

QUEENSLAND GOVERNMENT PROCUREMENT STATEMENT 2022

Queensland Legislative Assembly
Number: 5722/227
30 AUG 2022
MP: Hon R. Busby
Clerk's Signature: _____

Tabled
By Leave



Ability Enterprises,
Toowoomba



Food Connect, Salisbury



Nerada Tea, Atherton
Tablelands

Minister's foreword

Since its establishment in 2017, the *Buy Queensland* procurement approach adopted by the Queensland Government has focussed the efforts of the whole of government on securing greater value from every dollar invested on behalf of Queenslanders.

As a result, Queenslanders now enjoy more good jobs, better services and a great lifestyle thanks to our proactive strategy, working with business, industry, union and community stakeholders to support local jobs, Queensland based businesses and ensure economic, environmental, and social outcomes for the benefit of all.

During this time, we have experienced unprecedented events impacting local industry and global trade which has reinforced how important it is to continue building the resilience of our local supply chains and sovereign capability.

As we continue to mature our procurement approach, we will continue to increase focus on the things that matter to Queenslanders, including local benefits, ethical practices, and more opportunities for small, medium and Aboriginal and Torres Strait Islander businesses as well as creating pathways into more jobs in more industries.

In 2022 we are taking *Buy Queensland* to the next level, ensuring we continuously improve so Queensland remains a leader in government procurement. We will work with stakeholders to become builders, not just buyers. This is especially

important as we plan, prepare and help deliver on the significant opportunities that the Brisbane 2032 Olympic and Paralympic Games will bring.

Over the decades ahead, we will make sure local companies, and the Queenslanders who make them tick, have every chance to contribute to a long-term legacy for Queensland by making it easier to do business with government through our Future Procurement System, single-point supplier portal and tendering platform, as well as building capability through experience and innovative solutions.

We will continue to enhance our reporting, making sure that transparency and accountability in the investment of Queenslanders' hard earned dollars is a priority.

The release of this second Procurement Statement demonstrates the success of working in partnership with stakeholders and communities, and I particularly congratulate all those Queenslanders who play a role every day, in making Queensland the best place to live, work and play.

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

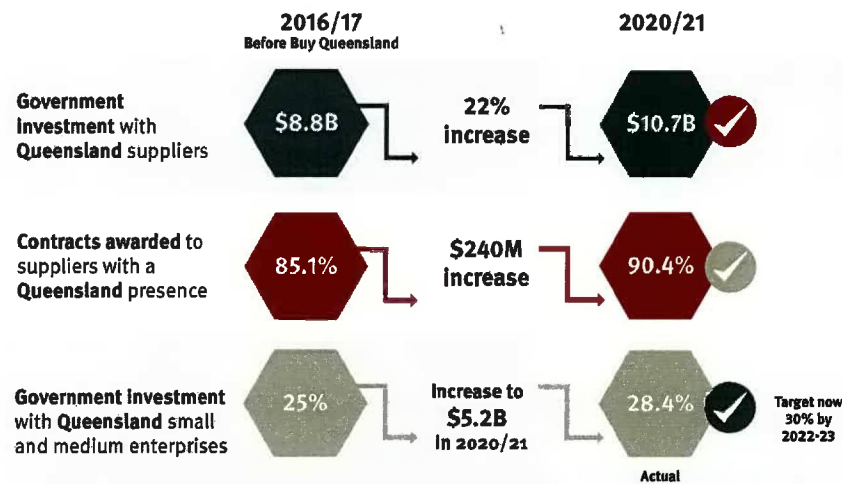
BUY Queensland

What is *Buy Queensland*?

The *Buy Queensland* approach has changed the way Queensland Government buys and has been progressively enhanced since 2017 to deliver greater benefit for Queenslanders through:

- sourcing at least 30% of procurement by value from Queensland small and medium sized enterprises (SMEs), and making it easier for Queensland SMEs to supply to the government
- testing for 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
- pursuing social value when buying for Queensland
- prioritising genuine Queensland food and beverages
- strengthening the compliance function and doing business with ethical suppliers
- providing opportunities for apprentices and trainees on government projects
- increasing procurement with Aboriginal businesses and Torres Strait Islander businesses.

Progress since the launch of *Buy Queensland*



For Q1/Q2 2021 SME investment had risen to \$2.84B, representing 29.2% of government procurement spend.



