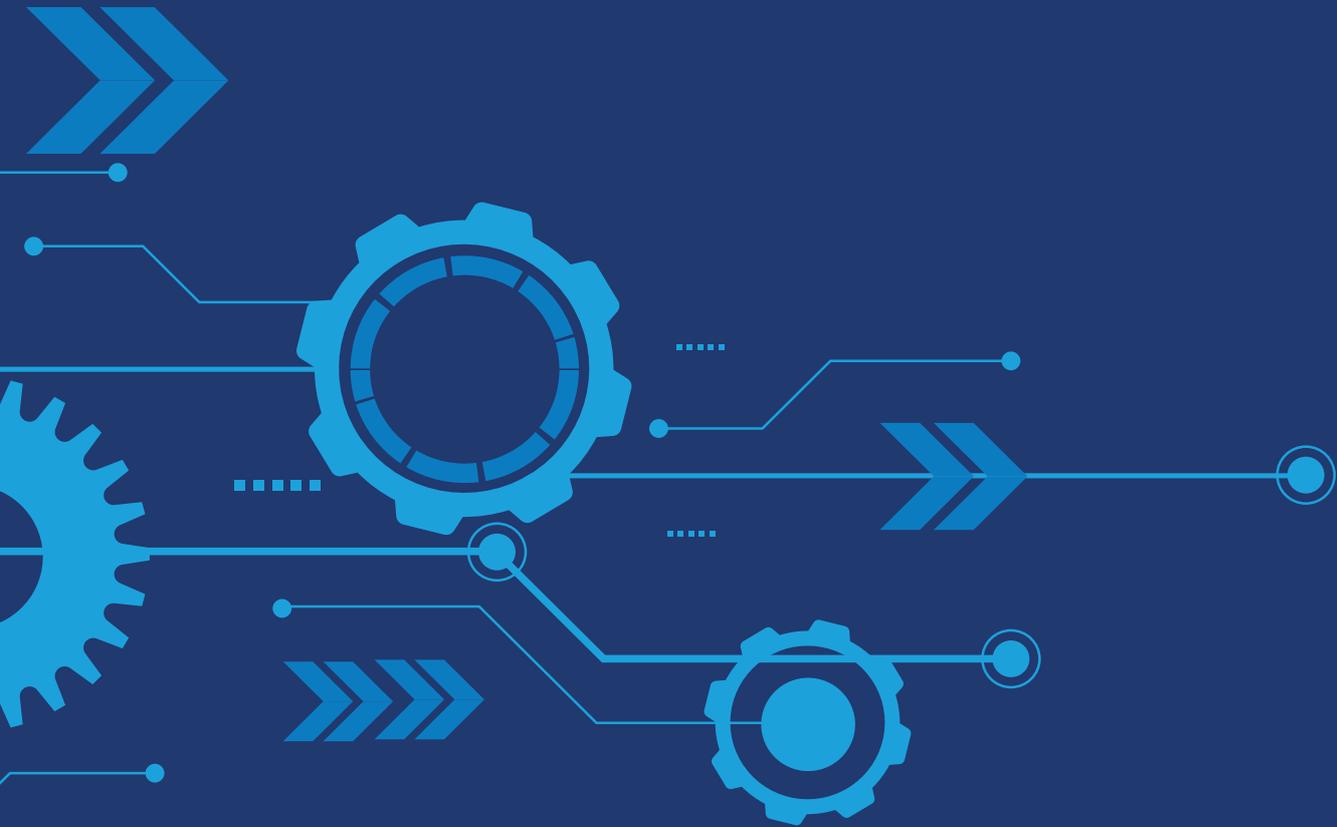


PROCUREMENT ASSURANCE MODEL FRAMEWORK

Queensland Government
Procurement Assurance Branch



January 2026



Queensland
Government

Acknowledgement of Country

We would like to acknowledge Aboriginal peoples and Torres Strait Islander peoples as the Traditional Owners and custodians of this Country. We recognise their connection to land, sea, waterways and community. We pay our respects to them, their cultures and their Elders past, present and emerging.

The State of Queensland (Department of Housing and Public Works) 2026



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Contact us

Queensland Government Procurement within the Department of Housing and Public Works is committed to continuous improvement. If you have any suggestions about how we can improve this guide, or if you have any questions, contact us at PAMsupport@hpw.qld.gov.au.

Disclaimer

This document is intended as a guide only for the internal use and benefit of government agencies. It may not be relied on by any other party. It should be read in conjunction with the Queensland Procurement Policy 2026, your agency's procurement policies and procedures, and any other relevant documents.

The Department of Housing and Public Works disclaims all liability that may arise from the use of this document. This guide should not be used as a substitute for obtaining appropriate probity and legal advice as may be required. In preparing this document, reasonable efforts have been made to use accurate and current information. It should be noted that information may have changed since the publication of this document. Where errors or inaccuracies are brought to attention a reasonable effort will be made to correct them.

Administration

This Framework replaces the 'Ethical Supplier Mandate' and takes effect from 1 January 2026.

1. PURPOSE AND OVERVIEW

The Queensland Government (the government) wants to partner with suppliers that deliver on their contract commitments, uphold high standards and create value for Queenslanders.

The Procurement Assurance Model (PAM) is designed to make it easier for businesses to work with government, while ensuring taxpayer funds are spent wisely. It will reward performance excellence, help suppliers build capability where needed to meet the standards of the Queensland Government Supplier Code of Conduct (the Code), and provide safeguards against poor practices that undermine trust and value for money.

The PAM promotes recognition, support and accountability to strengthen Queensland's supply chains, foster innovation and unlock opportunities for local businesses – especially through major investments, such as the Brisbane 2032 Olympic and Paralympic Games.

Further information

- Refer to the *Queensland Procurement Policy 2026*
- Refer to the *Queensland Government Supplier Code of Conduct*

2. PROCUREMENT ASSURANCE MODEL

The PAM comprises three interlinked assurance systems:

01

Incentive scheme
(to be implemented 1 January 2027):
encourages and rewards high-performing, ethical suppliers.

02

Capability building
(from 1 January 2026):
provides agencies and suppliers (see [Appendix 1 – Definitions](#)) with opportunities for learning and development to strengthen ethical supply practices and processes, enhancing productivity and accountability.

