Loans</b></li> </ul> <p>This is a triennial measure, with the next survey to be undertaken in 2016–17.</p>	..	..
<ul style="list-style-type: none"> <li>• <b>Home Assist Secure</b></li> </ul> <p>This is a triennial measure, with the next survey to be undertaken in 2017–18</p>	..	..
<ul style="list-style-type: none"> <li>• <b>Public Housing</b></li> </ul> <p>This is a biennial measure, with the next survey to be undertaken in 2016–17.</p> <p>The wording of this service standard has changed from 'client satisfaction with social rental housing' to 'overall client satisfaction with public housing'. The methodology remains the same and the change is to terminology only. The National Social Housing Survey (published in the Report on Government Services) surveys public and community housing tenants separately, and reports them individually. As a result, combined client satisfaction data for public and community housing is not available.</p>	..	..
<ul style="list-style-type: none"> <li>• <b>Community Housing</b></li> </ul> <p>This is a biennial measure, with the next survey to be undertaken in 2016–17.</p> <p>This is a new service standard measuring overall client satisfaction with community housing, enabling oversight of client satisfaction across both the public housing and community housing sectors. Mainstream community housing is managed by not-for-profit organisations that have at some time received capital or recurrent government funding for housing services. Community housing offers short, medium or long-term tenure for low-income individuals and families, or those with particular needs not well-catered for by the private market.</p>	..	..
<b>Percentage of new households assisted into Government-managed social rental housing who were in very high or high need</b>	90%	91%
<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>	64%	64%
<b>Proportion of exits from social rental housing to private market housing that were tenant initiated</b>	45%	51%
<p>Variance between 2015–16 Target/Estimate and 2015–16 Actual is primarily due to increasing flexible private market conditions and less demand for housing in resource communities. This is a new effectiveness service standard to demonstrate that private market assistance products offered by the department have a positive effect in assisting social rental housing clients to transition to the private market.</p>		

Measures	2015–16 Target/Est.	2015–16 Actual
<b>Effectiveness measures</b>		
<p><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></p> <p>This is a new effectiveness service standard measuring the percentage of private market assistance provided by the department aimed at diverting people from social housing. The targets for programs relating to entering or remaining in the private rental market were met.</p>	47%	52%
<p><b>Proportion of newly constructed social housing dwellings meeting the Livable Housing Design guidelines gold or platinum standards</b></p> <p>This is a new effectiveness service standard demonstrating effective use of resources by designing and delivering dwellings that are easier and safer for people of all ages and abilities to live in and are more capable of cost-effective adaptation to meet the changing needs and abilities of tenants.</p>	50%	50%
<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></p> <p>Variance between 2015–16 Target/Estimate and 2015–16 Actual is due to the continued reduction in the housing register and the stable number of allocations per year.</p>	8	7.1
<p><b>Percentage of under-occupied Government-owned and managed social rental housing</b></p> <p>Variance between 2015–16 Target/Estimate and 2015–16 Actual is due to the management of under-occupancy being reassessed as part of the Fairness Review. This resulted in a deferral of under-occupancy reviews during 2015–16, where active management actions were not implemented, resulting in a marginal increase in under-occupancy. The Fairness Review and a broader strategy to manage under-occupancy more effectively will be implemented in 2016–17.</p>	14.0%	15.5%
<b>Efficiency measures</b>		
<p><b>Average tenancy and property management administration cost per households assisted</b></p> <p>Variance between 2015–16 Target/Estimate and 2015–16 Actual is due to a decrease of 4.9 per cent in the number of households assisted while the total expenditure has decreased by 3.5 per cent.</p>	\$1,161	\$1,177





## QSTARS helping Queensland's tenants

The reinstatement of an independent advisory service for tenants is providing thousands of Queensland tenants with much-needed help and support. The new Queensland State-wide Tenants' Advice and Referral Service (QSTARS) commenced on 1 October 2015, and in its first nine months provided help to more than 32,000 Queenslanders.

