Building Construction and Maintenance Category

Townsville Forum report

31 October 2017





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Introduction

This report provides a summary of the Building Construction and Maintenance (BCM) Category Collaboration Forum (the Forum) held in Townsville on Tuesday 31 October 2017.

The day was a combination of government and industry speakers supported by interactive collaboration sessions. Appendix 1 provides the full Townsville BCM Forum Program.

The Forum was attended by approximately 40 participants representing 15 organisations. Appendix 2 provides a list of government agencies and organisations in attendance.

In addition to this report a short summary of the day is also available on video.



Summary of key themes

Several key themes and findings emerged during the day, these included:

- Needing to publish a forward procurement pipeline of projects across the state so that contractors can 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 the difference between value and price, but being able to communicate this to our 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 the local capacity when aiming to commit to local jobs and industry.

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Overview from the speakers

Government panel Q&A

The panel consisted of:

- Kimberley Dripps, Assistant Director-General Queensland Government Procurement, Department of Housing and Public Works
- Graham Atkins, Deputy Director-General, Public Works and Asset Management, Department of Housing and Public Works
- Paul Holden, Regional Director, North Queensland, Department of State Development.



The panel topic 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 which were answered on the day as well as a complete list of audience questions and responses that were unable to be answered.

Government speaker

Mr Allen Cunneen, Deputy Director-General, Infrastructure and Coordination, Department of Aboriginal and Torres Strait Islander Partnerships

Key messages/findings:

- This presentation made extensive use of data to demonstrate the investment in Aboriginal and Torres Strait Islander Communities over the next two years.
- Detailed opportunities and challenges faced by the department in the delivery of projects in North Queensland indigenous communities.
- Effective scheduling of projects has enabled consistent work for local suppliers and on-time delivery of outcomes for the community.
- Collaboration through inter-departmental strategic planning.
- Case Study: Aurukun.

Industry speakers

Stephen de Jersey, Director, Stephen de Jersey Architect

Key messages/findings:

- This presentation demonstrated that value was more than mere price, and risks of engaging the 'cheapest' vendor.
- The strategic importance of engaging an architecture and design consultant and the benefits that come with such an engagement.
- Feedback on the procurement processes e.g. the cost of tendering, pipeline of projects.
- Case study: Cathedral School—Townsville.

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Carmelo Di Bella, Manager North Queensland, CPB Contractors (formerly Leighton Contractors)

Key messages/findings:

- Driving value through procurement
- The importance of having a clear forward pipeline of projects across the state so that contractors can plan their resources, especially in regional areas.
- The negative impact on local communities and industries not having visibility of a forward pipeline of projects.
- The importance of engaging with industry for better outcomes.
- Insights into industry procurement practices and the benefits associated with these.

Brett Schimming, Chief Executive Officer, Construction Skills Queensland

Key messages/findings:

- Northern Queensland industry outlook presented.
- Data presented outlining the construction undertaken in Northern Queensland and forecasts for future activity in the same region and the rest of the state.
- Detailed construction labour supply and demand in Northern Queensland.
- Reinforced the importance of consistent work through the procurement pipeline to ensure stability in the labour market.

The <u>speaker slides</u> are available online to provide further context.

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Summary of interactive sessions

Group collaboration activity 1: Importance and urgency

A total of four interactive collaboration sessions were conducted during the Forum. The aim of these sessions was to enable structured feedback from attendees. The information contained in the activity summaries reflects the opinions of the attendees that participated in the workshop.

Leveraging the topics from the key note speakers and government panel, six key topics were provided to attendees. The attendees then had to identify how important and urgent each point was to their agency. This was a group consensus activity so each table responded collectively in identifying importance and urgency.

