

Survey on Outsourcing of Government Activities 2000

MSA conducted the **Survey on Outsourcing of Government Activities** in October 2000. Total 91 bureaux and departments were invited to participate in the survey and 86 of them have completed and returned the questionnaires. The result is analysed and summarised below.

[Extent of outsourcing](#)

[Expenditure on outsourced services](#)

[Size of contracts](#)

[Distribution between existing and new services](#)

[Expectations of outsourcing](#)

[Level of satisfaction of expectations](#)

[Management of the outsourcing process](#)

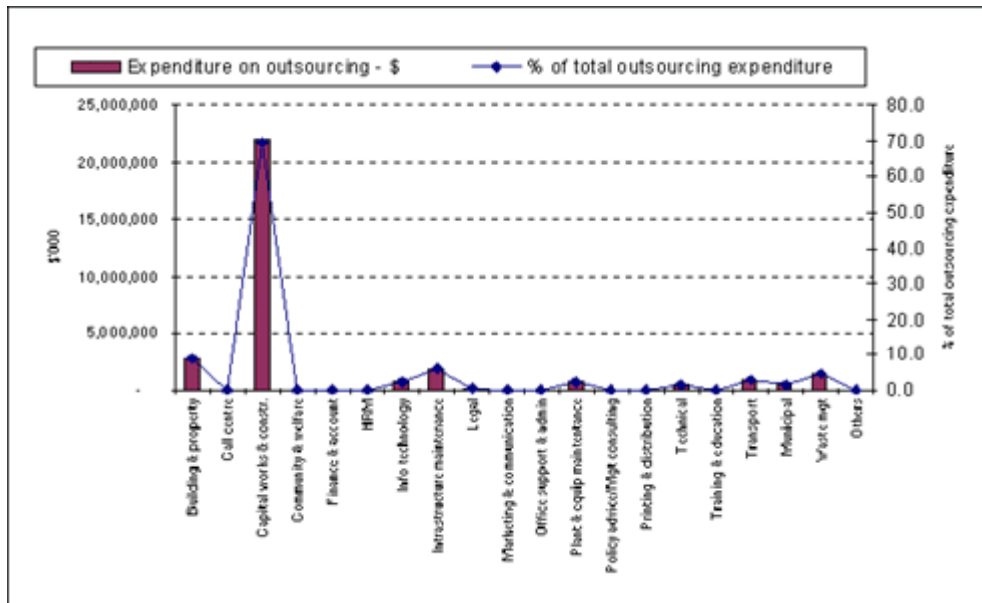
[Future improvements](#)

Extent of outsourcing

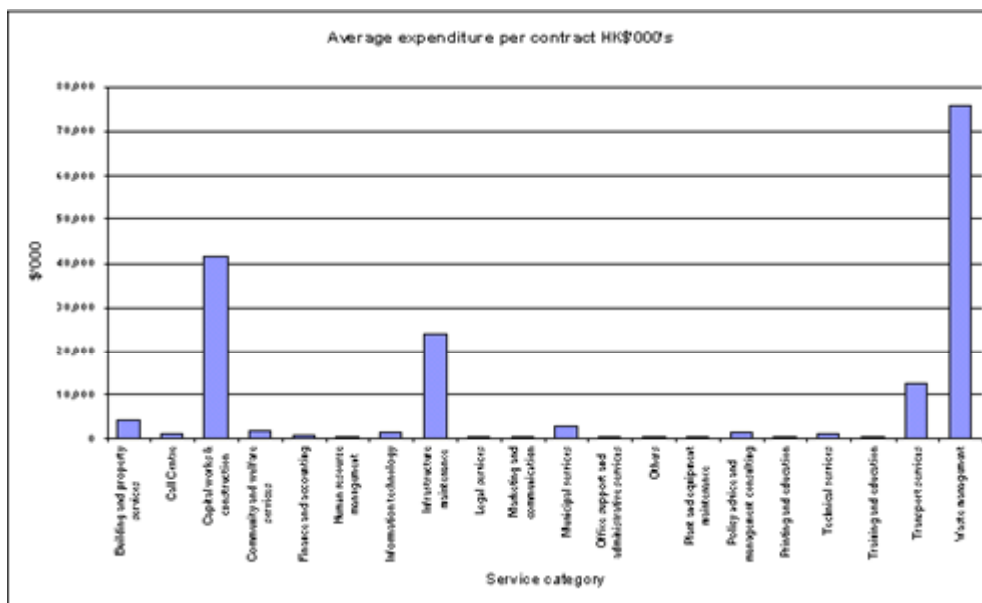
- 65 respondents reported that they were engaging in outsourcing activities (71% of all government bureaux/departments)
- 21 respondents (23%) reported that no outsourcing activity was carried out by them, but 11 (12%) of them stated that they had plans to start outsourcing in the next 18 months

Expenditure on outsourced services

- Currently - approximately \$31.6B worth of government services
- Four departments make up 76.9% of all current outsourcing expenditure (Housing, Drainage Services, Highways, Territories Development)
- One department makes up 51.4% of all current outsourcing expenditure (Housing)
- Expenditure of outsourced services focuses on Building & property services, Capital works & construction, Infrastructure & plant maintenance and Waste management contracts - these services cover 91% of total outsourcing expenditure and 61% of outsourcing contracts (see chart below)



