

Question on Notice
No. 394
Asked on 24 March 2011

MR MOORHEAD ASKED THE MINISTER FOR TOURISM, MANUFACTURING AND SMALL BUSINESS (MS JARRATT)—

QUESTION:

Will the Minister inform the House what initiatives the Bligh Government has put in place to ensure local contractors get a fair share of government procurement spending?

ANSWER:

Participation by Queensland suppliers in activity generated by Queensland Government funded procurement contributes substantially to employment and business growth. Maximising participation by capable, competitive local companies in major Government-funded construction, infrastructure, resource and capital asset investment projects has been a specific thrust of Queensland Government policy since the introduction of the Local Industry Policy in December 1999 and its revision in 2007.

Local industry participation not only helps create and retain jobs, it drives technology transfer, research and development, innovation and improved productivity as suppliers pursue best practice. It also provides access for Queensland Government project managers and for contractors to capable local companies, providing greater potential for achieving value for money.

The Queensland Industry Participation Policy Bill 2010, which was passed by the House on 23 March 2011, commits the current Government and future Governments to the principles of Local Industry Policy and gives a clear signal about the Government's intentions to deliver the fullest possible compliance with the Policy.

The requirement in the legislation that the Queensland Government develops, implements, and reports on, the performance of the industry participation policy will also secure for the long term an approach balancing support for local industry with accountability and transparency.

The outcomes from the Government's existing Policy have been significant.

Under the Policy, the Industry Capability Network Queensland (ICN) is funded by the Queensland Government to provide fully subsidised services to match local industry to project opportunities and help project proponents prepare their Local Industry Participation Plans.

The ICN is nationally and internationally recognised as Australia's foremost authority on Australian industry capability in the manufacturing and related services sectors.

The ICN is staffed by qualified specialists who have a wide range of experience in engineering, technology and procurement. This enables the ICN to identify products, services and capabilities to assist project proponents and their contractors in acquiring goods and services to replace imports and retain opportunities for local industry. This Government-funded assistance helps minimise the burden on project proponents in meeting their obligations under the existing Policy.

The ICN has advised that from the inception of the Local Industry Policy in 1999 to 31 December 2010, the ICN has assisted 610 projects valued at \$72.38 billion. Over this period, the ICN identified 5,839 contestable work packages worth \$8.556 billion. These work packages include multiple contracts that can be contested by Queensland companies and businesses against other Australian and overseas suppliers. The ICN does not assist with contracts that Queensland suppliers are unable to contest or that would go to Queensland suppliers in any case.

Contracts worth \$8.206 billion have been awarded, of which \$6.833 billion have been awarded to suppliers in Australia, including 3,225 contracts worth \$5.211 billion to Queensland suppliers (representing 63.5% of total contracts). The Queensland figure includes \$1.38 billion to suppliers based in regional Queensland.

Only \$1.33 billion (16.2% of the total contracts) were sourced from overseas.

Without the combination of the Local Industry Policy and the ICN ensuring that capable local industry gets a fair go, many more of these contracts would have gone interstate or overseas.