



Speech by

**DESLEY BOYLE**

**MEMBER FOR CAIRNS**

---

Hansard 8 June 1999

### **STATE PURCHASING POLICY**

**Ms BOYLE** (Cairns—ALP) (11.57 p.m.): I rise to speak about a matter that I am determined will not go away until it is fully resolved, that is, the reform of the State Purchasing Policy to give regional firms a fairer go than probably they have ever had in this State of Queensland. The reform of the State Purchasing Policy will, of course, benefit regional firms in the construction area, those who provide goods and services to Government and professionals such as architects, engineers, project managers and planners.

I am aware that when I have raised this issue in the House and in other forums previously, Brisbane-based people found the topic tiresome. I have seen the looks on their faces, which say, "Here she goes again being parochial." That look signals that those people still do not understand how, in most instances unwittingly, city companies have won the majority of contracts at the expense of and with some unfairness to companies in regional areas. It has even been suggested to me by one city-based bureaucrat that it is time that the member for Cairns and other members from regional centres understood the particular difficulties faced by city-based companies, which is an arrogance and a nonsense. City-based companies, especially the bigger companies that are based in the south-east corner of our State, have the size, the history of association with the Government and the physical closeness to the Minister and the decision makers in south-east Queensland to influence decisions in a way that regional companies never will. Of course, it is a matter of record that the great majority of tenders, even those in regional areas, have been awarded time and again to companies based in the south-east corner.

In particular, today I wish to draw the attention of honourable members to changes that have been signalled to the prequalification system for consultants. I must give credit to the former Borbidge Government for starting this process, albeit that it was somewhat slow and certainly did not complete the process. I am pleased to say, too, that the Honourable Robert Schwarten, the Minister for Public Works and Housing, has taken up the baton and made further changes to the prequalification system, which is intended to be introduced on 1 July this year. However, the changes are not sufficient. The regions are still not being given a fair go. The bottom line is that the changes intended now for 1 July are definitely better but are not good enough.

Under the new system, consultants will register at the beginning of the year. The extensive registration forms have been put together wisely and were well consulted on. The registration forms will enable several things to happen. For example, a consultant and his or her firm will be allocated a level of capability and competence. This will give them a level in respect of the types of contracts for which they are encouraged to bid and be short-listed for. The register is also intended to save consultants from having to compete paperwork each time they bid for a contract. That will undoubtedly be welcomed by consultants and other professionals right across Queensland.

However, the concern that is still held by many professionals in Cairns, as expressed at a recent forum in Cairns, is the suspicion that this will still reflect a bias towards those companies that are bigger in terms of their financial assets and number of employees— companies based in the south-east corner. It was at this point in the discussions in the seminar that a senior bureaucrat from Brisbane showed the prejudice that is unwittingly behind any sorts of changes that we might make in the system. He made the comment that of course larger firms that have a stable staff will be reflected in their profiles when the registration forms are completed. He implied that larger firms will be more competent

to be awarded contracts. I and others in the room were outraged at this lack of understanding of the different circumstances of regional companies. Those who have lived in Cairns and other regional areas would know that regional cities are great places for junior professionals to gain further experience and to move up through their profession, that quite commonly there is a significant turnover of staff in regional cities, and that this sometimes signals the success of those firms in developing the career paths of the juniors who have moved on, be it to their own practices in the same regional city or to more senior positions elsewhere. This ignorant and biased belief that the size and stability of Brisbane firms makes them in some way better than the smaller firms, which are sometimes more vibrant and closer to the action in regional areas, is an element that must be tackled.

How can we guard against these attitudes, which are based on a lack of experience of regional areas by those whose careers have not extended beyond the south-east corner? It is a central problem and it is not one that any amount of paperwork can address, yet it must be addressed. The solution that I suggest to honourable members of the House, and in particular to the responsible Minister, is that on all of the panels that will oversee the revision of the State Purchasing Policy—that will oversee the process, the awarding of contracts and monitor the performance of the contractors who are successful—there should not only be, as it is planned, representatives of both the public and private sector but also people from both the private and public sectors who have knowledge of regional areas and who understand the exigencies and differences in respect of companies working in regional areas. This change would be welcomed and would provide a substantial leap in faith for professionals in regional areas that somebody—some expert—who understands their circumstances will have influence over decision making. I know that it would be welcomed by many people in the public sector in Cairns who from time to time have been dismayed by the decisions made by their Brisbane masters.

Another element that needs addressing in the changes to the prequalification system is a clear and unambiguous statement of the importance of this Government's criteria in terms of the impacts on regional employment, training and the development of regional business. At present, under the criteria to be evaluated in the awarding of contracts, our Government's priorities are not listed in black and white. The offhand manner in which public servants reassured me that they would be taken into account is not good enough. It must be clear that major criteria are those of local employment, regional business development and training opportunities.

Another area that requires further amendment is joint venturing. While this is easier again for larger companies in the south-east corner with experience, I suggest to the Minister and other members of the House that smaller companies in regional areas that have not engaged in joint venturing need assistance to make this a reality. In particular, I ask the Deputy Premier and Minister for State Development, the Honourable Jim Elder, to work through State Development with the Department of Public Works to provide targeted assistance to smaller companies in regional areas to engage in joint venturing and to register as joint venture tenderers at the beginning of the financial year.

There is some good news in the system. It certainly is an improvement. The compliance expected by all Government departments, agencies and statutory authorities is welcome news, although clarification of the mechanism for reporting breaches by Government departments of the new State Purchasing Policy is required. The system is definitely improving. However, until we see the publication of the profile of contracts awarded and see that they are going in fair measure to regional companies and until we see the transparent performance monitoring of successful tenderers, the job will not truly be done.

---