The six key points were:

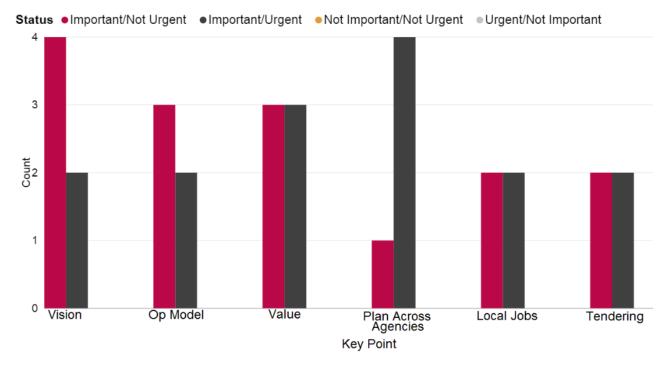
- 1. Have a common vision for BCM category in Queensland Government?
- 2. Have an embedded agency led, centrally enabled operating model?
- 3. Improve understanding of what value and price is?
- 4. Find an effective way to plan regionally across agencies?
- 5. Improve the way we package work to create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



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Results

Interactive Session 1: Key Points Importance and Urgency



Results summary

- The results indicate that on the whole, attendees see all of the key points as being important for category management, but they vary in their perception of how urgent they are.
- Highest importance and urgent votes: Key point 4: Find an effective way to plan regionally across agencies?
 - Please note that this is consistent with the result from the Brisbane Forum.
- The comments below provide a greater insight into the interpretation of urgency and prioritisation.

Group collaboration activity 2: Always - Never continuum

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

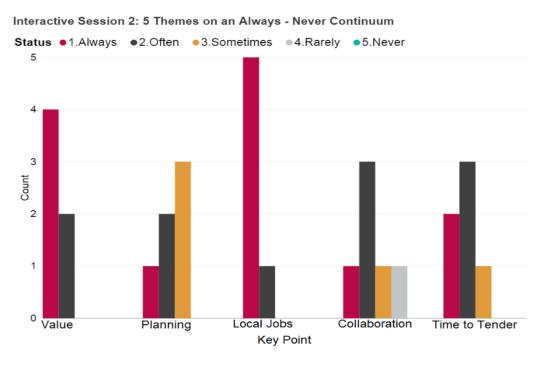
- 1. Value: Defining value and making a decision based on value.
- 2. Planning: Providing industry with forward notifications of upcoming projects and tenders.
- 3. Local jobs: Packaging work to match market capabilities.
- **4. Collaboration:** Collaborating with others in and outside the agency to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

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This was an individual activity but tables could also group together to respond. Below is the breakdown of responses.

Results



Results summary

- Attendees mainly assessed the frequency of their practice of these themes between 'often' and 'Always'.
- 'Rarely' received relatively few votes overall, and 'Never' does not appear as a response.
- These responses were similar to the responses from the Brisbane Forum. The difference is that 'Local Jobs' had a significantly higher 'Always' response from the Townsville delegation, where the Brisbane delegates rated 'Value' as being the highest.

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Group collaboration activity 3: Spheres of influence and control

Attendees were asked to indicate their level of empowerment relating to the five themes using the spheres of influence and control model:

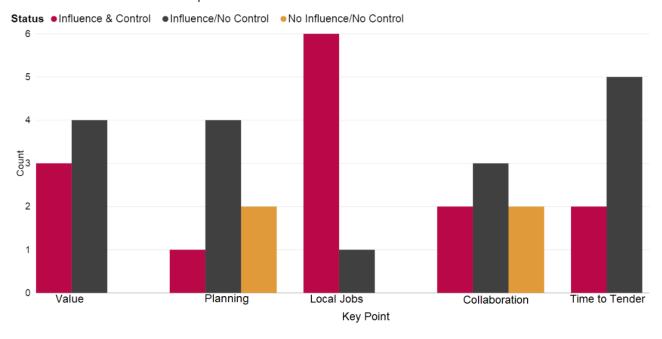
- Value
- Planning
- Local jobs

- Collaboration
- Time to tender.



Results

Interactive Session 3: 5 Themes in Spheres of Influence and Control



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Group collaboration activity 4: Forces for change

Attendees were asked to identify activities of 'What we can do' and requirements of 'What we require from others'. These are broken down into the areas of:

- Value
- Planning
- Local jobs

- Collaboration
- Time to tender.



