

Advancing
Small Business
Queensland

Queensland Small Business Procurement Commitment

Consultation paper



Queensland
Government

Minister's Foreword

Supporting small business to start, grow and employ through procurement opportunities

The Queensland Government is putting quality jobs and businesses first. We are committed to job creation and the development of a diverse economy. To make this happen we want to make sure that the government's multi-billion-dollar investment in goods and services will benefit as many Queensland businesses and workers as possible.

We know small businesses are already benefiting from government procurement including through supply chain arrangements, we want to do more.

Our commitment to supporting small business is going to be delivered through the development of a Queensland Small Business Procurement Commitment.

We want to make sure small businesses can share in the investment we make in our people and our growing economy. Supporting small businesses through procurement recognises the contribution they make to our communities, particularly in regional Queensland.

To start the conversation about how we can help small businesses to access the opportunities that participating in government procurement brings we are releasing this consultation paper.

Now we want to hear from you.

By working together we can continue to help small businesses to start, grow and employ.



The Honourable Shannon Fentiman MP
Minister for Employment and Small Business
Minister for Training and Skills Development

Small business in Queensland – the facts



Small businesses are defined as businesses employing fewer than 20 people

They employ 44% of Queensland's private sector workforce



Statement from Queensland Small Business Champion

Queensland is a great place to be in small business. Part of my role as Queensland's inaugural Small Business Champion is to advocate on behalf of the approximately 426,000 small businesses in Queensland and ensure that they are at the forefront of government policy and decision-making. Key focus areas, based on the issues I hear most, are simplified compliance through better regulation and balanced access to government business.

I am an active participant of the Queensland Government's Procurement Industry Advisory Group (PIAG) which is an ideal vehicle to ensure the realities of, and the challenges facing small business are heard and considered. I am pleased that the government has developed this consultation paper and will be delighted to share the findings with my fellow PIAG members and key stakeholders in the future.

This is an important conversation for Queensland small business. I encourage the participation and constructive feedback of all small businesses and industry stakeholders to ensure your voice is heard, and that you have the best chance to start, grow and employ.



Maree Adshead
Queensland Small Business Champion

Work is underway – Queensland Government procurement

The *Queensland Government Procurement Strategy 2017 – Backing Queensland Jobs*, puts the creation of quality Queensland jobs as a first priority. We are prioritising Queensland businesses, supporting local jobs and contributing to economic, social and environmental outcomes across the state.

Importantly, the strategy contains actions committing to:

- giving businesses in regional Queensland genuine opportunities to supply to government
- spending taxpayers money carefully by doing business with ethically, environmentally and socially responsible suppliers
- investing in innovation and technology.

To give strength to the procurement strategy we have also developed the Queensland Procurement Policy 2017. The policy establishes the framework to maximise the benefits achieved through our annual procurement investment.

In addition to the Queensland Procurement Policy 2017, the government also has in place procurement-related policies that can support small business. These include the Queensland Charter for Local Content, ICT SME Participation Scheme Policy and the Queensland Indigenous (Aboriginal and Torres Strait Islander) Procurement Policy. These policies are underpinned by a range of resources, such as tendering guides on the Business Queensland website, and Tendering for Government workshops.



Taking action

Many actions in these policies are already helping small businesses to create quality jobs and invest in their local communities, including:

- assessing value for money and conducting a local benefits test for all significant procurement
- ensuring that at least one regional and one Queensland supplier, where possible, is invited to submit a tender or quote for procurement
- in some circumstances, delegating procurement decision-making to the location where the goods or service is being supplied.



We can do more – focusing on small business

While these policies are having an effect, more can be done.

Targeted strategies are needed if we are to share the benefits of government procurement across businesses of all sizes in Queensland. Supporting our diverse small businesses to access procurement opportunities will be good for regions, good for jobs growth and good for Queensland. For the strategies to work, an understanding of the needs and realities of small business is required.

Opportunities exist for small businesses to increase their procurement capability and competitiveness. Through a Queensland Small Business Procurement Commitment, actions can be developed that include:

- making it easier to access government procurement opportunities
- business growth and increased training and employment opportunities
- a contribution to economic growth, particularly in regional areas
- innovative solutions for government and enhanced business to business collaboration.



Challenges for small business

Our research has already highlighted some challenges facing small businesses when trying to do business with government. There are issues that impact on their ability, capacity or interest in supplying to government, including:

- **knowledge and skills related to procurement processes** – more awareness is needed of opportunities offered through government procurement, as well as support to help grow the skills of small businesses to successfully participate in the application process
- **understanding how to navigate the system** – there can be missed opportunities for small businesses because the scale of large government procurement projects can appear overwhelming
- **complex tender specifications and pre-qualifications** – some small businesses need to develop expertise and capability around responding to tenders, and allocating resources and time to delivering contracts effectively
- **payment provisions** – prompt payment is important for small businesses to maintain cash flow in competitive markets.

