

Building Construction and Maintenance Category

Toowoomba Forum report

29 May 2018



Queensland
Government

Table of Contents

Table of Contents.....	2
Introduction.....	3
Summary of key themes	3
Overview from the speakers	4
Government and industry panel Q&A	4
Government speaker – Opening address	4
Industry speakers	4
Summary of interactive sessions	6
Group collaboration activity 1: Importance and urgency	6
Group collaboration activity 2: Always – Never continuum	8
Group collaboration activity 3: Forces for change	11
Conclusion	13
Recommendations.....	14
Contact	14
Appendix 1: Toowoomba BCM Forum program	15
Appendix 2: BCM Toowoomba Forum attendees	16
Appendix 3: Toowoomba Forum survey results.....	17
Appendix 4: Government Panel Discussion	26

Introduction

This report provides a summary of the Building Construction and Maintenance (BCM) Category Collaboration Forum (the Forum) held in Toowoomba on Tuesday 29 May 2018.

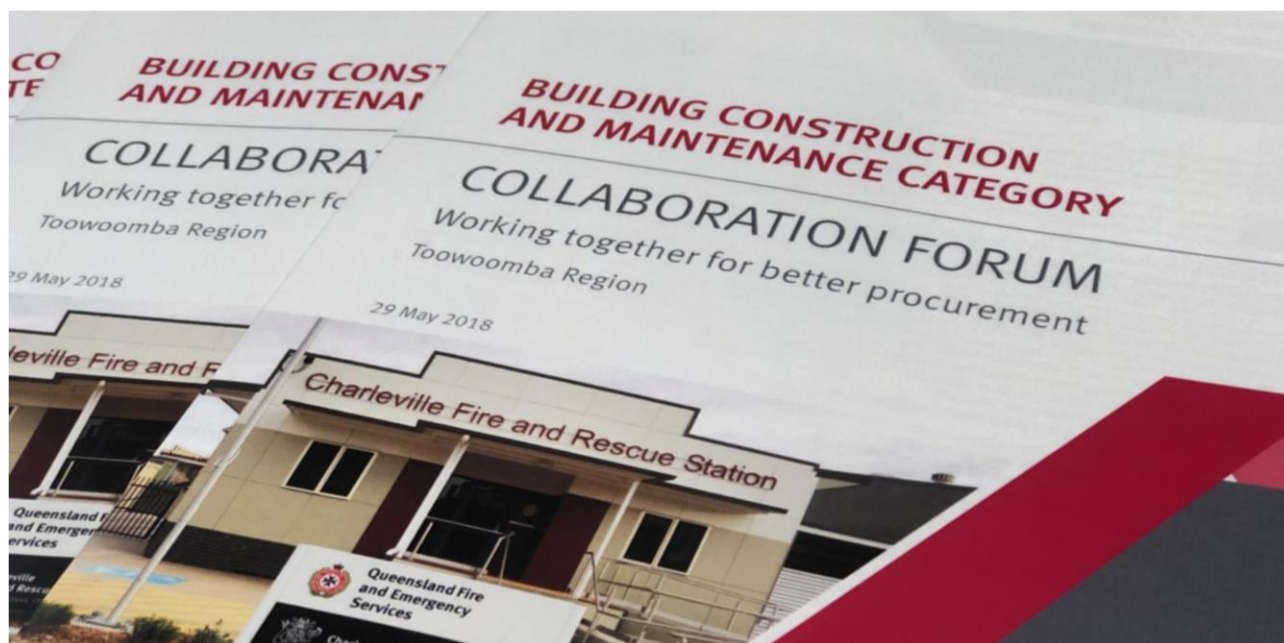
This was the third collaboration forum that continued to build on the success of the previous forums held in Brisbane and Townsville. The aim of these forums was to bring together different agencies to find improved ways of collaborating and solving common problems. To understand that better project outcomes can be achieved when we work with each other and industry.

The Toowoomba Forum was attended by approximately 45 participants representing 12 organisations, including state government agencies, government owned corporations and health and hospital services.

A combination of government and industry speakers supported the forum, and lead interactive collaboration sessions for participants.

Appendix 1 provides the full Toowoomba BCM Forum Program, and Appendix 2 provides a list of government agencies and organisations in attendance.

In addition to this report, a short summary of the event is also available on [video](#).



Summary of key themes

Several key themes and findings emerged during the forum. These included:

- A need to publish a forward procurement pipeline of projects across the state to assist contractors to plan their resources, especially in regional areas.
- Realising the importance of not only engaging with industry, but collaborating with other departments for better outcomes.
- Understanding the importance of differentiating between value and price, and communicating this to internal stakeholders.
- Reducing the 'boom' and 'bust' cycles that can occur with Government projects, which can be translated into real savings for the Government and provide a stable stream of work for its supplier base.
- Simplifying procurement through standard contract, and terms and conditions.

- Understanding local capacity and capability when aiming to commit to local jobs and industry.

Overview from the speakers

Government and industry panel Q&A

Panel members were:

- Mr Paul Hyde, Executive Director, Procurement and Assets, Public Safety Business Agency
- Mr Luke Terry, Managing Director, Vanguard Laundry Services (social enterprise)
- Ms Fiona Brewin-Brown, Senior Director, Capital Infrastructure Delivery, Department of Health.



The panel discussion centred around the question: *What does a collaborative Building Construction and Maintenance category model look like for Queensland Government?*

Appendix 3 includes a list of the questions and answers from the panel discussion.

Government speaker – Opening address

Mr Harry Venmans, Executive Director, Building Construction and Maintenance, Department of Housing and Public Works

Key messages/findings:

- Commended the work that Luke Terry has done for the Toowoomba community with Vanguard Laundry Services.
- Detailed opportunities taken up by Building and Asset Services and QFleet in engaging social enterprises.
- Reiterated commitment to investing in regional and remote businesses and developing local capability and their capacity through Buy Queensland.
- Collaboration through inter-departmental strategic planning.

Industry speakers

Mr Luke Terry, Managing Director, Vanguard Laundry Services

Key messages/findings:

- Social enterprises are already improving the lives of people around the world. Examples of these include Good Hotel, Juma Ventures and Vanguard Laundry Services.
- There are very few social enterprises that are available “off the shelf”.
- There are many ways that social enterprises can be incorporated into government projects. The key is to engage early and work closely with social enterprises to identify the need and build sustainable services.
- The benefits of social enterprises on the community.

- The difficulty in measuring the outcomes from the services that are provided.

Mr John Flynn, Conrad Gargett, Australian Institute of Architects

Key messages/findings:

- The strategic importance, benefits and risk reduction of engaging an architecture and design consultant early in the project process.
- Demonstration that value was more than mere price, and risks of engaging the 'cheapest' vendor.
- Feedback on the procurement processes e.g. the cost of tendering, pipeline of projects.
- Case study: Lady Cilento Children's Hospital — Brisbane.

Mr Brad Thompson, Project Director, CR2SM, representing Queensland Major Contractors Association.

Key messages/findings:

- Explanation that price is not the sole indicator of value.
- The requirements and pressures from industry during the procurement process.
- Information on how to provide favourable conditions to industry, including providing a visible pipeline of work, and making procurement efficient with consistent contract conditions and alternative contract models.
- The importance of collaboration, both inside and outside of government, and with industry.
- Case Study – Coal Seam Gas Industry

Mr Brent Fewkes, Industry Engagement Manager, Construction Skills Queensland

Key messages/findings:

- Presentation of the South East Queensland industry outlook.
- Data outlining the construction undertaken in Darling Downs - Toowoomba and forecasts for future activity in the region and across Queensland.
- Detailed construction labour supply and demand in the Darling Downs region.
- The importance of consistent work through the procurement pipeline to ensure stability and sustainability in the labour market.

The speaker slides are available upon request. If you would like a copy of these please send your request to BCMSecretariat@hpw.qld.gov.au

Summary of interactive sessions

Group collaboration activity 1: Importance and urgency

Three interactive collaboration sessions were conducted during the forum, providing an opportunity for attendees to offer structured feedback. The information in the activity summaries reflects the opinions of forum attendees that participated in the collaboration sessions.

The first session was conducted via an interactive poll. A poll web link was provided to participants to respond online. Multiple response options were able to be selected.

Leveraging the topics from the key note speakers and the government panel, two questions were posed with six response options. Attendees then had to identify how important and urgent each point was to their agency. Each participant responded individually in identifying importance and urgency.

The questions of the Direct Poll were:

1. Identify the most **important** points for your agency below.
2. Identify the most **urgent** points for your agency below.

The six response options for both questions were:

1. Have a common vision for BCM category in Queensland Government?
2. Have an embedded agency led, centrally enabled operating model?
3. Improve understanding of what value and price is?
4. Find an effective way to plan regionally across agencies?
5. Improve the way we package work to create local content and local jobs?
6. Improve practice to make tendering more efficient and use a standard application of contracts?



Results

Identify the most important points for your agency below:



66 votes - 33 participants

Identify the most urgent points for your agency below:



62 votes - 34 participants

Results summary

- Almost 73% of participants indicated that finding effective ways to plan regionally across agencies was important.
- Over 45% of participants indicated that improving the way BCM packages work to create local jobs and content was important to their agency.
- Almost 56% of participants indicated that finding effective ways to plan regionally across agencies was an urgent issue.
- Over 44% of participants indicated that improving practices to make tendering more efficient and using a standard application of contracts was also urgent to their agency.