Queenslanders like Margaret and Julie.

Margaret first contacted the service after her landlord refused to correct maintenance issues she had raised, failing their legal obligation to maintain a safe premises.

After living in the property for seven years, without any repairs being done in that time, Margaret was concerned for the safety of her children, and at a loss to know how to proceed.

QSTARS provided Margaret with the support she needed to take her concerns to Queensland Civil and Administrative Tribunal, which issued an order allowing her to terminate the lease legally. She quickly found another property to live in, and is considering whether to seek compensation.

Julie was another Queenslanders who contacted the service for help, when an incident of serious domestic violence meant she

needed to find a safe place to live for herself and her children. Her landlord told her she would have to break her lease and pay a range of charges and rent until a new tenant was found.

Advice from QSTARS gave Julie the confidence to re-approach her landlord, exercise her rights and negotiate a mutually agreed lease termination which allowed her to find a new home.

QSTARS helps tenants understand and exercise their rights and responsibilities under the *Residential Tenancies and Rooming Accommodation Act 2008*. Tenants can also access face-to-face support, information and advice through offices in Spring Hill, South Brisbane, Southport, Palm Beach, Mackay, Caboolture, Maroochydore, Ipswich, Toowoomba, Logan, Hervey Bay, Cairns, Townsville, Rockhampton and Mount Isa.

The service is funded by the Queensland Government and managed by Tenants Queensland (TQ) and delivered in collaboration with partner organisations across Queensland. Together, TQ and their partners are building a comprehensive network of services that are making a difference to the lives of people like Margaret and Julie.

# GOVERNMENT ACCOMMODATION AND BUILDING POLICY SERVICES

Government Accommodation and Building Policy Services deliver centralised management of the Queensland Government's office accommodation and employee housing portfolio, and manages 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 3,100 employee residences and 200 commercial 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 provide planning, strategy and policy development, leasing and tenancy management, and maintenance management across owned and leased portfolios.

The objective of the Government Accommodation component of this service area is to deliver a high level of return on investment through strategic lease management and reduced vacancy rates, and ensure optimal use of office space through efficient fitout.

Building Policy Services aims to maintain high standards for the

building and plumbing industry and is responsible for building and plumbing legislation, codes, research, standards, design and building industry engagement, and the development of building and plumbing policy for Queensland industry.

## Our Achievements

### Progressing building policy

In 2015-16, we:

- reviewed the security of payment laws and released the *Security of Payment discussion paper* to seek feedback from industry and the community on how best to manage security of payments for subcontractors
- held security of payment consultation sessions across Queensland to provide community stakeholders and industry with the opportunity to get involved in the process, and to improve security of payment across the state
- established the Service Trades Council, a dedicated plumbing industry regulatory body, within the Queensland Building and Construction Commission
- worked closely with industry and research organisations to advance innovation through research partnerships and initiatives
- continued to work with the Queensland Building and Construction Commission and other key building industry stakeholders to deliver high quality, cost effective and responsive strategic policy, legislation, codes and standards to the building construction industry
- undertook targeted discussions with key stakeholders and the Queensland Building and Construction Commission to develop policy proposals for a review of all existing Queensland Building and Construction Commission licence classes



- implemented the government's commitment to ensure that only fully qualified and licensed plumbers can install water meters
- delivered the multiple award winning Brisbane Open House in October 2015 with almost 66,900 visitors accessing 90 unique Brisbane buildings
- led a national group of senior officers in developing strategies to address issues relating to non-conforming building products
- rationalised the Queensland Development Code by removing three parts that were considered to be redundant or duplicated
- advanced reforms relating to smoke alarm legislation in collaboration with the Public Safety Business Agency and Queensland Fire and Emergency Services
- conducted state interest checks of local government planning instruments to identify matters that duplicate or conflict with building legislation.