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	 Reduce importance on 'price only'. Provide long term value with decisions. Options on ability to tap into all community, private and government sectors. 	 Educate clients on whole of life costs & community benefits. Capability training required. An open approach overall. Common understanding and contextual consistency. Long term plans.
Planning	 Greater agency collaboration. Often timeframes for emerging work are short as needs are not previously identified, or extra budget emerges unexpectedly. Prepare to share and take political risk. Ability to forward plan for future budgets and expectation. Industry consultation required. Forward procurement plans required. 	 Rolling programs required. Pre-approved budgets. Education for agencies regarding benefits. Better provision of funds in forward budgeted programs. Commit to a one year plan to start with. Stronger commitment and focus on the way the local level delivers. Clear boundaries and governance. Support from all agencies. Regional planning.

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Themes	Internal action—What can we do	External action—What we require from others
Local jobs	 Commit to local jobs and local industry. Engage with the local community. Currently expanding our audience. Support the current policy. 	 Issues exist with trades in remote community areas. Current council actions do not work. Classification and definition of what local exactly means. Understand local capacity. Support flexibility at the local level. Need better planning to support and minimise spikes in activity and spend
Collaboration	 Engage in interagency Forums and preprogram planning. Each agency must commit to collaboration. Work with government agencies for the best deal across government. Outline our value proposition. 	 Facilitating collaboration. Government forward planning of budgets. Education and capability training required.
Time to tender	 Accept the standardisation of tender documents and processes. Identify customer needs and priorities. Industry consultation required. Streamlines process. 	 Minimum 4 weeks - However quick maintenance tasks can be a lesser amount of time. Provide the bigger picture of what is being planned to go to the market. Trust in local community engagement and outcomes. Standard contracts, terms and conditions.

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Conclusion

The attendee's responses show a high level of engagement in the group collaboration activities and a strong understanding of:

- the principles of category management and an "agency led, centrally enabled" model
- the importance of forward procurement pipelines to co-ordinate a consistent supply of project work
- collaboration and understanding opportunities with other departments
- the importance of engaging local suppliers.

This Forum was well received with participants coming away from the day with a better understanding on how procurement can assist with achieving greater amounts of local content for future projects.

It is clear from the Forum that BCM has a role to play in assisting agencies in coming together and developing integrated procurement activities.



Contact

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

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Appendix 1: Townsville BCM Forum program

8.15am – 8.30am Attendees arrive and register.

8.30 am - 8.40 am John Carey (MC) opens the Forum by welcoming attendees and

acknowledging the traditional owners.

8.40am – 9.20am Introduction of the Government panel:

 Ms Kimberley Dripps, Assistant Director-General, Queensland Government Procurement, Department of Housing and Public Works

 Mr Graham Atkins, Deputy Director-General, Public Works and Asset Management, Department of Housing and Public Works

 Mr Paul Holden, Regional Director North Queensland, Department of State Development.

Topic: What does a collaborative BCM category model look like for the Queensland Government?

9.20am – 9.30am Government Panel Q&As.

9.30am – 9.55am Introduction of the Government speaker: Collaboration in practice.

Mr Allen Cunneen, Deputy Director-General, Infrastructure and Coordination, Department of Aboriginal and Torres Strait Islander Partnerships.

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9.55am – 10.10am Group collaboration activity 1:

Importance and urgency matrix.

10.10am - 10.35am Morning tea.

10.35am – 10.55am Industry speaker: Creating and sustaining value from an industry

perspective.

Stephen de Jersey, Director, Stephen de Jersey Architect.

10.55am – 11.15am Group collaboration activity 2:

• Always – Never continuum

11.15am – 11.35pm Industry speaker: *Driving value through procurement.*

Carmelo Di Bella, Manager North Queensland, CPB Contractors (formerly Leighton Contractors).

11.35pm – 11.55pm Industry speaker: How government can build regional capability to deliver on Building Construction and Maintenance.

Brett Schimming, Chief Executive Officer, Construction Skills Queensland.

11.55pm – 12.20 pm Group collaboration activity 3 and 4:

- Sphere of influence and control.
- Forces for change—Health check.

12.20pm - 12.30pm Wrap up and close.

12.30pm - 1.00pm Networking lunch.

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Appendix 2: BCM Forum attendees

The Forum was attended by approximately 40 people and represented by 15 organisations.