It is clear that finding effective ways to plan regionally across agencies, and improving the way BCM packages work to create local jobs and content was both important and urgent. This was a similar response to the forums conducted in Brisbane and Townsville.

The results also show that tendering is a far more urgent issue for the Toowoomba audience than it was for Brisbane and Townsville.

Group collaboration activity 2: Always – Never continuum

The second session was also conducted via an interactive poll. Only one response option was able to be selected.

Attendees were asked to assess how often they undertook the following practices identified as important by the forum's first speakers:

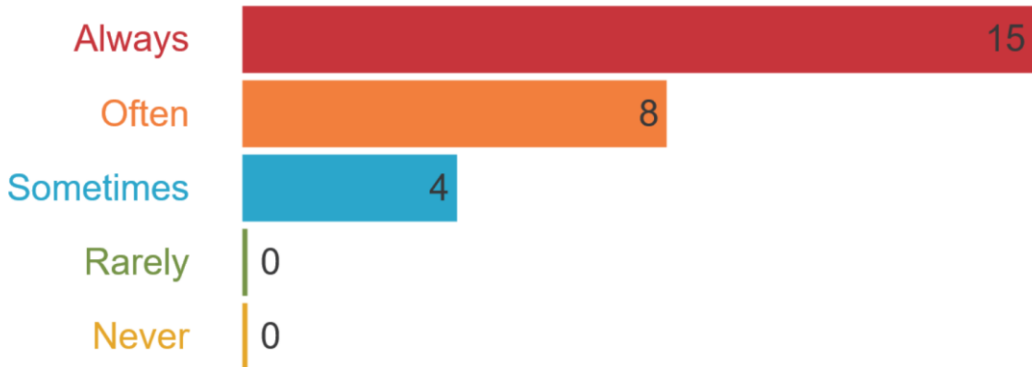
1. **Value:** Defining value and making a decision based on value.
2. **Planning:** Providing industry with forward notifications of upcoming projects and tenders.
3. **Local jobs:** Packaging work to match market capabilities.
4. **Collaboration:** Collaborating with others in and outside the agency to maximize the market's capacity and capability.
5. **Time to tender:** Considering how much is involved for suppliers when tendering for government.



This was an individual activity however, participants were able to discuss the questions with each other before responding. Below is the breakdown of responses.

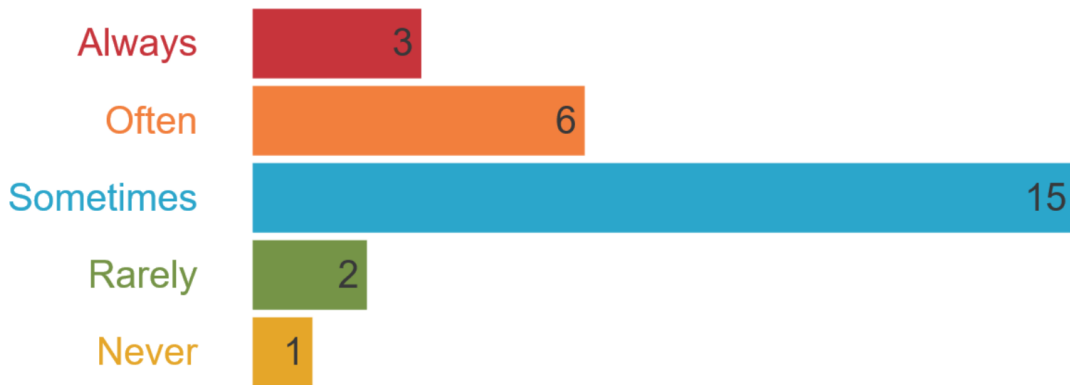
Results

Always - Never: How often does your division undertake... Value: Defining value and making a decision based on value.



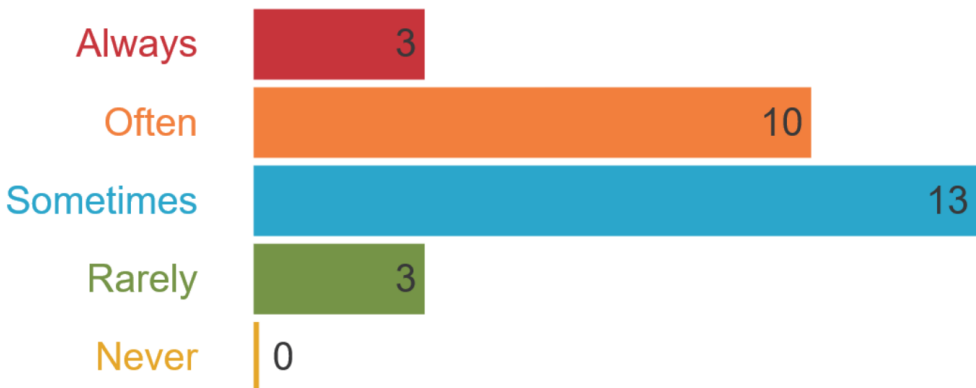
27 votes - 27 participants

Always - Never: How often does your division undertake... Planning: Providing industry with forward notifications of upcoming projects and tenders.



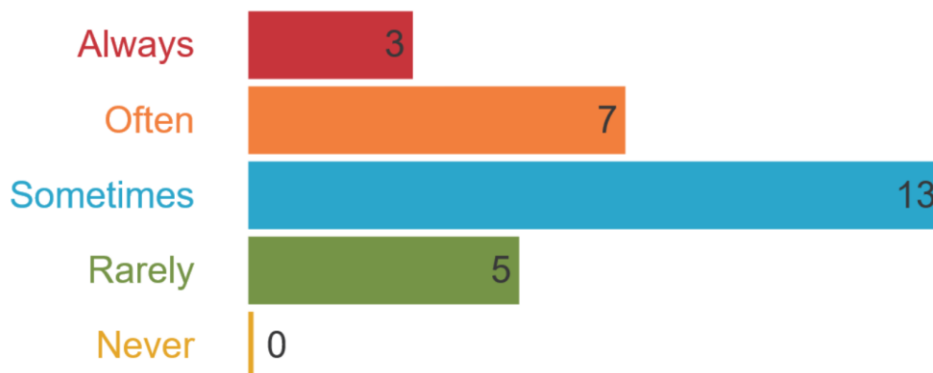
27 votes - 27 participants

Always - Never: How often does your division undertake... Local jobs: Packaging work to match market capabilities.



29 votes - 29 participants

Always - Never: How often does your division undertake... Collaboration: Collaborating with others in and outside the agency to maximize the market's capacity and capability.



28 votes - 28 participants

Always - Never: How often does your division undertake... Time to tender: Considering how much is involved for suppliers when tendering for government.



27 votes - 27 participants

Results summary

- Attendees mainly assessed the frequency of their practice of these themes (Value, Planning, Local jobs, Collaboration and Time to tender) between 'Sometimes' and 'Often'.
- 'Never' received relatively few votes overall.

These responses were slightly different to the responses from the Townsville and Brisbane Forums.

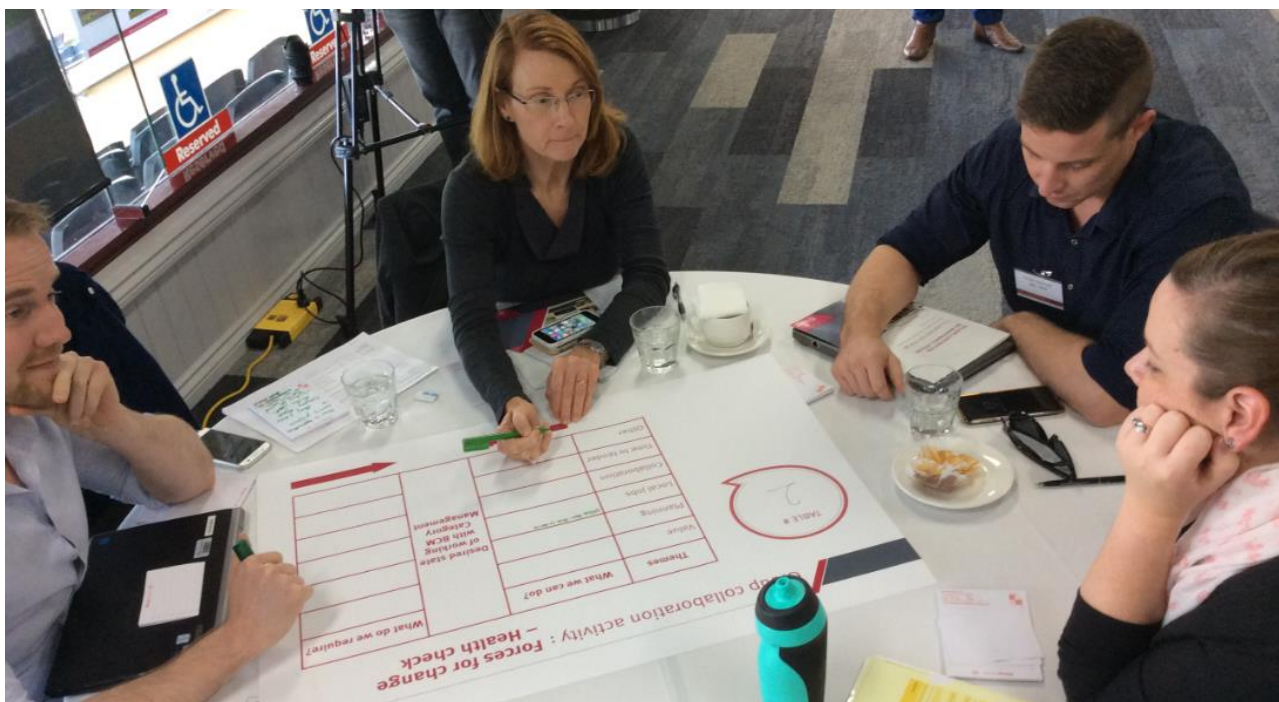
The difference from Townsville is that the Toowoomba audience is less likely (Sometimes) to package work to match market capabilities than Townsville (Always).

