

Queensland Charter for Local Content

Opening opportunities for industry

Introduction

The Queensland Charter for Local Content (the charter) provides a framework for encouraging government agencies¹ to apply best practice in local content procurement while minimising the compliance burden on government agencies and contractors, and ensuring full, fair and reasonable opportunity for local suppliers.

The charter, which is consistent with the *Queensland Procurement Policy*, has the core objective of maximising local content through greater participation of capable local industry in major government procurement activities.

Other objectives of the charter are:

- encouraging more effective and adaptive approaches to maximising local content
- applying greater transparency in the expenditure of government funds
- providing greater certainty for government agencies in local content procurement
- adopting an efficient and effective tracking and review process for local content outcomes.

The charter is not a matter of mandating that government agencies use local suppliers. Rather, it is about providing a mechanism for government agencies to effectively and efficiently give consideration to a wide range of potential suppliers when making decisions relating to major procurements.

¹ In accordance with the [Queensland Industry Participation Policy Act 2011](#). Section 11 'Agencies, GOCs and rail government entities to comply with local industry policy'.

The charter supports agencies embedding local content principles within their procurement practices and procedures. The benefits of this, summarised in Figure 1, include:

- supporting the value for money objective of the **Queensland Procurement Policy** by enabling purchasers to consider a wider range of potential suppliers and encouraging greater competition
- providing market opportunities for local companies
- demonstrating equivalence with private sector best practice.

The charter recognises that involving local industry² in government procurement provides economic benefits to all parties contributing to wealth generation and the creation of employment opportunities for Queenslanders.

The Queensland Charter for Local Content brings Queensland Government procurement in line with best practice in the private sector.

The adoption of the charter by government agencies will achieve significant strategic benefits for the government including:

- increased leverage of spend
- improved pricing
- reduced risk of supply failure or contractual disputes.

It will also support better supplier segmentation allowing government agencies to identify their suppliers, and as a result, better manage risk.

² For the purposes of this charter, local industry is formally defined as Australian and New Zealand small and medium-sized enterprises (SMEs).