Type of organisation	Organisation representation
Queensland Government departments/agencies	 Department of Aboriginal and Torres Strait Islander Partnerships Department of Communities, Child Safety and Disability Services Department of Education and Training Department of Housing and Public Works Department of State Development Queensland Health
Hospital and health services	Mackay Hospital and Health ServicesTownsville Hospital and Health Services
Government owned corporations	Energy Queensland
Federal Government	 Regional Development Australia Townsville and North West Queensland Department of Prime Minister and Cabinet
Private Sector	 Construction Skills Queensland CPB Construction Stephen de Jersey Architect wilson/ryan/grose Lawyers

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Appendix 3: Questions raised at the BCM Forum

Government panel

Topic: Working together for better procurement

Master of Ceremony: John Carey (wilson/ryan/grose Lawyers)

Panel Members: Kimberley Dripps, Graham Atkins and Paul Holden

Question	Response	Panel member
Now that HPW has released the procurement policy what are the next steps for implementation? In	Co-benefits can be achieved if focus can be on value instead of just price. Local benefits test is the most notable of these co-benefits.	Kimberley Dripps
particular the local benefits test is generating a fair bit of conversation in this region. How does HPW see it working in practice for BCM?	Local benefits test is something that procurement professionals should consider when undertaking various procurement activities.	
	Next step for procurement is how we are going to measure these benefits.	
HPW are working hard to ensure that work is packaged in a way to meet local capacity and capabilities. What are some of BAS's recent successes in this space and what learnings can you share with the group.	Bipartisan support exists for promoting and supporting local industry. This is achieved by engaging with local industry prior to the start of procurement projects.	Graham Atkins
What is State Development seeing happen in the North Queensland industry for Building Construction and Maintenance?	The Department of State Development has a recent experience with local content, most recently with the construction of the sporting stadium (91% local content).	Paul Holden
	Particularly we focus on capability development within the local industry while maintaining best practice and meeting the needs of the region.	
	Our focus has also been on job generation and incorporating local materials.	
	We have recognised the need to translate the upskilled investments that companies make on the stadium to other projects in the region.	
	We connect industry to the QPP and make it live and breathe in the region.	
The Queensland Government operating model of "agency led, centrally enabled" applies to BCM	"Agency led, centrally enabled" is not a command and control structure. Agency specific, locally focussed is absolutely fundamental.	Kimberley Dripps
category management. Can you explain what this means, how does this model improve procurement and what are the	Central enablement assists with governance, capability uplift, policy development and data.	

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benefits for those responsible for procurement in Queensland Government?	Opportunities for BCM exist around the forward procurement pipelines. Consecutive projects tend to drive prices down, while concurrent projects tend to drive prices up. Co-ordination with other departments is key.	
Paul, you have had experience in a range of large, complex, capital projects throughout the state. You're particularly aware of the impacts—both positive and negative—these projects can have on communities. Can you tell us about a recent project that benefited from careful forethought and planning to avoid negative impacts on the local community?	The more projects that occur in North Queensland the better the outcome in terms of, unemployment in the region. Previous expenditure in North Queensland has been limited, however current forecasts look promising. The timing of the release of tenders for these future projects are critical to reduce competition for resources and maximise the employment benefit for the region.	Paul Holden
How is HPW going implementing the procurement strategy and applying the local benefits test in practice?	Benefits for each community cannot be defined by South East Queensland. There is a need to engage with the local community to determine what you're trying to establish.	Graham Atkins
	The procurement model and the agency briefings make it very clear to industry the key outcomes that we are looking for.	
	Communicating that we are looking for more than just the lowest price has been difficult.	
Government has received feedback over the years about the inconsistency of practice in	Every piece of procurement is a competition, and many do not have more than one winner.	Kimberley Dripps
contracts and tendering. How does HPW see Government practice improving in this space and how can industry assist?	It is important to exercise judgement and record why that judgement was made. This assists in circumstances where tenderers make a complaint.	
	Standardised ICT contracting has had a benefit in reducing the amount of different contracts we have with vendors which minimises red tape by removing inconsistencies.	
One of the desired outcomes of category management is to contribute to creating more sustainable and robust local communities. Can you tell us about projects you have been involved in and how you have gone about doing this to ensure	I try to focus on industry engagement activity, where possible working with Tier 1 suppliers to promote to them the opportunity that local content provides them. We have worked hard to develop Tier 2 and 3 suppliers to develop capability and maximise their opportunity to promote themselves.	Paul Holden
legacy benefits?	Commitment to maximising local content has been supported by Tier 1 suppliers.	
Cross agency planning and forward procurement notification is a critical aspect in ensuring that	Benefits occur when there is visibility, a forward pipeline of procurement and projects. Some of these include, a level workload, industry has	Graham Atkins