The difference from Brisbane is that votes were spread more widely across the response categories. The reason for this may be attributed to the different delivery of the activity. This was the first time that the information was collected via an interactive poll.

Group collaboration activity 3: Forces for change

Attendees were asked to identify activities of ‘What we can do’ and requirements of ‘What we require from others’ to deliver better procurement outcomes. These were broken down into the areas of:

- Value
- Planning
- Local jobs
- Collaboration
- Time to tender
- Other



Below is a brief overview of some of the key themes.

Themes	Internal action—What can we do	External action—What we require from others
Value	<ul style="list-style-type: none"> • Education around value for money (VFM) not just price. • Innovation. • Packaging – Local community employment opportunities. • Develop stronger / implemented central agency view of value. • Capital use of NPC, LIPP, TPAS, Charter for local content. 	<ul style="list-style-type: none"> • Greater understanding of need. • Guidance on inclusion of value for money (VFM) elements in tender documents (i.e. Innovation, Social Procurement). • Best of both worlds (whole-of-government arrangements and regional / local). • Agility in decision making process. • Better local and social outcomes that are measurable. • Community engagement. • Clear guidance from central agency regarding whole-of-government view of value. • Whole-of-government policy and tools so each department is measuring value the same way.

Themes	Internal action—What can we do	External action—What we require from others
Planning	<ul style="list-style-type: none"> • Evaluation aligned to outcomes. • Transparency. • Visibility of cross-agency work programs. • Collaboration between agencies. • Early engagement. Monitor the market now. • Broader stakeholder / local engagement and structured forms in planning. • Cross reference customer programs that BCM has visibility over. 	<ul style="list-style-type: none"> • Better planning across agencies. • SOAs having regional considerations and flexibility. • Systems in place. • Industry and category groups. • Sharing successful strategies and lessons learnt. • Visibility over customer's programs, maintenance and capital.
Local jobs	<ul style="list-style-type: none"> • Smaller work packages. • Focus on relationships. • Risk based assessments of opportunities. • Create a baseline / matrix on local jobs and measure. • Continuity, supply, pipeline, local procurement. • Utilise non-price criteria. Engage with industry early. • Price Quality Method in Capital Works Management Framework – metrics on non-price. • Adherence to Queensland Procurement Policy. Use of charter for local content. 	<ul style="list-style-type: none"> • Report at a high level on local inclusion. • Sustainable programs of work as a result of better tender processes / documents. • Develop suggested metrics for non-price. • Whole-of-government “buy in” regarding QPP and the charter for local content.
Collaboration	<ul style="list-style-type: none"> • Collaborating on contract standardisation. • Collaborating on forward schedules. • Regional infrastructure forums. • Let industry know what is on the horizon. Work Together. • Collaborative interagency strategic planning. • Involve customers in planning where cross over exists. 	<ul style="list-style-type: none"> • Permission to share. • More opportunities for awareness of other agency's work. • Work together – All agencies. Better systems in place. • Facilitate interagency meetings including operational focus. • Cross department forums. • Education and training.
Time to tender	<ul style="list-style-type: none"> • Better planning and collaboration. • Acknowledging supplier cost to tender. • Sufficient time of tendering in program. • Multi tender conflict resource availability. • Early engagement. Understand political agenda. • New contract engagement mechanisms. • Consult / forewarn industry prior to tender. 	<ul style="list-style-type: none"> • Visibility of cross government timing of tenders to market. • Competitive marketplace. Local capacity. • Engage contracts and industry and look elsewhere / other successful models. • Pipeline of work will assist industry gearing up for upcoming works.
Other	<ul style="list-style-type: none"> • Consistency of documentation and use of framework. • Lobby for whole-of-government approach to BCM. 	<ul style="list-style-type: none"> • BCM to resolve the issues. • Whole of government buy in and support.

Conclusion

The Toowoomba Forum confirmed that BCM plays a significant role in bringing agencies together and developing integrated procurement activities, especially in regional and remote areas.

The key forum themes identified to incorporate into BCM planning activities are:

- Initiatives for better planning, collaboration and understanding whole-of-government opportunities.
- Supporting the engagement and development of local suppliers early.
- Developing a forward procurement pipeline to co-ordinate a consistent supply of project work.

The high level of engagement in the group through the interactive and collaboration activities demonstrated that the forum was well received by participants. The key take-aways for participants were:

- a better understanding on how procurement can achieve greater amounts of local content and social outcomes for future projects by better planning and early engagement.
- value for money principles and the importance of non-price criteria.
- the benefits of a co-ordinated approach to regional planning.
- impacts on industry when tendering for government projects.



Recommendations

The series of forums held in Brisbane, Townsville and Toowoomba have proven to be a successful initiative of the Building Construction and Maintenance Category Strategy.

There has been a clear benefit to Queensland Government agencies and the Building Construction and Maintenance Category from conducting these forums.

This includes an increased awareness of the importance of collaboration and co-ordination of BCM activities across government. This awareness has led to a better understanding of the process efficiencies and value for money benefits achieved by taking a collaborative approach.

Another benefit was to assist in embedding a mature category management approach amongst Queensland Government agencies and fostering stronger relationships with industry. Increased maturity in category management can be facilitated with the 70:20:10 learning model for which these forums solidly represent the “Learning from developmental relationships” component.

It is recommended that these forums continue to be held to build on the work already undertaken, and further engage government agencies in collaboration and co-operation discussions.

Contact

For any questions on this report, please contact BCMSecretariat@hpw.qld.gov.au.

Appendix 1: Toowoomba BCM Forum program

11.45am – 12.15pm	Registration (tea and coffee available).
12.15pm – 12.20pm	MC Welcome to attendees and introduction.
12.20pm – 12.25pm	Opening Address. Harry Venmans Executive Director Building Construction and Maintenance, Department of Housing and Public Works. Setting the vision for the Queensland Procurement Strategy
12.25pm – 12.45pm	Industry speaker: <i>Social Enterprise in practice</i> Luke Terry, Managing Director, Vanguard Laundry Services.
12.45pm – 1.15pm	Government and Industry Panel. What does a collaborative BCM category model look like for Queensland Government? <ul style="list-style-type: none"> • <i>Mr Paul Hyde, Executive Director, Assets and Procurement, Public Safety Business Agency</i> • <i>Mr Luke Terry, Managing Director, Vanguard Laundry Services</i> • <i>Ms Fiona Brewin-Brown, Senior Director, Capital Infrastructure Delivery, Department of Health</i>
1.15pm – 1.25pm	Government and Industry Panel Q&As.
1.25pm – 1.30pm	Interactive collaboration activity 1: <ul style="list-style-type: none"> • <i>Importance and urgency matrix.</i>
1.30pm – 1.50pm	Industry speaker: <i>Creating and sustaining value from an industry perspective</i> John Flynn, Director, Conrad Gargett, Australian Institute of Architects.
1.50pm – 1.55pm	Results of Interactive Collaboration Activity 1
1.55pm – 2.15pm	Industry speaker: <i>Driving value through procurement.</i> Brad Thompson, Project Director, CR2SM, representing Queensland Major Contractors Association.
2.15pm – 2.35pm	Afternoon tea.
2.35pm – 2.40pm	Interactive collaboration activity 2: <ul style="list-style-type: none"> • <i>Always – Never continuum.</i>
2.40pm – 3.00pm	Industry speaker: <i>How government can build regional capability to deliver on Building Construction and Maintenance.</i> Brent Fewkes, Industry Engagement Manager, Construction Skills Qld
3.00pm – 3.05pm	Results of Interactive Collaboration Activity 2.
3.05pm – 3.30pm	Interactive Collaboration Activity 3: <ul style="list-style-type: none"> • <i>Forces for change – Health check</i>
3.30pm – 3.50pm	Wrap up and close.

Appendix 2: BCM Toowoomba Forum attendees

The Forum was attended by approximately 45 people, representing 12 organisations.