Over \$48B invested into the local economy in procurement investment with over **66,400** Queensland registered businesses

(Reported figures: 1 September 2017– 1 March 2022)



82% of Queensland Government suppliers are Queensland registered businesses

(Reported figures: 1 September 2017– 1 March 2022)



Approx \$9.34B in goods and services was supplied by over **29,300** Queensland regional businesses

(Reported figures: 1 September 2017– 1 March 2022)



553 apprentice and trainee full-time equivalents

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



507 Aboriginal businesses and Torres Strait Islander businesses supplied to the Queensland Government during the 2021 calendar year

(Reported figures: 1 Jan 2021 to 31 Dec 2021)

Investing in the future

The Queensland Government takes a whole-of-government approach to creating and sustaining value. This is done by coordinating procurement through forward planning and managing procurement activities through six whole-of-government categories of spend.

Category management represents best-practice procurement across government and is divided into six major categories of spend and then into category groups. Each category group is managed by a lead agency and governed by a category council that oversees the category strategies and endorses related execution plans.

The following category councils are supported by agency-led category working groups:

- Transport Infrastructure and Services
- Building Construction and Maintenance
- General Goods and Services
- Information and Communication Technology (ICT)
- Medical
- Social Services.

Category teams work collaboratively with industry, business and government departments to optimise expenditure through innovative planning and smarter practices.

Key investment figures for 2021 (calendar year)



Transport Infrastructure
and Services
\$6.21B



General Goods
and Services
\$3.84B



Building Construction
and Maintenance
\$3.63B



Medical
\$2.63B



Social Services
\$1.5B



Information and
Communication
Technology
\$1.09B

Overall procurement spend - \$18.91B

Transport Infrastructure and Services

Focus areas for 2022-23: increase local small and medium enterprise procurement, improve supply chain visibility, support local manufacturing

The Transport Infrastructure and Services (TIS) Category is governed by Transport and Main Roads' Finance and Procurement Committee, and is supported by the Procurement Sub-Committee and Industry Reference Groups.

The TIS Category Strategy is an opportunity to unlock hidden potential (value and benefits) from our key procurement categories of spend (Construction Delivery, Construction Materials, Machinery, Plant and Equipment and Transport Services Delivery) through working in new and innovative ways. Taking an integrated cross-category approach to how we strategically procure strengthens the ability to deliver Queensland Government commitments and targets, and the vision of creating a single integrated transport network, accessible to all.

Key facts and figures



2022/23 Case study – Queensland Train Manufacturing Program

This \$7.1 billion program was established to meet the increasing demand on rail transport in South East Queensland (SEQ) over the next 10 years. It will deliver 65 six-car passenger trains, as well as a new \$239 million purpose-built manufacturing facility in the Maryborough region. A new rail maintenance facility will also be constructed in the Gold Coast region. The investment will allow the SEQ rail network to perform to its full potential, while creating greater rail accessibility and connectivity for the state and Queenslanders.

The state-of-the-art trains will be Queensland's most modern and accessible fleet yet, with advanced systems and technologies to navigate Brisbane's new Cross River Rail. The Queensland Train Manufacturing Program (QTMP) is the largest investment in rail in Queensland's history, helping to support the state's economy with long-term secure jobs and skills development.

Using an interactive multi-stage procurement process with potential train manufacturing suppliers ensures that this significant government budget investment is focused on maximising key Queensland Procurement Policy outcomes such as buy local, increasing skills

development of local workforces and engagement of trainees and apprenticeships.

The QTMP presents a valuable opportunity to positively impact workforce, industry, skills and community outcomes. It will focus on advancing local economic and social objectives with a place-based approach to local content plans.



- ✓ **Local content**
- ✓ **Manufacturing jobs**
- ✓ **Skills development**

Building Construction and Maintenance

Focus areas for 2022-23: Improve procurement capability across government, improve visibility of upcoming opportunities, broaden engagement with industry

The Building and Construction Services (BCM) category involves work on the government’s vertical infrastructure – such as hospitals, schools, houses, courthouses, correctional facilities, and police, fire and ambulance stations. It includes new building works as well as building improvements, repairs and maintenance.

The COVID-19 pandemic and the announcement of the 2032 Brisbane Olympic and Paralympic Games brings unprecedented challenges and opportunities to the Queensland building and construction industry, and this strategy specifically addresses the opportunities, economic recovery measures and targeted risk mitigation strategies.

The BCM category focus is on maturing the category management approach, continuing to improve data visibility and forecasting accuracy, working collaboratively across agencies and working with industry, to improve procurement practices and helping Queensland unite and recover.

