



Queensland Charter for Local Content

Tenderers and Grant Applicants' Guidelines to the Statement of Intent - June 2021

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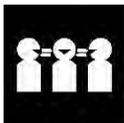


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1.0 Introduction

1.1 The Charter

The Queensland Charter for Local Content (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 is the local industry policy under the *Queensland Industry Participation Policy Act 2011*. Under the Act, Section 11 'Agencies, GOCs (Government Owned Corporations) and rail government entities to comply with local industry policy'.

The charter has the core objective of maximising local content through greater participation of capable local industry in major government procurement activities. In addition, 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 the engagement of local content
- adopting an efficient and effective tracking and review process for local content outcomes.

The charter does not mandate that government agencies must use local suppliers; rather it is about providing a mechanism for government agencies to be able to effectively and efficiently give consideration to a wide range of potential suppliers when making procurement decisions.

The charter supports government agencies embedding local content principles within their procurement practices and procedures. The benefits include:

- supporting the Queensland Government's objective of value for money in major procurements 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.

1.2 The Guidelines

These guidelines aim to assist tenderers and grant applicants to complete a Statement of Intent (SOI) and address the principles of the Queensland Charter for Local Content. The SOI will assist government agencies to consider how tenderers and grant applicants will support local industry involvement in major procurement. These guidelines should be read in association with the charter.

The Department of State Development, Infrastructure, Local Government and Planning (the department) is responsible for administrative oversight of the charter, provides advisory services for proponents and facilitates industry development support to assist suppliers to improve their capability and capacity to effectively tender for government projects, where the market does not otherwise provide these services.

1.3 Assistance

The department is available to assist tenderers and grant applicants with any questions they may have regarding:

- the Queensland Charter for Local Content
- the development of a Statement of Intent
- the support programs which may assist in meeting the objectives of this charter
- how tenderers intend to provide local industry with full, fair and reasonable opportunity.

Copies of the charter and supporting documents and templates are available at www.statedevelopment.qld.gov.au/charter

Phone: (07) 3452 7259

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2.0 Purpose of the Statement of Intent

The charter has adopted five principles to promote industry capability and maximise local industry participation in eligible Queensland Government procurement and grants.

In the case of projects of strategic significance, the agency may ask prospective tenderers to complete a Statement of Intent (SOI). The purpose of an SOI is to assist government agencies to evaluate how local content opportunities will be identified and addressed by tenderers or grant applicants, in line with the principles of the charter.

The SOI also allows government agencies to capture the commitments of tenderers in a form which may be used as the basis for the contractual obligations of the successful tenderer.

3.0 Addressing the principles in the Statement of Intent

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

Principle 1 Full, fair and reasonable opportunity

Tenderers and grant applicants are encouraged to maximise local industry participation in major procurement opportunities by providing local industry with full, fair and reasonable opportunity to tender.

The principle of full, fair and reasonable opportunity can be achieved by:

- considering the entire project e.g. design, completion and ongoing maintenance
- ensuring at the tender preparation stage that tenders are packaged in a manner that optimises local industry opportunities while enhancing project competitiveness and value for money
- undertaking a supply market analysis to identify potential local suppliers
- using Australia and New Zealand (ANZ) standards and codes 'or equivalent' in the formulation of specifications, tenders and the letting of contracts, wherever it is practicable to do so
- providing early notice to the market of a planned upcoming major procurement
- encouraging contractors and sub-contractors to support and report against the charter principles
- using local content specialists to assist with supply chain services and supporting the use of these specialists by sub-contractors.

Principle 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.

Value for money is defined as giving consideration to more than price alone. It requires an assessment of cost and non-cost factors as well as the overall aims of government, the procurement, the category and the outcomes being sought.

To this end, tenderers and grant applicants are encouraged to consider the case for unbundling of projects to:

- achieve better value for money outcomes and competition in the market
- increase the number of eligible bids
- gain cost savings through accessing innovative, capable and competitive solutions.

In addition, tenderers and grant applicants should consider value for money on a whole-of-life basis including:

- technical quality
- proximity to project site
- ease of communication
- access to a technologically literate and skilled workforce
- after-delivery support and maintenance.

Principle 3 Regional and industry development

Tenderers and grant applicants are encouraged to work in partnership with regional communities to develop industry capability and capacity, and secure broader societal benefits, as appropriate.

To better enable regional industries to gain every opportunity to achieve maximum benefit from a major procurement opportunity, tenderers and grant applicants may consider:

- holding a public briefing which will provide timely information to regional business and industry on the services, material supplies and commercial support requirements of a major procurement during its various phases
- cooperating with the regional economic development bodies to facilitate the communication of the procurement and logistics requirements for goods, services, and commercial support between the project contractors and suppliers
- ensuring that procurement requirements are advertised in local media to provide timely and equitable access to supply opportunities
- giving consideration to local joint ventures who bid on tender packages
- encouraging contractors to maximise the use of local business as sub-contractors when contracts are awarded outside the region
- identifying opportunities for local industry innovation
- working with contractors and sub-contractors to identify all opportunities for local value-add.