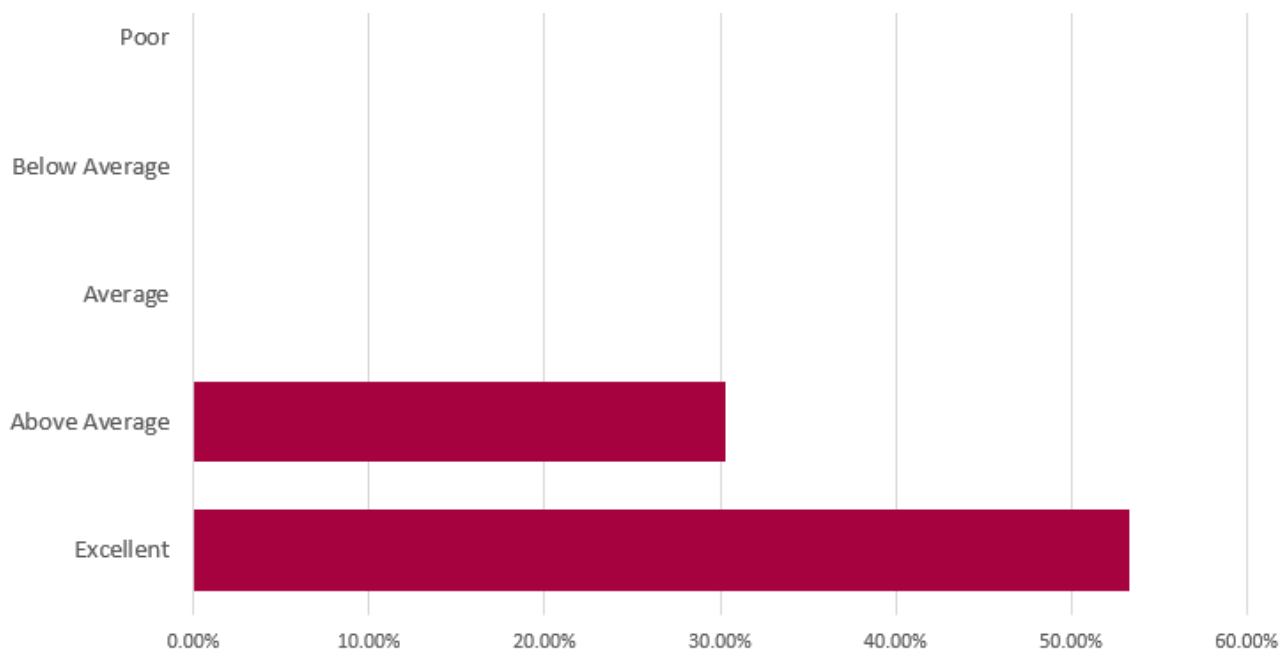
Type of organisation	Organisation representation
Queensland Government departments/agencies	<ul style="list-style-type: none"> • Department of Housing and Public Works • Department of Education • Department of Environment and Science • Queensland Health • Public Safety Business Agency • Department of State Development, Manufacturing, Infrastructure and Planning
Hospital and health services	<ul style="list-style-type: none"> • Darling Downs Hospital and Health Service
Government owned corporations	<ul style="list-style-type: none"> • SEQ Water
Private Sector	<ul style="list-style-type: none"> • Vanguard Laundry Services • Australian Institute of Architects • Construction Skills Queensland • Qld Major Contractors Association

Appendix 3: Toowoomba Forum survey results

A survey was sent out to the 45 attendees after the forum. Fifteen participants replied to the survey (33%) and a summary of their responses is below.

Question 1: Overall, how would you rate the forum?

Summary: All 15 respondents answered this question.



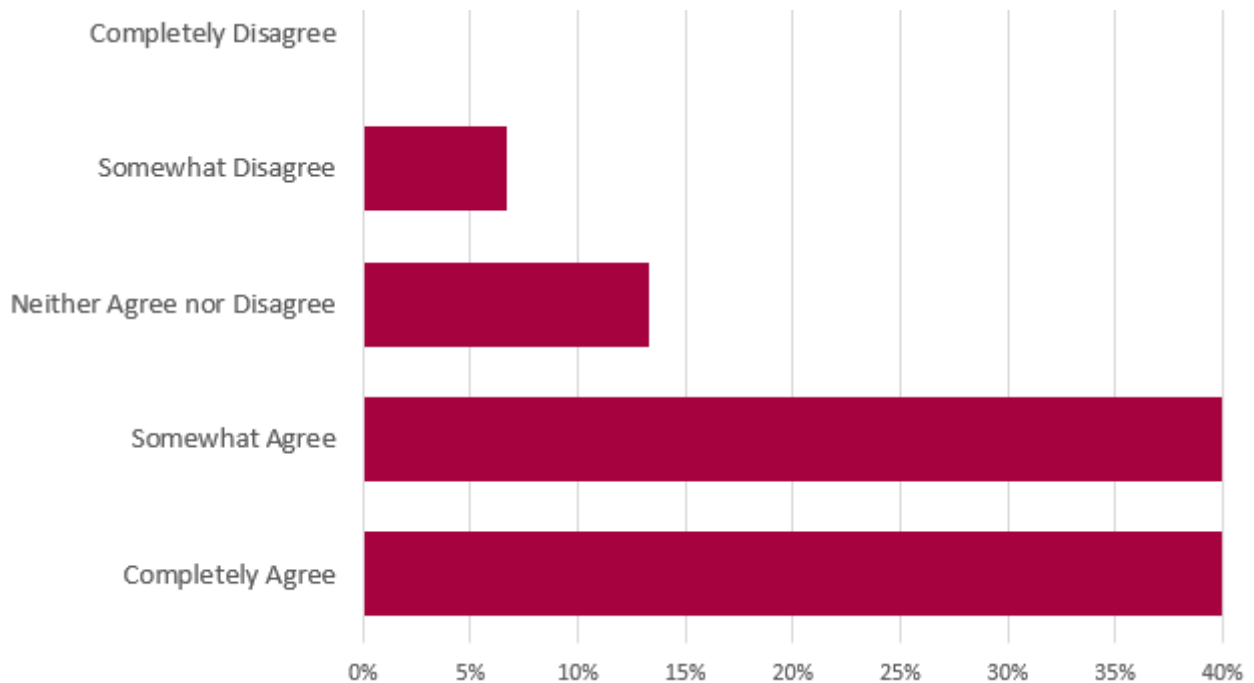
Results:

Response	Response rate	Responses
Excellent	53.33%	8
Above Average	30.30%	7
Average	0%	0
Below Average	0%	0
Poor	0%	0

Question 2: Please rate the following topics and consider the speakers, panel and table discussions in your response.

Summary: There were four topics within Question 2, and all 15 respondents provided a response.

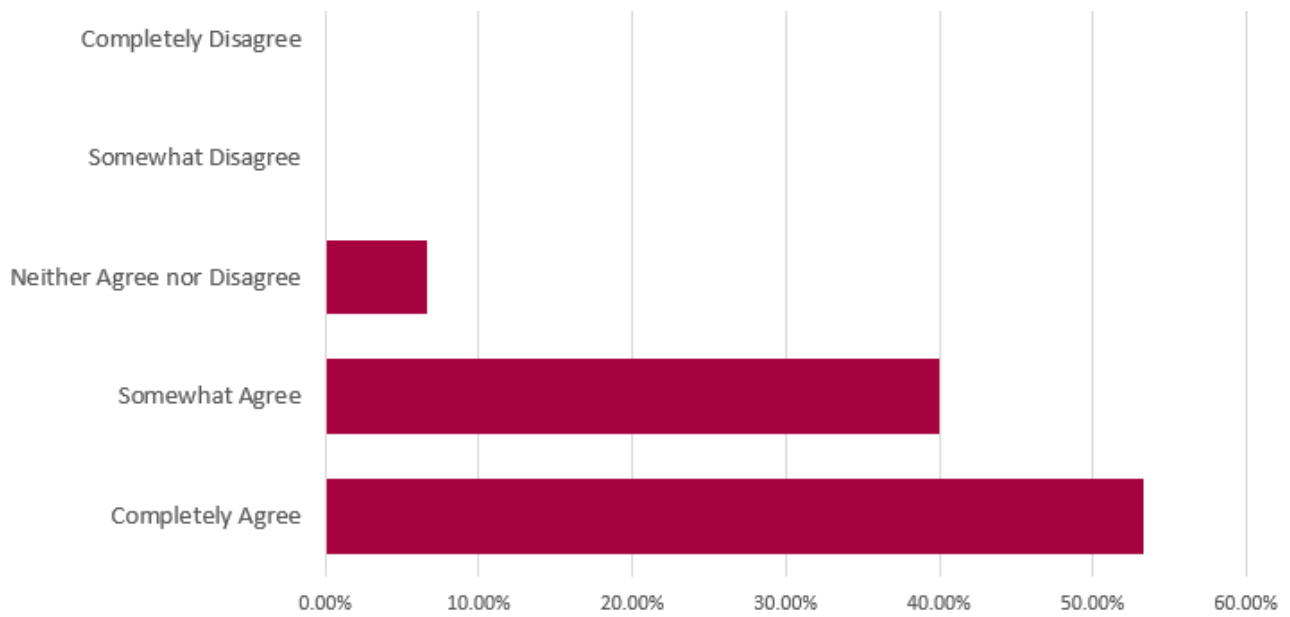
Topic 1: BCM Category Management strategy was clearly explained



Results:

Response	Response rate	Responses
Completely Disagree	0.00%	0
Somewhat Disagree	6.67%	1
Neither Agree nor Disagree	13.33%	2
Somewhat Agree	40.00%	6
Completely Agree	40.00%	6

