



Thank you for the opportunity to provide feedback for the Queensland Small Business Procurement Commitment.

The Australian Information Industry Association (AIIA) is Australia's peak representative body and advocacy group for those in the digital ecosystem. AIIA is a not-for-profit organisation that has, since 1978, pursued activities to stimulate and grow the digital ecosystem, to create a favourable business environment and drive Australia's social and economic prosperity.

AIIA does this by:

- providing a strong voice on policy priorities and a sense of community through events and education; e
- enabling a dynamic network of collaboration and inspiration; and
- curating compelling content and relevant information.

AIIA's members range from start-ups and the incubators that house them, to small and medium-sized businesses including many 'scale-ups' and large Australian and global organisations. We represent global brands including Apple, Adobe, Cisco, Deloitte, DXC, Gartner, Google, IBM, Infosys, KPMG, Lenovo, Microsoft and Oracle; international companies including Optus and Telstra; national companies including Ajilon, Data#3, SMS Management and Technology and Technology One, Queensland based SMEs including Information Professionals and Northpoint Financial Services and start-ups such as Buckham & Duffy. While AIIA's members represent around two-thirds of the technology revenues in Australia, more than 90% of our members are SMEs.

Our national board represents the diversity of the digital economy. More detailed information about AIIA is available on our web site.

**1. Have you ever tendered for government work or do you currently supply to government?**

We do not currently supply to government.

**2. The Queensland Government is proposing three focus areas:**

- a government commitment
- building capacity
- making it easier.

Are there any other areas that should be included?

### Engaging early with Small Business

1. Agencies often avoid early engagement before actually going out to market because of a combination of resource constraints and procurement officers' concerns about probity breaches. However, pre-procurement engagement between agencies and small businesses, means that agencies get a better understanding of the capacity and capability of the small business sector and can use this information to develop their request for tender documents. This can lead to better collaboration between government and small business in delivering outcomes for the residents of Queensland.
2. Early engagement can take the form of both face to face events and via a digital platform.
  - a) For example, face to face events may take the form of "Speed dating" events between procurement officers and small business suppliers or show case events where agencies articulate the business problems and business suppliers can get eight minutes to pitch their ideas to agency representatives. Data should be collected from these events: e.g. number of small businesses that attended. Feedback from small business about these events will also help improve this form of engagement process. There should also be targets set for regional small businesses attending these events.
  - b) In the longer term a digital platform for early engagement between agencies and suppliers should be built, with inbuilt probity management to enable engagement and ongoing dialogue. This platform should have interactive capacity and supplement the traditional annual procurement plan that are published by agencies. This will be of particular benefit for regional small businesses who cannot easily meet with agencies.

### **3. Do you have any feedback on the example actions identified and their priority in each of the three focus areas?**

#### **Focus One: A government commitment to creating opportunities for Queensland small businesses to participate in government procurement.**

1. AIIA supports the capturing and reporting of data related to Queensland government procurement from small business. However, the standards for data collection should comply with National and International standards. The current data set made publicly available on contracts over \$10,000, identifies successful tenderers by name rather than size. Therefore, it is not clear from the data what value of contracts have gone to small businesses. Additionally, it would be useful to have the data on the following:

- a) How many of these successful tenderers are small /regional small business that are registered in the State of Queensland?
  - b) how many Queensland small/regional small businesses were engaged as subcontractors under a prime contractor for Queensland government work?
  - c) How many of these successful tenderers are small/regional small businesses that are also registered interstate/winning government tenders in other states and territories?
  - d) How many small/regional small businesses responded to tenders conducted by Queensland government (even if they did not win the tender)?
2. Annual reviews/reports on procurement from small/regional small businesses by agencies should also include data on how many small businesses responded to approaches to market undertaken on a per agency basis.
  3. There should be an open ongoing opportunity for small/regional small businesses to provide feedback to government agencies on areas requiring improvement to ensure greater small business participation in Queensland government procurement activities.

**Focus two: Building the capacity of small businesses and government agencies through training, provision of quality advice, and encouraging closer collaboration to build relationships and understanding.**

The Federal government has published a website with resources to assist business to sell to government < <https://sellingtogov.finance.gov.au/guide>>. This is a good starting point and the government of Queensland should deliver a similar tool. However, this information dissemination model is non - interactive and does not improve dialogue and understanding between agencies and small/regional small businesses. Interactions between agencies and small businesses and delivery of training by agencies to small/regional small businesses will encourage closer collaboration and build relationships and understanding between government and small businesses. Procurement officers from each agency should gain experience in delivering training to small/regional small businesses to increase their understanding of challenges faced by small businesses in responding to Queensland government tenders.

**Focus three: Making it easier for small businesses to do business with government.**

Simple things can be done to make it easier for small business to do business with government.

