

Victorian Government Social Procurement Framework

ANNUAL REPORT 2020–21



ACKNOWLEDGEMENTS

Victoria's *Social Procurement Framework* has been delivered in collaboration between the Department of Jobs, Precincts and Regions and the Department of Treasury and Finance.

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This report was designed by Little Rocket. The engagement of Little Rocket is an example of the government's *Social Procurement Framework* in action, directly contributing to the outcomes sought under the following two objectives: 'Opportunities for Victorian Aboriginal people' and 'Sustainable Victorian social enterprise and Aboriginal business sectors'.

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Primary cover image (right) Braydon Saunders of the Gunditj Mirring Traditional Owners Aboriginal Corporation applying traditional methods of fire management to the heathland surrounding the Red-tailed Black-Cockatoo feeding habitat. Credit: Ben Zeeman, Glenelg Hopkins Catchment Management Authority

LANGUAGE STATEMENT

We recognise the diversity of Aboriginal people living throughout Victoria. While the terms 'Koorie' or 'Koori' are commonly used by Aboriginal people of Southeast Australia, we have used the term Aboriginal in this report to include all people of Aboriginal and Torres Strait Islander descent who are living in Victoria.

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"This is the third year that Little Rocket has designed the Victorian Government Social Procurement Framework Report. The opportunity to work on the design each year has allowed our creative team to work on meaningful content and further develop our report capabilities. The support from government departments directly affects the utilisation of our First Nations supply chain."

JOHN BURGESS

Owner / Marketing & Communications Director,
Little Rocket

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Foreword



Message from the Hon. Jaala Pulford, Minister for Employment, and Mr Danny Pearson, Assistant Treasurer

The Victorian Government is supporting Victoria's economic and social recovery through its *Social Procurement Framework* by getting people and communities who most need support into jobs.

This nation-leading initiative harnesses government spending to ensure every Victorian – no matter their gender, background or ability – has a chance to share in the prosperity our state has to offer, and to create a sustainable future for all Victorians.



The Victorian Government is the biggest spender in our state's economy. In 2020-21, \$24.8 billion was spent on goods and services to support service delivery and operations, and a further \$15 billion on public construction and infrastructure. Moving forward annual infrastructure spending is set to average \$22.5 billion from 2021-22 to 2024-25, based on the current pipeline of projects.

By using this spending power wisely, we are driving social, environmental and economic outcomes, including inclusive employment, while still providing value for money.

Value for money is not simply finding the cheapest price – it also means leveraging public spending to create a more equitable and sustainable state.

This value is embedded in the objectives of the *Social Procurement Framework* and outlined in case studies and stories throughout this report.

It is clear from these stories that this work is changing lives, circumstances and conversations, and transforming communities.

We're creating jobs with fair wages and providing opportunities for every Victorian to participate in our society, share in our prosperity, and have a stake in Victoria's future.

It is also leading to smarter ways of dealing with waste and recycling, managing our water and other scarce resources, and looking after our environment for future generations of Victorians.

Now in its third reporting year, the framework demonstrates that these objectives are indeed standard practice for the Victorian Government.

The Victorian Government has continued to purchase goods and services from social benefit suppliers, such as social enterprises and Aboriginal businesses despite the unprecedented social, health and economic circumstances brought on by the pandemic. This has supported these businesses to not only grow, but to reinvest in local jobs and communities.

And as we rebuild and recover from this once-in-a-century shock, initiatives like the *Social Procurement Framework* will help to ensure that the opportunities that lie ahead can be shared by all.

About the Framework

The *Social Procurement Framework* (the Framework) leverages the significant buying power of government to drive increased value for money in all the goods, services, and construction we procure. By not solely focusing on the cheapest price, we can maximise social, economic and environmental benefits for all Victorians, and create Victorian jobs.

The Framework has 10 objectives, each with specific and measurable outcomes.

TABLE 1: THE FRAMEWORK’S OBJECTIVES AND OUTCOMES

OBJECTIVE	OUTCOMES SOUGHT
Opportunities for Victorian Aboriginal people	<ul style="list-style-type: none"> • Purchasing from Victorian Aboriginal businesses • Employment of Victorian Aboriginal people by suppliers to the Victorian Government
Opportunities for disadvantaged Victorians	<ul style="list-style-type: none"> • Purchasing from Victorian social enterprises • Job readiness and employment for: <ul style="list-style-type: none"> ◦ long-term unemployed people ◦ disengaged youth ◦ single parents ◦ migrants and refugees ◦ workers in transition
Opportunities for Victorians with disability	<ul style="list-style-type: none"> • Purchasing from Victorian social enterprises and Australian disability enterprises • Employment of Victorians with disability by suppliers to the Victorian Government
Women’s equality and safety	<ul style="list-style-type: none"> • Adoption of family violence leave by Victorian Government suppliers • Gender equality within Victorian Government suppliers
Supporting safe and fair workplaces	<ul style="list-style-type: none"> • Purchasing from suppliers that comply with industrial relations laws and promote secure employment
Sustainable Victorian social enterprise and Aboriginal business sectors	<ul style="list-style-type: none"> • Purchasing from Victorian social enterprises and Aboriginal businesses
Sustainable Victorian regions	<ul style="list-style-type: none"> • Job readiness and employment for people in regions with entrenched disadvantage
Environmentally sustainable outputs	<ul style="list-style-type: none"> • Project-specific requirements to use sustainable resources and to manage waste and pollution • Use of recycled content in construction works
Environmentally sustainable business practices	<ul style="list-style-type: none"> • Adoption of sustainable business practices by suppliers to the Victorian Government
Implementation of Victoria’s Climate Change Policy objectives	<ul style="list-style-type: none"> • Project-specific requirements to minimise greenhouse gas emissions • Procurement of goods and services that are resilient against the impacts of climate change

SOCIAL PROCUREMENT STRATEGIES AND SUMMARY OF PRIORITIES

Over 275 government agencies and departments use the Framework to identify their social procurement goals. These will often align with other strategies, priorities and initiatives of government. Agencies

and departments will report on progress towards their social procurement goals in their respective annual reports. This provides suppliers with useful information about priorities for the coming year.

Figure 1: Shows the priority objectives of the departments and core agencies in 2020-21

SPF OBJECTIVE	Department of Environment, Land, Water and Planning	Department of Education	Department of Families, Fairness and Housing	Department of Health	Department of Justice and Community Safety	Department of Jobs, Precincts and Regions	Department of Transport	Department of Premier and Cabinet	Department of Treasury and Finance	Victoria Police
Opportunities for Victorian Aboriginal people		✓	✓	✓	✓	✓	✓	✓	✓	✓
Opportunities for Victorians with disability			✓	✓	✓		✓	✓	✓	
Women's equality and safety		✓	✓	✓		✓	✓	✓	✓	✓
Opportunities for disadvantaged Victorians		✓	✓	✓	✓	✓	✓	✓		
Supporting safe and fair workplaces		✓	✓	✓			✓	✓	✓	✓
Sustainable Victorian social enterprise and Aboriginal business sectors	✓						✓	✓	✓	
Sustainable Victorian regions						✓	✓			
Environmentally sustainable outputs	✓	✓	✓	✓	✓		✓			
Environmentally sustainable business practices	✓						✓			
Implementation of the Climate Change Policy Objectives					✓		✓			

*The Department of Transport includes the consolidated priority objectives as stated for 2020-21 for VicRoads, Public Transport Victoria and Major Transport Infrastructure Authority.

HIGHLIGHT ACHIEVEMENTS

Achievements since the launch of the *Social Procurement Framework*

Victorian Government departments and agencies have invested heavily in Victoria's social benefit suppliers since 2018:



- **\$84.1 MILLION** spent on 350 purchase agreements with verified Victorian Aboriginal businesses and other organisations
- **\$31.8 MILLION** spent on 213 purchase agreements with certified Victorian Social Enterprises.

Achievements in this reporting period (1 July 2020 – 30 June 2021)

Victorian Government departments and agencies achieved:



- **\$21.2 MILLION** spent with 129 verified Victorian Aboriginal businesses and other Aboriginal organisations
- **\$10.4 MILLION** spent with 64 certified social enterprises, of this, **\$7.2 MILLION** was spent with 18 certified social enterprises with a mission for people experiencing disadvantage
- **\$5.57 MILLION** spent with 34 Australian Disability Enterprises (ADEs) or social enterprises led by a mission for people with disability.¹

How this compares with the inaugural *Whole of Victorian Government Social Procurement Framework Annual Report 2018-19*

Despite the unprecedented circumstances brought on by the coronavirus pandemic, significant increases have been made in comparison to the strong benchmarks set in the inaugural annual report:



- A 37 per cent increase in business engagements and 27 per cent increase in expenditure with Victorian Aboriginal businesses and other Aboriginal organisations
- Despite a nine per cent decrease in business engagements this year, there was a 42 per cent increase in expenditure with certified social enterprises.