The department's Regional Office network is available to support these activities. For information on the support available for the regional and industry development activities, contact the [regional office](#) in the location of the project.

Principle 4 Transparency of process

The Queensland Procurement Policy requires that all stages of the procurement decision making process from planning to award and contract management are defensible and documented. Accordingly, Queensland Government agencies have built transparency into their local content policies, processes and criteria to ensure clarity.

One way for tenderers and grant applicants to support transparency is through the provision of early visibility of project opportunities. This could include public briefings covering the following topics:

- the separate packages of goods and services that are proposed to go out to tender
- the requirements local suppliers must demonstrate when bidding for work
- opportunities to form local alliances in tendering for goods and services
- training opportunities for subcontractors on the preparation of bids
- additional support mechanisms available through government agencies and suppliers of specialist supply chain services.

Principle 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](#) provides information on the agreements and their status.

A free trade agreement (FTA) is an international treaty between two or more economies that reduces or eliminates certain barriers to trade in goods and services, as well as investment.

These agreements apply only to certain procurements and some have exclusions to international obligations, including those relating to small and medium-sized enterprises (SMEs).

4.0 Reviewing local content outcomes

Government agencies are responsible for demonstrating their delivery of the charter principles and the local participation outcomes of projects they deliver or sponsor.

An annual review of local content in government procurement will be undertaken by the department. The purpose of the review is to ensure that the charter achieves its objectives and provides baseline data on the level of local content in Queensland Government procurement.

To enable relevant data to be captured, local content reporting requirements are placed in contracts with terms stipulated by proponents. In addressing the SOI, tenderers should outline how they will ensure reporting requirements will be passed on to subcontractors.

5.0 Resources

The Queensland Charter for Local Content, guidelines and templates are available at:

www.statedevelopment.qld.gov.au/charter

Contact us:

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Abbreviations

Acronym	In full
ANZ	Australia and New Zealand
DSDILGP	Department of State Development, Infrastructure, Local Government and Planning
FTA	Free trade agreement
SME	Small and medium-sized enterprise
SOI	Statement of Intent
The charter	The Queensland Charter for Local Content

Glossary

Term	Description
Government agency	Government agencies including departments, GOCs, statutory authorities and special purpose vehicles.
Full, fair and reasonable opportunity	<p>The provision of equitable opportunity for capable local industry to participate in the procurement activity by ensuring:</p> <ul style="list-style-type: none"> • Full: Local industry has the same opportunity as other potential suppliers to participate in all aspects of a project from design through to completion, in all supply 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. <p>This definition is consistent with the Australian Industry Participation National Framework.</p>
Goods and services	Includes goods alone, services alone, or goods and services conjointly and includes construction and related services.
Local content	Comprises components, materials and services that are procured from a local source for a given project.
Local industries	Defined as Australian or New Zealand small and medium sized enterprises (SMEs).
Procurement	Procurement is the entire process by which all classes of resources (human, material, facilities and services) are obtained. This can include the functions of planning, design, standards determination, specification writing, selection of suppliers, financing, contract administration, disposals and other related functions.

Project	A project is a temporary activity designed to produce a unique product, service or result. A project is temporary in that it has a defined beginning and end in time and defined scope and resources. A project is unique in that it is not a routine operation, but a specific set of operations designed to accomplish a singular goal.
Project proponent	<ul style="list-style-type: none"> • The government agency responsible for funding and delivery of a project, including through a grant. • The private sector business entity that enters into a formal undertaking with the Queensland Government for a grant for an eligible project. • The entity that enters into a formal undertaking with the Queensland Government for a significant Queensland Government contribution for an eligible project.
Small and medium-sized enterprise (SME)	An Australian or New Zealand firm with fewer than 200 full time equivalent employees.
Statement of Intent (SOI)	A statement of how the tenderer or grant applicant intends to encourage local industry involvement in the project. Each statement should detail the level of local industry participation expected in projects and the benefits that would flow to Queensland in industry development, technology transfer, job creation and skills development.
Suppliers	Those members of the supply/value chain that provide goods and/or services to a procurement.
Supply market assessment	A technique used to identify market characteristics for specific goods or services. It provides information that is critical to developing effective procurement strategies, in the context of planning for significant procurement.
Tenderer	Anyone making a formal offer in response to a tender to supply specified goods or services at a stated rate.
Value-added	Refers to the substantial transformation of goods.
Value for money	<p>Is as defined in the Queensland Procurement Policy and is not restricted to price alone. The policy requires that the following factors be considered when assessing value for money:</p> <ul style="list-style-type: none"> • overall objective of the procurement and outcome being sought • cost-related factors including up-front price, whole-of-life costs and transaction costs associated with acquisition, use, holding, maintenance and disposal • non-cost factors such as fitness for purpose, quality, delivery, service, support and sustainability impacts.



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