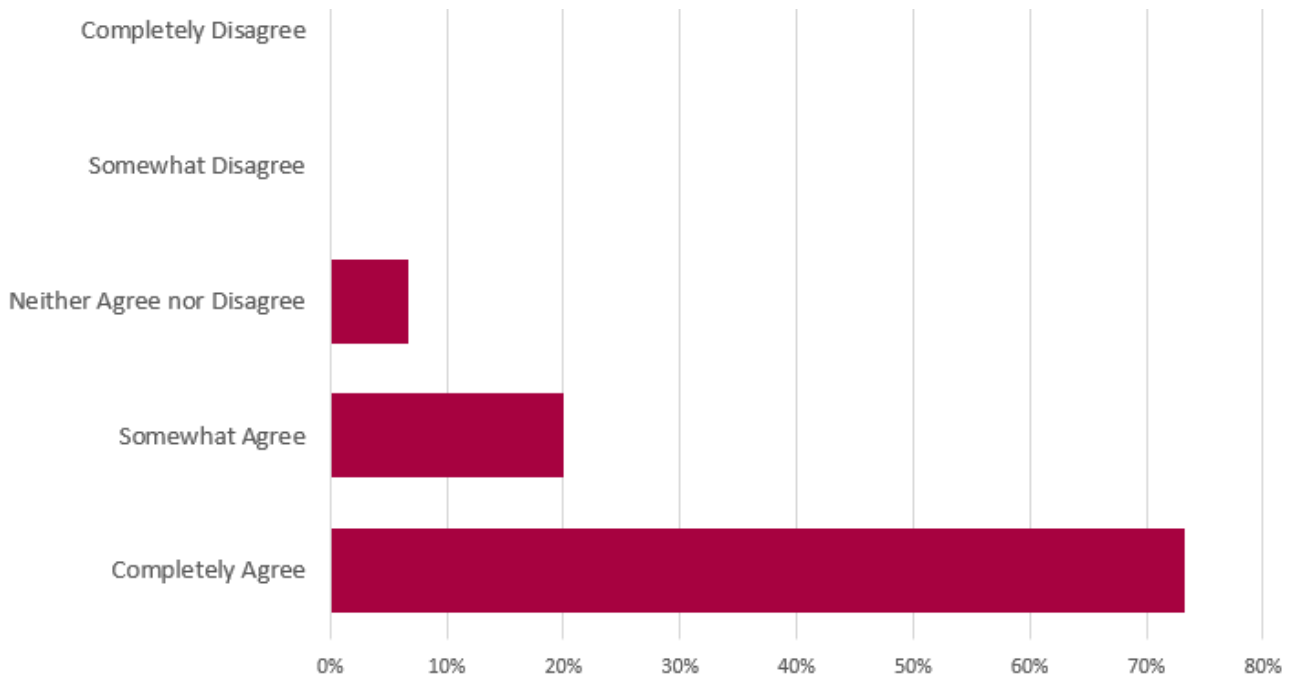
Topic 2: The forum fully engaged my attention



Results:

Response	Response rate	Responses
Completely Disagree	0.00%	0
Somewhat Disagree	0.00%	0
Neither Agree nor Disagree	6.67%	1
Somewhat Agree	40.00%	6
Completely Agree	53.33%	8

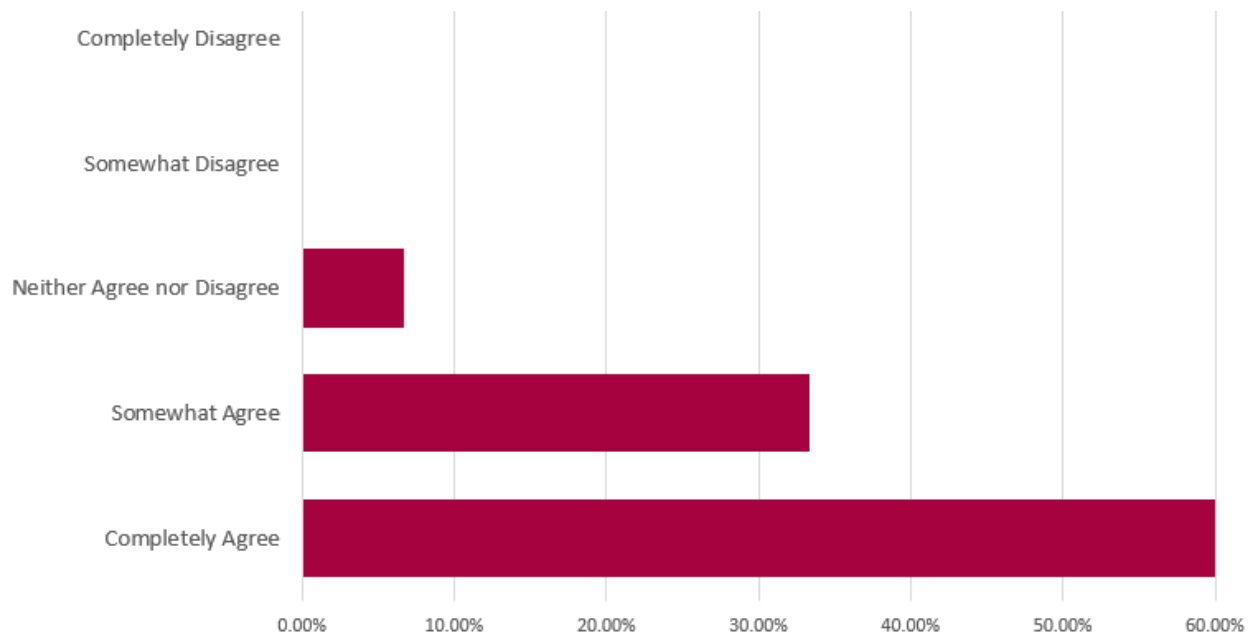
Topic 3: The forum provided useful networking and collaboration opportunities



Results:

Response	Response rate	Responses
Completely Disagree	0.00%	0
Somewhat Disagree	0.00%	0
Neither Agree nor Disagree	6.67%	1
Somewhat Agree	20.00%	3
Completely Agree	73.33%	11

Topic 4: The forum enabled me to learn something new that I can apply in my agency



Results

Response	Response rate	Responses
Completely Disagree	0.00%	0
Somewhat Disagree	0.00%	0
Neither Agree nor Disagree	6.67%	1
Somewhat Agree	33.33%	5
Completely Agree	60.00%	9

Question 3: What was your key take away from the forum?

Summary: 15 respondents answered this question. The response to this question was in a free text format, and some respondents listed multiple key take-aways.

Results:

Responses	Count
Collaboration	8
Importance of Sustainable Procurement	3
Forward pipeline of projects	2
Importance of better planning	1
Better understanding of the supply market	1
Regional planning	1
Mandate Whole-of-Government strategies	1

Comments: Collaboration was a key take-away from the forum, as well as social and sustainable procurement. The latter links to the presentation by Luke Terry from Vanguard Laundry Services.

Question 4: What did you like about the forum?

Summary: 15 respondents answered this question. The response to this question was in a free text format. Some respondents listed multiple features of the forum.

Results:

Responses	Count
Quality of forum speakers	7
Good forum size and format	3
Focus on Social procurement	3
Interactive activities	3
Collaboration	3
Panel Q&A	1
Pre-delivery meeting	1

Question 5: What do you think we could have done better?

Summary: 7 of the 15 respondents answered the question. The response to this question was in a free text format, with some respondents detailing multiple features of the Forum.

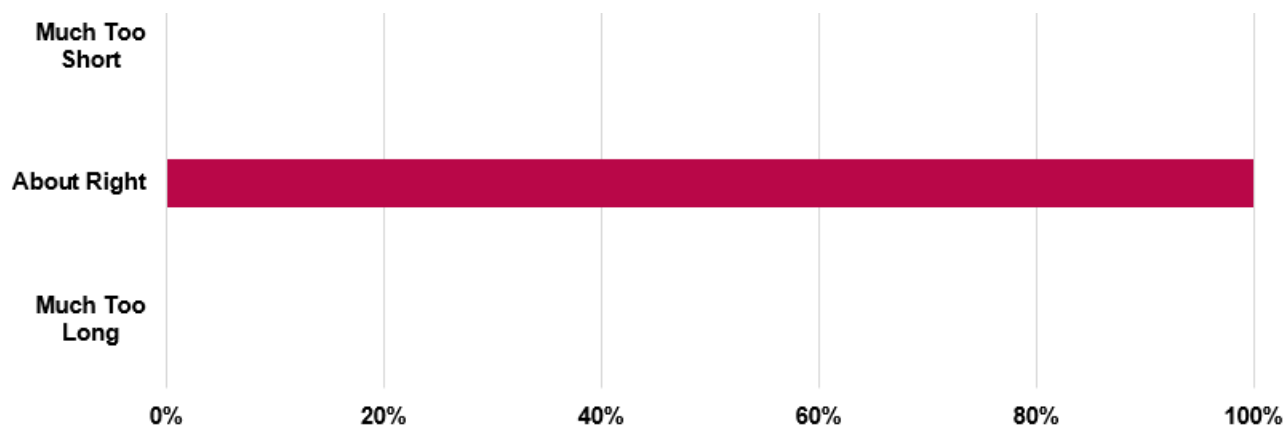
Results:

Responses	Count
Nothing	6
More agency representation	3
More activities and engagement	2
More networking opportunities	2
More time to cover the content	1

Comments: While most responses confirmed that there was nothing from the forum program that needed to be changed, there were a number of responses drawing attention to the collaboration activities and requesting more time and further clarification for some activities.

