

BACKING QUEENSLAND JOBS

Queensland Government
Procurement Strategy 2017



Quality local jobs for Queensland





Queensland jobs and businesses will benefit from our commitment to put Queenslanders first.

From 1 September 2017, the Government's new Queensland Procurement Strategy will apply whenever your government purchases goods and services, commissions major projects and infrastructure, or builds the schools, housing and other facilities that each of our regional communities need.

This new strategy builds on opportunities to advance Queensland, to seek out opportunities and deliver more for our local regions.

Our new Procurement Strategy will ensure we invest public funds to deliver lasting value.

The Government's multi-billion-dollar investment in goods and services will be directed to benefiting as many Queensland businesses and workers as possible.

This major shift in procurement will apply across all agencies, statutory bodies and government-owned corporations.

It will support genuine local jobs, by demonstrating a commitment to those businesses that share our commitment to Queenslanders. It will deliver greater transparency in procurement planning across agencies and it will be backed up by a special compliance and coordination unit.

It puts Queenslanders first.

The Honourable Annastacia Palaszczuk MP
Premier of Queensland



Our new Queensland Procurement Strategy puts Queenslanders first with every dollar that government spends. It's a new way of doing business that is open to everybody who lives here.

Queensland is at its best when we all pitch in and over the years our procurement spend has become less of a team player. Queenslanders' hard earned dollars should be spent supporting jobs here.

Value for money is about more than just the bottom line. Every dollar spent by government should help support quality, secure jobs and an even playing field for small businesses. It should support the economic resilience of our regions and the opportunity for local kids to get ahead through training and apprenticeships. And it should help our state achieve our goal of zero net emissions by 2050.

This is exactly what our new Queensland Procurement Strategy is about. Our new strategy will help Queenslanders prosper. We will make it easier for small business to win opportunities and make the most of them, and deliver for regional Queensland.

We will support local industry and provide a foundation for quality jobs across the state—from apprenticeships through to advance tech and engineering.

We are unashamedly tipping the balance back in favour of Queensland, because the welfare of people in our state must always be our first priority.

Our government will harness our investment to make a real difference to the lives of every Queenslanders.

The Honourable Mick de Brenni MP
Minister for Housing and Public Works and Minister for Sport



Putting Queenslanders first

Our new approach to purchasing puts the creation of quality Queensland jobs as a first priority. The Queensland Procurement Strategy ensures informed decisions are made about how government funds are used to prioritise Queensland businesses, support local jobs in regional Queensland and achieve more positive outcomes on behalf of taxpayers.

Each year the Queensland Government spends more than \$14 billion on essential goods and services needed to deliver quality frontline services to Queenslanders. A further \$4 billion of capital expenditure is used to build and maintain the Queensland Government’s infrastructure assets such as roads, schools and hospital infrastructure.

The Queensland Procurement Strategy outlines how we will use this spend to support government objectives: to help Queenslanders prosper; to make it easier for

local business; and to create and sustain real value in order to achieve positive economic, social and environmental outcomes across the state.

It also demonstrates our focus on delivering for regional Queensland and our commitment to investing in technology and innovation, and to choose ethical businesses.

The Strategy is supported by the Queensland Procurement Policy which will be applied across agencies and government-owned corporations.