¹ Figures for Australian Disability Enterprises and social enterprises led by a mission for people with disability are a subset of the total spend and engagement figures for social enterprises.

A FOCUS ON IMPROVED OUTCOMES

Each year we seek to increase not only the uptake of social procurement as ‘business as usual’ across all Victorian Government agencies, but also the quality and richness of reporting on social procurement achievements.

Embedding a policy initiative as business as usual requires a strategic approach and development of a strong network, where both government buyers and suppliers understand how to operate within the framework and how to achieve successful outcomes from their procurement activities.

TRANSFER OF EXISTING RESPONSIBILITIES

As part of a strategic approach to improving *Social Procurement Framework* outcomes, on 1 January 2021, responsibilities for government buyers, including measurement and reporting, transferred from the Department of Treasury and Finance to the Department of Jobs, Precincts and Regions. This consolidated the support responsibilities for both government buyers and suppliers within a single department.

NEW RESPONSIBILITIES - VICTORIA'S RECOVERY FROM THE CORONAVIRUS PANDEMIC

With the emergence of the coronavirus pandemic, social procurement now plays a significant role in Victoria's economic recovery. To maximise the social benefits of significant government procurement activities, there is now an increased focus on creating employment and training opportunities for two cohorts who have been disproportionately affected by the pandemic: women and young people.

To support this initiative, a Social Procurement Assurance Team has been mobilised within the Department of Treasury and Finance to work with government procurement and contract management teams on procurement activities valued over \$20 million.

The team is tasked with supporting government buyers to embed social procurement within their activities, prioritising these required outcomes. The team will monitor the social procurement commitments made by suppliers, and their achievements against those commitments.

EMBEDDING THE FRAMEWORK IN THE CULTURE OF THE PROCUREMENT COMMUNITY

The Victorian Government has been working hard to embed the Framework into the hearts and minds of all Victorian Government procurers. The government has also sought to ignite the passion for social procurement within existing and aspiring government and non-government procurers alike.

Skilled and trained procurement professionals can play a significant role in creating social and environmental value through the adoption of targeted strategies and by supporting the development of diverse suppliers within their supply chains.

Signifying the increasing importance of the Framework, providers of higher education are now seeking to inform students about this initiative. This year, the University of Melbourne and Swinburne University of Technology separately approached the Department of Jobs, Precincts and Regions, to find innovative ways to incorporate information regarding the *Social Procurement Framework* within their procurement training syllabuses.

With social procurement taught as a foundation principle, the future is looking bright for the procurement sector and more broadly for Victorian communities.

We welcome other educational institutions seeking to incorporate social procurement into their training syllabus to contact the Department of Jobs, Precincts and Regions for assistance and advice via email at socialprocurement@ecodev.vic.gov.au.

‘The Social Procurement Framework has provided a huge impetus for the construction and infrastructure sector to drive significant social impact outcomes. At Fulton Hogan the framework aligns with our values and our community purpose and our people have embraced the opportunity to engage with social enterprises in our operations’.

RAMON DOBB
National Procurement Manager,
Fulton Hogan

STRENGTHENING AND EXTENDING OUR SUPPORT NETWORKS

Having a strong support network for government buyers and suppliers is core to the success of the Framework.

The Department of Jobs, Precincts and Regions has agreements with the following support network partners:

- **Kinaway Chamber of Commerce** provide business support and advice to Victorian Aboriginal business people and help improve the visibility and networks of Aboriginal businesses to strengthen relationships and create opportunity. Kinaway publish a list of certified Victorian Aboriginal businesses, as well as provide departments and Victoria Police with support services to assist in identifying opportunities for engagement with Victorian Aboriginal businesses.
- **Social Traders** certify, build capability and connect social enterprises with business and government members. By activating the power of social enterprise procurement, Social Traders creates positive impact through jobs, community services and support for the most marginalised. Social Traders provides a portal of certified social enterprises with rich search functionality for all Victorian Government departments and agencies, as well as connection for social enterprises to the Vendor Panel procurement portal.
- **Jobsbank** is focussed on making inclusive employment and social procurement work for business. Jobsbank has a unique role in the Victorian ecosystem, building capability among employers and enabling them to participate in the opportunities created by government's unprecedented levels of investment in infrastructure, job creation and service expansion.
- **Industry Capability Network (ICN)** is a network of independent experienced industry procurement and supply chain specialists who introduce businesses large and small to projects across Australia and New Zealand. ICN's Social Procurement Program consists of developing system capability to capture *Social Procurement Framework* commitments and achievements through the Victorian Management Centre platform. The platform is supported by the provision of dedicated industry advisors, training, e-learning modules, guides, and toolkits.



SOCIAL TRADERS

Jobsbank®



MEASURING AND REPORTING ACHIEVEMENTS

Measuring and reporting on outcomes is essential in successful policy implementation. It provides the basis for understanding the policy areas that have been embedded well and the areas that require further nurturing.

Since 2018, measurement and reporting has been informed by:

- the provision of direct spend data by departments and Victoria Police
- case studies of social procurement achievement from all eligible entities
- social procurement achievement data from our major project delivery agencies.

This year, a significant milestone and advance in our reporting capability was achieved.

The Department of Jobs, Precincts and Regions, in conjunction with the Department of Treasury and Finance and the Industry Capability Network, released a *Social Procurement Framework* reporting solution on the Victorian Management Centre platform.

The Victorian Management Centre allows government buyers to record procurements that include social procurement commitments² and suppliers to report their achievements against those commitments. This will assist both government buyers and suppliers to meet their Framework reporting obligations and provide a richer understanding of the achievements made the government entities eligible to report under the Framework.

Despite the relatively short period of time the Victorian Management Centre *Social Procurement Framework* reporting module has been in operation, the following outcomes have been recorded:

- *A total of 265 Victorian Government contracts added to Victorian Management Centre; of this, 119 were Social Procurement Framework related.*
- *\$3 billion worth of Victorian Government contracts added to Victorian Management Centre; of this, \$1.9 billion Social Procurement Framework related.*

The Department of Jobs, Precincts and Regions will work with all eligible Victorian Government entities to ready them for reporting for the 2021-22 financial year. The Industry Capability Network provides monthly training and dedicated industry advisors for both government buyers and suppliers to support the effective use of the Victorian Management Centre.

It is anticipated that all 275+ eligible entities will have the ability to report to the Victorian Management Centre in 2021-22. This will enable social procurement baselines to be set, driving incremental improvements to both social procurement outcomes and the way we measure and report on those outcomes.

With a broader adoption by eligible entities in the future, the Department of Jobs, Precincts and Regions will look to the Victorian Management Centre as a potential conduit between employment commitments and employment opportunities for Victorians experiencing disadvantage.

Further information on the Victorian Management Centre can be found by visiting icn.org.au or by phoning **9864 6700**.

² Social procurement commitments are made by a bidder, as set out in their Social Procurement Commitment Proposal, to improve their performance in relation to delivering a *Social Procurement Framework* Outcome.

Opportunities for Victorian Aboriginal people

The historic injustices of colonialism, dispossession and intergenerational trauma still play out today in the experiences of Victoria's Aboriginal communities, and many Aboriginal Victorians continue to miss out on the economic opportunities that others take for granted.

To create a better future together with Aboriginal Victorians, the Victorian Government is working in partnership with the Aboriginal community to boost self-determination and build a pathway towards a Treaty with the First People's Assembly of Victoria.

The *Social Procurement Framework* is a powerful lever to help level the playing field and dismantle the systemic barriers that prevent Aboriginal people from fully sharing in Victoria's social and economic prosperity.

By supporting Victorian Aboriginal businesses to participate in government procurement processes, the Victorian Government is creating more opportunities for Aboriginal people, so that together we can create a more just and inclusive future.

CASE STUDY: JARRAH CLEANING SERVICES

Servicing offices across regional Victoria from Mallacoota to Portland, the job of providing cleaning services for the Victorian Fisheries Authority is a big one.