03

Accountability
(from 1 January 2026):
strengthens supplier capability through expert advice, targeted training to address gaps in suppliers' practices and assurance assessments to promote integrity across the government's supply chain.

The PAM applies to all suppliers engaged by any agency (as defined in the Queensland Procurement Policy 2026 (QPP) covered by the QPP.

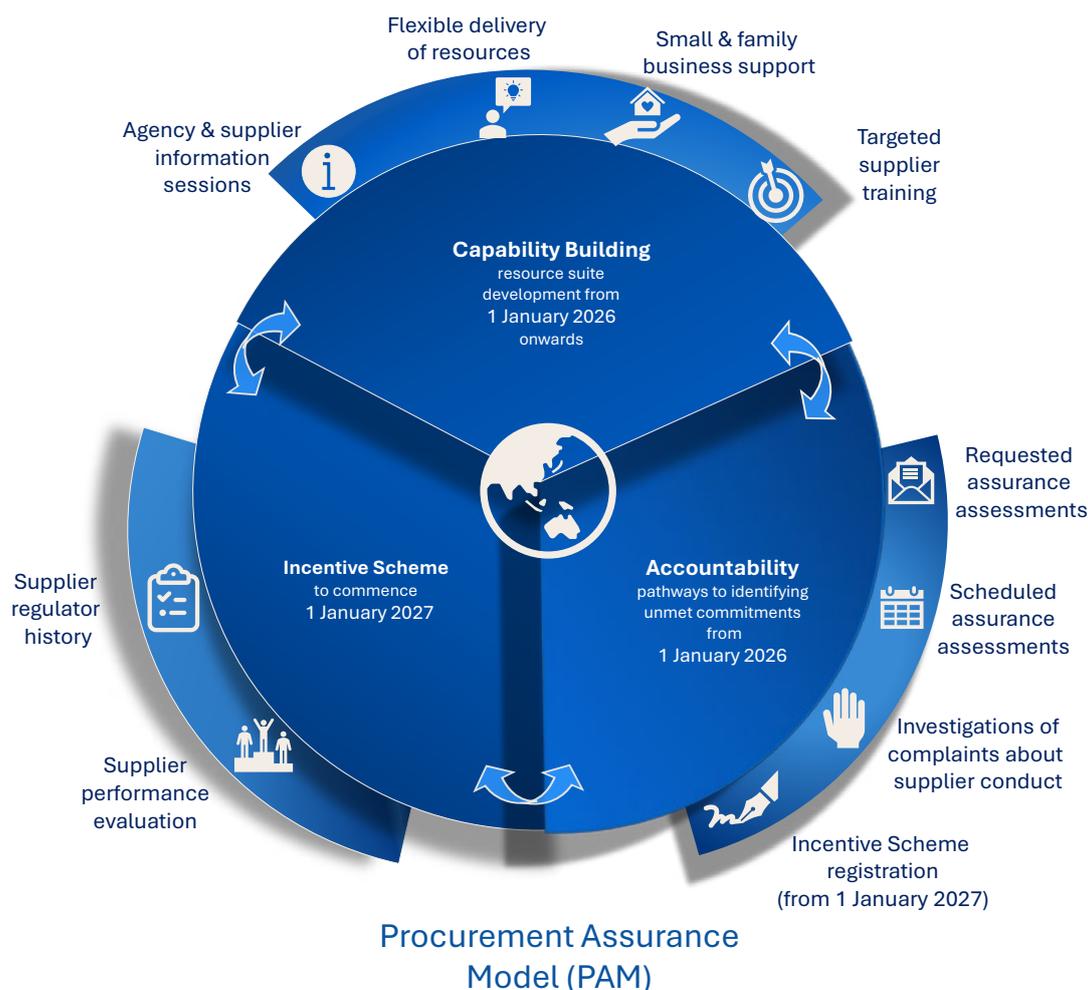


Figure 1 - PAM overview

2.1. Transition from the Ethical Supplier Mandate (ESM) to the PAM

From 1 January 2026, the PAM will become the applicable procurement assurance mechanism by which the Queensland Government will administer its expectations of suppliers.

The PAM represents a progressive shift to a collaborative, incentive-based model. It emphasises ethical supply practices, focusing on building supplier capability, supporting small and family business, rewarding ethical and high-performing suppliers and retaining the right to remove unethical suppliers.

For contracts executed before 1 January 2026

The government's expectations of suppliers are set out in the ESM and the Code. Suppliers will be expected to continue to comply with those expectations. This is consistent with the contractual commitments made by these suppliers.

The government will assess suppliers' adherence to the Code and respond to unmet commitments to the Code (unmet commitments) so far as those expectations have been carried over into the PAM, in accordance with the process set out in the PAM. This will mean the government will investigate and assess unmet contractual commitments under the ESM or the Code, and will impose consequences in accordance with the PAM from 1 January 2026.

For contracts executed on and after 1 January 2026

The government's expectations of suppliers are set out in the Code and the PAM. The PAM will apply in its entirety to these contracts and suppliers.

3. PROCUREMENT ASSURANCE MODEL COMPONENTS

3.1. Incentive Scheme – from 1 January 2027

3.1.1. Intent

The PAM Incentive Scheme (the Incentive Scheme) will recognise and reward suppliers who consistently perform well and demonstrate strong business practices, enhancing their prospects to secure government contracts.

Through a simple, tiered-rating system, suppliers who opt-in can showcase their reliability and excellence. High-performing suppliers will receive increased visibility, creating new opportunities to grow and succeed.

The Incentive Scheme will be built around fairness, simplicity and support. Participation will be voluntary, registration will be simple, and suppliers who do not initially meet the criteria will be offered targeted support to improve. This will provide suppliers – from large enterprises to small and family businesses – with a pathway to strengthen their performance and access more opportunities.

3.1.2. Tiered-rating system

Ratings awarded under the Incentive Scheme will be based on:

- ▶ Performance in fulfilling contractual obligations while under contract with the government
- ▶ supplier history drawn from previous assurance assessments and open source data held by state and federal regulatory agencies.

Recognition as ethical and high performing under the Incentive Scheme, will benefit suppliers and all Queenslanders by promoting excellence in government procurement and delivering the best possible procurement outcomes for Queensland.

Suppliers will be able to participate in the Incentive Scheme from 1 January 2027.