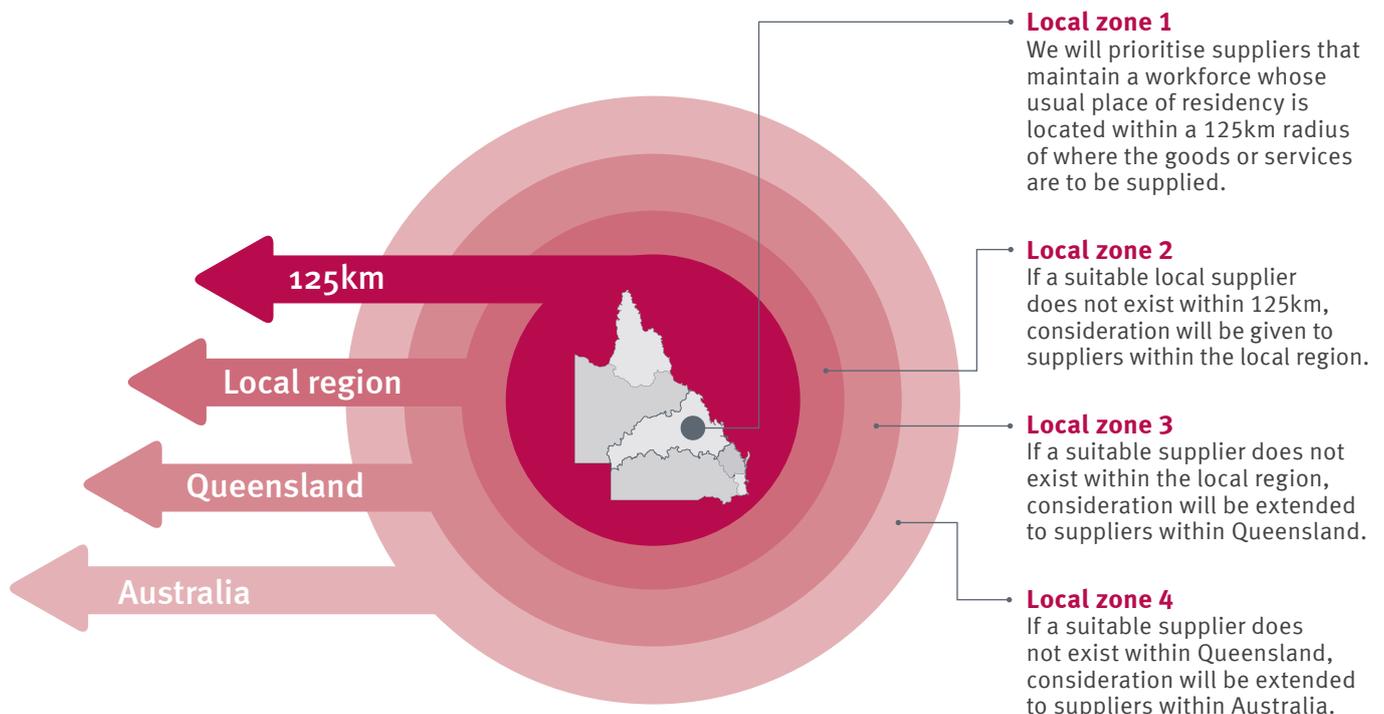


Significant projects like the construction of the North Queensland Stadium in Townsville will provide jobs and apprenticeship opportunities.

Local means local

By prioritising the use of truly local suppliers, our procurement spend supports regional businesses, creating and supporting quality local jobs that create genuine connections to the community, and helping to reduce long-term unemployment.

The Queensland Government will focus investment on creating quality local jobs and supporting communities.





Help Queenslanders prosper

Queensland Government purchasing will drive genuine local employment for Queenslanders and help build capacity and prosperity in regions. By prioritising local businesses and improving the way we work with small and medium business, we will deliver greater results for the investment we make on your behalf.

Increasing opportunity

Increase procurement with Aboriginal and Torres Strait Islander businesses with a target of three per cent of addressable spend by 2022.

Action items:

- Apply a **local benefits test** for all significant procurement where a **weighting of up to 30 per cent** may be applied.
- Invite **one regional and one Queensland supplier** to quote or tender for every opportunity, where possible.
- Deliver a more **visible pipeline of opportunities** for **small and regional business** and social enterprises.
- **Encourage innovation** in procurement for small to medium businesses.
- **Use local contractors and manufacturers**, where possible, in significant projects valued at \$100 million and above.



Purchasing will drive genuine local employment and help build prosperity in our regions.

Improving local outcomes

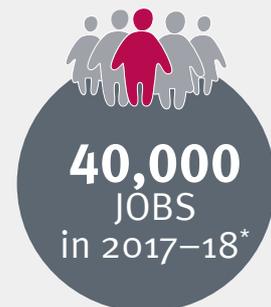
The new approach to procurement will give local suppliers greater access to opportunities created through government investment in their region.

This includes acknowledging that value for money goes beyond choosing the cheapest price and instead considers the potential investment in local business and genuine employment opportunities for Queenslanders.

Government agencies will also be allowed to purchase outside of whole-of-government supply arrangements in regional and remote locations to deliver improved local investment and better social outcomes.

Putting locals first

We will apply a local benefits test for all significant procurement where a weighting of up to 30 per cent may be applied.



*Queensland Budget 2017-18



Make it easier for local business

Better collaboration with local industry, greater visibility of procurement planning and simplifying and streamlining purchasing processes will make it easier for businesses across the state to work with government.

Putting Queenslanders first

Queensland Government purchasing will no longer be confined by free trade agreements that see jobs go offshore or interstate.

