

**NOTICE OF MOTION****SUBMITTED BY COUNCILLOR: CR TIM DWYER****COUNCIL MEETING: Ordinary Meeting 17 August 2017**

I hereby notify of my intention to move the following motion at the Ordinary Meeting to take place on Thursday, 17 August 2017:

That Council authorise the Chief Executive Officer to submit to the Local Government Association of Queensland the following motion for inclusion in its 2017 Annual Conference agenda –

*'That the Local Government Association of Queensland lobby the Queensland Government to undertake an immediate review of the legislative and regulatory framework for local government procurement so that it is more agile and adaptive to a constantly evolving digital environment, more responsive to innovative proposals and products and can be better utilised by Councils to support start-ups and entrepreneurialism in their regions'.*

.....  
Councillor



.....  
Date

10.8.17.

**To all Councillors and Directors**

I hereby notify that Councillor Tim Dwyer intends to move the motion as shown above at the Ordinary Meeting to be held on Thursday, 17 August 2017.

.....  
Chief Executive Officer



.....  
Date

10/8/2017

## COUNCILLOR COMMENT

On 29 July 2017, the Queensland Premier announced a new Queensland Procurement Policy – “*Buy Queensland*” – which takes effect from 1 September 2017. The new Policy applies to budget sector agencies, government-owned corporations, statutory bodies and special purpose vehicles. It does not extend to local governments.

The new Queensland Procurement Policy aims to:

- Focus on the economic benefit to Queensland – by applying a local benefits test for all significant procurement;
- Maximise Queensland suppliers’ opportunity to participate – by ensuring that for each procurement opportunity, at least one regional and one Queensland supplier, where possible, is invited to submit a quote or tender;
- Support regional and remote economies – by allowing agencies to procure outside of whole-of-government supply arrangements for regional and remote locations; and
- Stimulate the ICT sector and drive innovation – by doubling the ICT pre-qualification exemption to \$1million.

For local governments, the policy and legislative framework for procurement activities is contained in the *Local Government Act 2009* and the *Local Government Regulation 2012*. Elements of this framework have been in place for many years.

The reality is that the current framework for local governments:

- affords little scope for agile procurement responses to new and emerging issues;
- constrains flexibility on how alternative proposals may be sourced and considered in a complex and rapidly evolving digital environment; and
- limits the ability of Councils to utilise its procurement activities as an economic development tool to foster the development and growth of entrepreneurialism, start-ups and innovation.

Both the Federal Government (through its National Innovation and Science Agenda) and the Queensland Government (through Advance Queensland) have championed innovation as a tool to strengthen and grow the economy. The new Queensland Procurement Policy takes the government’s significant annual procurement expenditure and seeks to leverage this as a core economic development, innovation and business support tool.

Local governments are however, constrained by a legislative and regulatory procurement framework that:

- potentially inhibits their ability to source customised, fit for purpose solutions to new and existing issues and challenges and
- effectively prevents utilising one of their largest annual investment tools as a means to stimulate and grow their local innovation ecosystems.

We are all aware of instances where our own Council (and indeed others), have been unable to accept or evaluate non-conforming tenders and submissions because they are not compliant with our procurement specifications. However, in a rapidly evolving digital environment, the market is often better placed to advise on better tailored and more appropriate solutions that Councils may not have contemplated when initially calling for tenders and quotations.

Similarly, there is clear evidence that start-ups and entrepreneurialism is more likely to flourish where the business or entrepreneur is afforded the opportunity to demonstrate what they can produce and how they can solve a problem – rather than simply be given a grant. The local government procurement framework limits however, the flexibility that Councils can potentially adopt to meaningfully engage with, and support, their innovation ecosystems through their procurement activity.

The Queensland Government has seen fit to adjust its own Procurement Policy to afford Government agencies much greater flexibility in a more dynamic environment.

It is only appropriate that it now be tasked with reviewing the legislative and regulatory procurement framework for local governments so that Councils can similarly leverage the benefits for their communities through a more agile, contemporary and responsive procurement system.

