Social Procurement
‘Why Social Procurement and Economic Participation in Central Coast & the Hunter?’

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ArcBlue Government Procurement Development Activity across Australia/NZ

**VIC State Government**
- CIPSA Certification

**VIC Local Government**
- Procurement Roadmap development
- Contract Management Guidelines and Training

**NSW State Government**
- Accreditation Program – preparation and assessment

**NSW Local Government**
- Roadmap Program with LGP
- Procurement Leadership Program
- Social Procurement Development
- Sydney Metro Councils Joint Procurement Development Program

**QLD State Government**
- Contract Management Capability Assessment & Development Program

**Federal Government**
- Contract Management Development
- Regional Procurement Development Programs

**Federal Government**
- Procurement Leadership Program

**WA Local Government**
- Procurement Training Program
- Spend Analysis

**Gold Coast Council – Capability Development and Contract Management**

**SA Local Government**
- Roadmap Program
- Regional Opportunity Analysis

**SA Local Government**
- Procurement Training Program

**Spend Analysis**

**SA Local Government**
- Regional Procurement Development Programs

**Federal Government**
- Departmental reviews

**State Government**

**Local Government**
• Social Procurement Australasia (SPA)

– A non-profit Association supporting the growing demand for guidance, networking, and development in the social procurement field
– Established to increase the social impact of procurement across Australia/ NZ
– Founding Members include: Social Traders, ArcBlue, Eco-Buy, Councils, NSW SPAG, MAV (Vic), WALGA (WA) and Local Government Procurement (NSW)
– Activities: Forums/ events; Website portal – Case studies, research, clauses, guidance; Newsletters; Advocacy, policy development; Training and support
– Current Events and Programs
  » Greater Western Sydney Social Procurement Development Program
  » Central Coast - Hunter Social Procurement and Economic Participation Forum
  » Bendigo Social Procurement and Economic Development Forum - September 11
  » Queensland Social Procurement and Economic Development Workshop – Oct 17
  » Auckland Social Procurement Forum – November 2014
New Approaches to Achieving Social and Economic Development Objectives

• All levels of Government & the Private Sector have social and economic objectives (part of the Quadruple Bottom Line)
  – Traditional ‘silo’ approach to achieving objectives
  – Lack of integration and collaboration:
    » Within organisations
    » Cross sector
    » Between sector
    » Within regions

• Innovation – Complex issues require new models
  – New ways to address complex, multi-causal and long-standing issues
  – Integrating the achievement of social and economic outcomes into procurement, service design and employment
Focus in the Central Coast - Hunter

- Workshops across the Region in late 2013 identified the following priorities:
  - Provide integrated training and employment pathways to assist in addressing unemployment and underemployment for:
    » Jobless families
    » Youth and older workers
    » Indigenous communities
  - Provide new approaches to address pockets of place-based disadvantage
  - Creating and strengthening opportunities for local and regional businesses
  - Maximising local and regional benefits from all aspects of investment in the region (private/ Government)
  - Strengthening the role and capacity of:
    » Social enterprises
    » Indigenous owned enterprises
  - Encourage new partnerships, innovation and social/ private entrepreneurship
Strategic Procurement

• **Procurement is how we spend most of our money**
  – E.g. NSW – State Gov’t $25bn and Local Gov’t $7bn each year
    » Service delivery, community and civil infrastructure
  – Private development – housing and infrastructure
  – Major Projects

• **Procurement represents significant market power to:**
  – Deliver high quality, value for money goods, services and works;
  – Drive sustainable cost savings;
  – Influence, enable and stimulate the private and social enterprise markets to deliver social, economic and sustainability outcomes;
What is social procurement?

Social procurement is a strategic approach to meeting social and economic objectives through procurement.