Action items:

- **Improve our forward planning** and provide advance notice of procurement activities.
- **Improve accessibility for smaller suppliers** by breaking down larger packages of work or combining opportunities.
- Provide greater access to procurement opportunities by **exempting contractors from the pre-qualification system for building contracts under \$1million.**
- **Advocate for small businesses** through a small business champion.
- Allow procurement to occur **outside trade agreement confines.**
- **Reduce complexity** and provide resources to help industry prepare for government tenders.
- Be more accessible and **actively engage** with peak industry and trade union associations.
- Allow agencies to **procure outside of whole-of-government supply arrangements** for regional and remote locations.



Simplifying and streamlining purchasing processes will make it easier for business.

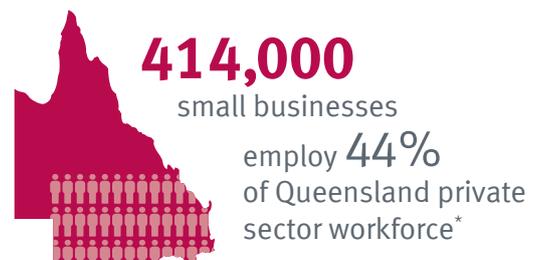
Delivering local jobs

Supporting local workforces is the primary focus of our new approach to Queensland Government procurement. Reducing the barriers businesses face when seeking government work will provide greater opportunities for local industry and workforces to win work. This includes supporting the capacity and capability of businesses in regional centres to work with government through low-cost training and working with industry to increase innovative procurement solutions.

We will streamline the application process for consultants and contractors seeking pre-qualification for building contracts by providing for online applications. We will work to match capability and expertise with project requirements at a local level.

Making tendering easier

We will make it easier and cheaper to bid for building contracts under \$1million.



* Source: 8165.0 Counts of Australian Business, including Entries and Exits, ABS, February 2017



Create and sustain real value

We are implementing a more sophisticated approach to the way we do business. By improving our planning, being better skilled and more transparent, we will become a better customer.

Everyone plays by the rules

We will establish a compliance, coordination and referral function to ensure commitments to Queenslanders are upheld.

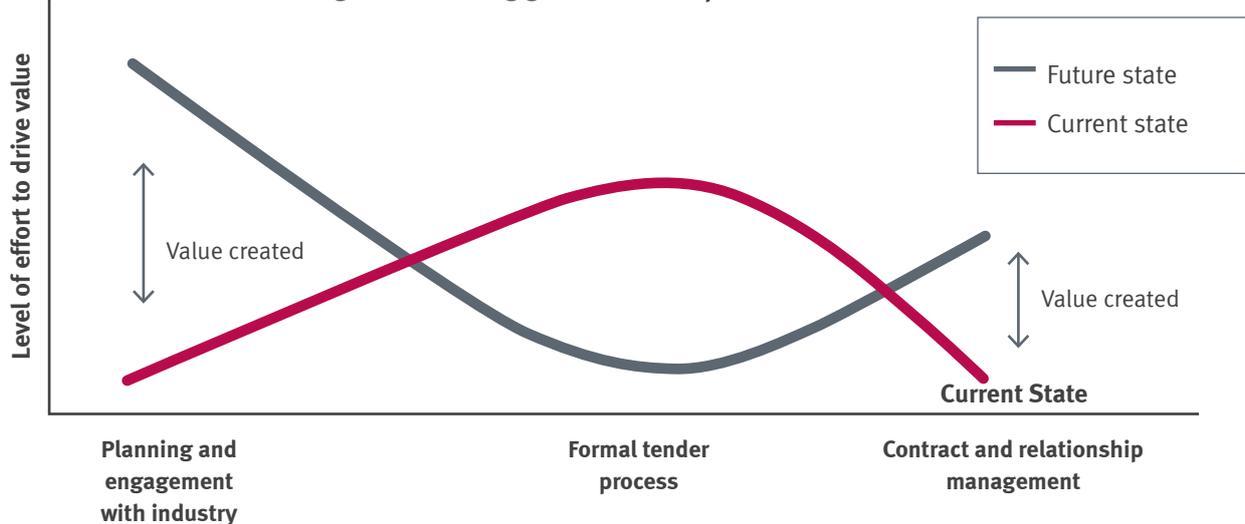
Action items:

- Apply a **local benefits test** for all significant procurement where a **weighting of up to 30 per cent** may be applied.
- **Include government-owned corporations' procurement spend** under the Queensland Procurement Policy, while ensuring no increase in household costs.
- Assess value for money holistically using **strengthened data and analytics**.
- Improve our forward planning to **better coordinate procurement**.
- **Group our procurement activities through categories of spend** so we can drive our dollar further.
- Deliver value through **improved research, industry engagement and planning** before going to market.
- Introduce a **compliance, coordination, and referral framework**.
- Build procurement **capability and expertise across government**.