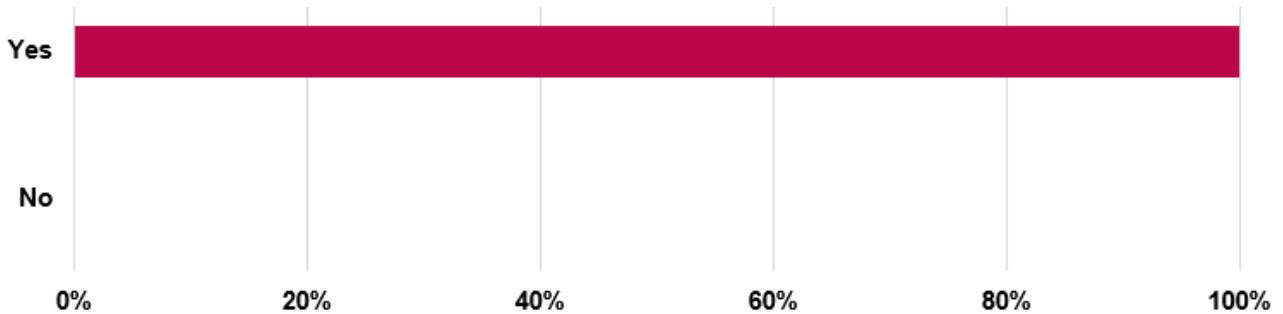
Question 6: Was the forum length too long, too short, or about right?

Summary: 5 of the 15 respondents answered this question.



Question 7: Would you recommend this forum to a colleague?

Summary: 15 respondents answered this question. Respondents were asked to answer 'Yes' or 'No'. This question can be used to represent the Net Promoter Score (NPS) for this event.



Results: 100% of all respondents advised that they would recommend this Forum to a colleague. NPS is 100%.

Question 8: What content (either covered or not covered at the forum) would you like to see at future forums??

Summary: 15 respondents answered this question. The response to this question was in a free text format.

Results:

Responses	Count
Social Procurement	3
Collaboration strategies	2
Greater industry involvement	1
Queensland Procurement Policy (QPP) and non-price criteria	1
Group discussion	1
See more tangible wins	1
Defining the Category - what is in scope?	1
Commercial negotiations with tier 1 contractors in major projects	1
Pipeline of work in Qld	1
Benefits of SOAs	1
Practical agency specific information and assistance	1

Panel discussion and guest speakers	1
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Question 9: What format would you like to see future BCM Collaboration forums take?

Summary: 15 respondents answered this question. The response to this question was in a free text format.

Results:

Responses	Count
Keep the current format	8
More collaboration between teams	2
More information prior on the content	1
More case studies	1
More industry involvement	1
Mixed format of speakers, workshop etc	1
Small group activity earlier in the event as an icebreaker	1

Question 10: Is there anything else you'd like to share about the forum?

Summary: 15 respondents answered this question. The response to this question was in a free text format.

Results:

Responses
Good to be held in regional location
Very informative and collegiate
Should be more of these
BCM Team are fabulous
Really enjoyed the live poll event
Looking forward to further opportunities to participate
Hours well spent. Glad it was filmed, will be encouraging people to watch it once available

Appendix 4: Government Panel Discussion

Topic: Working together for better procurement

Master of Ceremony: Richard Cassidy (Queensland Government Procurement)

Panel Members: Paul Hyde, Luke Terry and Fiona Brewin-Brown

- Richard (MC): All right, so the first question I wanted to start with today is really a question for all panel members to answer. Paul, I might start with you, if you don't mind. So in your own words, what is the value that you see from the collaborative approach that the BCM category is trying to establish.
- Paul: Thanks very much. Look, from my perspective, the biggest win we can get from the Category Council is to get some commonality across our planning. From where I sit in Brisbane, I've worked around the state: Roma, Mt. Isa, Thursday Island, and all in the Gulf. I just see, what we aren't getting is the joined up planning and a lot of that creates inefficiency in purchase and, quite frankly, it gives industry no confidence in us as government working well. So the BCM, from where I sit in the Category Council starts to make some effort in relation to pulling that together and that's the way I see it at this stage.
- Richard (MC): Excellent, thanks. Fiona, do you want to share your thoughts with us?
- Fiona: I suppose I would agree with the macro focus. I think there is also a micro focus when we look at community. So, from a Queensland Health perspective, we deliver lots of projects throughout the state and in small, rural, remote communities. And I think what I've seen is missed opportunities.
- So, we've got one department going to do work in that community, another department. We don't coordinate, we don't plan together, and therefore, we increase the impact on that community. We don't necessarily respond to that community's requirements. We're not as innovative as we could be, so there are opportunities for us to work together in delivering. I think we miss opportunities, and we probably don't maximize the innovation, and reduce impact on the community, and respond to their needs. So, that's the opportunity, I think, of the collaborative focus is to meet those things.
- Richard (MC): So, I think, some pretty powerful thoughts here around what we can actually achieve together if we do collaborate. We better plan and integrate our capital programs. We give industry a little bit more leave time. Luke you touched on it a little bit in your presentation today, but is there anything else you'd like to add from what we can achieve from a collaborative approach to how we manage our building construction and maintenance.
- Luke: I think the answer's been said. It's just about engaging the community, but it's hard. We're in busy jobs. We're pushed from all these different angles. We've got to be able to get top value for money spend and all this other stuff. And then we've got to do local content and social content on that. But if you can get the engagement and continue the conversation then that's where I've seen it work.
- Richard (MC): Again, that's a good segue Luke. I might leave you in the hot seat. And to the next question which is really about what the benefits are to government to engaging with the industry and social enterprises earlier and in a more coordinated way and also if you got some thoughts about what form or how early does that engagement need to be for it to really make a difference and to address the opportunity that Fiona and Paul have outlined for us.
- Luke: So, the first piece is around early engagement. I think the early engagement takes a period of time. The conversation with BAS locally we've had some great conversations with Simon and his team about how that looks but it needs to not just happen locally. The local teams need the support back in Brisbane as well wherever it is to know that they've got license to be able to do these innovative things cause what we're talking about in social procurement is a little bit different and the early engagement when I've seen it work in definitely in the southern states and definitely up here with things like a laundry is that it takes a period of time. We're

working on a big laundry project at the moment where we might have an anchor contract between two or three people including Collingwood Football Club. We've got 120 ton a week laundry, but we're starting that now and we don't expect to open for three years.

So, yes we're in meetings weekly and there's lots of exciting stuff to happen. If I look at this St. Vincent's story for here locally the CEO and the chairman comes out with these great ideas to build a laundry but it's got to go for a procurement process and that procurement process takes a period of time and I really fear meeting the procurement people at all those organizations, because I know the stuff you got to go through and it must be really hard when the CEO comes in and says we want to do that.

The second thing is about the impact it makes. When we started the laundry idea it was an ability enterprise and a whole bunch of other stuff. It was like, will this really work, can they pull it off, and now that we've shown that it has, we're able to measure all the impact. And I think with government it's really exciting, because if you can show the savings that a health project with social procurement can have on the actual local hospital and the savings that our project like a laundry or ability enterprises can have on local recidivism and you can show cross savings. But if those social enterprises don't measure that stuff, then we're not going to be able to give the sell to you, to say look if you go back to for health spend, if you can go back and say to the HHS chair. But actually if we can build it this way, then we can have savings in this area that's something we haven't really done before. So it's a different level of collaboration. Many of you have met Mark Daniels before from social traders. The dream we always talk about is where the road team and the community services team, get to share an office because there's so much impact between both.

Fiona: Can I add a comment there? I think one of the things that we probably need to do, is start in our planning phase to really start looking at what social benefit we are trying to drive through our projects. And ask that question of the teams that are planning the projects, and I don't see that rigorously included in our planning processes at the moment. I do reviews of the infrastructure in New South Wales, and it is a question in their planning at their different gate stages and even then it's interesting the different responses you get. So, I think it's an area where asking the questions is the first step in thinking about what does that mean and then putting the structure around how do we increase that sort of social engagement.

Richard (MC): I think it's a really good point. We were sharing in the car as we drove up here this morning about the increased complexity the government's asking us to do in our procurement activities. By not only looking for suppliers with capability and capacity and the inability to deal with the value but how do we support the social outcomes they want to do. How do we support the local benefits, the only way we'll do this successfully is by integrating it, engaging earlier in the planning cycle and having these collaborative conversations and think about that right from the project conception stage well in advance and teach our business case with procurement. That's a really good point and-

Fiona: Can I add another comment? I think one of the things that we do is we do a lot of pushing with information, and I think we actually need to go out to the communities that we're delivering facilities or services to and start pulling more from them. What is it that they're looking for? And I think we do that for the individual facility but not necessarily what does that mean in terms of the community impact aside.

Richard (MC): That's good. Do you have a slightly different angle now, Paul? I'm really keen to hear your thoughts about the benefits that the Queensland government for having introduced an agency where potentially centrally enabled procurement operating model. For one of the better terms, so agencies all of you are accountable for your own procurement supported centrally by my team and the policy and that kind of other whole system functions that we offer. They're really keen to understand from you what do you see the benefits from that approach are, but equally with that in mind how do we drive the collaboration that's needed to make that kind of category management approach successful.

Paul: The clear benefit is an informed program. We know across government and the sector, what the needs are in terms of the provisional services on the ground. But the big benefit I think is the community engagement, part of our portfolio includes the Queensland police service (QPS). They make it their business to integrate with the community, and one of the bigger

things we're trying to get the QPS to do and QFES, the fire-ies, is to help us, help them plan. So, a lot of their role is experts in their business, they don't really know what they need when it comes to an asset. But we lean on them quite heavily to help us understand what their needs are, but their needs are based around a community response. So, what the benefit we're starting to see from joined up agencies or leading an emergency services agency, is some clarity. Some real clarity around what's needed, what we can plan for what's needed, and how we can deliver it efficiently.