This include but is not limited to:

- a) use of plain English language in contracts;
- b) providing training on using these contracts – publishing and consulting on them is not enough;
- c) re-use contract templates so small businesses do not have to keep reinvesting time and resources to understand new contracts or
- d) avoiding legal and legislative terms;
- e) use visual diagrams and not just text; and

- f) provide detailed feedback to unsuccessful small business tenderers.

**4. What are the biggest challenges Queensland small businesses face in accessing government procurement opportunities? Can you provide one key suggestion to address these challenges?**

Complex tender specifications and pre-qualifications

- a) allow plenty of lead up time for pre-qualification rather than relying on procurement rules;
- b) use plain English language;
- c) break complex procurement to smaller segment to provide greater opportunities for small businesses to participate;
- d) use diagrams and model to present ideas and intent; and
- e) conduct briefing session for small business – record them and make them available on line for small/regional small business representatives that could not attend

Insufficient knowledge and skills

For Sellers:

- a) Centralise training and education portal for suppliers to learn about how procurement is conducted for Queensland government agencies.

For Buyers

- a) There is an underlying assumption that procurement officers in agencies have the requisite skills in undertaking procurement and engaging with small business. Both of these assumptions about capability need to be assessed, development and career pathways clearly identified and this needs to inform the training offered to procurement officers through Skills2Procure. Engaging with small business should form part of the training available through Skills2Procure.
- b) An external review and assessment process is to be recommended over an internal one as the latter approach carries the risk of perpetuating existing assumptions and practices in agency procurement teams.
- c) Procurement teams, especially in large agencies, should have a small business champion. The role of the small business champion should have clear engagement targets and KPIs that should be achieved in a financial year. This will send a clear signal to both small business and agency staff about the importance of small business to the growth and productivity of the State of Queensland.
- d) For smaller agencies, a system of rotating (3 months per rotation) a small business champion through agency procurement teams could be established. They should also have clear engagement targets and KPIs.

### Scale and complexity of government contracts

- a) use plain English in contracts rather than legal language; and
- b) distinguish clearly between legislative requirements and contract requirements.

### Payment terms

- a) in an age of eInvoicing and ePayment platforms, payment terms should be expedited especially for small businesses who have cash flow constraints compared to larger businesses. Once products and services from small businesses have been accepted, invoicing by the Seller should trigger a quicker payment term than the current 30 calendar days.

### **6. Are you aware of any procurement policies or approaches that have worked well elsewhere? If yes, please provide examples.**

The AIIA has entered into an MOU with the Digital Transformation Agency – the agency responsible for ICT procurement policies and the Digital Marketplace in the Commonwealth. One of the KPIs in the MOU is a set number of meetings about procurement policies between AIIA members and DTA. AIIA small businesses members have provided feedback that they have found these discussions useful in understanding how ICT procurement policies are developed and implemented in the Australian Public Service. Such dialogue removes some of the myths around government procurement especially for small businesses.

### **7. What are the blockages that stop you from accessing government procurement opportunities?**

- a) AIIA members operate in the ICT sector and therefore a level of digital literacy can be assumed to exist in this sector.
- b) We recommend ongoing iterative development of the technology platform which serves as a one-point access for suppliers to then tender across Queensland agencies;

### **8. In terms of Queensland Government procurement, what is currently working well and should be continued or expanded?**

- a) A centralised front end approach has clear benefits for small business;
- b) The move to whole of government panel arrangements is currently working well and should be continued and expanded. Panel refresh opportunities should be clearly signposted as small business start to adopt whole of government panel construct.

### **9. Do you have any other ideas that would assist small businesses to access government procurement opportunities?**

a) Consistency in approach

Agencies across Queensland Government need to be consistent in their approach to undertaking procurement. Lack of consistency means that small businesses have to educate themselves on various practices across various agencies which is time consuming and a barrier to entry that impacts them more than larger businesses.

b) Use mobile technology to alert small businesses of new procurement opportunities

Use mobile technology to communicate government procurement opportunities. Alerts could be sent to small business on procurement opportunities in areas they are interested in.

c) Digitise Procurement

Digitise procurement processes – rather than trying to digitise the whole process in one go, take an iterative and agile approach – undertaking user (procurement officers and small business owners) research along the way.

d) Setting small business engagement targets for agencies

Pre-procurement engagements with small business is just as important as the procurement activities themselves. The only access small businesses often have to government agencies is via approach to market documentation. Most small businesses will not employ a government relations manager whose role is to engage with decision makers in agencies. Therefore, it is important for agencies to have “open days” to discuss business outcomes they are hoping to achieving in the future. Setting small business engagement targets for agencies will force procurement officers and business areas to undertake these engagement activities before approaching the market.

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