Effective procurement ensures government facilities such as schools and hospitals have access to essential equipment to deliver frontline services.

Diagram 1 – Driving greater value in procurement activities



A better approach to planning

Small and medium businesses need confidence that opportunities to tender or quote will be available over the long term. Our Strategy will give people confidence to invest in new equipment and hire more staff and apprentices.

By taking a consistent approach across government and providing greater transparency and certainty in our procurement processes, we can help business be better informed of opportunities to help smooth peaks and troughs of demand over time.

Driving value

Improved value can be created and sustained by investing greater effort in up front planning and engagement with industry and less time in the formal tender process.



Deliver for regional Queensland

It doesn't matter where you live in Queensland, you deserve the very best of frontline services. We will back Queensland jobs first by ensuring businesses in regional Queensland have genuine opportunity to contract with the government.

Thinking outside of the box

We will allow government agencies to procure outside of whole-of-government arrangements for regional and remote locations.

Action items:

- Ensure that for each procurement opportunity, at least **one regional and one Queensland supplier**, where possible, is invited to submit a quote or tender.
- Allow agencies to **procure outside of whole-of-government supply arrangements** for regional and remote locations.
- Allow procurement to occur **outside of trade agreement** confines.
- **Support the Jobs Regional Growth Package** by tailoring non-price criteria tenders to help grow new jobs.
- Improve regional procurement coordination to **make opportunities more accessible**.
- Build procurement **capability and expertise across government**.
- **Advocate for regional Queenslanders** through a regional procurement champion.



Investment in regional projects such as the Cairns Convention Centre expansion benefits local communities.

Streamlining our processes

The strong focus on regional opportunity means that money spent to deliver a service or supplies to a region has a greater economic impact on that region.

The Procurement Strategy and Queensland Procurement Policy will be supported by resources including guides on the use of local suppliers, value for money and probity to assist agencies in their procurement decision-making and to outline opportunities for engaging local suppliers and providers.

By applying the Queensland Procurement Policy across government, including statutory bodies and government-owned corporations while ensuring no increase in household costs, there is opportunity to streamline and simplify our approach and support businesses working with multiple agencies.

Government spending must make a difference

Local procurement supports regional communities and helps to achieve government's economic, social and environmental objectives





Choose ethical businesses

Queenslanders expect the government to spend every cent with great care. That's why we will ensure all purchases we make are with ethically, environmentally and socially responsible suppliers.

Meeting government targets

The Queensland Government has committed to achieve zero net emissions by 2050 and to install one million rooftops or 3000 megawatts of solar photovoltaics (PV) by 2020. These important initiatives are backed by our commitment to do business with environmentally responsible suppliers.

Action items:

- Reduce long-term and youth unemployment by **delivering jobs and increasing apprenticeships**.
- Consider workplace policies and practices aimed at **addressing domestic and family violence** as part of supplier evaluation and selection.
- Support purchase of textile, clothing or footwear products from **ethical manufacturers and suppliers** where possible.
- **Avoid purchasing 'dumped goods'** which can impact local industry and manufacturers who struggle to compete against goods imported cheaply from overseas.
- Increase **opportunities for apprentices** by ensuring adherence to the Queensland Government Building and Construction Training Policy.
- Procure paper products that comply with the relevant standard under the **Australian Forest Certification Scheme**.



Better procurement can contribute to improved economic, social and environmental outcomes.

Spend with care

As a significant investor in our state, the Queensland Government has the ability to lead by example. Value for money needs to consider more than just price paid.

Our spend can also help to deliver on important economic, social and environmental objectives and allow government to seek opportunities which are free from specifications or requirements that could hinder or rule out participation by local industry, and supports people who locally produce or deliver goods and services for Queensland.

We will back suppliers that act ethically, work to minimise carbon emissions, provide jobs to young people and help address domestic violence.





Invest in technology

We will shift the focus of procurement to working with the sector to plan for the future. We will invest more in innovation and back Queensland businesses to deliver.

Improve service delivery

Through Advance Queensland, the government is focused on using new technologies and ideas to improve service delivery for Queenslanders.