3.1.3. Design principles

The design of the Incentive Scheme, guided by the following principles, will ensure inclusivity, transparency and support for suppliers:

- ▶ **Voluntary participation:** suppliers will not need to participate to secure supply arrangements with the government
- ▶ **Simple registration:** a streamlined process requiring only an ABN or ACN without the need for a detailed application
- ▶ **Centralised equitable assessments:** a standardised, point-in-time evaluation of historical data on suppliers' regulatory and contractual accountability. New suppliers will be exempt from initial assessment until 12-months after initiating their first contract with the government.
- ▶ **Targeted support:** suppliers who do not meet the necessary criteria to achieve a desired tier-rating will be referred to targeted capability-building to improve and resolve any issues
- ▶ **Incentives:** Specific incentives will be determined following agency and industry consultation to ensure the Incentive Scheme reflects stakeholders' insights and is fit-for-purpose. By 1 January 2027 when the Incentive Scheme is implemented, the PAM Framework will be updated with more information.

3.2. Capability building

The PAM is a platform for business growth. The government provides suppliers with practical training, resources and advice that strengthens their business practices to meet their commitments to the Code, reduce risk, and unlock more opportunities with government. From 1 January 2026 this includes:

- ▶ **Proactive capability building (optional):** free resources, guides, and training available to all suppliers who want to strengthen their performance and stay ahead.
- » PAM introductory videos, information sessions, clear guidance and procedures, e-newsletters and contact for enquiries (email/phone).

- ▶ **Reactive capability building (mandatory):** customised training and advice for suppliers needing to address specific issues, helping them to lift capability and get back on track quickly.
- » Targeted supplier training from assurance activities, support for small and family businesses and expert advice and guidance.

The ongoing expansion of both approaches will be guided by consultation with government agencies and trusted external stakeholders to ensure the integration of relevant existing resources. From 1 January 2027, capability building will expand through the Incentive Scheme and targeted training programs.

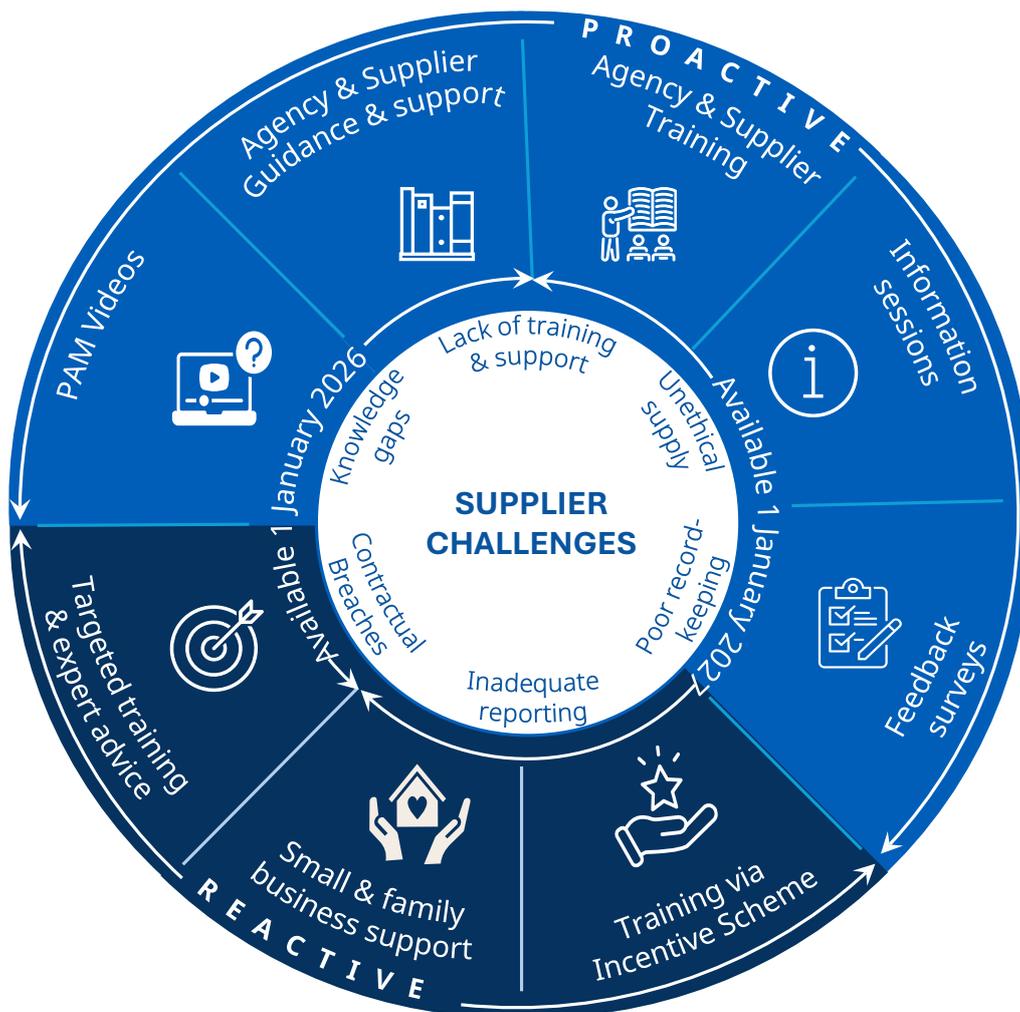


Figure 2 – Capability building

3.3. Accountability

3.3.1. Intent

Strong accountability underpins trust in government procurement, and the PAM provides a fair and consistent assurance mechanism to assess suppliers' commitment to the Code's standards. The focus of the PAM is on improvement while outlining a balanced approach to manage the consequences of unmet commitments. Where problems are minor or moderate, suppliers are first supported through training, advice and guidance.

The PAM's assurance mechanism holds government suppliers accountable for any unmet commitments, without replicating the role of existing regulators. Instead, regulator decisions may inform decisions in relation to the consequences of unmet commitments.

Unethical supplier practices undermine productivity, respect for taxpayers' money and the government's reputation. The PAM minimises exposure to such risks by supporting suppliers to uplift their capability, helping to maintain integrity in the government's supply chains.

While the PAM's constructive approach to accountability prioritises capability building, it is balanced with a low tolerance for egregious behaviour. In such cases, the government may remove suppliers and issue sanctions as a last resort.

