

**Question on Notice
No. 1081
Asked on 9 June 2006**

MRS ATTWOOD asked the Minister for Small Business, Information Technology Policy and Multicultural Affairs (MR CUMMINS) —

QUESTION:

How will the SME participation scheme help our local ICT industry?

ANSWER:

I thank the member for Mount Ommaney for her question and for her ongoing strong support for the ICT industry in her electorate.

The Queensland ICT industry is one of the State's largest industries, employing over 62,000 Queenslanders and producing revenues estimated at over \$21.1 billion. The Queensland Government is a significant consumer of ICT products and services in Queensland with estimated spending of over \$1 billion annually on ICT products, services and personnel. The issue of leveraging this considerable spend to assist the growth of the local industry has been an important local industry issue for some time.

As a signatory to the Australia New Zealand Government Procurement Agreement and the Australia United States Free Trade Agreement, the Queensland Government cannot administer procurement programs which give preference to local companies. We can, however, develop preference programs to assist small to medium enterprises (SMEs) access the government market. SMEs account for over 96% of the Queensland ICT industry.

The proposed new SME Participation Scheme aims to increase the percentage of Queensland Government procurement spend, which is awarded to SMEs. The scheme will achieve this through three components:

- a requirement for agencies to obtain offers from small to medium enterprises for smaller purchases, under \$150,000;
- a competitive score, based on how much content will be delivered by small to medium enterprises for larger purchases over \$250,000; and
- an industry development questionnaire to aid the gathering of intelligence on industry capabilities.

For purchases between \$150,000 and \$250,000, agencies can choose to follow either the small to medium enterprise offers or the competitive score process. It is expected that the new Scheme will result in significant benefits for local ICT SMEs, and consequently for the industry and the economy.

The new SME Participation Scheme was effective across Queensland Government agencies from 1 July 2006.