### Delivering government accommodation

In 2015-16, we:

- delivered 37 new government employee residences to enable delivery of essential services and retain skilled government staff in Thursday Island and Weipa
- continued a maintenance program in Aboriginal and Torres Strait Islander communities and very remote areas to improve the quality and standard of government employee housing
- continued to implement a broader Brisbane CBD and Fringe Area Government Office Accommodation





Strategy 2015–25 including reducing the government office portfolio through vacating expiring leases and consolidating where possible

- piloted a new whole-of-government Distributed Work Centre in Ipswich, enabling 50 government workers to avoid lengthy commutes to the Brisbane CBD, preserve work/life blend and increase productivity
- completed an audit of Queensland Government-owned office accommodation energy usage to determine where appropriate value for money improvements can be made
- continued to implement environmentally sustainable measures that reduce waste, improve energy and water performance in building upgrades and refurbishments where cost effective to do so
- initiated a program of energy saving retrofit projects in owned office buildings in regional Queensland and commenced a project to pilot the Green Star Interiors rating tool at 61 Mary Street, Brisbane.

### Coordinating disaster response

The department remains an integral part of Queensland’s disaster management arrangements by providing support to other agencies in the key role of building and engineering services.

In 2015–16, we:

- strengthened the capacity and capability of the State to support local communities after a disaster through the development of the Temporary Emergency Accommodation Sub Plan which ensures that those displaced after a disaster event are provided with appropriate and sustainable accommodation options
- provided support to clients as a result of severe storm events across South-East Queensland in November 2015 and June 2016
- continued to support local councils with cyclone shelters by ensuring that buildings are maintained to the highest possible level, and deliver confidence they can be used during an event.

### Our Future Focus

Our new Strategic Plan 2016–20 sets out our long term vision to deliver a safer, fairer and sustainable environment for advancing the building and residential living sectors for Queenslanders. We are aiming to:

- encourage innovation and growth by engaging with industry
- improve safety and fairness in the building and residential living sectors
- develop solutions for environmental sustainability.

Our extensive policy analysis and consultations in the past year have set a sound foundation for the department to develop a new Building Plan in 2016–17 encompassing safety, fairness, liveability, innovation and sustainability for buildings and houses in Queensland.



**45 locals**

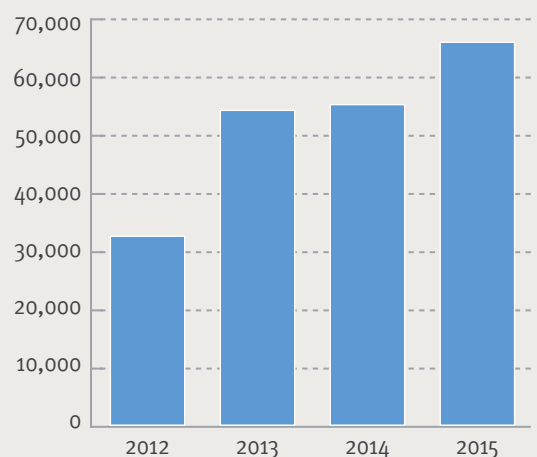
were employed on a Thursday Island project to provide

**18 units**

of accommodation for Queensland Health Chronic Disease Centre



Brisbane Open House Attendance







## Leading a national approach to tackling non-conforming building products

When it comes to the complex issue of non-conforming building products and non-compliance in the building industry, Queensland is playing a lead role in setting the policy position for the nation.

In July 2015, the national Building Ministers' Forum established a Senior Officers' Group to investigate ways to address non-conforming building products, and Queensland is the group's Chair and Secretariat. Queensland also made a submission to a Senate Economics Reference Committee Inquiry into non-conforming building products in 2015.

The work of the Senior Officers' Group is playing a key role in ensuring confidence within the building and construction industry. Both nationally and internationally, interest and concern continues to grow when it comes to these matters, with fires in the Melbourne Lacrosse Tower in 2014 and in residential towers in Dubai just two recent examples.