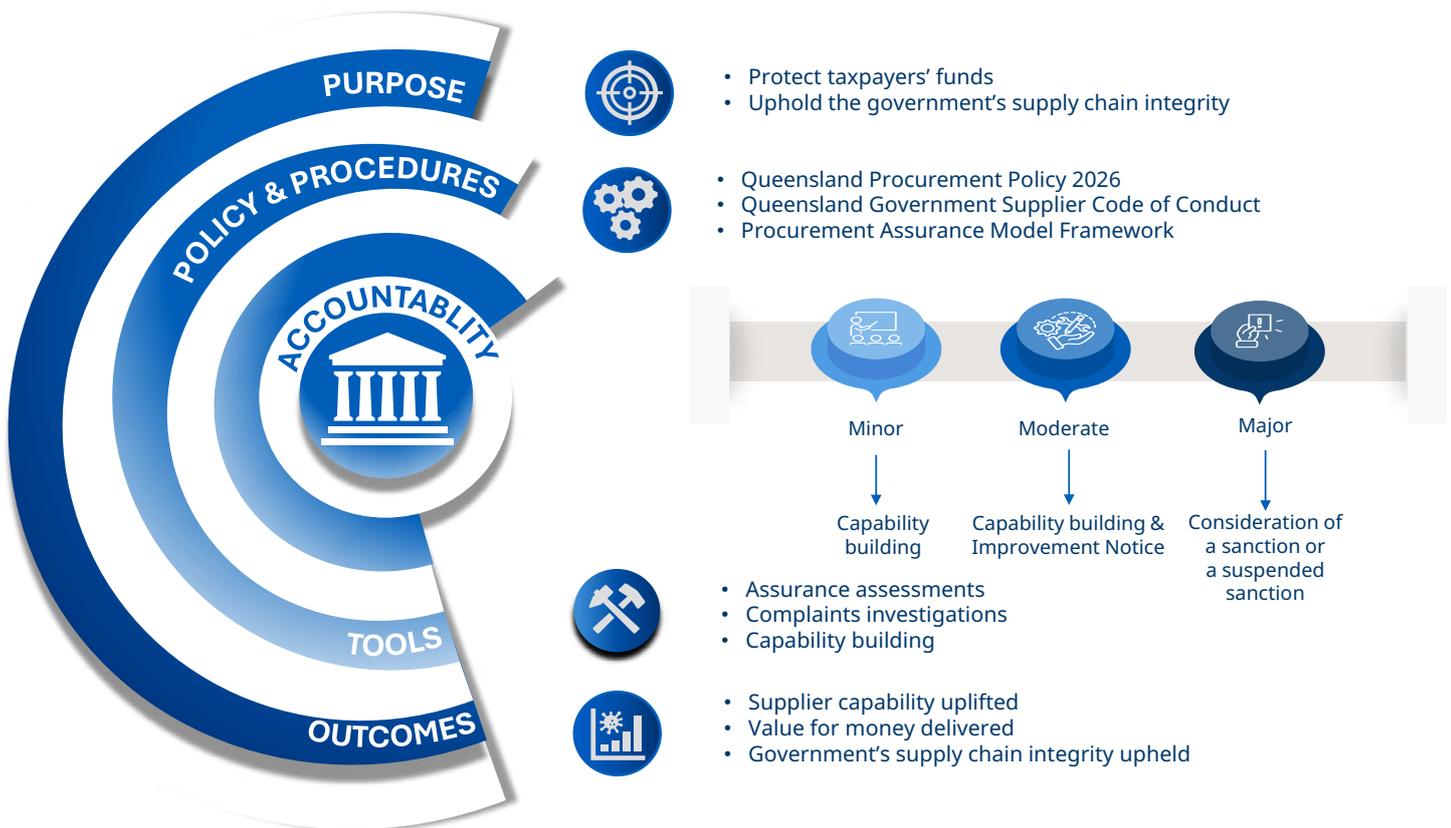


Figure 3 – Accountability

3.3.2. What is an unmet commitment to the Code?

An unmet commitment is when:

- an assurance assessment and/or complaint investigation indicates a supplier's conduct may have led to an unmet commitment
- the decision maker (refer to [Section 3.3.5](#)), after considering all available information and evidence, confirms a supplier's conduct constitutes an unmet commitment.

3.3.2.1. Complaint investigation

A complaint investigation is triggered when the Procurement Assurance Branch (the Branch) receives a complaint alleging a supplier's conduct has led to an unmet commitment (e.g. referred from an agency, member of the public, adverse media, etc).

The Branch will accept anonymous complaints; however, it may be difficult to thoroughly assess or respond to a complaint if sufficient detail is not provided.

3.3.2.2. Assurance assessment

To support supply chain integrity and suppliers' commitment to the Code, the Branch may conduct assurance assessments in response to:

- **requested assessments:** initiated by a formal request from an agency
- **scheduled assessments:** identified in consultation with Category Councils based on risk analysis of applicable suppliers.

Under the Code, suppliers are obligated to cooperate with all requests for relevant information made during an assessment of a supplier's commitment to the Code (see *Section 2. Procurement Assurance* within the Code).

3.3.3. Non-cooperation

When a supplier fails to cooperate with the Branch during an assurance assessment or complaint investigation, a Procurement Assurance Model Caution Notice (Caution Notice) is issued. If the supplier fails to fulfill the requirements of the Caution Notice, the matter will be referred to the decision maker for appropriate action.

3.3.4. Consequences of unmet commitments

Supplier conduct that constitutes an unmet commitment shall be assessed as being minor, moderate or major with a corresponding outcome that is proportionate to each level (refer [Section 3.3.6 Types of outcomes](#)).

Minor

A supplier is required to complete capability building.

Moderate

A supplier is:

- issued an Procurement Assurance Model Improvement Notice (Improvement Notice) (up to two (2))
- required to complete capability building.

Major

A supplier, including a supplier that has ceased trading or entered liquidation, is referred to the decision maker for confirmation of egregious behaviour, which may result in the application of a sanction or suspended sanction.

Egregious behaviour includes:

- conduct that causes or has the potential to cause significant harm to the government, individuals, or the public and/or
- deliberate conduct, where a supplier intentionally does not fulfill their commitment to the Code and/or
- repeated conduct relating to the same unmet commitment (see Table 2) within a 3-year period, indicating a pattern of unresolved issues.