Action items:

- Provide **greater access to procurement opportunities** by exempting suppliers from QAssure accreditation for contracts under \$1million.
- **Improve pre-qualification requirements** for SMEs.
- **Draw business to Queensland** through the Advance Queensland Industry Attraction Fund.
- **Encourage take-up of the ICT SME participation scheme** and use of innovative procurement approaches.



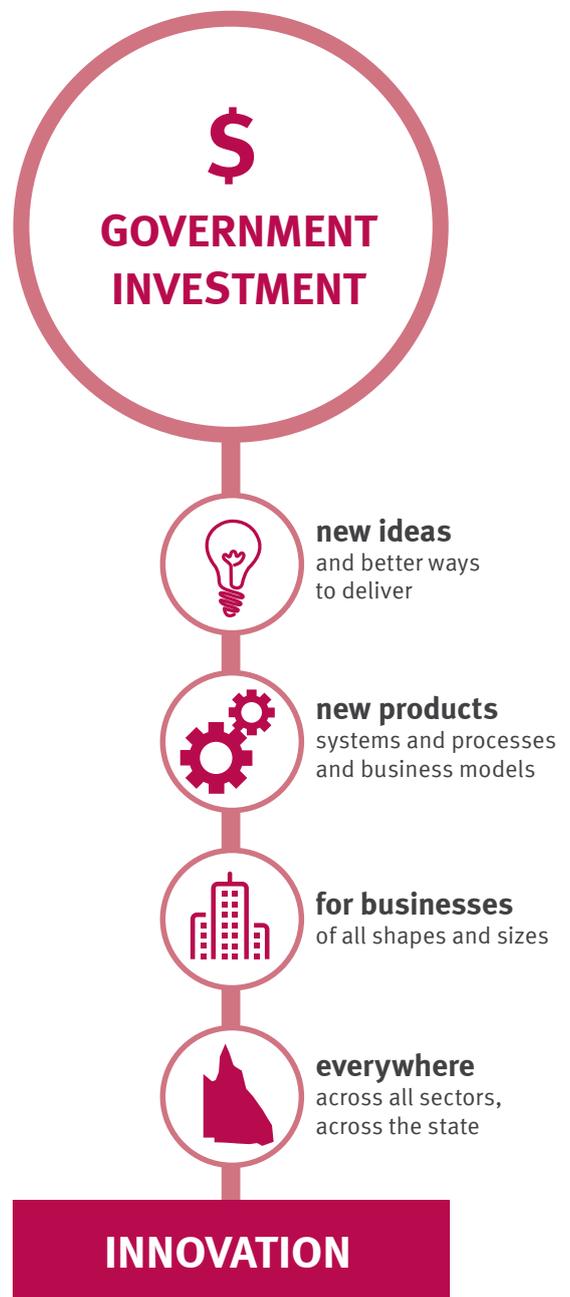
We will harness the power of start-ups and back Queensland businesses to deliver innovative solutions.

Advancing innovation

The Information and Communication Technology (ICT) sector will continue to grow. Innovative procurement processes and improved pre-qualification requirements for SMEs will enable government to harness the power of start-ups and small business to deliver innovative solutions.

Other innovative procurement approaches, like the Small Business Innovation Research and Testing within Government programs, will also help to deliver better solutions and provide more opportunities for small business and start-ups to work with government.

It unlocks the potential of innovative businesses and individuals to create a new era of opportunity for Queenslanders.





Better engagement – better outcomes

We take a collaborative approach to planning and managing our spend and engage with industry to deliver greater opportunity and more value for money.

A new model of procurement governance supports this engagement focus and provides for coordinated, strategic industry and trade union input to government purchasing.

Whole-of-government procurement activity is enabled and supported by the Office of the Chief Advisor – Procurement.

Our engagement model is underpinned by the Procurement Industry Advisory Group (PIAG) as a platform for industry and government to discuss issues of strategic importance. It also includes category councils which focus on industry engagement for major areas of spend.

