



# Queensland Charter for Local Content

Local Industry Policy: Opening opportunities for industry

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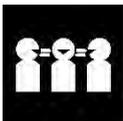


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# Introduction

The Queensland Charter for Local Content (the charter) is the local industry policy under the *Queensland Industry Participation Policy Act 2011* (the QIPP Act). The QIPP Act requires the development and implementation of a local industry participation policy including reporting to Parliament on the policy's implementation and government agencies', and Government Owned Corporations (GOCs), compliance with it.

The charter provides a framework for encouraging government agencies 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 does not mandate that government agencies use local suppliers. Rather, the charter provides a mechanism for government agencies to effectively and efficiently consider a wide range of potential suppliers when making decisions relating to major procurements.

## Objectives

The primary objective of the charter is to maximise local content through greater participation of capable local industry in major government procurement activities.

The broad objectives of this charter, as outlined in section 7 of the QIPP Act, are:

- maximising employment and business growth in Queensland by expanding market opportunities for local industry
- providing agencies and GOCs with access to a wide range of capable local industry in Queensland that can deliver value for money
- supporting regional and rural development in Queensland
- developing local industry's long-term international competitiveness, and flexibility in responding to changing global markets, by giving local industry a fair opportunity to compete against foreign suppliers of goods and services
- promoting local industry's involvement in value-adding activities in Queensland
- driving technology transfer, research and development innovation and improved productivity for local industry in Queensland, to enhance value for money.

## Projects subject to the charter

The charter applies to Queensland Government agencies, GOCs and rail government entities, as identified in Section 11 of the QIPP Act. The charter is applied to certain project categories and thresholds. The current categories, thresholds and exclusions are detailed in *Queensland Charter for Local Content: Best Practice Guidelines for Agencies*.

The QIPP Act and the charter define local industry as suppliers of goods produced, or services provided, wholly or partly in Australia or New Zealand.

# Principles

The following principles underpin this charter:

## 1. Full, fair and reasonable opportunity

Local industries should have full, fair and reasonable access to opportunities to participate in the tender process of major procurements undertaken or funded, whether wholly or partially, by the State. For the purposes of this charter:

- 'Full' means that 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' means that 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' means that 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.

## 2. Value for money

As per section 8(a) of the QIPP Act, government agencies are encouraged to apply the principle of achieving value for money in government procurement which considers more than price alone. A value for money consideration assesses cost and non-cost factors as well as the overall aims of government, the procurement, the category and the outcomes being sought. This is consistent with 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

As per section 8(b) of the QIPP Act, government agencies are encouraged to build transparency into their local content policies, processes and criteria to ensure probity and accountability for procurement outcomes.

## 5. Compliance with international obligations

Government agencies are to comply with Australia's international obligations, including those under free trade agreements. The [Australian Department of Foreign Affairs and Trade](#) provide information on the agreements and their status.

# Benefits

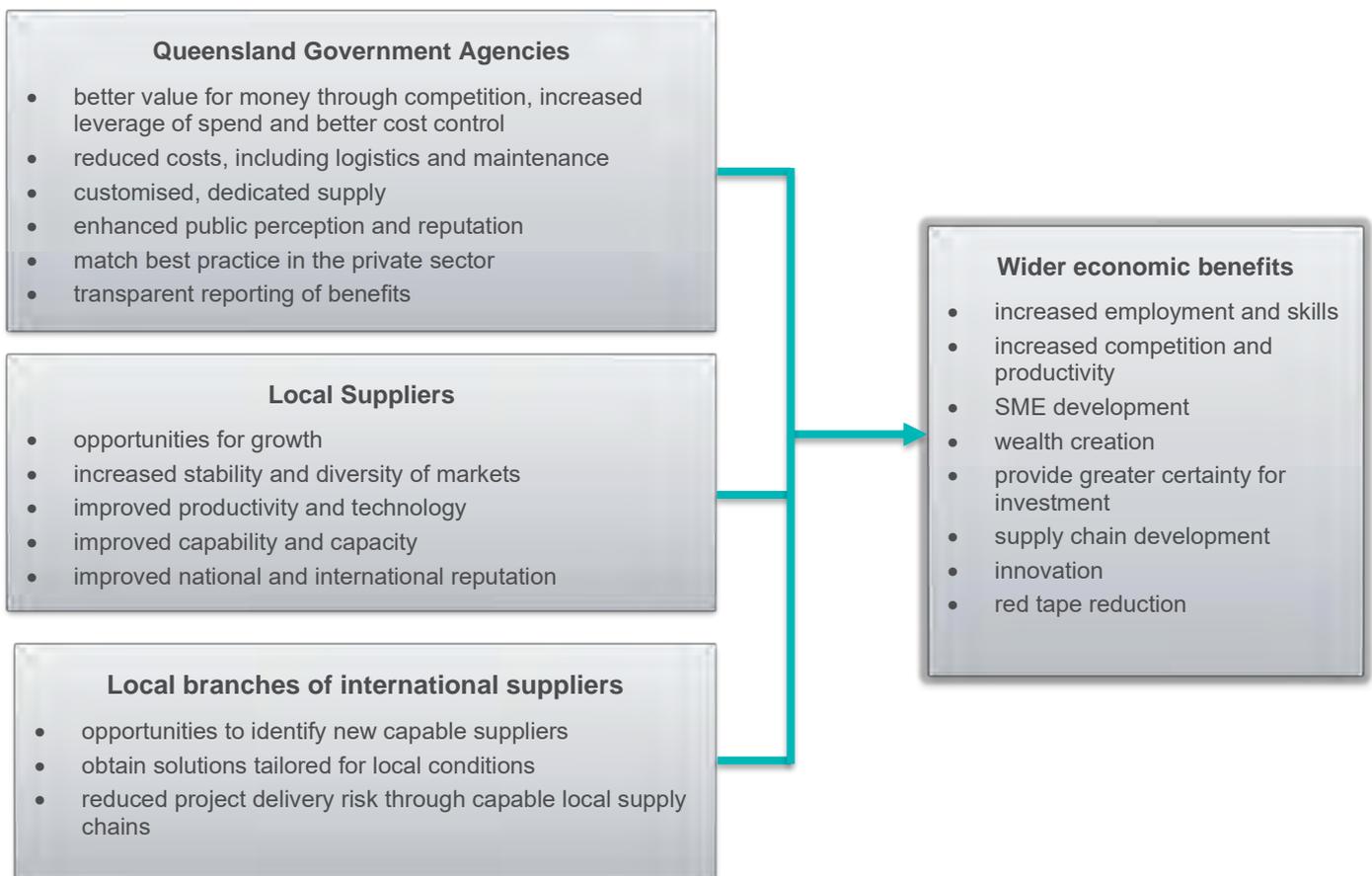
This charter supports agencies embedding local content principles within their procurement practices and procedures. The benefits of this, summarised in Figure 1, include:

- 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
- 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.

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

## Figure 1: Summary of benefits



# 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 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 Agencies
- Tenderers and Grant Applicant Guidelines to the Statement of Intent
- Procurement Notification template
- Templates for Statement of Intent
- Information sheets on specific topics.

These documents and the charter are available here: [www.statedevelopment.qld.gov.au/charter](http://www.statedevelopment.qld.gov.au/charter)

## Relationship to Queensland Procurement Policy

The charter complements the Queensland Procurement Policy, 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.

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