Unmet commitments and applicable outcomes outlined under sections 2b, 2c, 3, 4, 5b, 7a, 9a, and 10 in Table 2 will be applied by the decision maker (refer to [Section 3.3.5](#)), based on a thorough assessment of all available evidence.

Table 2: Unmet commitments and applicable outcomes

| Whole-of-government outcome framework | | | |
|--|--|--|--|
| Unmet commitment | Minor | Moderate | Major |
| Applicable outcome | Capability building | Improvement Notice | Sanction or suspended sanction |
| 1. Purposeful public procurement outcomes | | | |
| Purposeful public procurement outcomes (as defined in the QPP) | Supplier failed to deliver part of a contractual commitment to a purposeful public procurement outcome with an undelivered margin of 1-40% | Supplier failed to deliver part of a contractual commitment to a purposeful public procurement outcome with an undelivered margin of 41-75% | Supplier failed to deliver part of a contractual commitment to a purposeful public procurement outcome with an undelivered margin of 76-100% |
| 2. Supplier Code of Conduct Section 2 – procurement assurance | | | |
| a. Breach of legislation | A supplier or a company officer (see Appendix 1 – Definitions) of that supplier has been found by a decision-making body or regulator or law enforcement agency to have breached legislation, including but not limited to an improvement or prohibition notice issued by a regulator. | A supplier or a company officer (see Appendix 1 – Definitions) of that supplier has been found by a decision-making body or regulator or law enforcement agency to have breached legislation, including but not limited to issue of a penalty infringement notice (PIN) or enforceable undertaking by a regulator. | A supplier , or a company officer (see Appendix 1 – Definitions) of that supplier, has been found by a decision-making body to have breached legislation. |
| b. Breach relevant policies, standards and contractual commitments | A supplier or a company officer (see Appendix 1 – Definitions) of that supplier has been found to have breached relevant policies, standards and contractual commitments. <i>If a supplier is confirmed as having an unmet commitment to a policy requiring the delivery of a measurable outcome (quantifiable in numerical terms), the extent of the unmet commitment will be assessed using the same margins applied to an unmet commitment to purposeful public procurement outcomes.</i> | | A supplier or a company officer (see Appendix 1 – Definitions) of that supplier has been found to have breached relevant policies, standards and contractual commitments , and that breach has been determined by the decision maker to have been egregious. |
| c. Non-cooperation | | A supplier , without reasonable excuse , has (see Appendix 1 – Definitions): <ul style="list-style-type: none"> failed to cooperate with a Queensland Government Procurement request for documents, and/or failed to provide information reasonably required for assessing the supplier’s compliance with their contractual obligations. | |
| d. False and/or misleading information | | | A supplier has provided Queensland Government Procurement with documents and/or information, reasonably required as part of an assessment of the supplier’s compliance with the Queensland Government Supplier Code of Conduct and/or the Procurement Assurance Model Framework, that is/are false and/or misleading. |

Whole-of-government outcome framework *(continued)*

| Unmet commitment | Minor | Moderate | Major |
|--------------------|---------------------|--------------------|--------------------------------|
| Applicable outcome | Capability building | Improvement Notice | Sanction or suspended sanction |

8. Supplier Code of Conduct 3.1 – Managing workplace health and safety

| | | | |
|--------------------------------------|---|--|---|
| Managing workplace health and safety | <p>A supplier has been found by a regulator or law enforcement agency to have breached the <i>Work Health and Safety Act 2011</i>, the <i>Electrical Safety Act 2002</i>, or other work health and safety-related legislation in Queensland or another Australian state or territory.</p> <p>This may include but is not limited to the issue of an Improvement Notice by the regulator to the supplier.</p> | <p>A supplier has been found by a regulator or law enforcement agency to have breached the <i>Work Health and Safety Act 2011</i>, the <i>Electrical Safety Act 2002</i>, or other work health and safety-related legislation in Queensland or another Australian state or territory.</p> <p>This may include but is not limited to the issue of a Penalty Infringement Notice or Prohibition Notice an enforceable undertaking by the regulator to the supplier.</p> | <p>A supplier has been found by a decision-making body to have breached the <i>Work Health and Safety Act 2011</i>, the <i>Electrical Safety Act 2002</i>, or other work health and safety-related legislation in Queensland or another Australian state or territory.</p> |
|--------------------------------------|---|--|---|

9. Supplier Code of Conduct 3.3 – Treating employees fairly

| | | |
|-------------------------------|--|---|
| a. Properly paying employees | <p>A supplier has failed:</p> <ul style="list-style-type: none"> ➤ to pay an employee or employees' wages and/or entitlements in accordance with the provisions of a relevant industrial instrument, and/or ➤ for superannuation at least at the rate established under the <i>Superannuation Guarantee (Administration) Act 1992</i>, and ➤ the supplier has since made restitution and implemented process changes to prevent a recurrence of this non-compliance. | <p>A supplier has failed:</p> <ul style="list-style-type: none"> ➤ to pay an employee or employees' wages and/or entitlements in accordance with the provisions of a relevant industrial instrument, and/or ➤ for superannuation at least at the rate established under the <i>Superannuation Guarantee (Administration) Act 1992</i>, and ➤ the underpayment has been determined by the decision maker to have been egregious. |
| b. Discrimination, harassment | | <p>A supplier has been found by a regulator to have:</p> <ul style="list-style-type: none"> ➤ unlawfully discriminated against an employee or employees, ➤ unlawfully harassed an employee or employees, ➤ failed to recognise the right of an employee or employees to be a member or choose not to be a member of a trade union. |

10. Supplier Code of Conduct 3.4 – Acting against human right exploitation in the supply chain, including addressing modern slavery

| | |
|--|---|
| | <p>A supplier must make all reasonable efforts (see Appendix 1 – Definitions) to ensure that businesses within their supply chain are not benefiting from, engaged in or complicit with, human rights exploitations such as forced or child labour, coercion, or any type of modern slavery practice as defined in the <i>Modern Slavery Act 2018</i> (Cth).</p> |
|--|---|

Table 3: Decision makers under the PAM

| Decision makers under the PAM | |
|--|--|
| Decision maker responsible for original decision | Decision maker responsible for appeal decision |
| For minor and moderate | |
| › Executive Director, Procurement Assurance Branch, DHPW | › Deputy Director-General, Procurement, DHPW |
| For major or non-cooperation | |
| › Deputy Director-General, Procurement, when DHPW is the agency | › Director-General, DHPW |
| › Director-General, DHPW as delegated by Director General of the agency | › Director-General of the agency, or such suitably qualified and senior delegate |
| › Director-General of the agency, or such suitably qualified and senior delegate | › Director-General, DHPW |

3.3.4.1. Related supplier

Where it has been determined that a supplier:

- a) **who continues the work of, and**
- b) **is a related supplier of a business that has been issued with an outcome under the PAM, and**
- c) **that business has ceased trading or entered liquidation**

the related supplier (see [Appendix 1 – Definitions](#)) may be subject to the same outcome as the business that has ceased trading or entered liquidation. It must be shown that the related supplier, or company officer (see [Appendix 1 – Definitions](#)) of that supplier, had control (see [Appendix 1 – Definitions](#)) over the business that has been issued an outcome under the PAM prior to that business having ceased trading or entered liquidation.