When the Victorian Fisheries Authority approached the market for a cleaning company this year, CEO Travis Dowling realised early on that this was the perfect opportunity to create a social value outcome.

To see this vision through, the team approached cleaning and maintenance companies that were either social enterprises, disability enterprises or Aboriginal-owned companies to submit a tender.

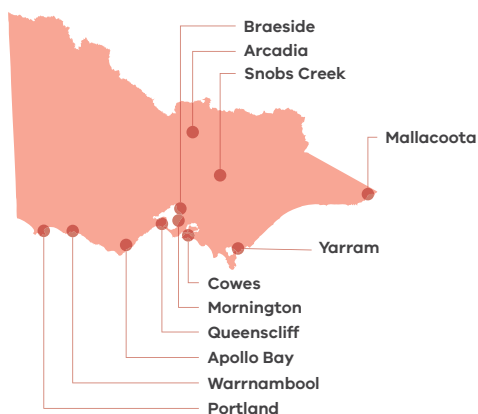
The three-year contract was awarded to Jarrah Integrated Services – an Aboriginal-owned business based on Wurundjeri land in North Melbourne.

As well as keeping clients' workplaces functioning smoothly, Jarrah Integrated Services creates and promotes employment for Aboriginal and Torres Strait Islander people and businesses.

The company offers training and support to grow measurable, long-term career pathways for Aboriginal people.

'We are delighted that we could offer Jarrah Integrated Services the job, as well as provide the opportunity for other social enterprise companies to be engaged in the tender process,' said Travis.

The Victorian Fisheries Authority's Queenscliff Office.



KEY ACHIEVEMENTS



From 1 July 2020 to 30 June 2021, the Victorian Government directly spent:

- **\$13.23 MILLION** with 98 verified Victorian Aboriginal businesses
 - » Of this, nearly **\$1.75 MILLION** with Victorian Aboriginal businesses through state purchase contracts.³
- **\$7.98 MILLION** with 31 other Aboriginal organisations

With the challenges presented by the coronavirus pandemic during the 2019–20 financial year, growth in expenditure and engagement by the Victorian Government with the Victorian Aboriginal business sector⁴ was hampered:

- a decrease of 54 per cent in total expenditure by the Victorian Government with Victorian Aboriginal businesses
- an increase of 1.6 per cent in the total Victorian Aboriginal businesses engaged by the Victorian Government.

Compared to the inaugural reporting year 2018–19 (pre coronavirus pandemic), there has been a 37 per cent increase in business engagements and a 27 per cent increase in expenditure.



Beyond direct engagement with Victorian Aboriginal businesses, Victorian Government entities sought commitments to support Victorian Aboriginal people through its supply chain.

From 1 July 2020 to 30 June 2021, the following *Social Procurement Framework* commitments were included within 119 contracts with suppliers reported to the Victorian Management Centre⁵, of which:

- 18 contained commitments for the engagement of Victorian Aboriginal businesses.
- 17 contained commitments for the engagement of Victorian suppliers who are employers of Victorian Aboriginal people.
- 15 contained commitments for expenditure with Victorian Aboriginal businesses.
- 13 contained commitments for the employment of Victorian Aboriginal people.



The state's major project delivery agencies provide a number of opportunities for Victorian Aboriginal people.

Under the rail industry's Training for the Future skills program, 17 Aboriginal people completed the GROW⁶ program.

In 2020–21, the major road⁷ and rail projects (delivered by the Level Crossing Removal Project, Major Road Projects Victoria, North East Link Project, Rail Projects Victoria and the West Gate Tunnel Project) spent a total of \$77,140,516 with 74 Aboriginal businesses⁸ and organisations both directly and through its supply chain.

In 2020–21 the major road and rail projects recorded 781,199 Aboriginal employment hours, taking the total to date⁹ across all Major Transport Infrastructure Authority projects to 1,942,570 Aboriginal employment hours.

Kinaway Chamber of Commerce is the Aboriginal organisation supporting Victorian Aboriginal and Torres Strait Islander business owners and entrepreneurs. Since its launch in October 2018, the number of certified businesses listed on its directory has increased from 15 to 377 businesses by 30 June 2021.

³ Due to system and reporting limitations, not all spend across all state purchase contracts categories may be included in this total.

⁴ This comparison includes only limited State Purchase Contracts data.

⁵ As the Victorian Management Centre was fully implemented in April 2021, some contracts are still in delivery, and will not have outcomes to report on for this period. The achievements detailed may include achievements recorded against specific commitments as well as achievements outside of commitments.

⁶ Gain Real Opportunities in the Workforce (GROW) provides training and employment opportunities in the transport and construction industries to people from marginalised or disadvantaged backgrounds.

⁷ Please note in relation to all references throughout the document to the Major Road Projects Victoria projects, not all data was available.

⁸ This figure may include spend with Aboriginal organisations that do not meet the current definition of Victorian Aboriginal Businesses in the Framework.

⁹ Reporting commenced in 2016 and includes data up to 30 June 2021.

CASE STUDY: WARA PARING CIVIL CONSTRUCTION PROJECT

The Wara Paring Civil Construction Project is a first-of-its-kind, 100 per cent Aboriginal-owned contract services and training initiative.

It grew from a partnership between Melbourne Water (MWC) and Aqua Metro Services to create meaningful and ongoing job opportunities for Aboriginal people in the water industry's supply chain.

Rather than determining there were no Aboriginal businesses that could deliver capital works to the water sector, the two organisations collaborated to create the critical training scaffolding that would support the emergence of such a business.

Wara Paring (which means 'walk the path together' in Wemba language) is the outcome of this process – an Aboriginal-owned business that provides trenchless technology and non-destructive digging for MWC's capital delivery program, as well as creating training and development for young Aboriginal workers in a culturally safe environment.

Wara Paring's Managing Director, Leon Egan, says, 'We see ourselves as strong role models within our community.'

'Our unique experience has enabled us to develop the core capabilities required for business and employee success – along with a shared dream of creating meaningful and sustainable outcomes for Indigenous Australia.'

The program demonstrates how the Australian water industry can innovate with its supply chain to create better social and economic outcomes for Aboriginal people as part of the collective journey towards reconciliation.



Wara Paring training providing valuable skills and creating job opportunities.

Kinaway, the Victorian Aboriginal Chamber of Commerce, described the initiative as a 'trailblazer and example', which they now promote to other businesses as a sensible approach to sustainably creating new Aboriginal-owned businesses.

As well as providing employment for Aboriginal people, the initiative has also had cultural and environmental outcomes by supporting Aboriginal people to stay on and care for Country, and to harness Aboriginal expertise and cultural knowledge about sustainable natural resource management.



'The Victorian Aboriginal and Torres Strait Islander business sector has shown great strength and resilience over the past 12 months, among the challenges COVID-19 has presented. Kinaway has been working with agencies and their contractors to raise awareness of the certified businesses available to them. Many Kinaway certified businesses have been empowered as government procurers and their contractors alike procure with them under the Social Procurement Framework. As a result, positive relationships have been formed and business capability and capacity have increased.'

SCOTT MCCARTNEY
Chief Executive Officer, Kinaway Chamber of Commerce

CASE STUDY: MAJOR ROAD PROJECTS VICTORIA ENGAGES ABORIGINAL LAW FIRM AMK LAW THROUGH A PARTNERSHIP WITH CLAYTON UTZ

Major Road Projects Victoria is leading the way in involving Aboriginal-owned firms in professional services contracts.

As part of Major Road Projects Victoria's work with legal firm Clayton Utz, AKM Law, a 100 per cent Aboriginal-owned business has been brought on as a subcontractor.

Matthew Karakoulakis, founder and principal lawyer at AMK Law, is proud of his Aboriginal and Greek heritage, and says that the contract means AMK can engage Aboriginal lawyers to work on high-calibre matters.

'It's a fantastic example of taking the lead and demonstrating the kind of value working with Aboriginal businesses can deliver for community,' Matthew says.

Clayton Utz plans to upskill AMK Law in large commercial and construction law matters. This will provide career opportunities for young Aboriginal lawyers and additional networking and career opportunities for Aboriginal interns at Clayton Utz.

This is the first legal work that AMK Law has undertaken with the Victorian Government.

As part of the process, AMK Law worked with Clayton Utz on Major Road Projects Victoria projects including its program delivery approach,

negotiating interface agreements with developers, and strategic matters including Major Road Projects Victoria's engagement with utility service providers.