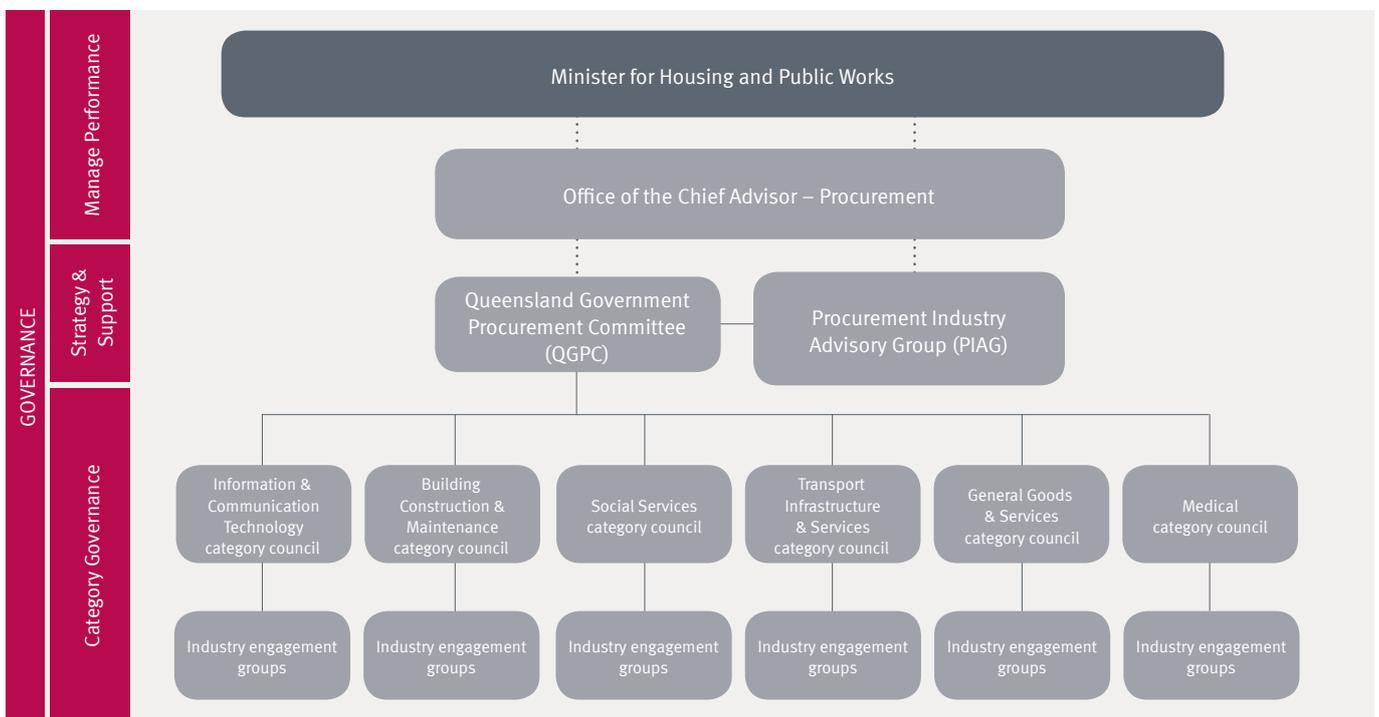
Industry leaders represented on the PIAG:

- Australian Computer Society
- Australian Industry Group
- Australian Information Industry Association
- Australian Institute of Architects
- Australasian Procurement and Construction Council
- Civil Contractors Federation
- Chamber of Commerce and Industry Queensland
- Champion for Small Business
- Consult Australia
- Institute of Management Consultants
- Master Builders Queensland
- Medicines Australia
- Medical Technology Association of Australia
- National Disability Services Queensland
- Queensland Council of Social Services
- Queensland Council of Unions
- Regional Procurement Champion
- The Association of Professional Staffing Companies

The Department of Housing and Public Works chairs the PIAG.



Effective procurement supports the delivery of frontline services such as housing and social services.



Office of the Chief Advisor – Procurement: provides governance, policy and guidance, data and reporting, compliance coordination and referral, capability uplift and systems leadership and support.

QGPC: oversee, direct and sponsor key strategic whole-of-government procurement activities under the new operating model. Representatives of the six category councils are among the departments which make up the QGPC.

PIAG: formal, regular engagement with industry and trade unions, regional and small business champions to facilitate coordinated access to industry advice about how we can make government a better customer.

Category Councils: agency-led category councils oversee and direct strategic procurement activities in relation to major categories of spend across government. The category councils agree and govern the category strategy for the category spend profile and endorse related execution plans.

Industry engagement groups: industry and trade union representation on category industry bodies providing advice on major categories of spend and enabling greater awareness and collaboration to drive more cost-effective and innovative procurement outcomes.

Footnote: DSITI – Department of Science, Information Technology and Innovation, DHPW – Department of Housing and Public Works, DCCSDS – Department of Communities, Child Safety and Disability Services, DTMR – Department of Transport and Main Roads, Qld Health – Queensland Health

Department of Housing and Public Works

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