3.3.5. Decision making

When the Branch identifies an alleged unmet commitment, it refers the matter to the decision maker with a recommendation on the appropriate outcome. The Branch considers all available evidence, including mitigating factors, when making its recommendation.

After having considered all available information and evidence, the decision maker confirms whether a supplier’s conduct constitutes an unmet commitment and, if so, decides on the appropriate outcome. The decision maker is also responsible for notifying the supplier of the outcome.

3.3.5.1. Role of the regulator

Matters managed by a regulator or law enforcement agency are distinct from assessments of alleged unmet commitments which are confirmed by the decision maker.

A regulator’s subsequent determination that no legislative breach occurred, may not alter the decision maker’s original confirmation of an unmet commitment. However, in such cases, the Branch will seek DHPW Legal Counsel assessment and provide advice to the decision maker.

3.3.6. Types of outcomes

Where an alleged unmet commitment is referred to the decision maker, the Branch recommends an appropriate outcome under the PAM.

In addition to referring an alleged unmet commitment to the Branch, the agency may activate any contract remedy.

Suppliers may face consequences for their subcontractors’ unmet commitments – unless the supplier provides a reasonable excuse (see [Appendix 1 – Definitions](#)) and demonstrates reasonable efforts (see [Appendix 1 – Definitions](#)) to prevent the commission of unmet commitments.

Under the PAM, one or more of the following outcomes may be issued to a supplier where unmet commitments are confirmed by the decision maker.

3.3.6.1. Capability building

Reactive capability building provides access to targeted support – such as training or advice – for an unmet commitment at the minor or moderate level. Refer to [Section 3.2 – Capability building](#).

Failure by a supplier to engage in reactive capability building may also be considered as an unmet commitment under the PAM.

3.3.6.2. Improvement Notice

The decision maker may issue an *Improvement Notice* when a supplier:

- ▶ has engaged in conduct that constitutes an unmet commitment (Moderate)
- ▶ has failed to complete required capability building (escalated to Moderate)
- ▶ repeats conduct relating to the same unmet commitment (see Table 2) within a 3-year period, indicating a pattern of unresolved issues.

Suppliers who fail to respond to an *Improvement Notice* within 5 business days (see [Appendix 1 – Definitions](#)), may be subject to sanction or suspended sanction. Suppliers may request an extension and it will be considered by the Branch on a case-by-case basis.

3.3.6.3. Sanction or suspended sanction

A **sanction** prevents a supplier from doing business with the government for up to 2-years from the date of the decision.

Sanctions can include one or more of the following:

- ▶ making a supplier ineligible for contract award for a defined period
- ▶ waiving all contract extension options
- ▶ suspending a supplier's prequalification (see [Appendix 1 – Definitions](#)) for a defined period, and
- ▶ suspending a supplier from any government panel or contracting framework for a defined period.

A **suspended sanction** means the supplier remains eligible to apply for future procurement opportunities and is permitted to enter contracts with the government. During the period of the suspended sanction, the supplier must:

- ▶ comply with future assurance assessments
- ▶ implement any corrective actions as per the terms of the suspended sanction (i.e., within the decision maker's timeframe and provisions).

The failure of a supplier to complete any required corrective action may result in the suspension of the sanction being lifted and the original term of the sanction applied. Details of sanctions that are in-force for suppliers will be visible on the Queensland Government Procurement Assurance Portal (refer to [Section 3.3.8](#)) to all government procurement officers.

3.3.6.3.1. Procurement Assurance Model Proposed Sanction Notice (Proposed Sanction Notice)

The decision maker will issue a *Proposed Sanction Notice* prior to any sanction or suspended sanction determination. The notice includes:

- ▶ confirmation of the unmet commitment
- ▶ proposed terms and duration of the sanction or suspended sanction, and
- ▶ contact details for further information.

3.3.7. Appeal process

Suppliers that have received an outcome under the PAM may appeal if they believe:

- ▶ the process outlined in the PAM has not been followed
- ▶ specific supporting evidence was not considered in the original decision (i.e., notices), and/or
- ▶ the decision was not in line with the penalty and process as outlined in the PAM.

The appeals process involves a review of the process that led to the outcome and any specific evidence the supplier provided; it is not an opportunity to revisit the facts of or re-investigate the matter.

The decision maker will notify the supplier in writing of the appeal outcome, within a reasonable timeframe (see [Appendix 1 – Definitions](#)), including the reasons supporting that outcome.

The decision maker for the appeal process:

- ▶ varies depending on the outcome and the agency involved

- ▶ must not be the same individual who made the original decision (refer to [Section 3.3.5 – Decision making](#) for more information on appeal decision makers under the PAM).

3.3.8. Queensland Government Procurement Assurance Portal

The Queensland Government Procurement Assurance Portal (the Portal) is used to record all outcomes for moderate and major unmet commitments.

Sanctioned suppliers will be removed from all pre-qualification registers and identified as 'sanctioned' on the Portal.

Agencies must check the Portal to assess preferred/shortlisted tenderers, unless engaging a pre-qualified supplier (see [Appendix 1 – Definitions](#)), or the procurement value is less than the general

exemption threshold of \$50,000 including GST as outlined in the QPP.

The Portal will inform agencies of:

- ▶ suppliers subject to the outcomes of moderate and major unmet commitments
- ▶ suppliers under ongoing contentious investigation(s), and
- ▶ suppliers excluded from procurement by the government.