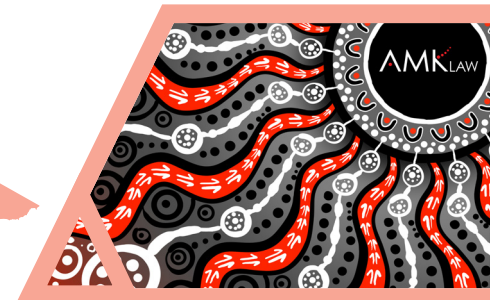
Matthew believes strongly that this work will help towards closing the gap.

'There is often a lot of talk but then no action,' he says. 'This engagement is genuine and will allow for greater economic growth and opportunities for Indigenous people.'

As well as giving the Clayton Utz team a chance to work with and learn from an Aboriginal law firm, the arrangement also provides pathways for Aboriginal lawyers to contribute to city-shaping infrastructure projects.

AMK Law and Clayton Utz have been recognised by Kinaway, the Victorian Aboriginal Chamber of Commerce in being shortlisted for the 'Best Collaboration Award' for 2021.

Artwork: Murri Art.



BA Road Services preparing a new road surface.

SHORT STORY: SOCIAL PROCUREMENT GIVES BA ROAD SERVICES THE CHANCE TO EXPAND

BA Road Services is an Aboriginal-owned and operated company based in Sunbury, Victoria that provides services to the asphalt industry.

It specialises in industrial and commercial asphalt paving work, including small domestic projects, driveways, car parks, speed humps, patches and reinstating garden paths and footpaths.

With support from Kinaway in the tender process, BA Roads has been able to win bigger contracts, including from Major Road Projects Victoria and local councils.

This has helped BA Roads' business to grow to include road maintenance asphalt work, which allows them to train new and junior staff who can then move on to road construction.

It's also meant that they have been able to invest in more equipment, and provide job security and job satisfaction for their workers.

Opportunities for disadvantaged Victorians

As Victoria recovers from the effects of the coronavirus pandemic, more important than ever that the people who need it most are supported to share in the economic and social opportunities that Victoria has to offer.

Creating employment is at the centre of this effort – because good, stable jobs that pay a fair wage provide not only income, but dignity, resilience and connection.

The Victorian Government's *Social Procurement Framework* is supporting social enterprises right across the state to provide Victorians experiencing disadvantage with real employment opportunities.

Through the power of government spending, this work is creating a fairer Victoria, one where all Victorians regardless of their personal circumstances have a chance to find their niche and to flourish.

KEY ACHIEVEMENTS



From 1 July 2020 to 30 June 2021, the Victorian Government spent:

- **\$10.4 MILLION** with 64 certified social enterprises
 - » Of this, **\$7.2 MILLION** was spent with 18 certified social enterprises with a mission for people experiencing disadvantage
 - » \$45,000 with Victorian social enterprises through state purchase contracts.¹⁰



- **\$87.3 MILLION** with 176 social enterprises identified by the Map for Impact project¹¹
 - » Of these, **\$40.9 MILLION** was spent with 57 organisations identified by the Map for Impact project as self-identified social enterprises¹²
 - » Of this, **\$13.7 MILLION** was spent with 15 social enterprises identified by Map for Impact with a mission for people experiencing disadvantage.

¹⁰ Due to system and reporting limitations, not all spend across all State Purchase Contracts categories may be included in this total.

¹¹ The Map for Impact identifies and maps Victoria's social enterprises and explores their social characteristics. It may include spend with social enterprises that do not meet the current definition of Victorian social enterprises in the Framework.

¹² This figure includes spend with organisations on the Map for Impact that self-identify as social enterprises. It may include spend with Social Enterprises that do not meet the current definition of Victorian social enterprises in the Framework. Organisations that failed to self-identify as social enterprises, but may meet the current definition of Victorian social enterprises in the Framework are not represented in this data.



Beyond direct engagement with Victorian Social Enterprises, Victorian Government entities sought social procurement commitments through its supply chain to support Victorians experiencing disadvantage.

From 1 July 2020 to 30 June 2021, the following *Social Procurement Framework* commitments were included within 119 contracts with suppliers reported to the Victorian Management Centre¹³, of which:

- 17 contained commitments for the engagement of Victorian suppliers who employ Victorians experiencing disadvantage



- 30 contained commitments for the employment of Victorians experiencing disadvantage (contributing to 15 employment opportunities)
- 23 contained commitments for expenditure with Victorian Social Enterprises
- 15 contained commitments for the engagement of Victorian Social Enterprises
- Nine contained commitments for the provision of job readiness hours.



With the challenges presented by the coronavirus pandemic during 2019–2020, growth in engagement with the Victorian social enterprise sector by the Victorian Government was also hampered:

- with a decrease of 26 per cent in expenditure with social enterprises¹⁴
- with a decrease of 19 per cent in the number of social enterprises engaged.

Compared to the inaugural reporting year 2018-19 (pre coronavirus pandemic), there has been a nine per cent decrease in business engagements and a 42 per cent increase in expenditure.



Social Traders, Australia's leading organisation working to embed social enterprises into business and government supply chains, experienced strong demand for certification in 2020-21, with 445 enterprises certified at 30 June 2021, an increase of 20 per cent on the previous year. Victorian social enterprises accounted for 27 per cent of the growth, increasing from 204 certified enterprises to 224 at 30 June 2021.

'Victoria's Social Procurement Framework remains as a key driving force in ensuring that Social Enterprises continue to be a strong and growing sector within the economy. Social Traders continue to see significant growth in the number of enterprises being certified and seeking business development support. Coupled with the growth in both government and business procurement contracts being awarded, Certified Social Enterprises are generating significant positive social impacts throughout Victoria. Victoria's Social Procurement Framework is world leading, and as part of the Victorian Social Enterprise Strategy 2021-25, will continue to influence other state governments to include social enterprise in their procurement policies.'

MIKE MCKINSTRY
Chief Executive Officer, Social Traders

¹³ As the Victorian Management Centre was fully implemented in April 2021, some contracts are still in delivery, and will not have outcomes to report on for this period. The achievements detailed may include achievements recorded against specific commitments as well as achievements outside of commitments.

¹⁴ This figure may include spend with Social Enterprises that do not meet the current definition of Victorian social enterprises in the Framework.

CASE STUDY: STREAT'S THYME OUT PROGRAM AT PARKVILLE

STREAT is a social enterprise that operates a portfolio of hospitality businesses with the goal of giving marginalised young people aged 16–24 years the skills and support they need to gain employment.

For the past decade, STREAT has provided more than 600 young people with pathways from homelessness, detox, mental health institutions, refugee centres and the juvenile justice system into the food service industry.

Young people who work with STREAT receive six months of training, where they gain more than 500 hours of accredited skills, on-the-job training, life skills and personal support, and six months of paid work that includes support to transition to employment.

The Thyme Out program is a partnership with the Department of Justice and Community Safety to help young people move from youth justice centres into STREAT's programs.

The program helps young people from the Malmsbury and Parkville Youth Justice Centres transition to the community and into employment or further study.

In Thyme Out, young people are given 27 three-hour shifts at the STREAT Parkville café in a six-week program, working alongside fully qualified baristas, chefs and hospitality staff.

An evaluation of the program showed that trainees attended 85 per cent of the shifts available, with 100 per cent of those who completed the program going on to another STREAT program or other training and employment opportunities.

In addition, 100 per cent of trainees thought the program should continue, and were grateful for it.



Parkville

'STREAT has undoubtedly strengthened and grown its impact on account of the state government's Social Procurement Framework. In fact, we've had over 90 government departments and agencies become customers over the last three years. It makes good business sense for the state government to procure from us. When a young person in crisis arrives at STREAT they are usually accessing more than \$50,000 of government-funded services each year, with our intervention drastically reducing these costs by more than \$32,000 each year. With 100 per cent of the profits from the meals sold to our government customers funding change for young people, government are buying far more than food – they're actually co-investing in long-term system change that saves them money. This is a framework that makes cents!'

REBECCA SCOTT OAM
Co-founder and CEO of STREAT

Thyme Out Program at the STREAT Parkville café.

Barista training at the STREAT Parkville café.



CASE STUDY: SWEET JUSTICE

Sweet Justice is an emerging social enterprise that provides vocational training in commercial beekeeping to young people aged 17–24 within Victoria's youth justice system for the Department of Justice and Community Safety.