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industry can match Government	confidence to engage apprentices and run	
capability. Where have you had	training programs etc. They also have	
success in this in the past and	confidence to invest in their community.	
what improvements do you see necessary to make it work?	Housing projects in Aurukun have been one of the biggest success stories due to the collaboration with not only other agencies but the industry and local community.	

Additional questions

Question	Response	Panel member
You mentioned that BCM is one of six categories, and ICT is another. I just think that given the diverse group of people here, are you able to share with us what the other categories are?	There is General Good and Services (which I lead), Building Construction and Maintenance, Transport Infrastructure Services (TMR), Medical (QH), Social Services, ICT. All different, with different focuses. QGP has been working on resolving the issues associated	Kimberley Dripps
	with Government data.	
You mentioned the benefits of long term plans. Three year plans providing more certainty for everyone in that pipeline of work. I think you hinted that even longer periods being even more beneficial. What length of planning would be beneficial for industry and community benefits to be absolutely maximised that is practical for everyone.	It depends on the type of work. From my point of view, the average apprenticeship takes four years, so if we could get something over a four year period, that would give industry the best position to have the confidence to engage apprentices. The longer the rolling program, the better for the community and everybody.	Graham Atkins
Is that going to require a bit more flexibility in funding arrangements?	I have had discussion within government about this and Treasury assured me that every year, every agency is provided with their budget, plus three out years. However, we cannot commit beyond next year as we do not have confidence. It absolutely requires some level of certainty. Within Government we have to clarify that issue.	Graham Atkins
	I think there are some things you can get from the asset intensive industries; electricity and water. How do we do strategy and forward planning when you haven't got certainty around budgets.	Kimberley Dripps
	You can look at ten years with what is needed, then you can break that down with more certainty in terms of what is actually likely to occur. And I think the challenge with the forward procurement pipeline in the BCM category is "How do you do that so you can inform industry that 900km of pipeline and 47,000 sqm of maintenance of a certain kind, and a certain	

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	amount of construction is without getting yourself into situation where the public may state "you said you were going to do this, but you didn't." How do you provide industry with enough specification so they know what is coming, without taking away from government the need and expectation to announce projects and change and move things around as needs and priorities change. How do you provide a 12 month horizon that provides detail; a two year horizon that provides a bit less detail; a four year horizon that has everything in it, but doesn't have the detail; and a 10 year program of what might happen. With stakeholders being mature enough to accept changes.	
Is there a practical step to actually introduce and bring those plans together, knowing the uncertainty you were talking about in the funding. Do we need to go earlier in the process or go as one as all of the Housing and Homeless Services?	Our preferred way in Housing and Public Works of working out answers to difficult questions like that is to ask the people who have to be involved in doing it. It has previously been asked "am I allowed to do this?" and the answer is, why wouldn't you be allowed to? You're bound by the Public Service Code of Ethics and the expectations of your agency. Your agency expects you to get value for money, perform decent strategic planning and, co-operate with your partners from other agencies. Where it gets people in trouble is when you have a conversation and those conversations end up in the media. Professional public servants are able to recognise that a planning conversation comes with a certain level on confidentiality within government. Planning may always remain in draft format or may have heavy caveats applied to them.	Kimberley Dripps
	The level of maturity has changed in relation to how the Queensland Government is treating asset management.	Graham Atkins