Further information

Access the Portal here:

<https://qgpassuranceportal.hpw.qld.gov.au>

3.4. Additional support for small and family businesses

Small and family businesses are the backbone of Queensland's economy, and the PAM is designed with their needs in mind.

The PAM aligns with the QPP's commitment to inclusive and accessible support for small and family businesses, including regional and remote suppliers. The PAM's supplier-focused approach encourages collaboration with other relevant departments, such as Department of Customer Services, Open Data and Small and Family Businesses, to analyse and identify opportunities to improve supplier capability.

The PAM's proactive capability-building resource suite will include the ongoing development of tailored support for small and family businesses, in collaboration with other government agencies and trusted external stakeholders.

The PAM ensures that assurance assessment processes of small and family businesses are appropriate, proportionate and inclusive, aligning with the government's intention to support this sector.

This means considering:

- ▶ operational capacity: business resource and staffing limitations
- ▶ geographic constraints: operational challenges associated with regional/remote areas
- ▶ industry-specific factors: industry or sector-specific challenges, such as material shortages, economic and environmental shocks and logistical constraints
- ▶ proportionality and discretion: factors such as Indigenous owned businesses (as defined in the QPP), and
- ▶ early intervention and reasonable timeframes (see [Appendix 1 – Definitions](#)): timely support and guidance to respond to directives, address unmet commitments and supply requested information.

3.5. Procedural fairness

The Branch will ensure assessments and investigations of all alleged unmet commitments are conducted with due regard to procedural fairness, such that:

- ▶ the supplier whose interests will be impacted by the final decision, can respond, comment and/or correct the record in relation to any information that may influence decision-making
- ▶ the evidence disclosed during the assessment or investigation of the supplier's conduct is sufficient to support the Branch's recommendations, which must be reasonably and logically derived, and
- ▶ a decision maker will be impartial and free from actual or perceived bias.

3.6. Responsibilities of suppliers

Suppliers must meet the Code's standards to avoid the potential of being sanctioned under the PAM.

Suppliers are also encouraged to take advantage of proactive capability building opportunities throughout their supplier journey, supporting them to grow, develop and innovate.

Suppliers who are principal contractors (see [Appendix 1 – Definitions](#)) are responsible for:

- ▶ embedding the Code as a contractual requirement for all subcontractors on government projects

- ▶ overseeing subcontractors' performance for alignment with the Code's standards, and
- ▶ refraining from engaging sanctioned suppliers on government projects.

3.7. Responsibilities of agencies

To fulfill the QPP's requirements, agencies are responsible for:

- ▶ reviewing and updating the terms and conditions of standard tender and contract documentation to ensure alignment with the Code's standards
- ▶ checking the Portal to ensure sanctioned suppliers are not engaged
- ▶ referring allegations of unmet commitments to the Branch.

4. The Queensland Government Procurement's commitment to best possible procurement assurance

The Queensland Government Procurement is committed to continuous improvement that supports the government's vision for best possible procurement assurance outcomes including a review and stakeholder consultation to refine the PAM.

5. APPENDIX 1 – DEFINITIONS

Terms are defined in the QPP Part 5 Glossary. New terms that are used in the PAM are defined below:

| Term | Description |
|--------------------------------|---|
| Assurance assessment | An assessment process conducted by the Procurement Assurance Branch to determine whether a supplier has complied with the Queensland Government Supplier Code of Conduct and/or their contractual commitments. |
| Business day | A day that is not a Saturday, Sunday or a public holiday in Queensland. |
| Company officer | Means an officer of a corporation – as defined in section 9AD of the <i>Corporations Act 2001</i> . |
| Complaint investigation | An investigative process conducted by the Procurement Assurance Branch that commences when a complaint of alleged unmet commitment to the Code is received by the Procurement Assurance Branch. Also see <i>Assurance assessment</i> . |
| Government officer | An individual employed by the government to perform work, as defined by the term – public sector employee – in the <i>Public Sector Act 2022</i> . |
| Pre-qualified supplier | A pre-qualified supplier means a supplier: <ul style="list-style-type: none"> › registered with the Prequalification System of the Capital Works Management Framework, › registered with the National Prequalification System for Civil (Road and Bridge) Construction Contracts, › who is listed as supplying under a common use supply arrangement published on the Queensland Government Arrangements Directory (QGAD), or › registered with QBuild as a prequalified supplier. |
| Principal contractor | The entity that has entered into a contractual agreement with the Queensland Government to deliver specified goods or services. Principal contractor does not include a subcontractor engaged by the principal contractor to deliver goods or services on that contract. |
| Reasonable effort | For the purpose of the PAM, reasonable effort means with respect to a given obligation, the efforts as accepted by the decision maker as being a reasonable effort, that a reasonable person would use so as to meet that obligation. To demonstrate the use of reasonable effort, suppliers must engage in making and retaining records of actions taken, decisions made, and resources allocated toward meeting the obligation. |
| Reasonable excuse | For the purpose of the PAM, evidence provided by a supplier as part of an assurance assessment or investigation and accepted by the decision maker as a reasonable excuse substantiating why that supplier has failed to meet a policy, legislative, or contractual commitment. The decision maker will consider each matter on a case-by-case basis and: <ul style="list-style-type: none"> › the intent of the supplier, › any specific requirements under specific policy and/or legislation, › the expectations and standards of the Queensland public, and › principles of fairness and proportionality. |