The Senior Officers' Group has undertaken a number of actions in response to growing concern, including preparing a report featuring eight recommendations. This report was endorsed by the Building Ministers' Forum on 19 February 2016, and released for industry consultation.

The Senior Officers' Group is working to implement the report's recommendations, including preparing an Implementation Roadmap which will be provided to the Building Ministers' Forum.

These important pieces of work will lay the foundation for the development of strategies to address the issue of non-conforming building products. The department is committed to continuing to work together with industry, and the Australian Government to ensure this issue is tackled, and a strong message can be sent that non-conforming building products are unacceptable on our watch.

## Our Performance: Government Accommodation and Building Policy Services

Measures	2015–16 Target/Est.	2015–16 Actual
<b>Effectiveness measures</b>		
<b>Return on investment: commercial properties included in the office portfolio</b>	≥6.5%	8.2%
Variance between 2015–16 Target/Estimate and 2015–16 Actual is due to the reduction in value of properties located in the Queen's Wharf Brisbane precinct due to be vacated in 2016 to make way for the Queen's Wharf Development.		
<b>Return on investment: government employee housing</b>	≥2.2%	0.7%
Variance between 2015–16 Target/Estimate and 2015–16 Actual is due to a decrease in rental return resulting in a lower than expected return on investment. The decrease was a result of several key factors including a highly competitive rental market affecting rent levels, a decline in rent revenue due to increased vacancies and increase in costs incurred for maintenance.		
<b>Vacancy rate: office portfolio</b>	≤4.0%	1.4%
Variance between 2015–16 Target/Estimate and 2015–16 Actual is due to the movement of agencies with expiring leases into existing vacancies and some new demands for space which were met through existing vacancies.		
<b>Vacancy rate: government employee housing</b>	≤3.0%	5.1%
Variance between 2015–16 Target/Estimate and 2015–16 Actual is due to the general downturn in the mining sector which continues to impact property values, rental returns and vacancy rates.		
<b>Work point density: average</b>	13.5m <sup>2</sup> per person	14.7 <sup>2</sup> per person
Variance between 2015–16 Target/Estimate and 2015–16 Actual is due to some underutilisation in existing buildings. Several buildings with particularly low work point density will be relinquished as part of the Queen's Wharf Brisbane development and Brisbane CBD and Fringe Area Government Office Accommodation Strategy 2015–25.		
<b>Work point density: new fitout</b>	12m <sup>2</sup> per person	13.1 <sup>2</sup> per person
Variance between 2015–16 Target/Estimate and 2015–16 Estimated Actual is due to special agency requirements slightly exceeding target density for new fitouts.		
<b>Efficiency measures</b>		
Efficiency measures will be developed for this Service and included in a future Service Delivery Statements.		

The name of this service area has been amended from the former 'Building Services' to 'Government Accommodation and Building Policy Services'. There is no structural or functional change to the service area except a name change which better reflects the range of services provided under this service area, and differentiates the service area from the commercialised business unit of Building and Asset Services.

---

## PROCUREMENT SERVICES

---

### Procurement Services manages the Queensland Government's procurement policy and related frameworks.

It provides expert advice to stakeholders, and supports agencies to achieve their procurement outcomes by sharing best practice, providing policy support and advice, and developing whole-of-government frameworks in areas including capability and performance.

The objective of Procurement Services is to support whole-of-government procurement to deliver benefits for government, suppliers and the community.