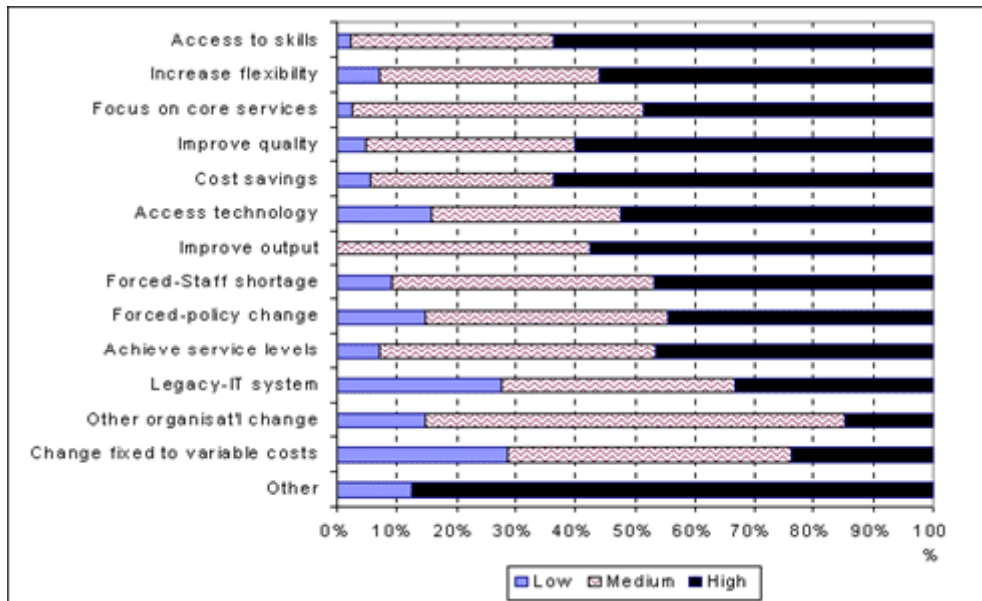
Size of contracts



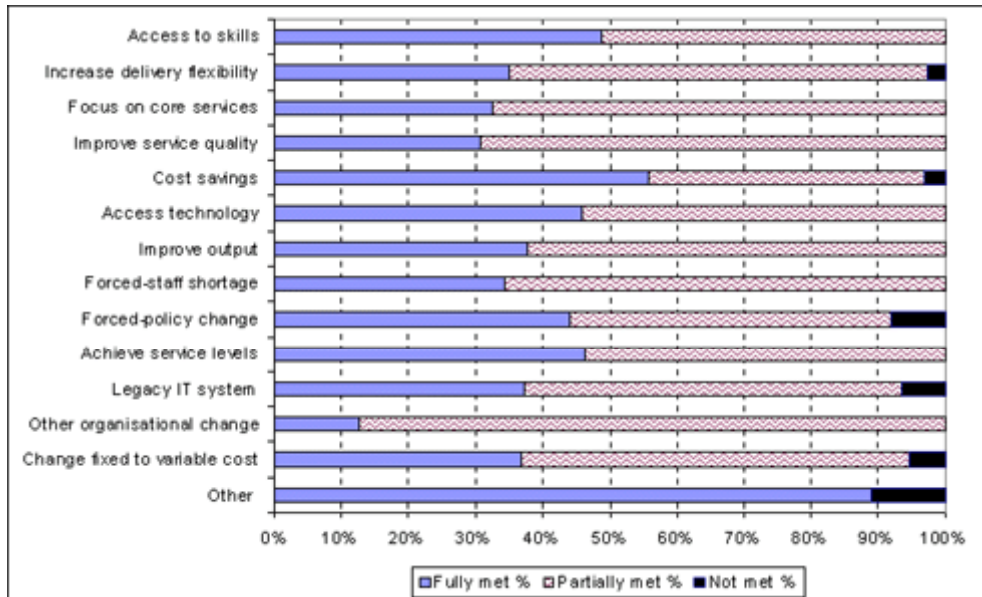
Distribution between existing and new services

- The majority of outsourcing is directed to implementing new services (67.2 % for current outsourcing contracts and 86.2% of outsourcing contracts in next 18 months), and the remaining expenditure is used in improving existing services

Expectations of Outsourcing



Level of satisfaction of expectations



Management of the outsourcing process

There appear to be many opportunities for improving current outsourcing activities

- Only 22% of respondents have defined outputs and 14% have service levels in all cases
- Conversely 35% of respondents have only some or no contracts with defined outputs and 49% have some or no service levels in place
- Reporting, audit and access rights for government do not appear to be well covered in existing contracts
- On the other hand, contracts do not seem to have much in the way of incentives for service providers
- Exit provisions and intellectual property do not appear to be well managed
- Majority of respondents (78%) do not have dedicated contract management functions

Future improvements

Respondents could see areas where improvements are needed - the most popular of these are:

- Improve contract/SLA requirements (87%)
- Better communication with the service provider (66%)
- Higher involvement in the process (56%)
- Establishment of a dedicated contract management team (53%)

[Back to Top](#)

[Home](#)