Key facts and figures



2022/23 Case study – Northern Queensland Renewable Energy Zone

Budget 2022 funds the first stage development of the Northern Queensland Renewable Energy Zone (QREZ) through the procurement of \$40 million of network upgrades. The upgrades will unlock up to 500 megawatts of renewable energy potential in Far North Queensland through the Neoen Australia’s Kaban Wind Farm, south of Cairns.

These upgrades will improve security of energy supply to Cairns and will improve the storm and cyclone resilience of the network. In addition, by connecting multiple renewable generators in one location, it will provide cost effective, grid-connected renewable energy.

The procurement of these upgrades will support new projects in the north, tapping into world-class wind resources in the region and improving the security of energy supply to Cairns.

Far North Queensland has some of the strongest wind and solar resources in Australia. In particular, wind is often blowing while solar farms are ramping down or not generating, helping to balance the system.

Powerlink’s procurement strategy will focus on maximising local employment and procurement opportunities creating a significant supply chain for Queensland.

The company is liaising with local businesses on ways they could support the project, is actively working

to help potential suppliers and vendors prepare for tender processes and is looking forward to engaging with local contractors, suppliers and employees.

The ongoing engagement with local contractors, suppliers and employees is key to the delivery of the Northern QREZ.



Local employment and content



Renewable energy



Broaden industry engagement

General Goods and Services

Focus areas for 2022-23: Promote the use of renewable energy, increase spend with local, small and medium enterprises, Aboriginal and Torres Strait Islander Businesses and Social Enterprises, making it easier to become a supplier to Government

The General Goods and Services (GGS) category includes general, tangible and consumable products (goods) and services. GGS aims to deliver easy-to-use procurement arrangements that provide real value and tangible benefits for Queensland communities.

GGS within the Department of Energy and Public Works, Queensland Health, and Department of Education negotiate, establish, verify and monitor contemporary, easy-to-use, whole-of-government supply arrangements, allowing easy connection between suppliers and government buyers. By aggregating government demand, these GGS supply arrangements enable government buyers to achieve greater value for money from their procurement spend. By establishing supply arrangements that are responsive to government priorities, GGS teams enable government buyers to deliver on government targets and commitments when they purchase goods and services for Queensland.

Key facts and figures



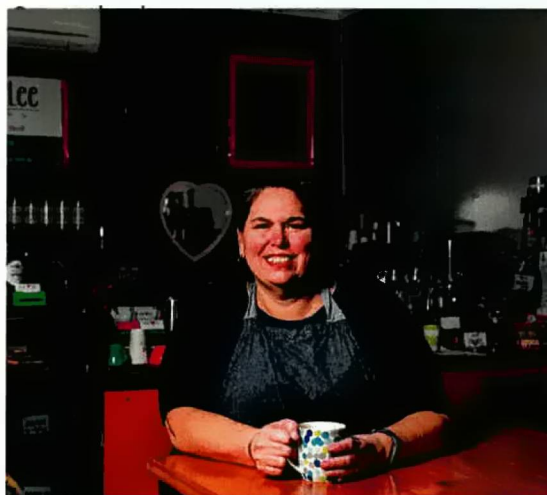
2022/23 Case study – Food and Beverage sub-category

In 2020 the \$120 million per annum Food and Beverage sub-category was formed under the General Goods and Services category to simplify and streamline procurement processes between buyers and suppliers, while promoting and supporting the Queensland Procurement Policy commitments such as *Buy Queensland First* for food and beverages.

In early 2022 the first initiative for this sub-category was the establishment of the Grocery, Dairy and Beverage Preferred Supplier Panel (PSP), with a potential contract value of up to \$60 million per annum. The PSP has been established for an initial period of five years with a potential five-year extension.

As of June 2022, there are currently 42 suppliers awarded under the PSP, with 22 of those suppliers Queensland owned. Suppliers can submit applications to be on the PSP at any time.

In 2022-23, working collaboratively with suppliers and buyers is a priority to help increase the number of products purchased which are made, grown, or produced in



-  **Local employment and content**
-  **Sustainable solutions**
-  **Broaden industry engagement**

Information and Communication Technology

Focus areas for 2022-23: Promote innovative procurement across government, improve customer experience of government services, improve value for money

With spend for 2020-21 of approximately \$1.09 billion, procurement under a strong Information and Communication Technology (ICT) category management framework helps maximise value, buy-in and reusability. It enables strong relationships to be developed between customer and vendor, and sets the expectations and measurement of what quality, success and target outcomes should look like.