### Our Achievements

In 2015-16, we:

- conducted a Review of Queensland Government Procurement, which included recommendations for:
  - probity to be recognised as a core element of the Queensland Procurement Policy
  - value for money to be more clearly defined to take into account economic, environmental and social factors
  - establishment of a new whole-of-government procurement function to support agency-led procurement
- commenced implementation of recommendations from the Review, including work to establish the new whole-of-government Office of the Chief Advisor – Procurement from 1 July 2016

- held a procurement co-design workshop attended by Directors-General, procurement and finance senior executives and industry stakeholders to collaborate on the new procurement operating model
- enabled agencies to build their internal procurement capability to support agency service delivery outcomes for Queenslanders through our comprehensive procurement learning and development program
- raised awareness of the value opportunities social procurement can offer government buyers and social enterprises by hosting social market day events in Brisbane on 4 August 2015, and in Cairns on 10 March 2016.

### Our Future Focus

Our new Strategic Plan 2016–20 sets out our long-term vision to deliver greater value and support for employment and economic opportunities for Queenslanders. We are aiming to:

- drive strategic and innovative procurement across sectors
- generate new ideas and solutions through partnerships
- make smarter use of resources and assets.

Our comprehensive reviews and consultations in the past year have set a sound foundation for the department to deliver a new Procurement Strategy to ensure best practice procurement that supports local jobs and businesses, and improves social outcomes in Queensland.



# 674

Queensland Government employees undertook a Training Needs Assessment in procurement



# 720

Queensland Government employees undertook a Training Needs Assessment in contract management





## Our Performance: Procurement Services

Measures	2015–16 Target/Est.	2015–16 Actual
<b>Effectiveness measures</b>		
An effectiveness measure is being developed for this Service and included in future Service Delivery Statements.		
<b>Efficiency measures</b>		
<b>Operating cost as percentage of managed spend</b>	0.09%	0.096%
<p>This measure was a new services standard for 2015–16 and will be discontinued in 2016–17 due to outcomes of the Interdepartmental Committee Review of Queensland Government Procurement.</p> <p>This is a service standard measuring cost efficiency. The measure is calculated based on the operating cost of the business unit which is responsible for the oversight and management of government spend on general goods and services.</p> <p>The small increase in operating costs is attributable to a cost centre reallocation for expenses which were not originally allocated to the General Goods and Services cost centre when the original budget was developed. This expenditure was necessary to effectively manage the \$2.3 billion spend under whole-of-government procurement arrangements.</p>		



## Leveraging procurement to improve social outcomes

A strategic approach to procurement ensures we can drive our dollar further, with improved outcomes – not just financial savings, but social and community benefits, job creation, sustainable solutions, and greater efficiency.

This approach underpins the Queensland Government Procurement (QGP) approach, and ensures value for money is measured more broadly than just 'price paid'.

To support this approach and build capability in this area, QGP has hosted two social procurement forums and market days – in Brisbane and Cairns – providing a forum to foster and build a shared understanding of socially responsible procurement.

The events, held in August 2015 and March 2016, provided opportunities to strengthen relationships between buyers and suppliers, to better understand the challenges and

opportunities on both sides, and explore new ways government can further integrate social opportunities into the way we buy and manage goods and services.

Through both events, more than 100 regional social, disability and Aboriginal and Torres Strait Islander enterprises were given exposure to government buyers, and a chance to facilitate conversations about how to work together to achieve social and environmental outcomes for Queenslanders.

Guest speakers from the social enterprise sector and government procurement specialists who are experienced in building social outcomes into procurement processes, provided insight into how to build sustainable, inclusive and resilient communities – through employment, training and building independence and capacity.

# Commercialised **Business Units**

## **BUILDING AND ASSET SERVICES**

Building and Asset Services is a strategic partner to Queensland Government agencies in the planning and delivery of building, construction and maintenance programs.

Building and Asset Services focuses on asset lifecycle management frameworks to manage government risk associated with diverse building asset portfolios.

Working closely with industry and local suppliers, Building and Asset Services strives to maximise value for money procurement and contract management outcomes through innovative procurement arrangements with industry. This assists government agencies to meet their service delivery outcomes for the community, and provides employment opportunities across the state including in regional and remote communities.