Social procurement involves using procurement processes and purchasing power to generate positive social and economic outcomes in addition to the delivery of efficient goods, services and works.
A cross-functional approach to driving social value

Organisation

Strategic Procurement

Social and Economic Objectives

Functional Silos

Strategic Social Procurement

The Global Procurement Network
Social Procurement Marketplace

- Social Enterprises - Businesses that trade to deliver social benefit - 20,000 in Australia
- Indigenous Owned Enterprises

- Small Business delivering local and regional benefit
- Larger business delivering social and economic benefits as in addition to goods, services and infrastructure

Social benefit provider

Private businesses Responding to clauses

social procurement marketplace

ArcBlue
The Global Procurement Network
Growing field of Activity – Case Studies

- **UK and International Development**
  - UK Social Value Act
  - London Olympics/ Crossrail

- **Private Sector**
  - Indigenous Enterprise/ Employment
  - Telstra/ Rio Tinto/ Transfield

- **State and Federal Governments**
  - North West Rail
  - Nowra Jail

- **Local Government**
  - Waste and Recycling Projects – e.g. Great Lakes
  - Infrastructure and Service Delivery
  - Major Projects
  - Activity Centre and Growth Area Development
  - Targeted Programs to support local and regional business participation
  - Programs to expand the role of Social enterprises – Wyong
Case Studies: Regional Procurement Roadmap Programs

- Partnership between ArcBlue, Local Government Procurement (LGP), ROC’s
  - 175 Councils across 3 States are/ have participated since 2011
  - 65 Councils in NSW
  - 2013/ 2014 Programs – South Sydney ROC, Western Sydney ROC, NOROC (Nthn NSW), Riverina, Centroc (Central NSW)
  - Program Objectives – Collaborative approach to driving regional benefit:
    » Make sustainable savings & create efficiencies
    » Stimulate local and regional economic and social development
    » Improve probity and reduce risk
    » Build staff and organisational capability in procurement
    » Strengthen regional collaboration
Case Study: Greater Western Sydney Social Procurement Strategy

• Process to date:
  – GWS Social Procurement Forum held on May 1 in Parramatta (125 attendees)
  – Working Group further developed the Forum outcomes into a Recommendations Paper
  – August 2014, a new Regional Department of Premier and Cabinet led Taskforce established to source funding and oversee implementation

• Objectives of the Program
  – Social Procurement Practice – Strengthen the effective incorporation of social and economic development objectives in strategic procurement practice.
  – Opportunities for Business – Support the capacity of local and regional GWS businesses to effectively participate in supply chains.
  – Social Enterprise Development – Strengthen the role and capacity of social enterprises to participate in supply chains and effectively deliver jobs and employment pathway solutions
  – Major Projects – Strategic approaches to major project procurement to contribute to: targeted job creation, business growth and economic participation outcomes for GWS.
  – Connecting the Labour Supply – Strengthen the networks and activity underway to support the capacity of people from disadvantaged communities to be prepared for and successfully participate in labour markets.
Social Procurement in NSW: A Public Sector Guide

• Step by step Guide to implementing social procurement in your organisation
• Case Studies including:
  – Wollongong City Council Social Procurement Roadmap
  – Parramatta City Council Sustainable Procurement Survey
  – Bonnyrigg Housing Estate
  – Western Sydney Parklands Trust
  – Wyong, Parramatta and Wollongong Councils – Social Enterprise Development
  – Australian Indigenous Minority Supplier Council
  – Hunter Resource Recovery and Mai-Wel E-cycling Services
  – DFS Public Works South Coast Correctional Centre
  – WSROC Mattress Collection and Mission Australia Soft Landings
  – Koori Job Ready

• Legal Advice from Salvos Legal
  – “There is nothing in any of the Local, State or Federal laws, or the common law, which prevents or limits the ability of either Local or State Government to consider the social outcomes /benefits which might be gained from a particular tender as part of Government’s procurement processes.”
The Business Case for Social Procurement

• How government (local, state or federal) can use social procurement as an efficient and effective means of achieving policy objectives in two main categories:
  – Securing targeted employment and workforce participation opportunities for a specific population group.
  – Addressing place-based disadvantage or economic decline in a particular region or area by concentrating spending in that area.

• Contents:
  – What is social procurement?
  – How can it work in practice?
  – Bringing unemployed people into the labour market
  – Addressing place-based disadvantage
  – What are the benefits of social procurement to government
  – Next steps - how government can support social procurement
  – Resources

• The arguments are supported by selected relevant Australian and international case studies of the benefits that social procurement can deliver.
Support available

www.socialprocurementaustralasia.com
  – Case Studies/ clauses/ research
  – Social Procurement in NSW – Guide

www.arcblue.com.au
  – Social Procurement specialist support
  – Training and Opportunity Analysis Programs
  – Regional Development Programs
  – Policy and practice development
  – Project Support
  – Local Government Procurement Development and Roadmap Programs