The enterprise was established in 2020 by Claire Moore, an award-winning beekeeper and farmer from Kyneton, in Victoria's Macedon Ranges. Claire's work in the beekeeping industry earned her the '2019 Victorian AgriFutures Rural Woman of the Year Award', and she is one of the state's leading beekeeping educators.

Claire founded Sweet Justice after hearing about a US-based social enterprise called Sweet Beginnings that teaches beekeeping to people in the prison system, decreasing recidivism rates from 68 per cent to four per cent.

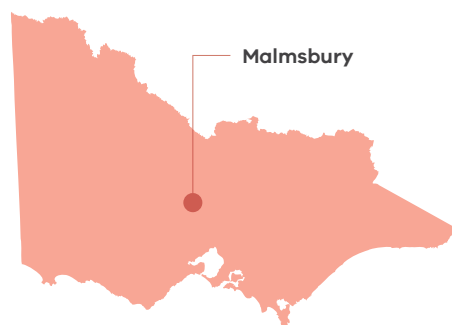
The program includes training on bee biosecurity and an introduction to Plant Health Australia's online 'Biosecurity for Beekeepers' certificate course (a two-year industry qualification).

Since its inception Sweet Justice has developed from pathway training to workplace-based employment. Sweet Justice currently has 16 employees and volunteers, addressing the skills shortage in the beekeeping industry and providing social outcomes for young people experiencing disadvantage.

It has also hired its first post-release employee, which has provided a meaningful and significant boost for the young person and demonstrates there is a visible post-release employment pathway for other young people doing the pre-release program.

Sweet Justice also operates out of Bendigo, which means it provides a way for young people from the area to remain in regional Victoria, close to their communities and support networks.

The innovative social enterprise is also helping to address the environmental crisis affecting our pollinating insects, with Australia's food producers becoming increasingly reliant on beekeepers to provide bees to pollinate flowering crops.



Claire Moore of Sweet Justice.



CASE STUDY: CLEANING SERVICES AT HEALTHSHARE VICTORIA'S NEW DERRIMUT DISTRIBUTION CENTRE

HealthShare Victoria (HSV) provides supply chain, procurement and corporate services for Victoria's public health services.

At its new Derrimut Distribution Centre, it has recently partnered with Clean Force Property Services, a flagship social enterprise of WISE Employment, to provide cleaning, hygiene and waste services.

Clean Force employs people who are living with a range of barriers to work, with up to half of its 300 employees regarded as experiencing disadvantage.

Joe Neill, HSV Director of Procurement, says Clean Force has a proven track record, with more than 20 years in business in Melbourne.

'We help health services comply with *Social Procurement Framework* requirements, and we've taken the opportunity in our first internal procurement activity as HSV to not only establish a strong commercial agreement, but to lead by example with a positive social outcome,' Joe says.

Clean Force is one of Australia's oldest and most successful social enterprises.

Jim Dinuccio, who leads WISE Employment's national social enterprise functions, says Clean Force is very pleased to be partnering with HealthShare Victoria.

'This is our first major direct engagement with a Victorian Government agency working within the state's *Social Procurement Framework*,' says Jim.

'Clean Force prides itself on delivering quality cleaning services and material social impact in the form of employment for Victorians experiencing disadvantage, and we commend HSV for working with us to service this important site,' he says.

Daniel Gonie is one of the Clean Force team members working at the distribution centre.

'I went through training and then started getting experience. You go to work, and if you're having trouble they help you through and connect you to more training,' says Daniel.

'They really care about their workers,' he says.

The agreement commenced on 1 June 2021 and the Clean Force team has now successfully transitioned to full duties at the 22,500 square-metre centre, which is central to HSV's expanded medical consumables supply chain operations.

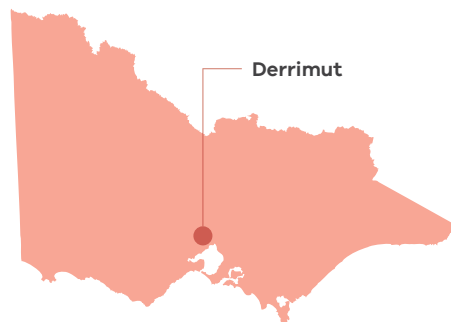


Photo copyright: (2021) HealthShare Victoria and Clean Force Property Services employees.



Opportunities for Victorians with disability

Victorians with disability want and deserve job opportunities – but too often they face barriers to accessing the labour market.

The Victorian Government, through initiatives like the *Social Procurement Framework*, is providing the incentives that create these jobs by making inclusive employment part of standard procurement practice.

From social enterprises whose mission is to provide employment for people with disability, to big companies that are now realising the benefits of being an inclusive employer and purchaser, social procurement is changing lives for Victorians with disability and creating a more just and diverse labour market.

The case studies presented here show how small changes to government policy can drive big transformations in the lives of people with disability.

KEY ACHIEVEMENTS



From 1 July 2020 to 30 June 2021 the Victorian Government spent:

- **\$5.57 MILLION** with 34 Australian Disability Enterprises or social enterprises led by a mission for people with disability¹⁵
- A further **\$4.98 MILLION** with 26 social enterprises that support people with disability,¹⁶ identified by the Map for Impact.

Beyond direct engagement with Victorian Australian Disability Enterprises, the Victorian Government sought commitments through its supply chain to support Victorians with disability.



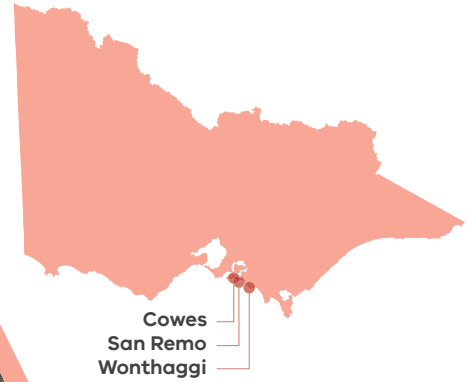
From 1 July 2020 to 30 June 2021, the following *Social Procurement Framework* commitments were included within 119 contracts with suppliers reported to the Victorian Management Centre¹⁷, of which:

- 12 contained commitments for the engagement of suppliers who are employers of Victorians with disability
- Eight contained commitments for the employment of Victorians with disability
- Seven contained commitments for expenditure with a Victorian Social Enterprise or Australian Disability Enterprise
- Five contained commitments for the engagement of suppliers who are Victorian Social Enterprises or Australian Disability Enterprises.

¹⁵ Figures for Australian Disability Enterprises and social enterprises led by a mission for people with disability are a subset of the total spend and engagement figures for social enterprises as included in Key Achievements for Opportunities for disadvantaged Victorians.

¹⁶ Figures for social enterprises that support people with disability are a subset of the total spend and engagement figures for social enterprises as included in Key Achievements for Opportunities for disadvantaged Victorians.

¹⁷ As the Victorian Management Centre was fully implemented in April 2021, some contracts are still in delivery, and will not have outcomes to report on for this period. The achievements detailed may include achievements recorded against specific commitments as well as achievements outside of commitments.



Connecting2Australia employees providing cleaning services for the Bass Coast Health vehicle fleet.

CASE STUDY: CONNECTING2AUSTRALIA EXPANDS ITS WORK WITH BASS COAST HEALTH

Bass Coast Health has partnered with social enterprise Connecting2Australia to provide cleaning services for the Bass Coast Health fleet of 45 vehicles located across the Wonthaggi, Cowes and San Remo sites.

Connecting2Australia employs people with disability across 12 hubs and three retail op shops across Victoria. It provides a range of disability support services, such as behaviour support, daily living skills, school-leaver employment services and short-term accommodation.

Previously, Connecting2Australia had provided lawn mowing and gardening services at Bass Coast Health's Wonthaggi Campus, but from September 2020 its contract includes vehicle cleaning services across Bass Coast Health sites.

This exciting growth demonstrates Bass Coast Health's commitment to building an inclusive community and providing opportunities for local people with disability while ensuring Bass Coast Health has a safer, cleaner fleet of vehicles.

As a result of this work, 12 people with disability have gained meaningful, ongoing employment providing essential services across the Bass Coast region, and they have continued to operate throughout the pandemic in line with the Victorian Government's guidelines.

The expanded contract has given Connecting2Australia staff the chance to work in new environments and demonstrate their skills to the local community.

Claire Wolmsley, Business Manager C2A Wonthaggi Hub, says, 'The banter between the crew as they clean the Bass Coast Health fleet reflects one of the most important aspects of work: social connection. The team enjoy the interaction with other team members, to have a chat and a laugh while doing valuable work and providing a great outcome for Bass Coast Health and for themselves.'