The ICT category strategy examines and prioritises the ICT related needs across the whole-of-government. It challenges the status quo and applies thought leadership and innovation to the method of procuring.

Category management is not only the act of buying but also the methods of strategy, tactics, direction, procuring and operation.

Key facts and figures



\$1.09B

Total investment
2021



over
2,700

Suppliers 2021



over
1,350

Queensland suppliers

2022/23 Case study – Digitising the State Archives

Queensland State Archives (QSA) holds the public records created by government which provide a window into the last 200 years of the state's history. This collection is made up of over 3.5 million analogue items, of which less than 2.5 per cent are digitised, so most records are not available online. QSA's digitisation program targets records that are iconic, significant, and popular, with the aim of making more records available and accessible to a wider number of people.

In May 2022, QSA engaged Jigsaw, a social enterprise that trains and transitions people living with disability into employment, to assist with the digitisation of school admission registers, which are very popular with family history researchers.

Throughout the six-week period, Jigsaw staff worked on-site at QSA in Runcorn digitising school admission registers. They completed 406 hours of scanning and digitised 2,560 registers – twice the number expected.

Through this partnership Jigsaw employees gained valuable work experience and

expressed their pride about their contribution to preserving Queensland's history. In return QSA had some of its most popular records digitised and staff benefited from helping increase the skills of others and building their awareness of disability. QSA is planning to engage Jigsaw again in 2022-23.



Social procurement



Local content



Skills development

Medical

Focus areas for 2022-23: Increased value for procurement spend, greater collaboration across health services, improved visibility and transparency of procurement decision making

The Medical category is committed to helping care for Queenslanders through value-based procurement services.

Medical leads the procurement of medical goods and services on behalf of the Department of Health and Hospital and Health Services, and other agencies, to establish state-wide and regional agreements that drive value for money and optimal benefits for the Queensland Government. A category management approach to procurement is taken – grouping together specific spend areas to establish and maintain sustainable, best value, end-to-end procurement outcomes for Queensland Government, whilst supporting quality patient outcomes.

Key facts and figures



2022/23 Case study – COVID-19 Funding

Queensland Health has acted as the lead government agency for the response to the COVID-19 Pandemic.

Queensland Government COVID-19 response funding contributed to increasing the capacity of the health system, through people and procurement, to deliver a range of treatments and support services to combat the spread of COVID-19. The Health Contact Centre (HCC), in partnership with Smart Service Queensland, has been at the forefront of Queensland's COVID-19 response. As a largely telephone-based service, the HCC supports equitable care for Queenslanders regardless of where they live across the state.

HCC's 300 plus workforce of nurses, health practitioners, telephone counsellors and administration officers have had a role in promoting, protecting, and improving the health of Queenslanders. HCC was called on to provide prompt solutions to emerging situations via responsive inbound and outbound services including:

COVID-19 enquiry management

- symptom assessment and health advice
- contact tracing
- smoking cessation support for those in hotel quarantine
- vaccination advice and assistance with bookings
- support for public health physicians.

The HCC strives to educate and empower people to make informed choices about their health/healthcare, and to promote better health through evidence-based clinical practice. Their services which support the promotion of health and prevention of disease in First Nations communities include: Quitline, Immunise Queensland, Nurse Triage, Child Health, Self-Management of Chronic Conditions.



Social value



Local content



Skills development



Above: A nurse at the Queensland Health Contact Centre who is dedicated to helping community during the COVID-19 pandemic.

Social Services

Focus areas for 2022-23: Increased value for procurement spend, greater collaboration across government, improved visibility of procurement to support decision making

The Social Services category enables the delivery of vital services to improve the wellbeing of Queenslanders, through human services, that support for education and training, employment, sport and recreation, culture, and the arts, and social or community services that support our most vulnerable groups. This includes providing support in child protection, domestic violence prevention, housing and homelessness, disability, and youth services as well as health, including mental health and alcohol and other drugs support and recovery services.

Human and social services present a unique procurement challenge as good practice not only focuses on commercial process and efficiencies, but also on the individual that services support.

Key facts and figures



\$1.5B
Total investment
2021



over
1,930
Suppliers 2021



over
1,740
Queensland suppliers



2022/23 Case study – Neighbourhood and community centres

State funded Neighbourhood and Community Centres (NCCs) provide safe and welcoming spaces for people to meet, connect, participate in activities and find support, services and advice in their local community.