Building and Asset Services has in place controls to identify fraud in relation to goods and services to ensure works being carried out by contractors on behalf of the government have been delivered in line with contracts and/or extent of works.

The objective of Building and Asset Services is to deliver coordinated procurement and contract management services for building, construction and maintenance-related activities for Queensland Government agencies, focusing on providing value for money.

### **Our Achievements**

In 2015–16, we:

- partnered with other Queensland government agencies to deliver capital works projects and programs that deliver outcomes for Queenslanders, and at 30 June 2016, 1,660 capital works projects were under management, with a total project value of \$2.861 billion
- maximised opportunities to support local employment and build regional capability and resilience by extending work to a broader base of local contractors across the state through the implementation of the Unplanned Maintenance and Minor Upgrade Services Standing Offer Arrangement
- delivered cost effective services and solutions in remote communities and worked closely with Aboriginal and Torres Strait Island Councils to build procurement and contract management capability that will improve local economies
- delivered efficiencies in transacting with government through the implementation of an electronic invoicing solution to the contractor web portal to support prompt payments to contractors
- supported the delivery of 174 new houses under the National Partnership Agreement on Remote Indigenous Housing

- implemented enhanced procurement arrangements such as the facilities management agreement at the Roma State College which was designed to reduce future unplanned maintenance works and the costs associated with these tasks. Through engagement with local contractors, maintenance tasks were able to be bundled to achieve improved value for money outcomes
- maintained a rapid response capacity to support disaster recovery, urgent after-hours repairs, asbestos issues, and vandalism impacting Queensland Government facilities
- delivered work in central and northern Queensland on behalf of various internal and external customers to provide economic stimulus as part of the government-wide Accelerated Works Program.

### **Our Future Focus**

Our new Strategic Plan 2016–20 sets out our long-term vision to deliver our services as one department, ready to innovate and integrate. Building and Asset Services plays a key collaborative role in the development and implementation of our strategies for housing, building and procurement.

Our changing business practices and stronger partnerships in the past year have set a sound foundation for the department to support jobs and regions and maximise efficiencies and value for money in Queensland.

Maintaining high levels of customer satisfaction



82%

2013–14

84%

2015–16







Partnering Agreements are in place with 10 Aboriginal and Torres Strait Island councils to deliver maintenance services to their local community which supports the local economy and provides jobs for the community.

## Our Performance: Building and Asset Services

Measures	2015–16 Target/Est.	2015–16 Actual
<b>Effectiveness measures</b>		
<b>Overall customer satisfaction</b>	80%	84%
This is a biennial customer satisfaction survey. Variance between 2015–16 Target/Estimate and 2015–16 Actual is due to improved customer engagement processes implemented during the past two years.		
<b>Efficiency measures</b>		
<b>Gross profit as a percentage of sales</b>	8.1%	8.1%
No variance between 2015–16 Target/Estimate and the 2015–16 Actual		
<b>Net profit before tax and dividends as a percentage of sales</b>	0.1%	0.4%
Variance between the 2015–16 Target/Estimate and the 2015–16 Actual is mainly due to the net contribution from the increased volume of work delivered.		
<b>Current Ratio</b>	1.75:1	1.80:1
Variance between 2015–16 Target/Estimate and 2015–16 Actual is due to a higher cash balance than original budgeted as a result of improved collections from customers.		
<b>Value created from better procurement</b>	10%	9%
This service standard has been discontinued as the measure related to the procurement arrangements for unplanned maintenance and service maintenance sourced and implemented during 2015–16.		



## Roma State College

Roma State College in the state's south-west has been the beneficiary of a collaborative and proactive approach to school maintenance by Building and Asset Services (BAS), and now a further 17 Queensland schools are reaping the benefits.

In May 2015, BAS, the Department of Education and Training (DET) and the Roma State College worked together to trial a new, integrated facilities management approach over a four-year period.

A preventative maintenance schedule of works to identify and address existing and emerging issues was developed across the College's three campuses, with the aim of reducing unplanned maintenance works.

