

QUEENSLAND GOVERNMENT PROCUREMENT STATEMENT 2021



Minister's foreword

In 2017 the Queensland Government launched the *Buy Queensland* approach to procurement.

This approach fundamentally changed the way Queensland Government buys – it shifted the emphasis firmly in favour of Queenslanders to ensure that every dollar government invests supports as many local jobs and businesses as possible.

It is about ensuring that procurement supports economic, environmental and social outcomes that support the long-term well-being of our communities. It is about creating genuine, quality, secure ongoing jobs for Queenslanders.

Since the start of *Buy Queensland* we have continued to enhance our approach. This has included the introduction of our Ethical Supplier Mandate and Ethical Supplier Threshold to combat unethical suppliers and thereby ensure a level playing field for all businesses. It is also about ensuring that we manage our procurement function well, by continuing our investment in enhanced procurement data and analytics to ensure procurement can drive these better outcomes.

The release of this – our first Procurement Statement – clearly shows the progress that has been made since the launch of *Buy Queensland*.

We have come so far with *Buy Queensland*, and there is potential to do even more. That is why, beginning in 2021, we will be taking stock of our progress to date, and looking at procurement to ensure the journey of improvement we have already commenced continues the drive toward achieving a leading level of maturity across the board.

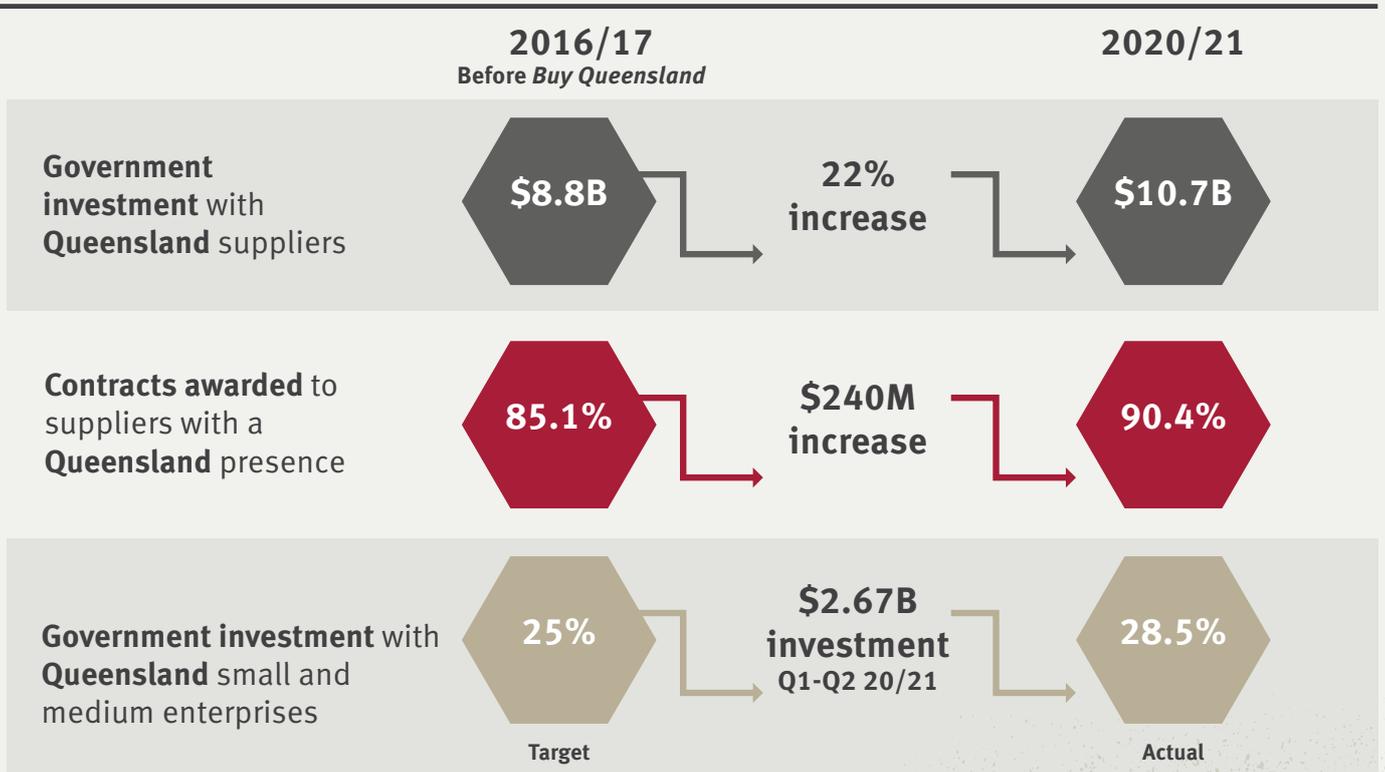
We want to ensure that our investment in procurement continues to make a real difference to the lives of every Queenslander.