In 2022-23, record investment is being made in Queensland's network of 127 state funded neighbourhood and community centres, to further strengthen the fabric of our communities, so every person can thrive. Queensland Government procurement is playing an important role in supporting genuine opportunities and outcomes in communities, including for NCCs.

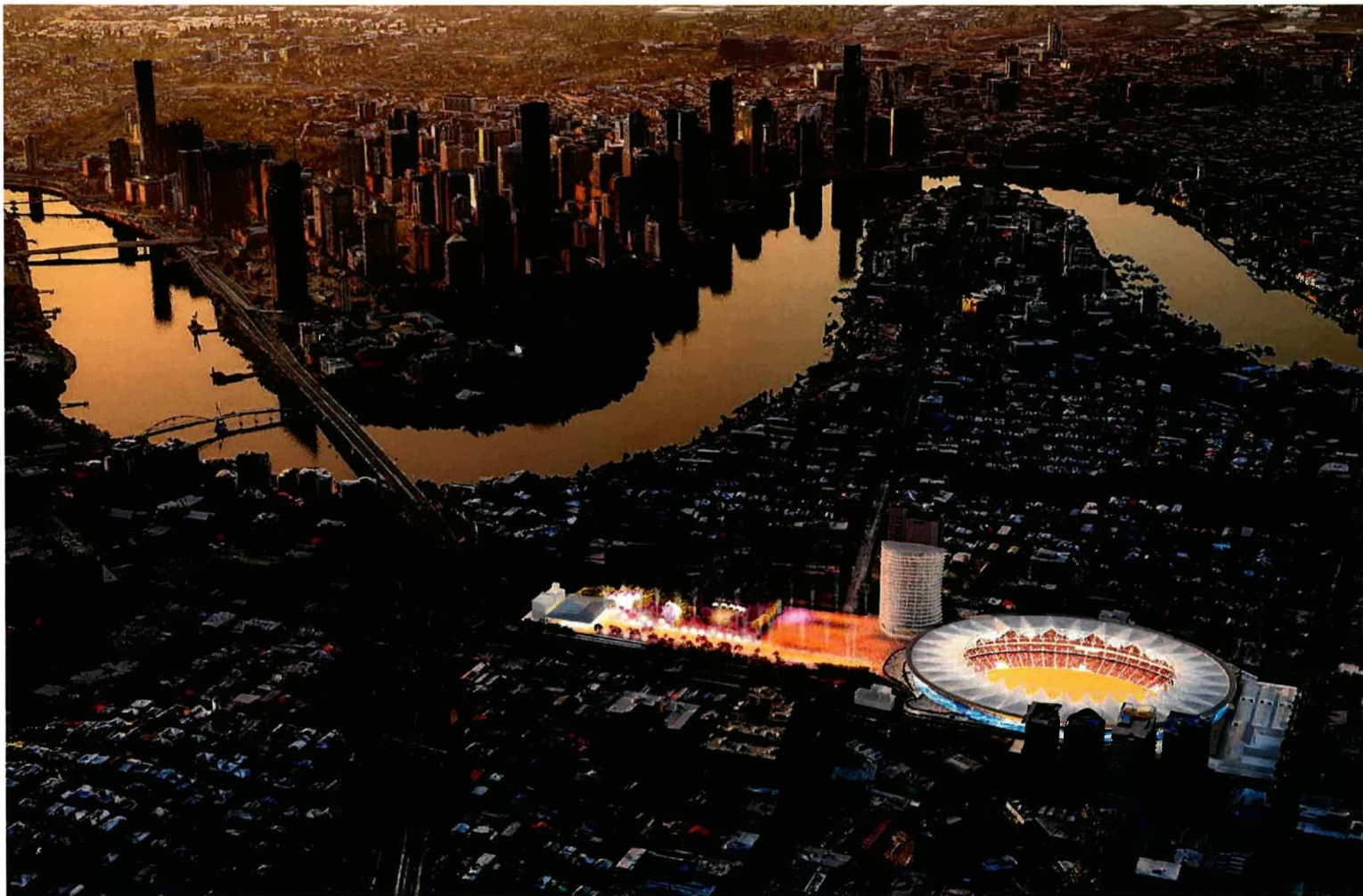
A recent open procurement process saw the Bynoe Community Advancement Cooperative Society, a community based, not-for-profit, Aboriginal organisation, become the successful supplier of the NCC in Normanton. The organisation brought extensive experience engaging with First Nations peoples and developing strong networks.