Bundling of maintenance work is at the core of the new process, which has reduced administration work, and reduced

the number of work orders being generated by 60 per cent. Each term, all unplanned maintenance tasks are captured on a single work order, with bundled work completed at the same time, delivering significant callout savings and minimising disruption.

Local contractors are engaged where possible, and the new forward-focussed approach is having positive flow-on effects for local apprentices and trainees. With contractors able to plan ahead over multiple years, young workers can be taken on, which is helping to build local industry capability.

The Roma State College trial led to a further 11 schools in the surrounding Warrego/Carnarvon area being included by DET in October 2015 in this program, followed by a further seven schools – one in each DET region throughout Queensland.

## QFLEET

QFleet delivers value to government through the effective management of a fleet of approximately 9,900 vehicles. Located throughout the state, the fleet is a high value government asset that enables agencies to deliver vital services to the community.

As well as core departments, QFleet's fleet management services and expertise is available to Government Owned Corporations, statutory authorities, and approved government funded organisations.

These services include vehicle procurement and contract management, vehicle leasing, fleet advisory services, management of servicing and maintenance, end-of-life repairs and vehicle remarketing, and whole-of-government vehicle fleet policy and reporting.

Savings and efficiencies are achieved through the aggregated procurement of vehicles and centralised expert fleet management based on total cost of ownership, and risk management.

QFleet's objective is to deliver benefits to the Queensland Government through the aggregated procurement of vehicles and associated services, and provides a central pool of expertise in fleet management to whole-of-government.



**89%**  
customer  
satisfaction

10% above target of 79%

## Our Achievements

In 2015–16, we:

- continued to offer negotiated Standing Offer Arrangement vehicle contract prices to other government agencies and entitled entities including Government Owned Corporations, statutory authorities, local governments and eligible non-government organisations to improve the department's aggregated purchasing power
- undertook a review of government vehicle distribution within the Brisbane Central Business District and engaged with customer agencies to commence the development of a centralised carpooling and sharing model, supported by innovative information technology systems, in support of the Brisbane CBD and Fringe Accommodation Strategy 2015–25
- acquired 11 Mitsubishi Outlander Plug-in Electric Vehicles for a 12-month evaluation exercise to determine their suitability for inclusion in the Queensland Government fleet, in support of the Queensland Government's revitalised climate change agenda
- continued to support regional and remote communities by providing specialised, fit-for-purpose transport solutions tailored to meet customer agency needs, and accommodate local conditions
- supported vehicle driver safety by re-establishing the QFleet Road Safety Manual
- project managed the procurement, design and fit-out of 12 customised armoured perimeter patrol vehicles, in consultation with Queensland Corrective Services, for deployment at correctional centres across Queensland



- hosted the annual National Public Sector Fleet Managers' Conference, with 130 participants from the Australian and state governments, vehicle manufacturers and international guests
- developed a fleet environmental policy that forms the basis for improving the environmental profile and performance of the government fleet
- undertook an exercise to establish a panel arrangement to provide agencies with access to suppliers of in-vehicle monitoring systems and fleet optimisation services for their vehicles.

## Our Future Focus

Our new Strategic Plan 2016–20 sets out our long-term vision to deliver our services as one department, ready to innovate and integrate. QFleet plays a key collaborative role in the development and implementation of our strategies for building and procurement.

Our continued focus on good practice and business improvement in the past year have set a sound foundation for the department to improve fleet management services to achieve efficiencies and reduce our environmental impact and also improve the safety of our fleet drivers.