Richard (MC): Fiona did you want to add anything from a health perspective. Sorry I'm putting you on the spot here, but it is a nice segue from that point. Thinking about the structure of Queensland health, and the hospital and the health services. Is there a-

And drive a bit of planning in earlier engagement with that sector as well.

Fiona: I think there is, and there's probably some people here from the health and hospital or hospital and health services. Queensland now has 17 in reality delivery agencies, and planning agencies and that's all brought together in one space, but that really does provide a challenge in terms of engagement. It also provides some opportunities, because the health and hospital services are able to really link and build on the ground relationships with their communities.

Richard (MC): Paul back to you, you're current role involves leading the asset management approach and policy for PSBA and QFS and the other entities within your portfolio. I'm really keen to hear your thoughts about how we can work across the sector better to improve our maintenance outcome, so I think Harry touched on the introductory remarks today about the value of maintenance to this category. Do you have any thoughts-

Paul: I'm really interested in this one, this is something that's been probably a passion of mine working in remote areas. We tend to respond inefficiently to maintenance. I sat at an airport one day and I just could count the airplanes come in, with different government agencies on them responding individually to things. I think the big thing we can do in terms of maintenance, is get a decent government system in place. IT system that helps us plan as one, we're all individually planning where we record our assets all individually. So the money governments spends with separate systems is phenomenal, so my one message there would be that one system to allow us to plan together and have a good base of contractors, a good base of people who we can understand what they're capacity is, and a good ability to respond as one government. The sector must look at us and laugh at times. We're getting better but we've got a long way to go.

Richard (MC): I think we've got to find some of those enablers that'll help us to better and capitalize on the opportunities that I think we are all in agreeance, we can do this better. Systems are often talked about, there is one way to do that, but equally I think the process is the collaboration in the conversations that we can all drive in the meantime can also help us do what we want to do. I might jump over to Fiona. So value for money is a key driver for government. It remains principle number one in our Queensland Procurement Policy, we all know that government is now asking for this to be more than lowest price. So really keen to hear your thoughts. Fiona when you're planning on taking a procurement activity for large complex infrastructure projects, how do you assist value for money, and how do you determine the split between price and non price criteria?

Fiona: So, historically we've used the 70, 30 split and the 60, 40 split. I'm sure everyone is aware of those, and we've looked at the fairly standard non-price criteria. I think the challenge moving forward is should we be using more of a risk based approach, should we be looking at projects individually, and determining for that project what are those criteria and what through a risk mechanism drives to value. On big complex projects that I've been involved in, I think the things that you're starting to really see is that requirement for better stakeholder engagement and your non-price. Because you can have a company that says 'yes' they're going to build this and they're going to build that, and you can assist that appropriately, but it's that engagement through the build process that drive for extra benefit that becomes really important. And I think the other piece that we need to focus more on is what is the impact of the build on on-going maintenance of the asset. And I think the outcome and requirement for that for a rural versus, an urban facility is really different.

So, it's no use building some high technical asset service or facilities when in fact the buildings going to be in the middle of nowhere and you've only got two service providers that can come in and deliver that service. If we really want to support the local environment then we need to actually be building facilities that they can maintain, within the funding that they have but also within the environment that they work in. And I don't think we're probably assessing that as well as we could through non-price criteria. So, I think there's a challenge there for us, and particularly in Queensland where we've got such diversity in terms of the environments that we work in. We really need to be assessing projects relevant to the area that we are delivering.

- Richard (MC): Paul, did you want to add any comments there, you've obviously got a drastically diverse portfolio of fire and police stations and things all over the state. Thoughts on price versus non-price criteria?
- Paul: We have, yeah. Fiona made me have a bit of a laugh to myself there when talking about assets being put into the wrong areas where they haven't got the service infrastructure. We built a police station at Doomadgee and it had electric sliding doors, and this is Doomadgee, and a horse walked up and the doors opened and it went in and the doors closed. It proceeded to kick the daylight out of the reception, so that's where you start to get a lot of money spent on things that could be resolved in the design stage.
- Richard (MC): Thanks, and Luke thoughts from yourself on really what you touched on during your presentation and the value that social enterprises can have. Any thoughts from an industry perspective on how we should be considering and evaluating the social value where they can be achieved by either using social enterprises or thinking about social outcomes.
- Luke: I think where these things are successful is, we've got this project on the cause got to be made. Though we want some social enterprise involvement in this, it's a ten million dollar project or it's a billion dollar project, and who are we going to get around a table that can advise us on making this work. Because the reality is in Queensland although there is some good strong social enterprise that you can buy from at the moment, you're going to have to be really creative on that. So, I know that working here locally with Baz and Simon, we sat down at the beginning of some projects and we were able to look at getting Choice Passion Life, CPL in to do the grounds maintenance. That was a bit of early engagement that took place in that one, but it was the decision that Simon and Johnno and the team made at the time to be able to say we want to do this on the project. And so I think if the question is not being asked, you sort of accidentally make the decision.
- Luke: So, it's about whoever is in that team saying is there a way to engage social enterprise in this. Engaging social enterprise and getting social impact in your project is difficult, it's not going to be easy. You've got to work with a supplier that may not have had experience in that area. It's going to take a little bit longer, and you've got to make a few extra phone calls. That's not going to make it smooth sailing, but if we want to do it and we want to make a stronger community and a stronger impact it's definitely possible. And give us a call and there's a whole bunch of other people we can call and get them in the room and we can make it work for you.
- Richard (MC): That's great. Fiona I think we've touched on some of this already, but can you based on your experience with in a complex health infrastructure projects and put out some of your work in New South Wales. Other than the early engagement and thinking about that broader objective so that we can deliver through the procurement process. What are some of the other things that you think we need to be mindful of and consider when we are planning or procuring that complex infrastructure.
- Fiona: That's a long list, I really do think I go back to stakeholder engagement and being really clear in your planning. What the stakeholders mean, and I don't just mean the facility but those surrounding the facility those that interact with that facility. What is that facility going to leave in terms of the social footprint, so I think that's important in planning. In terms of engaging broadly I think another thing we need to think about, and this is more to the collaboration and the pipeline of projects is, what other projects are actually being undertaken at the same time, particularly with the big complex projects. One of the big things that happens is you get a run in terms of expertise with your trade, your trade contractors, with your consultants, with your

health staff, with your IT staff. And what you want to do is actually create a pipeline where that knowledge continues to flow across the pipeline of projects, and I think we see in a number of situations where we lose that pipeline and the project is full. You lose that experience across all industries and all areas, and then you've actually got to build that back up.

And that that's a really time consuming complex process, and then we end up with issues and project delivery. I think collaboration would help us across complex processes and complex projects.

Richard (MC): I think that's a really valid point. I think often we see the capability and capacity of the sector formed around a specific project for a period of time that's then either as a result of the ongoing maintenance contracts not being on a level against the continued sustainable value achieved from that knowledge and expertise from the sector that's lost. So Paul, any other thoughts, if during the planning stage of some of these projects if there is a capability and capacity in the local sector to support delivery of the project. Any thoughts on what we should be doing to try and foster building and maintaining that capability.

Paul: Look I'm not really sure how to answer that, what I do know is that when we finish a complex major project, we go straight into just reactionary mode, and then we draw on an unplanned event. Therefore, the industry has got a very poor ability to be able to respond in an efficient and effective way. We have panels of providers that are out there that we can employ to come and assist us with different parts of maintenance. But when you get into those remote areas this is where it starts to become very complex and difficult, we try to engage with the local councils and that's fantastic. But then you're hamstrung by budget, you've got to try and make your budget go a bit further. So, to answer that question I think it's just about trying to get the best from the local commodities first, and then trying to cross the state as to what you can get that supports local community but also has got an adequate response to the maintenance need. It's a tricky one, and I think we'll be forever trying to work that one out.

Richard (MC): That's good. Luke is there anything you'd like to add in relation to what you've seen from engaging social enterprises early in the process, but also tying into the previous conversation about how can we sustain local value through engaging a social enterprise in our projects.

Luke: I think the big difficulty is between social enterprise and what you've already got. You open up the modern phone book on the internet and you want a plumber, and there's a list of plumbers there. You want a social enterprise plumber or a social enterprise cleaner, and you've got to dig a bit deeper. You've got to call your local social enterprise chapter, you've got to make some different contacts in there, you got to call up a Frank Denand and see what's out there. If we want these social values if there's not a supplier, we could go and build a social enterprise. And there's a group of people that really want to make that difference, but it's a different conversation piece. And we're seeing more examples every year, but it's just a little bit harder.

So I haven't seen an opportunity where we haven't been able to wrap a social enterprise around it. But where it works is what we need those internal department ambassadors. Those people that I know ... and every time we do something like this we always get one more and I think every time I come back to one of these I always collect two or three more. But we need our ambassadors to say I want social impact in our projects, and it's individually people around the tables that are going yes we can do this. And then we need the people up top in Richard's team and the Harry's of the world to say what are you getting from these projects from a social perspective. So it needs to come from the top as well, but you need to be resourceful for that as well. So, it's tricky.

Richard (MC): Any other comments on that, Luke probably keen if you could put an industry hat on for us. And I know we are going to hear from a couple industry presenters later on this afternoon, but really add a few words what do you think government can learn from industry about how we should be improving or changing our procurement approach or our approach to tendering for building construction projects.