| Term | Description |
|-----------------------------|---|
| Reasonable timeframe | <p>For the purpose of the PAM, reasonable timeframe is the period of time as determined by the decision maker as that amount of time, which is deemed fairly necessary, appropriate and acceptable for completing an act or fulfilling a responsibility, as soon as circumstances permit.</p> <p>The reasonableness or unreasonableness of time used or taken by a party may be affected by factors including, but not limited to:</p> <ul style="list-style-type: none"> ➤ case-by-case circumstances, including the nature and complexity of the act or responsibility, ➤ unforeseen or external circumstances. |
| Related supplier | <p>A related supplier to another supplier is:</p> <ul style="list-style-type: none"> ➤ A related body corporate as defined by section 50 of the <i>Corporations Act 2001</i>; or ➤ A supplier that has one or more common company officers; or ➤ A supplier that shares a common business address. <p>The use of the word "control" – as defined by section 50AA of the <i>Corporations Act 2001</i>:</p> <p><i>Meaning of control</i></p> <ol style="list-style-type: none"> 1. <i>For the purposes of this Act, an entity controls a second entity if the first entity has the capacity to determine the outcome of decisions about the second entity's financial and operating policies.</i> 2. <i>In determining whether the first entity has this capacity:</i> <ol style="list-style-type: none"> (a) <i>the practical influence the first entity can exert (rather than the rights it can enforce) is the issue to be considered; and</i> (b) <i>any practice or pattern of behaviour affecting the second entity's financial or operating policies is to be taken into account (even if it involves a breach of an agreement or a breach of trust).</i> 3. <i>The first entity does not control the second entity merely because the first entity and a third entity jointly have the capacity to determine the outcome of decisions about the second entity's financial and operating policies.</i> 4. <i>If the first entity:</i> <ol style="list-style-type: none"> (a) <i>has the capacity to influence decisions about the second entity's financial and operating policies; and</i> (b) <i>is under a legal obligation to exercise that capacity for the benefit of someone other than the first entity's members.</i> |
| Supplier | <p>A contractor or consultant or other party to a government contract, other than the Crown and its related entities, or a subcontractor to a supplier.</p> <p>The definition of 'supplier' includes:</p> <ul style="list-style-type: none"> ➤ but is not limited to the definition within the QPP, ➤ subcontractors within the supply chain, and ➤ associated entities as outlined within the <i>Corporations Act 2011 (Cth)</i> and affiliates as outlined within the contract. ➤ Joint venture: A business or business activity where two or more people or companies work together: <ul style="list-style-type: none"> ◦ where a company partners with another company to deliver on a contract, the partners are jointly responsible for any unmet commitments. |

6. APPENDIX 2 – EXAMPLE CLAUSES

Application of the PAM

Condition of Contract:

a) *The Contractor must, and must ensure its subcontractors:*

- I. *adhere to the Queensland Government Supplier Code of Conduct for the term of the Contract*
- II. *acknowledge that a failure to adhere to the Queensland Government Supplier Code of Conduct may be considered a breach of contract.*

b) *The Contractor acknowledges that a failure to comply with government policies and legislation that apply to the work under the Contract or the Contractor's obligations under the Contract may result in consequences under the Procurement Assurance Model, in addition to any other remedies available to the Principal under this Contract.*

"Queensland Government Supplier Code of Conduct" means the Queensland Government policy titled "Queensland Government Supplier Code of Conduct" or any policy that replaces that policy.

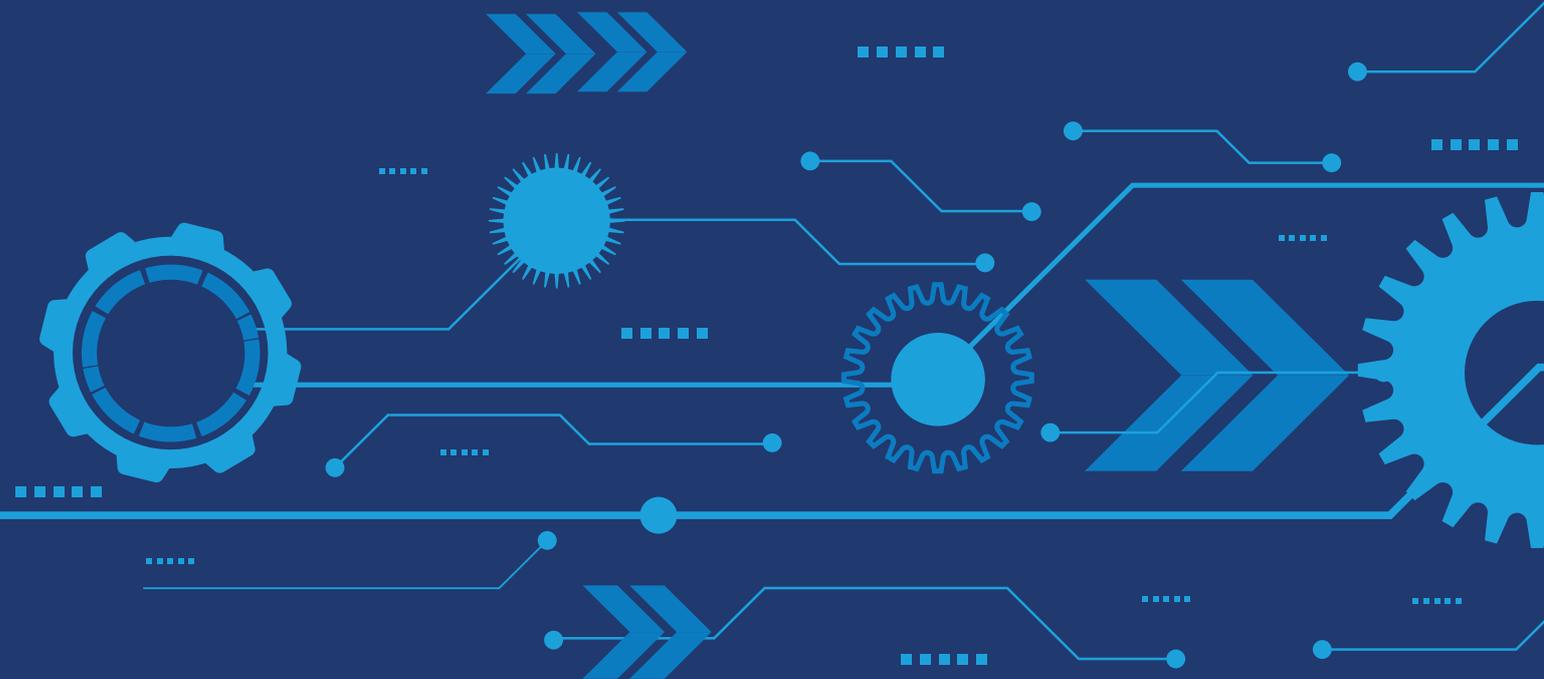
Definitions

Add these new definitions into the Definitions and Interpretation schedule or document within the contract:

Procurement Assurance Model *means the Procurement Assurance Model described in Part 3 of the Queensland Procurement Policy 2026.*

Government Department or Instrumentality *means the Procurement Assurance Branch within Queensland Government Procurement Division of the Department of Housing and Public Works, and any governmental regulator, including but not limited to Work Health Safety Queensland, the Queensland Building and Construction Commission, the Fair Work Commission, the Australian Taxation Office.*

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