Normanton is a remote community with a large percentage of the population identifying as First Nations Australians. With limited government services available, there is a continuous need for integrated and culturally appropriate services that can respond to the needs of the Normanton community.

The Normanton NCC demonstrates the Queensland Government's commitment to building communities that can support and empower every person to connect, participate, contribute, and thrive. This commitment in turn instils community confidence and provides greater access to critical services that can reduce vulnerability and disadvantage and help every Queenslanders live a better life.

- ✓ **Indigenous procurement**
- ✓ **Local content**
- ✓ **Skills development**





Brisbane 2032 Olympic and Paralympic Games

Queensland is getting ready to welcome the world in 2032. Over the next 20 years, the Brisbane 2032 Olympic and Paralympic Games (Brisbane 2032) is forecast to generate \$8.1 billion in benefits for Queensland and \$17.6 billion in benefits for Australia.

Opportunities for Queensland businesses to participate in Brisbane 2032-related procurement will progressively increase, with a 10-year pipeline of construction, jobs, trade, investment opportunities and legacy projects that will benefit Queensland for decades to come.

Brisbane 2032 provides the certainty and confidence needed to trigger increased investment and unlock innovation.

Brisbane 2032 will drive industry investment in new skills, capacity and supply chains, particularly across areas of construction, manufacturing and tourism. Over the next 20 years, Brisbane 2032 is forecast to generate the following economic benefits:

- increased international tourism and trade estimated at \$4.6 billion for Queensland and \$8.5 billion nationally
- approximately 91,600 full-time job years (jobs per year) in Queensland and 122,900 FTE jobs per year across the nation
- \$3.5 billion in social benefits to Queensland and \$9.11 billion nationally, including improvements in health, community connectedness and civic pride
- a 10-year pipeline of construction jobs, trade and investment opportunities, and legacy projects that will benefit Queenslanders for decades to come

Buy Queensland will ensure that Brisbane 2032 benefits flow to as many local businesses, workers and their communities as possible.