Bass Coast Health staff have been impressed with the cleanliness of their vehicles, and they have praised the great service the Connecting2Australia team provides.

'We value this contract as it provides opportunities for our Supported Employees to work in new environments and demonstrate their skills and abilities and connect with the local community. We have already received positive feedback from Bass Coast Health and this provides terrific motivation for our employees. We look forward to an ongoing relationship with Bass Coast Health'.

KEITH MORTIMER
Chief Executive Officer,
Connecting2Australia

CASE STUDY: VIVID SOCIAL ENTERPRISE PROVIDES SERVICES TO MAJOR ROAD PROJECTS VICTORIA

Vivid, a local disability service provider based in Mildura, offers work crew assignments to Major Road Projects Victoria. It provides mentored and supported employment services that give meaningful work to people living with a disability. The engagement, subcontracted through McConnell Dowell, includes site maintenance, office cleaning and carwash services across all project sites on the Echuca-Moama bridge project.

This has allowed Vivid to attract and retain a workforce from the local community.

In addition, McConnell Dowell has partnered with Bendigo Kangan TAFE and Vivid to deliver formal training qualifications for 10 of the supported employees. This gave them valuable education and a pathway to future employment.

So far, three of the TAFE participants have gained permanent part-time jobs thanks to their increased confidence and capabilities.

The work on the project also allowed Vivid to expand its social enterprise model, as well as upgrade areas of its business that do not attract direct funding.



Left to Right, Vivid employees
Sophie and Jean-Pierre.

Women's equality and safety

Gender inequality remains an issue across most settings in our community.

It is known that gender inequality and gender norms have adverse impacts on all Victorians. They limit people's choices and the roles they undertake at home and at work, creating restrictive expectations, and reinforcing barriers to accessing services. This has broader social and economic impacts for all Victorians.

The structural disadvantages experienced by women have been further compounded by the coronavirus pandemic. In 2021, the gender pay gap widened for the first time in seven years to 14.2 per cent nationally.¹⁸ Women lost more jobs and hours of work than men given their overrepresentation in the casual workforce and shouldered more of the burden of unpaid care than men.

The Victorian Government is driving the changes our state needs to improve gender equality. By leveraging government purchasing power through the *Social Procurement Framework*, we are supporting the private sector to make progress on gender equality.

Through this work, we have seen industry adopt gender equality policies in the workplace and improve flexible leave arrangements. This important reform means gender equality is embedded across a number of Victorian Government State Purchase Contracts, supporting industry to consider these initiatives as business as usual.

The Victorian Government is leading this work to create a safer, more equitable Victoria.

¹⁸ Workplace Gender Equality Agency, 2021

KEY ACHIEVEMENTS



From 1 July 2020 to 30 June 2021, the following *Social Procurement Framework* commitments were included within 119 contracts with suppliers reported to the Victorian Management Centre¹⁹, of which:



- 35 contained commitments for the engagement of suppliers with gender equality policies



- 26 contained commitments for the provision by suppliers of family violence leave policies.

¹⁹ As the Victorian Management Centre was fully implemented in April 2021, some contracts are still in delivery, and will not have outcomes to report on for this period. The achievements detailed may include achievements recorded against specific commitments as well as achievements outside of commitments.

CASE STUDY: VMIA SUPPLIER PUTS GENDER EQUITY PRINCIPLES INTO PRACTICE

The Victorian Government’s insurer and risk adviser, Victorian Managed Insurance Authority (VMIA), extended its commitment to social procurement by requiring all providers to demonstrate how they meet the objectives in their own processes and supply chains.

One of VMIA’s suppliers, Lander & Rogers, has taken these requirements to heart, launching a diversity and inclusion policy to drive gender equity across its business, including in leadership, flexibility, talent and pay equity.

In particular, Lander & Rogers’ expertise in family law and litigation provides its people with greater awareness of, and insights into, family violence, and the firm works to support victim survivors and create cultural change in attitudes to women.

To support its staff internally, they provide domestic and family violence leave and support, mental health first aid officers and a range of professional supports and mental wellness initiatives.

In addition, through their pro bono legal work, Lander & Rogers partner with community legal centres to assist culturally and linguistically diverse women, women experiencing financial disadvantage, Aboriginal and Torres Strait Island women and older women with matters involving family violence.

One such example is the engagement with Women’s Legal Service Victoria. This work became a vital focal point for lawyers working from home, allowing them to collaborate to assist vulnerable women during the coronavirus pandemic lockdown in 2020.

CASE STUDY: MENTORING FOR WOMEN IN TRANSPORT

The Women in Transport mentoring program is a six-month, industry-wide initiative run twice a year by the Level Crossing Removal Project on behalf of the Department of Transport.

It provides professional development and networking opportunities for women mentees, with the aim of encouraging more women to enter and stay in the transport industry.

The aim is to give women a fresh avenue for development as they progress in their career, and to foster relationships that can help them identify and realise their professional goals.

In 2020, the program saw 535 people matched to form 261 pairs of mentors and mentees (with some mentors taking up to two or three mentees). Mentees and mentors attend three professional development sessions staggered across the six-months.

Participants were very satisfied with the quality of their mentoring relationship, with an average rating of 4.1 out of 5 in round one, and 4.3 out of 5 in round two.

One mentee had this to say about her experience:

‘It’s been great having Sarah as a mentor, especially since she’s in the same sector of the industry but in a different discipline. She’s added great insights and improved my network.’



Supporting safe and fair workplaces

Having safe and secure work is foundational to an inclusive society.

All Victorians deserve to come home safely to their families after work, and to work in jobs with fair wages and conditions.

To support this, the *Social Procurement Framework* provides a set of principles for companies that seek to work with the Victorian Government.

These principles send the clear message that high standards for workplace safety and industrial practices are the norm rather than the exception.

The stories in this report are great examples of how we are building a more just and inclusive Victoria.



The Metro Tunnel Project – North Melbourne Tunnel.

THE VICTORIAN GOVERNMENT'S CODE OF CONDUCT FOR ITS SUPPLIERS

The Victorian Government has a Code of Conduct for its suppliers to ensure that their businesses and supply chains meet expectations around integrity, conflict of interest, corporate governance, labour and human rights, health and safety and environmental management.

In particular, the government believes that all workers in its supply chain must to be treated with dignity and respect, and paid fair wages.

Suppliers are expected to provide a fair and ethical workplace, which upholds high standards of human rights and integrates appropriate labour and human rights policies and practices into its business. They must not bully, harass, victimise, abuse or

discriminate against any worker and have an obligation to identify modern slavery practices in their supply chains.

No one deserves to be injured at work, and all suppliers must demonstrate how they comply with workplace health and safety laws.

Suppliers must also show how they minimise the environmental impact of their operations, including managing waste, using energy and resources efficiently and reducing the risk of pollution, loss of biodiversity, damage to ecosystems and greenhouse gas emissions.



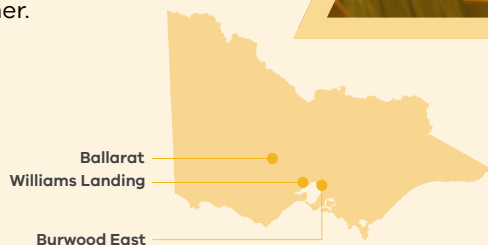
The Metro Tunnel Project – Parkville Station.

SHORT STORY: RELATIONSHIPS AUSTRALIA PROVIDES MEDIATION TRAINING FOR THE EMERGENCY SERVICES TELECOMMUNICATIONS AUTHORITY

Relationships Australia undertakes counselling, support and training and education services. As part of its engagement with the Emergency Services Telecommunications Authority (ESTA), it provided mediation training qualifications for some ESTA leaders.

This enables ESTA to proactively offer mediation as an option available to internal staff as part of the revised ESTA Zero Tolerance to Bullying Policy.

As a result, ESTA now has qualified mediators in the workplace who can offer mediation and conflict resolution in a safe and timely manner.



Sustainable Victorian regions

Regional Victoria is at the forefront of our state's economic activity, with a range of sectors from agriculture, tourism to manufacturing all playing a big part. The economy will only continue to grow with many Victorians migrating to the regions and calling it their home.

The *Social Procurement Framework* is a great initiative that will help our regions to receive a bigger share of the economic opportunities Victoria has to offer.

The case studies featured in this report are promising examples of work that is already happening across the state to assist recovery efforts.