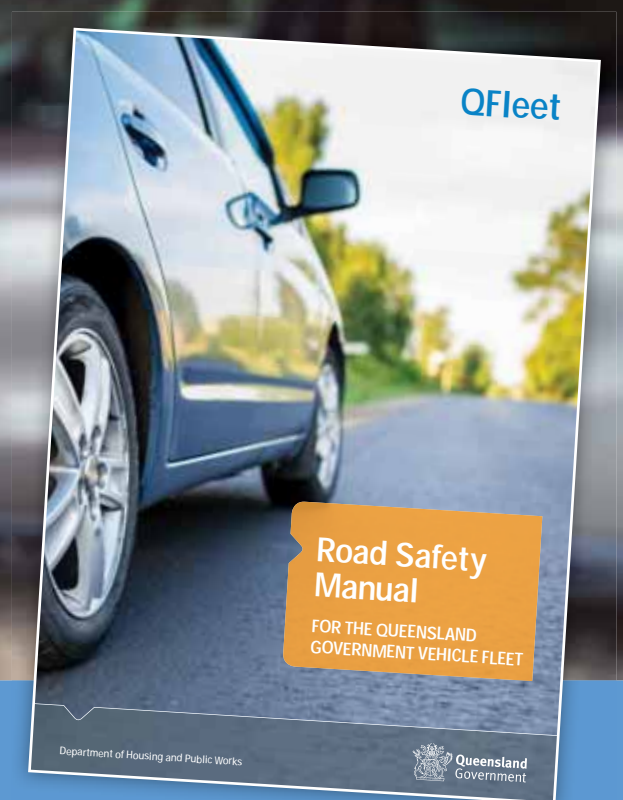


## Our Performance: QFleet

QFleet	2015–16 Target/Est.	2015–16 Actual
<b>Effectiveness measures</b>		
<b>Overall customer satisfaction</b>	79%	89%
This is a biennial customer satisfaction survey.		
<b>Efficiency measures</b>		
<b>Current ratio</b>	1.23:1	1.08:1
Variance between the 2015–16 Target/Estimate and 2015–16 Actual is mainly due to an increase in the dividend provision from a higher operating surplus and higher payables as a result of the timing of vehicle purchases.		
<b>Return on net assets</b>	8.5%	10.8%
Variance between the 2015-16 Target/Estimate and 2015-16 Actual is mainly due to a higher operating surplus.		
<b>Gearing level</b>	62%	61.4%
Variance between the 2015–16 Target/Estimate and 2015–16 Actual is mainly due to a higher operating surplus, partially offset by additional borrowings to finance vehicle purchases.		
<b>Percentage of vehicle fleet utilisation compared to agreed lease parameters</b>	<b>90%</b>	<b>90.1%</b>

Explored ways to improve the environmental performance of the government fleet by evaluating a number of Mitsubishi Outlander plug-in electric vehicles in collaboration with customer agencies.

Engaged with Northern Peninsula State College in Bamaga, North Queensland to provide two school buses to promote a national school attendance initiative for Aboriginal and Torres Strait Islander communities.



## QFleet Road Safety Manual

QFleet's *Road Safety Manual for the Queensland Government vehicle fleet* is helping improve the safety of government drivers, their passengers and other road users.

The comprehensive manual assists agencies to develop a work-related safe driving program, and includes a policy and related processes. Presented in the context that the vehicle is a workplace and therefore covered by the *Work Health and Safety Act 2011 (Qld)* and associated regulations, the manual creates a clear link between road safety and workplace health and safety management.

The team drew on leading research in the area of road safety in the development of the manual, working closely with the Queensland University of Technology, Centre for Accident Research and Road Safety – Queensland (CARRS-Q) in 2016.

A number of key stakeholders were also consulted, including the Strategic Policy, Road Safety and System Management Branch within the Department of Transport and Main Roads; Worksafe Victoria; the Centre of Accident Research and Road Safety Queensland, and Monash University Accident Research Centre.

Better management of work-related driving tasks to eliminate or reduce risks delivers a number of benefits, including a reduction in vehicle-related incidents resulting in death and injury, reduced personal, social and economic costs, litigation and asset damage, and improved organisational performance. These are all benefits that support our department's commitment to health and safety and putting customers first.