Supplier engagement and recognition

2021 Buy Queensland Supplier Awards

PUTTING QUEENSLANDERS FIRST AWARD

Winner
Munster Services Group

Highly commended
Aussie Active Desks

DIVERSITY THROUGH SUPPLY CHAINS AWARD

Winner
Ochre Sun

Highly commended
Ability Enterprises

DELIVERING FOR QUEENSLAND AWARD

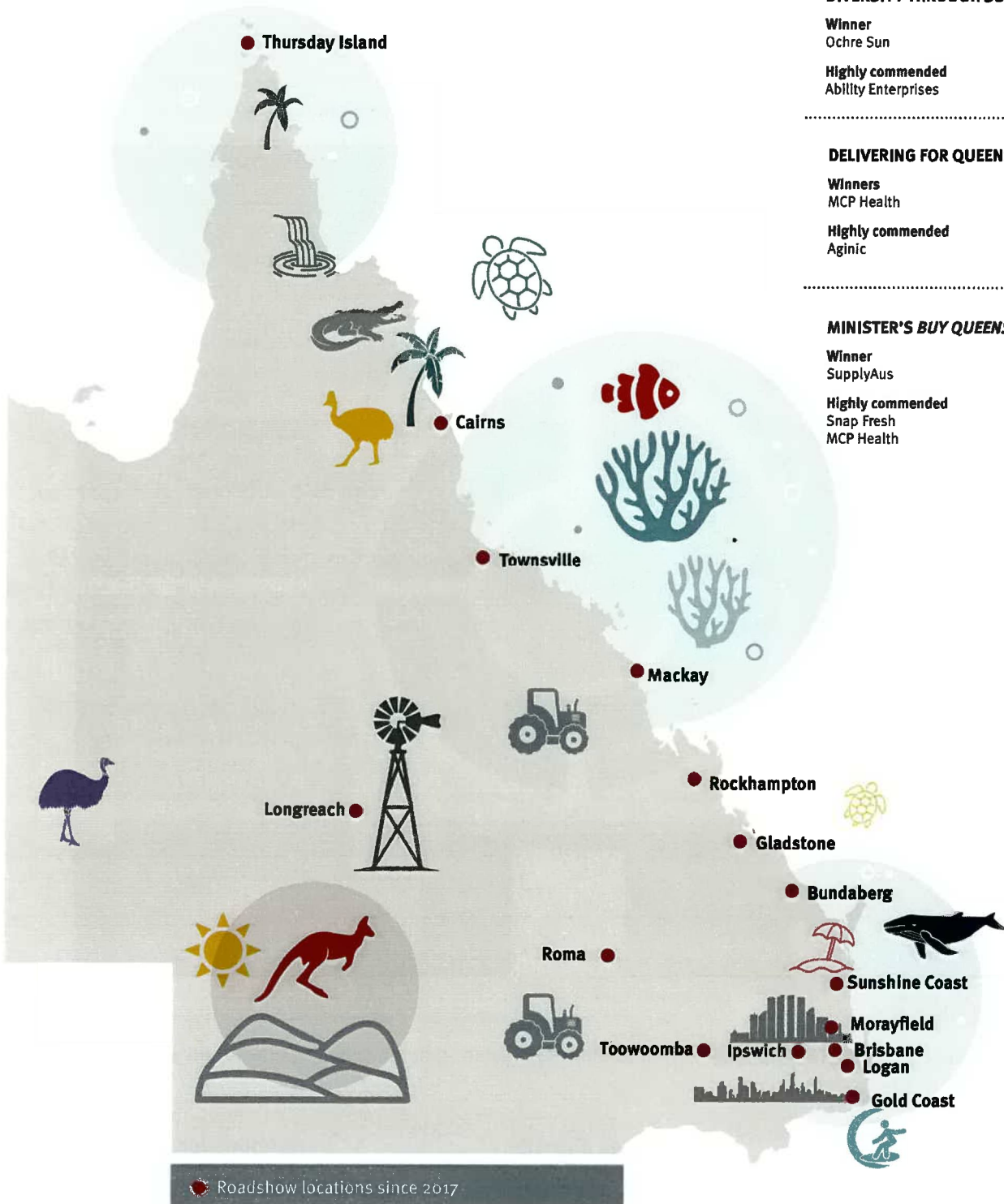
Winners
MCP Health

Highly commended
Aginic

MINISTER'S BUY QUEENSLAND AWARD

Winner
SupplyAus

Highly commended
Snap Fresh
MCP Health

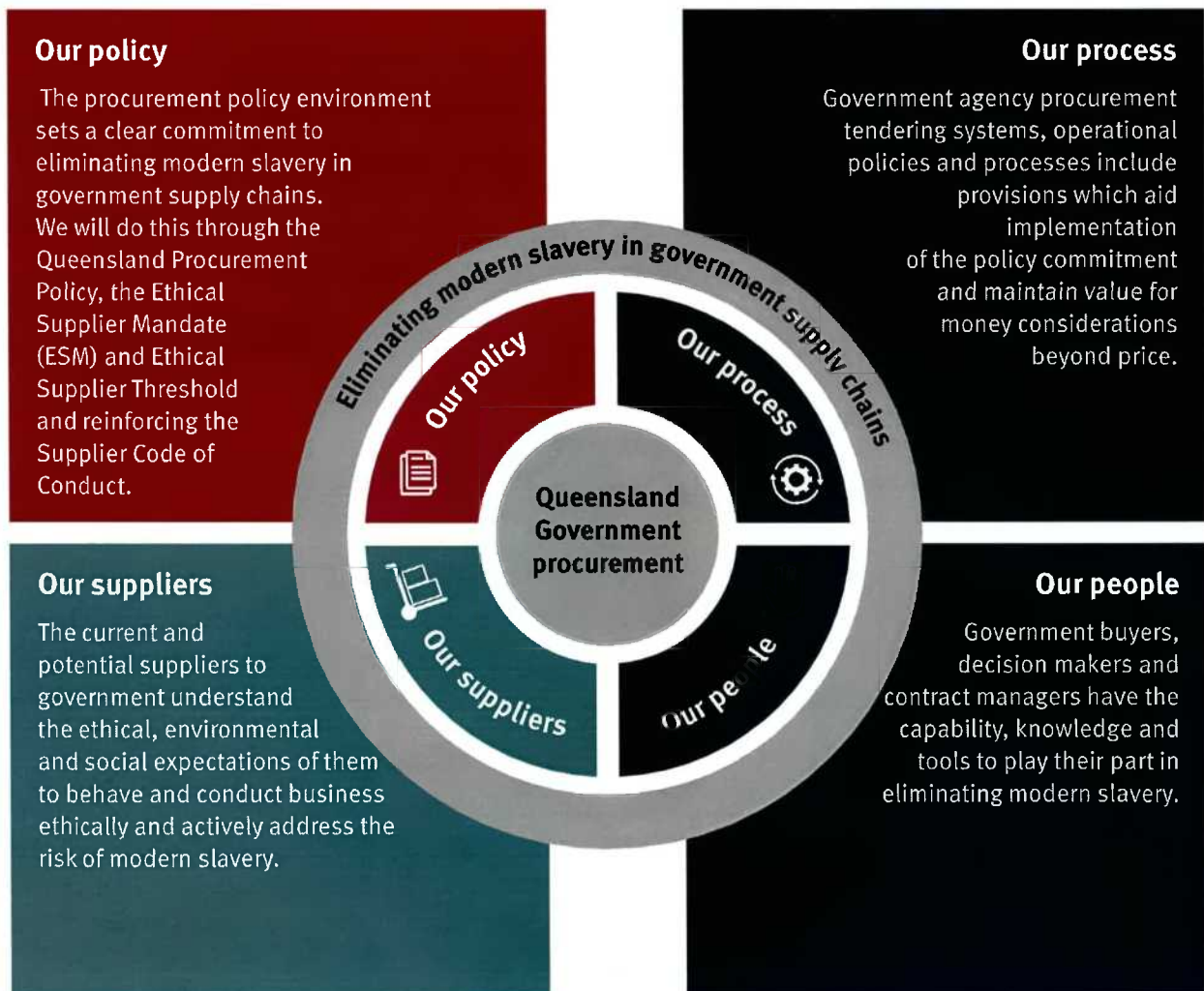


Eliminating modern slavery in government supply chains

Our framework

This framework demonstrates our commitment to eliminate the exploitation of vulnerable Queenslanders from modern slavery and further drive ethical procurement practices throughout supply chains. It is designed around four enabling areas of focus: our policy, our process, our people and our suppliers.

The supporting roadmap priority actions have been co-designed and developed with Queensland budget sector agencies, government-owned corporations, large statutory bodies, industry and academia, and benchmarked against best practices nationally and globally. More detailed action plans to supplement the priority actions for each focus area will be progressively developed. This ensures that the Queensland Government's significant investment of taxpayer money is not used to support unethical suppliers benefiting from modern slavery.



Our community

The most vulnerable members of the Queensland community, women, children and new arrivals, are protected and participate in quality, safe, secure jobs.



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:

- **More than \$140,720** recovered in wages across **5 major projects**
- **188 compliance checks** performed as part of the supplier vetting and due diligence processes
- **32 Best Practice Principles audits** conducted on 6 major projects with **36 recommendations of improvement**
- **30 local benefits tests audited**, supporting local businesses
- **49** procurement-related complaints and enquiries **successfully resolved**
- **235,190 total additional training hours in excess of contractual commitments** identified and verified through audit of building and construction projects