CASE STUDY: INT TEC SOLUTIONS: PROVIDING IT SERVICES IN OUR REGIONS

Int Tec solutions is based in Mildura, where areas of the community are rated among Victoria's most socially disadvantaged. The provision of job readiness and employment for people in regions experiencing entrenched disadvantage is an outcome sought under the Sustainable Victorian Regions objective of the Framework.

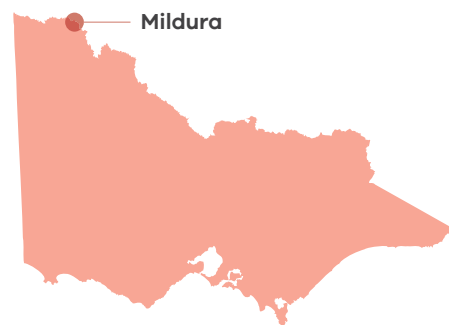
Int Tec provides leading IT services across north-west Victoria, as well as employment for 20 staff and two trainees.

The company helps organisations find smarter ways to manage their technology, delivering infrastructure, software and hardware, as well as strategy and support where needed.

Int Tec services several regional organisations, including local health services and Lower Murray Water (LMW).

The security provided by a contract with a Victorian Government agency, like the one Int Tec has with LMW, gives the firm the stability it needs to attract and retain local staff.

And for local organisations and government agencies based in the region, it means having an IT provider close to home, and not relying on city-based firms to provide IT services.



Int Tec solutions Helpdesk operator.

KEY ACHIEVEMENTS



From 1 July 2020 to 30 June 2021, the following *Social Procurement Framework* commitments were included within 119 contracts with suppliers reported to the Victorian Management Centre²⁰, of which:

- Seven contained commitments for expenditure with suppliers within regions experiencing entrenched disadvantage



- Seven contained commitments for the engagement of businesses within regions experiencing entrenched disadvantage
- Six contained commitments for the engagement of suppliers who employ Victorian people who live in regions experiencing entrenched disadvantage



- Five contained commitments for the provision of employment hours for Victorian people in regions experiencing entrenched disadvantage.



In 2018-19 the *Social Procurement Framework* applied to Victorian Government departments including Victoria Police. In 2019-20 this number grew significantly to include more than 275 eligible agencies, extending our knowledge and understanding of the initiatives being undertaken throughout Victoria's regions.

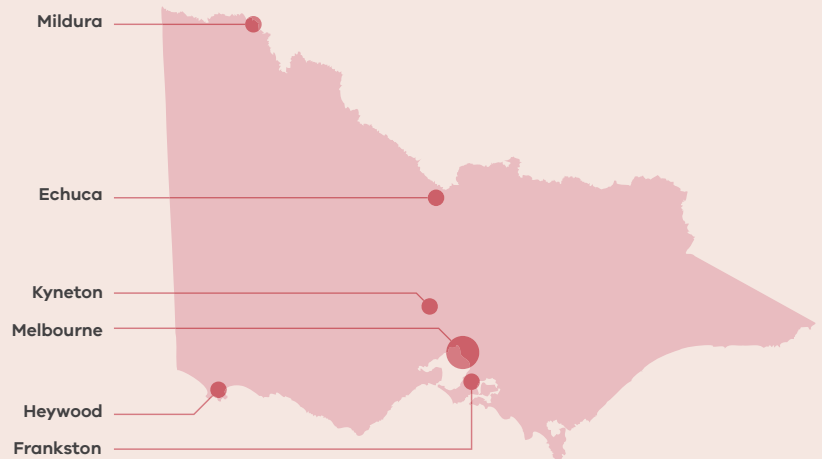


Figure 2: Distribution of regional social benefit suppliers and local businesses with social procurement outcomes featured in this year's report.

²⁰ As the Victorian Management Centre was fully implemented in April 2021, some contracts are still in delivery, and will not have outcomes to report on for this period. The achievements detailed may include achievements recorded against specific commitments as well as achievements outside of commitments.

CASE STUDY: ECHUCA–MOAMA BRIDGE PROJECT – ENGAGING A LOCAL ABORIGINAL BUSINESS TO DRIVE REGIONAL DEVELOPMENT

Through its contract for the Echuca–Moama Bridge project, Major Road Projects Victoria’s head contractor McConnell Dowell has engaged a local Aboriginal-owned business to deliver against the Victorian Government’s social procurement objectives.

AKO Earth, a 100 per cent Aboriginal-owned business from Echuca, undertook work for the project’s early mobilisation, such as managing earthworks on cultural heritage sites, excavations and rock beaching for flood mitigation on the culturally sensitive banks of the Murray River.

The opportunity has provided benefits for the local community, including employment outcomes in a regional location. Through this contract AKO Earth were able to provide employment for six local Yorta Yorta men.

It has also meant that AKO Earth has been able to grow from sole trader to an experienced, subcontracting company that is now certified through Kinaway Chamber of Commerce.

This has boosted the profile of AKO Earth within the region and the construction industry.



AKO Earth on site at the Echuca-Moama Bridge Project site.

Environmental and sustainable outcomes

The Victorian Government is reducing waste, boosting the use of recyclable and recoverable materials, curbing carbon emissions and preventing habitat destruction.

The *Social Procurement Framework* is ensuring government procurement processes prioritise sustainable outcomes, importantly including infrastructure projects.

These policy settings mean Victoria is better placed than ever to build a sustainable future and help meet our commitment for electricity used in government operations to be 100% renewable by 2025.

These policy settings mean we're better placed than ever to build a sustainable future.

KEY ACHIEVEMENTS



The Victorian Government sought *Social Procurement Framework* commitments through its supply chain to support environmental and sustainable outcomes.






From 1 July 2020 to 30 June 2021, the following *Social Procurement Framework* commitments were included within 119 contracts with suppliers reported to the Victorian Management Centre²¹, of which:

- 16 contained clauses relating to recycled content in construction works
- 13 contained clauses relating to the minimisation of greenhouse gas emissions
- 18 contained clauses relating to sustainable resources and waste and pollution management practices
- 27 contained clauses relating to Environmentally Sustainable business practices
- Six contained clauses relating to procurement of outputs that are resilient against the impacts of climate change.





²¹ As the Victorian Management Centre was fully implemented in April 2021, some contracts are still in delivery, and will not have outcomes to report on for this period. The achievements detailed may include achievements recorded against specific commitments as well as achievements outside of commitments.

Major road and rail projects provide many recycling and sustainability opportunities. In cooperation with our delivery partners, we have used the following over the life of these major projects:

PRODUCT	MAJOR PROJECTS		
 <p>689,674 T Crushed concrete</p>	<ul style="list-style-type: none"> Mordialloc Freeway Monash Freeway Stage 2 upgrade Echuca-Moama Bridge M80 upgrade 	<ul style="list-style-type: none"> Plenty 2 Road upgrade Childs Road upgrade Fitzsimons Lane upgrade Hallam North Road upgrade Western Roads upgrade 	<ul style="list-style-type: none"> West Gate Tunnel Warrnambool Line upgrade High Street Reservoir Wyndham Vale Stabling Yard
 <p>40,770 T Slag/fly ash</p>	<ul style="list-style-type: none"> Mordialloc Freeway Monash Freeway upgrade Echuca-Moama Bridge M80 S-E upgrade 	<ul style="list-style-type: none"> Fitzsimons Lane upgrade Ballarat Line upgrade Shepparton Corridor upgrade 	<ul style="list-style-type: none"> Metro Tunnel Project High Street Reservoir Wyndham Vale Stabling Yard
 <p>54,603 T Glass sand</p>	<ul style="list-style-type: none"> Mordialloc Freeway M80 upgrade Plenty Road upgrade Childs Road upgrade 	<ul style="list-style-type: none"> Fitzsimons Lane upgrade Hallam North Road upgrade Western Roads upgrade West Gate Tunnel 	<ul style="list-style-type: none"> Warrnambool Line upgrade Wyndham Vale Stabling Yard High Street Reservoir
 <p>565,304 T Crushed rock/ Brick/Ballast</p>	<ul style="list-style-type: none"> Mordialloc Freeway Echuca-Moama upgrade M80 upgrade O'Herns Road upgrade 	<ul style="list-style-type: none"> Plenty Road upgrade Western Roads upgrade West Gate Tunnel 	<ul style="list-style-type: none"> Warrnambool Line upgrade Metro Tunnel Project Wyndham Vale Stabling Yard
 <p>2,535,111 T Fill</p>	<ul style="list-style-type: none"> Mordialloc Freeway Echuca-Moama bridge Monash Freeway upgrade M80 upgrade Childs Road upgrade 	<ul style="list-style-type: none"> Western Roads upgrade South Gippsland Plenty Road upgrade Ballarat Line upgrade 	<ul style="list-style-type: none"> Shepparton Corridor upgrade Warrnambool Line upgrade Metro Tunnel project West Gate Tunnel

DID YOU KNOW?