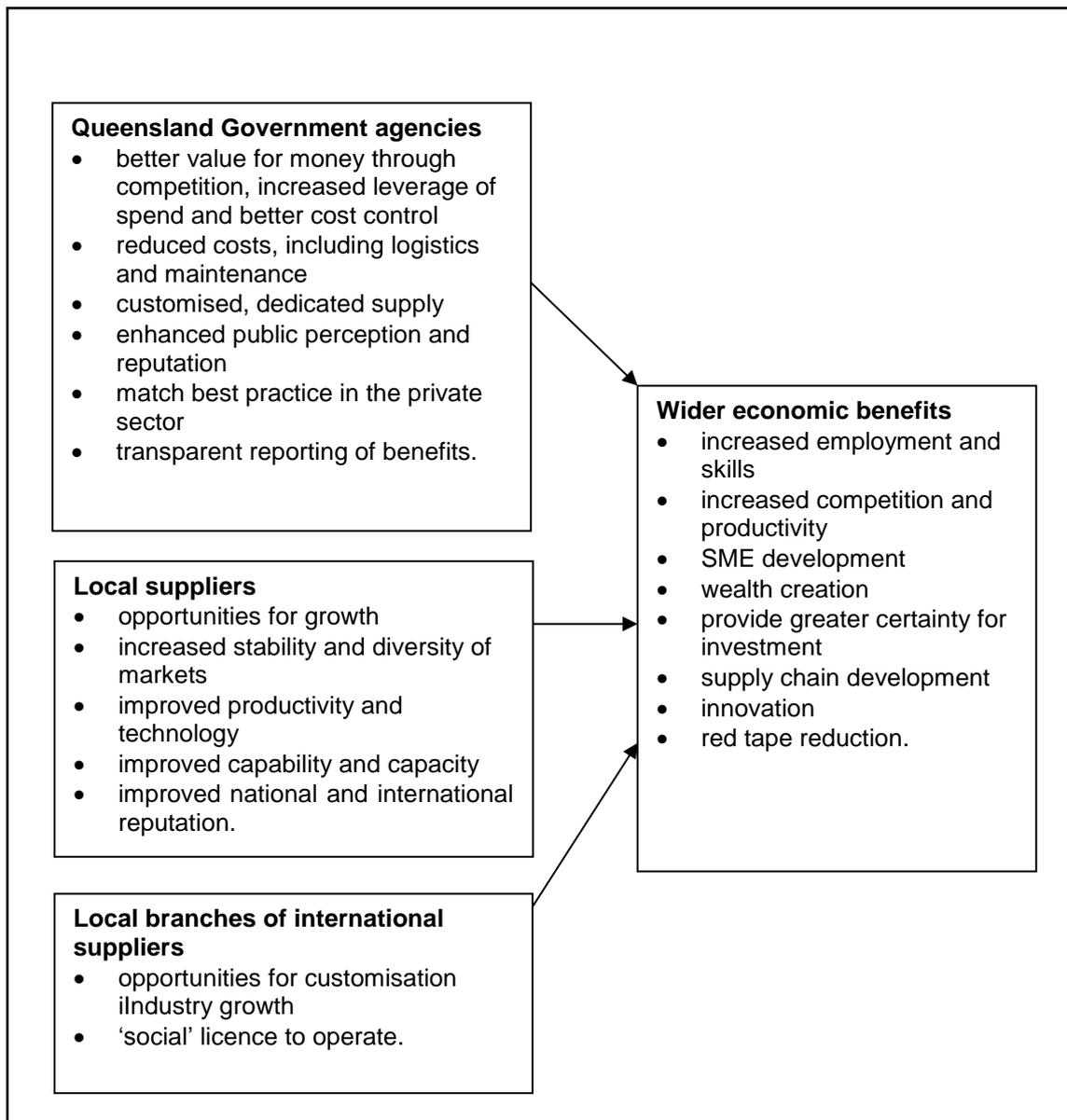


Figure 1: Summary of benefits

Principles

The charter seeks to promote industry capability and to maximise local industry participation in major projects and other procurement opportunities. The following principles underpin the policy:

1. Full, fair and reasonable opportunity

Government agencies are encouraged to maximise local industry participation in government procurement projects by providing industry full, fair and reasonable³ opportunity to participate.

2. Value for money

Government agencies are encouraged to apply the principle of achieving value for money in government procurement as described in the *Queensland Procurement Policy*.

3. Regional development

Government agencies are encouraged to work in partnership with regional communities to develop industry capability and capacity, and secure broader economic and societal benefits, as appropriate.

4. Transparency of process

Government agencies are encouraged to build transparency into their local content policies, processes and criteria to ensure clarity.

5. Compliance with international obligations

Government agencies are to comply with Australia's international obligations, including those under free trade agreements.

Queensland is currently a party to three international agreements which impact on procurement:

- Australia-New Zealand Government Procurement Agreement (ANZGPA)
- Australia-United States Free Trade Agreement (AUSFTA)
- Australia-Chile Free Trade Agreement (ACI-FTA).

• ³Full: Local industry has the same opportunity as other potential suppliers to participate in all aspects of a project from design through to completion and ongoing maintenance.
• Fair: Local industry is provided the same opportunity as other potential suppliers to compete for investment projects and other market-based contracts on an equal and transparent basis.
• Reasonable: Tenders are free from any unreasonable specifications or requirements that could rule out local industry and are structured in such a way as to provide local industry the opportunity to participate.

Annual review

Annual reviews of the policy will be undertaken to ensure that it is adding value to major Queensland Government procurements, maximising local content and minimising the compliance burden for government agencies and contractors. These reviews will also assist the government to help build the capability and capacity of Queensland industry, to facilitate local value-adding and innovation and to generate greater investment attraction.

Governance

The Department of State Development, Manufacturing, Infrastructure and Planning is responsible for the development and review of the charter. Implementation is the responsibility of individual government agencies.

While this charter encourages government agencies to provide local industry with tendering opportunities, it is recognised that local suppliers need to implement best practice, improve productivity and increase competitiveness. To this end, the Queensland Government facilitates a range of productivity improvement and local content services.

Policy document toolkit

Supporting documents for the charter are as follows:

- Best Practice Guidelines for the charter which provide additional information for government agencies implementing the local content principles
- Procurement Notification template
- Statement of Intent for local content template
- Information sheets on specific topics.

These documents and the charter are available here www.dsdmip.qld.gov.au/charter

Relationship to Queensland Procurement Policy

The charter complements the **Queensland Procurement Policy**⁴, particularly:

- putting Queenslanders first when securing value for money – recognising that value for money is more than price paid
- advancement of government objectives – providing the procurement framework to advance economic, environmental and social objectives.

⁴ The *Queensland Procurement Policy* is available here: www.hpw.qld.gov.au/

© State of Queensland, June 2016. Published by the Department of State Development, Manufacturing, Infrastructure and Planning, 1 William Street, Brisbane Qld 4000, Australia. While every care has been taken in preparing this publication, the State of Queensland accepts no responsibility for decisions or actions taken as a result of any data, information, statement or advice, expressed or implied, contained within.

Department of State Development, Manufacturing, Infrastructure and Planning

PO Box 15009 City East Queensland 4002 Australia

tel 13 QGOV (13 74 68) or +61 7 3452 7100

info@dsdmip.qld.gov.au

www.dsdmip.qld.gov.au