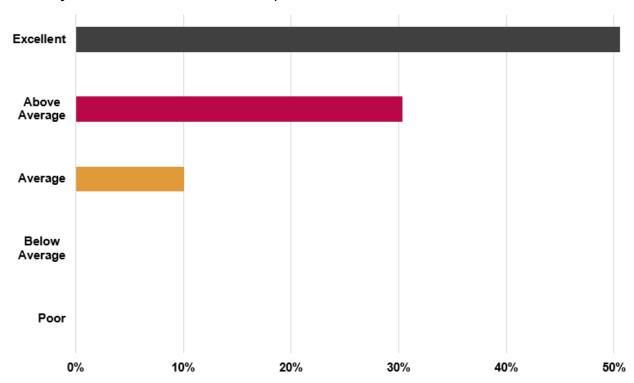
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Appendix 4: Townsville Forum survey results

After the Forum, a survey was sent out to attendees. Of the 40 attendees, we received 10 responses (25%). The 10 respondents did not answer all questions and responses to each question will be highlighted in each individual question.

Question 1: Overall, How would you rate the Forum?

Summary: 9 out of the 10 answered this question.



Results:

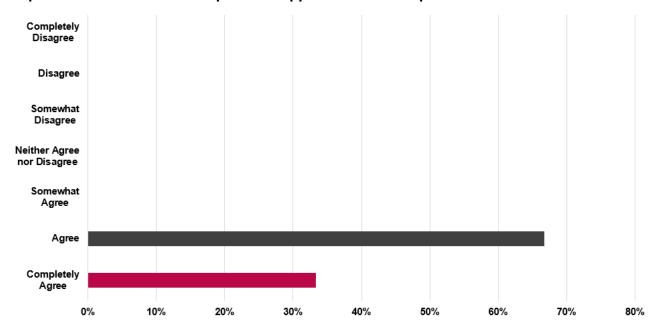
Response	Response rate
Excellent	50.50%
Above Average	30.30%
Average	11.11%
Below Average	0
Poor	0

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

Summary: 9 of the 10 respondents answered the question. There were four topics within Question 2. The response to each of these topics and the legend for these responses are as below:

Topic 1:The Forum identified practical opportunities for improvement in North Queensland

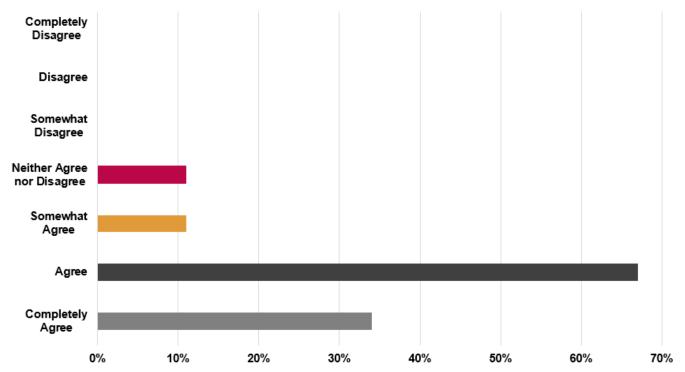


Results:

Response	Response rate
Agree	66.67%
Completely Agree	33.33%

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Topic 2: The group collaboration activities reinforced your understanding of the key messages

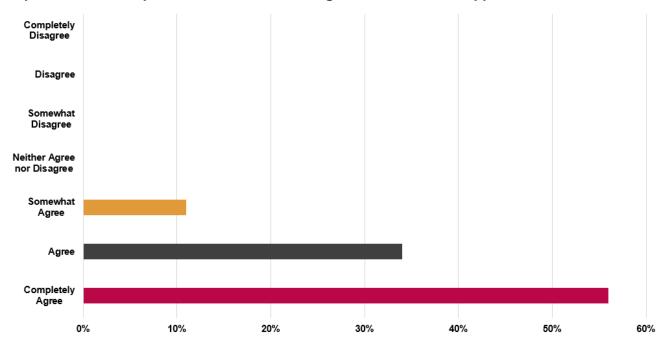


Results:

Response	Response rate
Neither Agree nor Disagree	11.11%
Somewhat Agree	11.11%
Agree	66.67%
Completely Agree	33.33%

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Topic 3:The Forum provided useful networking and collaboration opportunities

