



Speech by

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STATE PURCHASING POLICY

Ms BOYLE (Cairns—ALP) (12.21 p.m.): Unlike the previous speaker, I rise to speak about a matter of very considerable importance to business, to economic growth and to regional development in this State of Queensland. I refer to the State Purchasing Policy and the very welcome review being conducted by the Minister for Public Works and Minister for Housing, Robert Schwarten.

On 21 February this year, Mr Schwarten announced plans to stage a series of regional forums on the policy. I promise him and his staff a vibrant and vigorous forum indeed when the one in Cairns is programmed. In the last couple of years, regional business has been locked out of many of the opportunities provided by Government departments in their role as hirers and purchasers of goods and services.

Of course, it is important for Cairns, the far north and other regions to have a fair go when it comes to securing some of the funds spent by Government on goods and services. Surely regional businesses deserve that opportunity. But more than that, it means that Government has an opportunity, by taking care of regional businesses, to facilitate the development of business in regional areas and thereby to facilitate the excellent and much-needed employment growth.

This morning, the House heard mention of the Minister for State Development's intensive work to recover from several years in the wilderness without an industry policy. In particular, I give him credit for his close work with the Cairns Regional Economic Development Corporation towards developing industry in the far north region. CREDC, as it is known, has made the very clear point in the far north that the most important thing that we can do is look after our existing businesses; that, as glamorous as it may be to go courting new businesses and to bring business to the region, unless we have existing healthy businesses and assist those existing businesses to expand, then true economic growth will not be stable and secure and of benefit to our long-term future.

The State Purchasing Policy works very closely with that role taken by the Minister for State Development. I compliment Minister Schwarten for his recognition that looking after business in regional areas is essential. Presently, however, it has not happened. It did not happen under the previous Government, and it is not happening presently, because there is a lack of focus in those who award the purchasing contracts. There is a lack of understanding on the part of many bureaucrats who have been raised and have worked their entire lives in the south-east corner of Queensland of the particular exigencies and the particular skills and capabilities that apply to businesses in regional areas. There has been a mushrooming of Brisbane-based bureaucrats who are familiar and comfortable with their dealings with Brisbane-based business, arrogant in their joint recognition of the tremendous capacity and experience—true as they may be—that many businesses in Brisbane have, but unwilling to really open their eyes and to look wider across this great State for the excellence and the opportunities for business growth that are available in regional areas.

As to the lockouts, through the State Purchasing Policy, to regional business—some are subtle, and others are not so subtle. I would like to examine some of those for the House today. Firstly, I mention the lack of transparent performance reviews of those who have obtained previous contracts. Too often in regional areas we have seen contracts awarded to Brisbane-based companies which do not then perform as they had claimed to be able to do in their original tender documents. Unless their performance is truly monitored and then taken into account when they tender for further contracts,

there is a degree of unfairness against others who were on that list and who may have performed better.

There is a bias apparent in those who award contracts that big and central is best and easiest; how much easier to award just one contract to cover the State than it is to go to the trouble of dividing contracts regionally; how easy it is to be wooed by a business that has a large corporate profile and a long history, as though that necessarily makes for better performance than a company that is newer and has a shorter company profile.

Another lockout occurs in that small companies do not have the resources to respond to the amazing requirements for documentation and information required by the central purchasing agency. For businesses—particularly in the areas of consultancies, where two or three consultants in a regional area may work together—to have the time to provide the kinds of detail required to submit for a consultancy is beyond their resourcing. This unwieldy document, which I have seen recently through the letting of a small tender in Cairns, locks out small companies, innovative companies and regional business.

In one recent call for consultancies, 38 pages went out to those companies which expressed an interest and, of those, only two pages were relevant to the particular contract. Thirty-six pages were relevant to State Government guff, to protections, to probities and to requirements for information beyond the reach of small companies not practised and without the overhead to provide this level of detailed information.

So what can we do then, if we are serious—as I know the Minister is—about assisting regional business to have a fair go, not for the purchasing policy to be biased in favour but simply to give the regions a fair go? We can do simple things like having the receipt of documentation and the final place at which submissions must be deposited in regional areas. For those companies in the far north simply to have their submissions back to Brisbane by 12 noon means that they lose a full day in the preparation of that documentation as compared to Brisbane companies. This is unnecessary and can easily be remedied by the reopening and the re-establishment of tender boxes in regional offices.

The documentation itself should be rationalised. I suggest that it be reviewed by private sector companies—big, medium and small—which may then comment on what are surely the discriminating clauses that will allow those who award tenders to decide between them, as distinct from the rhetoric of Government protection and accountability, which could be published separately as a matter of course in another booklet. We could allow our contracts, as we let them, to be considered as suitable for different sized businesses and to look, with smaller contracts, for the opportunity for smaller companies to have a chance to prove themselves and to grow their business. We can look for the opportunity to source locally. Of course, sourcing locally is generally going to mean cheaper costs to Government and thereby to the taxpayers.

We can look for contract administration to be conducted in local areas where, in fact, the contracts have been let. Monitoring the contracts from Brisbane allows for a possible misunderstanding of the real level of performance of those companies in regional areas. And yes, we can give special considerations in regions to joint venture tenders—to arrangements that really do reflect the direction of business that is wanting to grow through strategic alliances. Presently, we lock out small groups of businesses wanting to work together to bid for Government contracts.

Transparency is, of course, the important word. However the contracts are let, and with whatever weighting the contracts are compared, we must ensure that this is open; that the performance of the winner of those contracts is transparent and openly assessed and, thereby, that at least it is truly a fair go. Because only through giving regional businesses a fair go can we be sure that they will have contracts that will allow them to continue to employ their staff in regional areas, to take on apprentices, to take on trainees and to keep the very important regional areas of Queensland vibrant and economically alive.
