

# Senate Finance and Public Administration Legislation Committee —Supplementary Budget Estimates Hearing—October 2016

## Answers to Questions on Notice

### Parliamentary departments, Department of Parliamentary Services

Topic: **ANAO Performance Audit Report – Managing Contracts at Parliament House**

Question: **23**

Written: **Senator Wong**

**Date set by the committee for the return of answer: 2 December 2016**

With reference to the Australian National Audit Office Performance Audit Report *Managing contracts at Parliament House* (No. 19 of 2016-17) and the statement of the Department of Parliamentary Services disagreeing with recommendation 1(b) of the audit report on page 9:

*...we disagree that contestability of in-house services should be a priority for the department, given we are part-way through ensuring staff who are responsible for procurement and managing contracts are adequately equipped from a capability perspective to undertake this task.*

Does the Department of Parliamentary Services believe it will be able to better fulfil its functions and serve the Parliament by improving its ability to deliver what is asked of it, and this is best achieved by improving the internal skills base rather than relying on outside contractors?

#### Answer

The ANAO's Recommendation 1(b), to review the contestability of in-house provision of non-corporate services, was made in the context of service delivery planning and workforce capability. DPS advised the ANAO that "the decision as to whether a service should be delivered in-house or by an external contractor is generally considered by the department on a case-by-case basis as services are required or contracts expire" (see paragraph 2.15 of the ANAO Report).

DPS manages a range of services that are provided both in-house and by outsourcing. DPS' response to Recommendation 1(b) at page 23 of the ANAO Report stated:

DPS' focus in relation to procurement and managing contracts is to improve the capability of staff to undertake this activity for current outsourced activity. It would be reckless of DPS to undertake a program of assessing current (and effective) in-house services for potential outsourcing when it is building capability to deliver the current outsourced services better (consistent with the finding of the 2015 ANAO Report). Nevertheless, DPS will work with Department of Finance on the applicability of the Contestability Framework where appropriate.

DPS' response to Recommendation 1(b) highlights that for an agency currently improving the capability of its procurement and contract management skills, potentially entering into significant outsourced, contract managed services would not be a path to maintaining current high levels of satisfaction in some services and improving levels of satisfaction in services that do not currently meet the needs of our customers.