I look forward to providing further Procurement Statements into the future.



The Honourable Mick de Brenni MP
Minister for Energy, Renewables and Hydrogen
and Minister for Public Works and Procurement

Progress since the launch of *Buy Queensland*



BUY

Queensland

What is *Buy Queensland*?

***Buy Queensland* is supporting local jobs and delivering genuine opportunities for local businesses to supply to the Queensland Government.**

Buy Queensland works to ensure Queenslanders benefit from the government's significant investment in goods, services, and infrastructure. It supports local jobs, local businesses, and better social outcomes for local communities.

Government expenditure is big business for suppliers of all sizes. The way Queensland Government buys has changed. We're looking beyond the cheapest price. It's about the overall benefit to Queenslanders and, particularly, to local economies.

The *Buy Queensland* approach continues to deliver for the benefit of Queenslanders through:

- sourcing at least 25% of procurement by value from Queensland small and medium sized enterprises (SMEs), and making it easier for Queensland SMEs to supply to the government
- local economic benefits and reinforcing local means local
- ensuring quality, safe workplaces
- adopting Best Practice Principles and best practice industry conditions on major government projects
- social value when buying for Queensland
- prioritising genuine Queensland food and beverages
- strengthening the compliance function and doing business with ethical suppliers
- opportunities for apprentices and trainees on government projects
- increasing procurement with Aboriginal businesses and Torres Strait Islander businesses.

How Queensland Government procurement works

The Queensland Government has established an agency-led procurement operating model.

Under this model agencies are accountable for their own procurement activities through a category management model.

Taking a category management approach represents best-practice procurement across government. There are six major categories of spend (category groups). Each category group is managed by a lead agency and governed by a category council that oversees each category's strategy. The six Queensland Government categories are:

- Building construction and maintenance
- General goods and services
- Information and communication technology
- Medical goods and services
- Social services
- Transport infrastructure and services.

Queensland Government Procurement Policy Branch (formerly known as the Office of the Chief Advisor – Procurement) provides expert procurement policy advice and support to agencies. It is responsible for administering the overarching policy for procurement, the Queensland Procurement Policy.

Delivering procurement reform

The 2015 *Review of Queensland Government Procurement* clearly identified the need for reform. The Queensland Government has successfully delivered on the vision set by the review by:

- ✓ changing the Queensland Procurement Policy to reflect that ensuring value for money is more than just choosing the cheapest price
- ✓ launching the Queensland Government Forward Procurement Pipeline to give businesses visibility of potential future supply opportunities
- ✓ improving industry engagement through the establishment of the Procurement Industry Advisory Group, along with industry reference groups for categories
- ✓ increasing procurement officer capability through Skills2Procure, a whole-of-government training and development initiative
- ✓ strengthening governance through the establishment of the Queensland Government Procurement Committee and category councils
- ✓ successfully embedding an agency-led model for procurement, enabled by a central body, Queensland Government Procurement Policy Branch (formerly known as the Office of the Chief Advisor – Procurement).

Timeline of reforms



Key investment figures



Transport Infrastructure
and Services

\$5.11B



Building Construction
and Maintenance

\$3.82B



Social Services

\$1.35B



General Goods
and Services

\$3.75B



Medical

\$2.31B



Information and
Communication
Technology

\$1.02B

(Reported figures: 1 July 2019 to 30 June 2020)



Over \$36B

invested into the local economy
with over **57,990** Queensland
registered businesses

(Reported figures: 1 September 2017
to 31 March 2021)



81%

of Queensland Government
suppliers are Queensland
businesses

(Reported figures: 1 September 2017
to 31 March 2021)



Approx \$7B

in goods and services
was supplied by over **24,980**
Queensland regional businesses

(Reported figures: 1 September 2017
to 31 March 2021)