- the **Ethical Supplier Mandate** (the Mandate) and **Ethical Supplier Threshold** (the Threshold) introduced, setting standards and expectations of suppliers for fairer, safer workplaces
- **More than 52,240 online supplier checks performed** by 4,019 individual government buyers under the Mandate and Threshold
- Establishment of the independent **Tripartite Procurement Advisory Panel** to advise on ethical procurement for government suppliers, driving secure jobs with fair pay and safe working conditions for Queenslanders.

(Reported figures: 1 January 2021 to 31 December 2021)

Procurement activities are actively backing suppliers who act ethically. For example, the new uniforms and personal protective equipment supply arrangement includes mandatory requirements for 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.

Data assumptions/disclaimer:

The data in this document is used with the following assumptions:

Categorised procurement spend amounts have been derived in accordance with Queensland Government Procurement's (QGP) Procurement Spend Identification Guide (PSIG). The PSIG has been developed specifically for application at a whole-of-government level, any variances will be due to methods for vendor type classification, vendor type exclusions, spend categorisation and spend aggregation.

For the Small and Medium Enterprise (SME) analysis, only suppliers with an Australian Business Number (ABN) are included in this statement and the base data is provided by DEPW to the Australian Bureau of Statistics (ABS) for each financial year of analysis.

Queensland businesses are defined as suppliers who are Queensland based (i.e., have their Main business location in Queensland with the Australian Business Register data).

The Whole of Government count of suppliers is based on the number of unique businesses, where suppliers provide products or services into multiple categories they contribute to the respective category totals.



13 QGOV (13 74 68)



qld.gov.au/buyqueensland



betterprocurement@epw.qld.gov.au



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Government