

## "Buy Queensland" procurement policy

## August 2017

On 29 July 2017 Queensland Premier, the Hon. Annastacia Palaszczuk MP, announced changes to the Queensland Procurement Strategy and Policy (QPP) with a new "Buy Queensland" procurement policy to apply to across all agencies, statutory bodies and for the first time government owned corporations, from 1 September 2017.

Under the new "Buy Queensland" changes, the QPP will define "local supplier" as a business that maintains a workforce within a 125km radius of where the goods or workers are needed for the specific tender opportunity. Local suppliers will also receive a 'local benefits' test of a weighting of up to 30 per cent on tender applications.

The policy also outlines a further defines an additional three zones of supplier categories:

- Local zone 2 suppliers within the region, should a local supplier not exist.
- Local zone 3 suppliers within the entire state, should a supplier within the local region not exist.
- Local zone 4- suppliers within Australia, should a supplier within Queensland not exist.

These changes will circumvent arrangements under trade agreements, including the Australia-New Zealand Government Procurement Agreement.

Additional elements of the "Buy Queensland" Policy include:

- Requiring at least one local or regional supplier, and one other Queensland based business, to be invited to tender for every procurement opportunity;
- Requiring the use of local sub-contractors and manufacturers (where the local capability and capacity exists) for infrastructure projects of \$100 million or more;
- Significant projects will be required, where possible, to expend 15 per cent on apprenticeships (up from the current 10 per cent);
- Delivering a more visible pipeline of opportunities for Queensland businesses;
- Reducing complexity to assist Queensland industry prepare for government tenders;
- Providing resources to assist Queensland businesses tender for procurement opportunities, including by breaking down larger procurement opportunities and combining opportunities;
- Exempting business from the pre-qualification system for building contracts and Information and Communication Technologies projects under \$1 million;



- Businesses tendering for government procurement contracts will need to have a permanent workforce in Queensland and comply with industrial relations standards, including offering fair wages, conditions and superannuation, and having good workplace health and safety records.
- Allowing agencies to procure outside of whole-of-government procurement system for regional and remote locations.
- Supporting the procurement of products from ethical manufacturers and suppliers, specifically in the clothing, textiles and footwear sectors.
- · Avoiding purchasing 'dumped goods'.
- A three per cent addressable spent target for Aboriginal and Torres Strait Islander procurement.

The government is committed to engaging with industry and other stakeholders around the implementation of the new procurement opportunity and to increase innovation within the Queensland procurement system.

## **Further information**

The media release announcement on the "Buy Queensland" policy is available here.

For further information, contact <u>Eamonn Fitzpatrick</u> on +61 401 719 488.