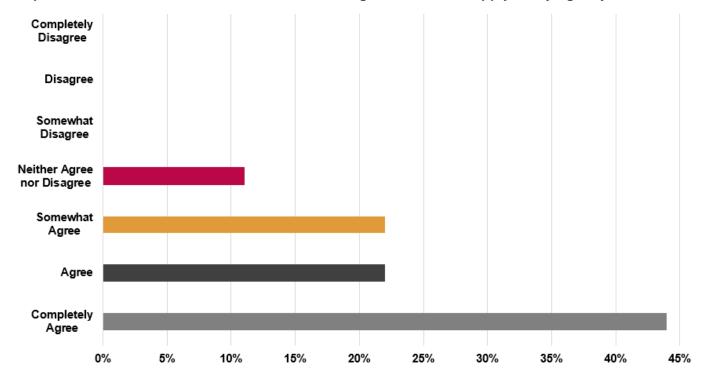


Results:

Response	Response rate
Somewhat Agree	11.11%
Agree	33.33%
Completely Agree	55.56%

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



Result

Response	Response rate
Neither Agree nor Disagree	11.11%
Somewhat Agree	33.33%
Agree	22.22%
Completely Agree	44.44%

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

Summary: 9 of the 10 respondents answered the question. The response to this question was in a free text format. The responses have been collated as such:

Responses	Count
Collaboration	3
Understanding of DATSIP involvement, applications in the North Queensland and Far North Queensland region	2
Government agencies do take value for money seriously	1
Importance of local content	1
'Price' versus 'Value'	1
Understanding of the BCM Category and where it sits within the seven categories	1

Collaboration was a key takeaway from the Forum with multiple attendees highlighting this in their response. Allen Cunneen's presentation was also a takeaway for attendees as DATSIPs operations were also highlighted in the responses.

Question 4: What did you like about the Forum?

Summary: 9 of the 10 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
Collaborative environment and activities	4
Government speakers	2
Venue	1
Networking opportunities	1
Smooth execution of the Forum	1
Food	1

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Question 5: Which sessions did you find most informative?

Results: 9 of the 10 respondents answered the question. The response to this question was in a free text format, with some respondents detailing multiple features of the Forum. The responses have been collated as such:

Responses	Count
Allen Cunneen's (DATSIP) presentation	4
Panel discussion	2
Speakers	1
Brett Schimming's (CSQ) presentation	1

Question 6: What do you think we could have done better?

Summary: 7 of the 10 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:

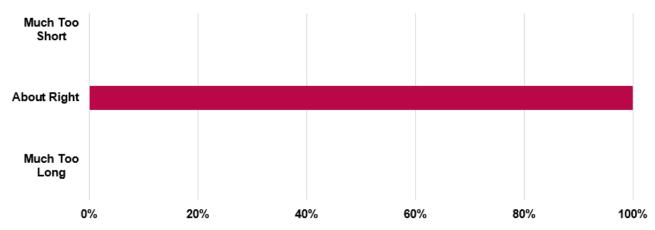
Responses	Count
Nothing	4
Improved explanation of collaboration activities	2
More coffee	1
More networking opportunities	1

Comments: While most responses confirmed that there was nothing from the program to be changed, there were 2 responses drawing attention to the collaboration activities and requesting more time and further clarification of some of the activities.

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Question 7: Was the Forum length too long, too short, or about right?

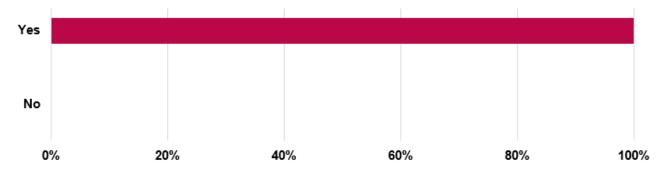
Summary: 9 of the 10 respondents answered the questions. Respondents were asked to rate whether the event was 'Much too Long', 'About Right' or 'Much Too Short'.



Results: 100% of all respondents advised that the Forum length was 'About Right'.

Question 8: Would you recommend this Forum to a colleague?

Summary: 9 of the 10 respondents answered the questions. Respondents were asked a 'Yes' or 'No' question in relation to this. 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 9: Is there anything else you'd like to share about the Forum?

Summary: 6 out of 10 answered this question. The response to this question was in a free text format.

Results

Responses	Count
No	3
There is a need for facilitating collaborate networks within the regions	1
The video. Great camera crew. Well done	1
Great location!	1

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