

Fact Sheet for Queensland Government Policy on the Contracting-out of Services

16 January 2016

Application of the Policy

The Policy applies to all Queensland Government agencies. It does not apply to Government Owned Corporations (GOCs) whose use of contractors is governed by the 2015 Government Owned Corporations Wages and Industrial Relations Policy principles.

Effective date

The Policy was released on 16 January 2016.

Consultation

If contracting-out of services currently provided in-house is proposed, employees and relevant unions will be consulted as early as possible. These consultation discussions must take place prior to any call for tenders or initiation of processes for alternative bidding arrangements for the provision of services by an external provider.

Agencies will also need to refer to any consultation obligations in their industrial instruments that may apply to a contracting-out scenario.

Cabinet submissions

Contracting out of services currently provided in-house will require Cabinet approval where there will likely be significant impacts on the government's workforce. The Policy sets out the detail required to be included in the Cabinet submission.

Similarly the Policy sets out the detail required to be included in the Cabinet submissions for proposed contracting-out of new services and replacement services.

Guidelines

To assess the merits of in-house and external bids at the time of renewal of currently contracted-out services agencies should have reference to the guidelines that will be developed and the principles in clause 3.5 of the Policy.

Improving productivity

The primary focus in implementing this Policy is the improvement of productivity of the existing government workforce through performance improvement strategies. Performance improvement strategies include training, innovation and benchmarking.

Cost of this policy to taxpayers

It is not expected that reintroduction of this policy will impose an additional cost burden, any contracting-out or proposed additional insourcing or needs to demonstrate that it is competitive on an overall "best value" basis, including quality and cost of purchase and cost of maintenance of any necessary capital equipment.

Sufficient opportunity and support

The Policy includes a statement that *'Except in exceptional circumstances, in-house work units should be afforded sufficient opportunity and support, over a reasonable time, to achieve an acceptable*

level of performance, efficiency and effectiveness, before alternative service provision options are considered'. This principle needs to be considered for proposed contracting-out of services currently provided in-house. What is a reasonable time and sufficient opportunity will need to be assessed on a case by case basis.

Impacts on the workforce

The Policy includes a statement that *'Options for the management of employees affected by organisational change are to include deployment, retraining, redeployment and voluntary early retirement'*. This principle should be applied in conjunction with the *Queensland Government Employment Security Policy*.

The Policy is to be read in conjunction with any application award and agreement obligations about contracting out.

Should you have any queries in relation to this matter, please contact the Office of Industrial Relations on (07) 3406 9826.