Luke: So when I work with a Westpac or a Spotless, or any of the other providers there. Especially in the southern states, they're learning that they need to get on board with how they procure stuff. So they're holding stakeholder days where they are engaging social enterprises and

talking about the different projects, and they're doing buyer meets with social traders, and they're getting people around the table, and they're consistently doing that. But it's the CEOs and the procurement leads that are saying how are we going to get that social impact?

Luke: So, I think we can learn a lot from the corporates around how they are doing this sort of stuff, and in New South Wales we're seeing lots of different things about how they're writing in the projects we want ten percent social buy. And I think that will slowly come in Queensland as well, but how do we get out in front and instead of everyone saying how do they do it in New South Wales and Victoria, or how do we lead in Queensland. And I think it's around saying we've got this big project, get some people in the room like QUT, Bluebox and say we want social impact out of this build how do we do it. And that's what the private sector is doing, Downer Edi, I had Laing O'Rourke come to me in Victoria for someone saying would you build a social enterprise. I'm like yeah sure, let's talk about that. So, corporates are doing this stuff, but I understand the work that you've got on.

Richard (MC): All right finally a question for all panel members, Paul, Fiona and Luke. Really keen just in a sentence or two, what do you think the building construction and maintenance category approach will look like in 2020 if we're successful.

Paul: 2020 is not far away really is it, I don't think we're going to have a massive change to where we are at the minute. If you ask me what it's going to look like in 2030, sorry Richard, I'd say that we will start to have that better integration socially with industry, we'll have better systems. The government would probably look a lot different, in terms of its procurement processes. But in 2020 I think we'll still look pretty much the same at this stage.

Fiona: We'll still have ups and downs in our cycle. If we work really well together collaboratively, then we'll remove some of that. But I think we're moving to a world where things are a lot more organic, so we are allowing things to grow from below. As well as trying to collaborate together from above. And I think that that's a real opportunity, and to learn lessons from each other. So if we really collaborate, that will really be the difference. And we'll have I think the end will deliver infrastructure and building that actually responds more and more to community need. And really drives value for the specific communities.

Luke: In 2020 we're going to see a lot more social content in our projects and we're going to see a lot more people around the table when we're building these projects. To say how we can get social value, and an in turn return around the social content which is really exciting. I mean I think for me I'd like to see the gradual stage approach, so where Victoria and New South Wales and even Western Australia got to some of this stuff. Let's do a gradual, over the next three years, let's try and get 10 million dollars of buy, and that's the only way that they can get the buy that they're getting now. So, if we could say by 2020 that we're going to do three more Vanguard style projects and we're going to look for those in our supply chain. Where we can create employment for say two hundred people and we want to bring the right stakeholders around for that, then it's easier to get another 30 million dollars because you've got the base and the procurement people around that have made that happen. So that's what I'd like to see.

Richard (MC): Good, I think there's some really great themes from collaboration, better systems, sharing data for procurement pipelines, early engagement with industries and the communities in which we are building these projects. So there's a number of really good points being made there, mindful of time.

This is now an opportunity for everyone to ask questions of either one or all of the panel members. So has anyone got any questions for any of the panel members?

Dave Cox: Richard my names Dave Cox, I work for Aspect Architects and Project Managers. And I used to be in the Department of Housing and Public Works (HPW) for a long time, and if I look at that question up on the board. One of the things that comes to mind is, if you're talking about collaboration is having all the government departments working and using the same principles and processes. And I guess in my time in HPW I don't think that was necessarily the case in being in the department now. It's even more obvious to me now, so I guess my question is to Fiona.

From your perspective, how do you get your department and the various groups within your department, working together using the same principles and having the same objectives to get these outcomes. Because I guess I would say my experience locally, is that the principles that we are talking about today are not being necessarily adopted by the local HHS. So what can your department do to work better together?

Fiona:

So I think you've called out a real challenge for health, which is that there is 16 HHSs and one department. And it is a challenge and it's something that's been in place since 2012, so there's a journey that everyone is going on. There's an increased focus obviously from a strategic perspective on aligning all the hospital and health services and the departments. So there's that increase focus strategically in terms of what are the things that we're trying to achieve, and that's being taken up by the branch. So that's at that high level and that looks at that sort of, how does the delivery link to the health outcomes that are required. And also how do we look at maybe consistency in terms of the way that we're delivering facilities or what are the opportunities say for example, staff accommodation.

Should there be a standard way that staff accommodation is delivered across the state, so there's more and more discussion in that space looking strategically at what we can do. The other thing that is being looked at in the state is policy. You can use policy and say everyone needs to do X,Y and Z. Then you actually need to go out and you actually need to audit that to ensure that it's implemented. So that's one approach you can use, or the other is to actually say how do we build capability and capacity across the state. And how do we support people and provide information that builds people's ability and experience in their links. And I think that's probably more of the focus that we're looking at, so how do we actually provide information and support for all of the HHS that are undertaking the work that we're doing.

How do we assist and build their capacity, and this is something the department is really looking at. How do we work together across all those different entities, because they're all separate statutory authorities or bodies. So how do we work together and actually build as a whole our capability. But I don't know it's a challenge for all of us, because if you look across Australia we're very disparate. If I'm a big builder, or a builder that works across a number of states the same issue arises. So I think the focus should be on building capability and capacity, and that and sharing and learning from each other and that way we will actually build our overall ability and engagement.

Richard (MC):

I think that's a really good point and looking at other jurisdictions experience and our experience over here in Queensland, with trialling and more centralized and standardized approach to procurement. So that when the 2012 and 2015 it certainly didn't deliver. So I think the question proposed to everyone is, and I ask everyone to keep in mind as we work through it this afternoon and when we get to the final activity, is to think about what degree of standardization that is required for category management to work and be successful. I think in a complex category like this with very different projects and very different locations, sometimes also influences on their ability to do it, certainly your feedback is very much ... I hear regularly from other industry groups and industry advisory groups, so it's something to just keep in mind about what is the three things to make it work successfully. So, other questions for the panel? A quiet group this afternoon, I've used all my backup ones so please don't let me down.

Fiona:

Can I add a comment, one of the things that I think and it probably links to the issue that Luke's talking about is the more that we can engage earlier in the planning process. So what we tend to do is plan projects, and then engage consultants and builders to assist us to build facilities. And I think the earlier in the planning that we can actually engage with industry broadly, not just in terms of delivering individual projects but looking strategically. I think there's a significant benefit in that, and that I think will also speak to the question you have David so ...

Dave Cox:

Yeah, and I agree I think it has been done well in small patches before across the state. It becomes popular and works for a little while and then drops off the radar. It's been just patchy, it has worked well in certain areas and regions and I think Housing and Public Works has done it well in the past, and it just needs I guess, there to continue the-

- Fiona: And I think that's a challenge particularly for Queensland, because we have so many different agencies involved in making the decisions about what frameworks you do and don't use in building. And how you must do this and what are the procurement processes, so I think we have some additional complexities that we work within.
- Dave Cox: Without a doubt, I think you talk to say the local HHS and say that they've got perhaps different priorities and different agendas that they've got to deliver on, and that perhaps is the reason why they do things a little bit differently. I mean I just think that it's important that the government is trying to work together across and make sure that same objective and agenda is in place.
- Fiona: And I agree, I think that what you're looking for is an outcome, and it's how you get to the outcome and that agenda and that's agreed rather than necessarily it always being the same process.
- Dave Cox: I mean you put all the rules and regulations in place, but if the intention is not there then people will find a way to do things a little bit differently.
- Richard (MC): And I think you've both touched on the pockets of success, and we've seen this work really well. And we've seen it work pretty well between certain agencies and certain areas, and I think you'll find if you look at why that wasn't because someone was forcing them to do something in a common way. It was probably there was one or more key people who were keen to collaborate and drive that approach, so that's generally I think an observation certainly having spent four years in health working across the HHSs and the department and now within public works and my whole government role. I think it relies and I think that's again a value of these forums, and the value of conversations and the collaboration that we can actually make this kind of happen. We can share objectives, we can engage with industry better in a more planned way. But it relies on individuals in departments being willing and driving. There was a meeting, a pre-delivery meeting being held in here before today's forum. Those sorts of conversations we can actually drive and everyone in the room can make happen. I think it's important to get it working, grow it in a small place, and then through the category approach we can try and expand it and build it on that success. Any final questions for the panel. Right there at the back table.
- Sylvia: My name's Sylvia and I was wondering, what experience, hopes, desires and aspirations have you got using recycled materials in this category.
- Richard (MC): Good question. Paul or Fiona do you want to touch on that question?
- Luke: That's awesome.
- Paul: Awesome, awesome, awesome. Awesome question, look I've had no experience with it to be brutally honest. I think it is something that we do need to introduce into our building methodologies. We're doing a market led proposal up at Maryborough at the moment for Queensland Fire and Emergency Services, and Timber will be the proponent. And they're using a certain timber that will be from a reused type process, very expensive but it's certainly something that we're going to give a go. But that would probably be the only thing I'd be familiar with at the moment, but certainly something we need to go to. Reusables and things like that.
- Luke: So how do you do that?
- Richard (MC): How did we do that? So look this is just from a category point of view as well. So obviously there is a principle and a target in the Queensland procurement policy about environmental impact and thinking about sustainable options.