445,000

small businesses call
Queensland home

(Australian Bureau of Statistics data
as at 30 June 2019)



28.5%

of procurement
investment with
Queensland SMEs

(Reported figures: 1 July 2020
to 31 December 2020)



747

apprentice and trainee
full-time equivalents

(Reported figures: 1 July 2019
to 30 June 2020)



627

Aboriginal businesses and Torres
Strait Islander businesses supply
to Queensland Government

(Reported figures: 1 July 2018
to 31 March 2021)

Buy Queensland in action

Wholly Indigenous-owned Bama Services is exemplifying the *Buy Queensland* approach by reducing long-term unemployment, creating regional jobs, and increasing opportunities for trainees and Indigenous peoples in Far North Queensland.

They currently employ approximately 60 people — 75% of which are Indigenous, and around 30% of which were welfare recipients prior to working at Bama Services.

Bama Services supports its employees to upskill for a better future. In the last 12 months, more than 60% per cent of Bama Services' employees have undertaken a form of training, some of which include formal certificates and diplomas.

The company has grown from a small construction maintenance and landscaping business into a multi-million dollar construction and facilities maintenance social enterprise. They generated around \$12 million in revenue in 2018-19 and have robust growth plans in place. Bama also has compliant ISO accredited management systems and a Federal Safety Certification.

Bama Services are fulfilling their vision to be widely recognised as the number one Indigenous-owned business and leading Indigenous employer across civil engineering, construction and facilities maintenance services throughout Queensland.

Bama Facilities Maintenance (a division of Bama Services) won the Putting Queenslanders First Award in the regional category at the 2019 *Buy Queensland* Supplier Awards.



The *Buy Queensland* approach uses the government's investment to support the long-term wellbeing of our community.

It does this by:

- ensuring quality, safe workplaces by applying Best Practice Principles on major government projects
- prioritising food and beverages made, grown or produced in Queensland
- increasing opportunities for apprentices and trainees
- increasing government spend with:
 - » Aboriginal and Torres Strait Islander businesses
 - » small and medium sized enterprises
 - » social enterprises
- pursuing environmental outcomes in procurement, including emissions reduction
- taking into account workplace policies and practices aimed at ending domestic and family violence when selecting suppliers
- focusing on using regional suppliers that employ genuinely local workforces.

COVID-19 Procurement Response

- COVID-19 Supplier Portal – over 190 suppliers providing over 630 ‘in demand’ products and services
- Publication of whole-of-government emergency procurement guidance – Procuring during the COVID-19 pandemic
- Published 24 Procurement Advisory Notices
- Established the COVID-19 Procurement Response Taskforce
- *Buy Queensland* webinars and online engagement sessions – over 680 people joined the sessions
- 14 suppliers recognised – *Buy Queensland* supplier recognition for positive outcomes during COVID-19.

(Reported figures: as at 26 May 2021)



Backing suppliers who act ethically

The Queensland Government wants to do business with ethically, environmentally, and socially responsible suppliers.

Through the *Buy Queensland* approach, the government is creating a level playing field by:

- monitoring compliance and addressing complaints
- promoting awareness of, and compliance by suppliers with, the Queensland Government Supplier Code of Conduct
- ensuring genuine, quality, secure, ongoing jobs for Queenslanders.

Already key activities to support compliance requirements for suppliers include:

- **\$140,729.10** recovered in wages across **5 major projects**
- **445 compliance checks** performed as part of the supplier vetting and business verification process
- **97 Best Practice Principles audits** conducted on 10 major projects with **185 recommendations of improvement**
- **372 local benefits tests audited**, supporting local businesses
- **217** procurement-related complaints and enquiries **successfully resolved**
- **307,905 total training hours identified** through audits of building and construction projects
- the **Ethical Supplier Mandate (ESM)** and Ethical Supplier Threshold (EST) introduced, setting standards and expectations of suppliers for fairer, safer workplaces
- **60,074 online supplier checks performed** by 7,190 individual government buyers under ESM and EST.

(Reported figures: 1 July 2018 to 30 June 2021)

Procurement activities are actively backing suppliers who act ethically. For example, the new uniforms and personal protective equipment supply arrangement includes mandatory requirements to ensure human rights abuses (such as forced and child labour) and unethical behaviours related to worker wages, salary, benefits, allowances and working conditions are addressed, including through accreditation schemes.



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Queensland
Government