More can be done – focusing on government

Increasing the opportunities and participation of small businesses in procurement activities with government can benefit Queensland Government departments and agencies.

Opportunities include:

- better value for money, particularly on the basis of economic, social and environmental outcomes
- high quality service, particularly through the combination of specialist and local knowledge
- increased supplier diversity and market depth.

Challenges for government

There are challenges for government in creating a small business procurement commitment, including:

- **implementation** – how we implement the commitment so it does not add unnecessary burden or complexity for small businesses or government departments and procurement officers
- **agency participation** – work is needed to support procurement officers to ensure consideration of small businesses in their decision-making
- **considering value for money** – making sure that agencies understand that value for money is more than the price that is paid and includes the broader economic, social and environmental considerations
- **reducing red tape and addressing regulatory burden** – making it easier for small businesses to tender for government procurement opportunities by ensuring that necessary tender preparation and submission processes are not overly costly or time consuming.

We are committed to addressing these challenges and will work with all Queensland Government agencies to streamline how we help small businesses do business with us.



Achieving the vision – developing a Queensland government procurement commitment for small business

To achieve our vision of making sure small businesses can share in the investment we make in our people and our growing economy, action will be taken in three key focus areas:

Focus one

A government commitment to creating opportunities for Queensland small businesses to participate in government procurement.

Focus two

Building the capacity of small businesses and government agencies through training, provision of quality advice, and encouraging closer collaboration to build relationships and understanding.

Focus three

Making it easier for small businesses to do business with government.

Actions that make a difference to small business

For each of the three focus areas, a number of actions are proposed to drive outcomes and make a positive difference for small businesses in Queensland. We want to test these actions and get ideas on what more can be done.

Focus one: A government commitment

Consider ways to support and measure small business participation in government procurement, emphasising the importance of providing fair and transparent opportunity to smaller businesses to tender for government contracts.

- Establish a measurable commitment to drive increases in small business participation in procurement with government.
- Require agency-specific reporting on actions to contribute to increasing small business procurement.
- Improve the capture and reporting of data related to small business procurement.
- Build into existing reporting an annual review of small business procurement by Queensland Government agencies.



Focus two: Building capacity

Build the capacity of small businesses through targeted actions that provide development opportunities.

- Enhance procurement training for both small business and government procurement officers.
- Explore pre-qualification processes and different models to facilitate mutual recognition of small business suppliers across government.
- Improve feedback mechanisms to unsuccessful tenderers.
- Increase the profile of government assistance available.
- Enhance the information and support available on the Business Queensland website.

Focus three: Making it easier

Take action to simplify access, documentation and contract terms and conditions to make it easier for small businesses to do business with government.

- Reduce red tape and simplify application processes for small business using simpler and streamlined documentation.
- Refine online procurement technology solutions to improve government procurement processes to reduce process time and costs for small businesses.
- Improve payment timeframes for government contracts.



- Explore the development of a 'business finder' service or a pre-qualification system where businesses and government agencies that meet standard criteria form a directory of trusted government small business suppliers.
- Support and enable business-to-business collaboration for government procurement.

Have your say!

For the best outcomes for Queensland small businesses, we need your feedback.

Be involved by answering the questions below, either online at www.getinvolved.qld.gov.au or by emailing your response to feedback-desbt@qld.gov.au

Are you providing feedback as an:

- individual
- small business
- government agency (Australian, state or local)
- industry group, body or association
- business group, chamber or association
- other organisation.

1. Have you ever tendered for government work or do you currently supply to government?

2. The Queensland Government is proposing three focus areas:

- a government commitment
- building capacity
- making it easier.

Are there any other areas that should be included?

3. Do you have any feedback on the example actions identified and their priority in each of the three focus areas?

4. What are the biggest challenges Queensland small businesses face in accessing government procurement opportunities?

- insufficient knowledge and skills
- scale and complexity of government contracts
- complex tender specifications and pre-qualifications
- payment terms
- other – please provide details below.

5. Can you provide one key suggestion to address these challenges?

6. Are you aware of any procurement policies or approaches that have worked well elsewhere? If yes, please provide examples.

7. What are the blockages that stop you from accessing government procurement opportunities?

8. In terms of Queensland Government procurement, what is currently working well and should be continued or expanded?

9. Do you have any other ideas that would assist small businesses to access government procurement opportunities?

Get Involved from 1 June to 31 July 2018 at
www.getinvolved.qld.gov.au

OR

forward a submission to feedback-desbt@qld.gov.au
before 31 July 2018.