If you are looking for products with recycled content, there is a Victorian Government directory to help you find suppliers:
Sustainability Victoria's Buy Recycled.

PRODUCT	MAJOR PROJECTS		
 <p>157,072 T Reclaimed asphalt product</p>	<ul style="list-style-type: none"> • Mordialloc Freeway • Monash Freeway upgrade • M80 upgrade • O'Herns Road upgrade • Plenty Road upgrade 	<ul style="list-style-type: none"> • Childs Road upgrade • Fitzsimons Lane upgrade • Western Roads upgrade • Ballarat Line upgrade 	<ul style="list-style-type: none"> • Warrnambool Line upgrade • Metro Tunnel project • West Gate Tunnel • High Street Reservoir
 <p>1,075 T Recycled Plastic</p>	<ul style="list-style-type: none"> • Mordialloc Freeway • Monash Freeway upgrade • Echuca-Moama bridge 	<ul style="list-style-type: none"> • M80 upgrade • Plenty Road upgrade • Childs Road upgrade 	<ul style="list-style-type: none"> • Fitzsimons Lane upgrade • Warrnambool Line upgrade • West Gate Tunnel

SUSTAINABILITY REQUIREMENTS ON MAJOR PROJECTS

Our large projects also include significant sustainability requirements, which cover both the delivery of the project and where appropriate, the ongoing operation of the infrastructure. These requirements include:



Energy-efficient lighting at construction sites and site facilities



Use of high efficiency diesel generators



Use of green power and carbon offsets



Energy efficient lighting and hot water systems



Use of solar panels where possible



Waste management practices to maximise diversion from landfill



Regenerative drives on escalators which enable the capture, storage and reuse of otherwise wasted braking energy

SHORT STORY: STATE PURCHASE CONTRACT PRINT SUPPLIER ACHIEVING MEASURABLE CARBON SAVINGS

State Purchase Contracts have been set up to combine demand for commonly used goods and services. This enables government to make the most of economies of scale when buying from the marketplace and allows for a strong purchasing position to negotiate better value and terms and conditions.

The Victorian Government's print purchasing supplier, Finsbury Green, has developed the Finsbury Green Star Rating System for offset and digital print suppliers.

The Finsbury Green Star Rating System is independently audited and validated by current environmental science sourced from the Australian Government Department of Climate Change and Energy Efficiency, National Greenhouse Accounts Factors 2017, and the National Carbon Offset Standard V3.

The rating has been reviewed by an independent panel of industry experts and science professionals and provides an open and transparent environmental rating, as well as highlighting areas where suppliers can improve their environmental practices through a combination of technology and education.

It allows government purchasers to choose a supplier based on price and performance, along with environmental practices fundamental to reducing carbon and achieving measurable CO₂ savings.



CASE STUDY: PROTECTING THE RED-TAILED BLACK-COCKATOOS OF THE GLENELG PLAIN

Glenelg Hopkins Catchment Management Authority (Glenelg Hopkins CMA) has partnered with the Department of Environment, Land, Water and Planning (DELWP) and Gunditj Mirring Traditional Owners Aboriginal Corporation to undertake cultural burning projects that will support populations of the endangered South-eastern Red-tailed Black-Cockatoo.

This cockatoo feeds only on the fruit of the Brown and Desert Stringybark in the Glenelg Hopkins region. If affected by hot fires that scorch the tree canopy, these trees can take up to a decade to recover, severely reducing their ability to produce food for the cockatoos.

Reintroducing cultural cool burns into the cockatoos' habitat supports Aboriginal cultural practices, protects the species' food resources and reduces bushfire risk.

DELWP's Forest Fire division and Gunditj Mirring Traditional Owners Aboriginal Corporation worked together to identify potential burn sites.

Glenelg Hopkins CMA conducted vegetation monitoring on vegetation and fuel composition and the impacts on the birds' food resources.

Gunditj Mirring Traditional Owners Aboriginal Corporation staff burnt 16 hectares of heathland and Stringybark woodland in July 2020 alongside DELWP Forest Fire crew.

The burn was low-intensity, patchy and did not scorch the Stringybark canopy.

Ecological monitoring was undertaken by Glenelg Hopkins CMA, which provided training on ecological survey methods to young Gunditj Mirring rangers, who are continuing to assist with data collection.

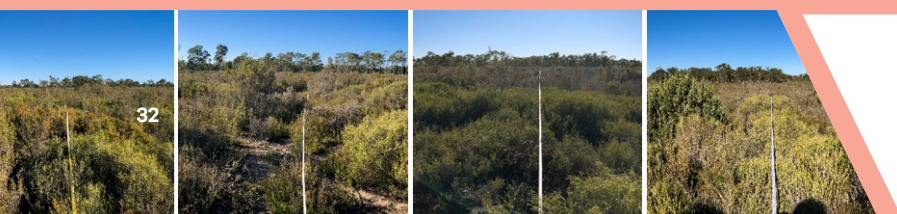
This will help to determine whether traditional methods of fire management could result in a more ecologically sensitive outcome – and hopefully ensure adequate habitat and food supply can be maintained for this endangered species.

This cooperative cultural burning activity between DELWP Forest Fire Management, Gunditj Mirring and Glenelg Hopkins CMA is part of a broader, interstate Red-tailed Black-Cockatoo recovery project supported by Glenelg Hopkins CMA with funding through the Australian Government's National Landcare Program.



Burn area and vegetation monitoring plot.

Aerial image: Google Earth Imagery 2020, photos: Ben Zeeman (GHCMA).



Gunditj Mirring Traditional Owners Aboriginal Corporation Amira Nicholson applying traditional methods of fire management to the heathland surrounding Red-tailed Black-Cockatoo feeding habitat.



'The Social Procurement Framework has really changed the way we engage with our clients on this journey towards a more just and sustainable society.'

SALLY QUINN
COFOUNDER AND CEO,
GREENCOLLECT

Photo credit: Tomasz Machnic, Flashpoint Labs.

CASE STUDY: GREEN COLLECT – A WORLD WITHOUT WASTE

Green Collect is a social enterprise delivering innovative resource recovery by providing the best environmental outcome for hard-to-recycle items from domestic and office contexts.

They focus on removing excess waste out of landfill and keeping items in circulation through re-use, local remanufacturing, and recycling - finding environmental outcomes for redundant office items including stationery, media, IT equipment, electronics, and furniture.

Green Collect achieve a 60 per cent re-use rate for their clients, plus a 35 per cent remanufacture or recycling outcome, diverting 95 per cent of what they collect from landfill.

In addition, the enterprise provides employment for people who face additional barriers to work, achieving significant social impact.

Thanks to opportunities to work in the Victorian Government's supply chain, Green Collect has been able to work at a larger scale to deliver high quality waste minimisation and circular economy services.

'The Social Procurement Framework has really changed the way we engage with our clients on this journey towards a more just and sustainable society,' says Green Collect's Sally Quinn.

'The conversation about social impact and environmental impact is front and centre. It's no longer just a by-product of something that we also achieve, it's actually of genuine interest and value to our clients.'



SHORT STORY: DEPARTMENT OF JUSTICE AND COMMUNITY SAFETY ENVIRONMENTAL SUSTAINABILITY PROJECTS

The Department of Justice and Community Safety (DJCS) is ensuring environmental sustainability in several ways.

These include mandating that construction projects divert 80 per cent of demolition and construction waste from landfill as part of minimum standards. There are eight projects under construction, three completed and 21 either in planning or design stages.

In addition, the use of recycled aggregate in construction has reduced consumption of Portland cement by 30–40 per cent, and more than 10,000 kilolitres of stormwater have been captured at major construction projects and used for dust suppression and to clean out drains prior to commissioning.

Solar panels on the department's buildings have produced 4.2 million megajoules of power, saving more than 1200 tonnes of CO₂.

The move to remote working during the coronavirus pandemic pandemic has also reduced paper use across the department by 58 per cent.



all DJCS construction projects must divert **at least 80%** of demolition and construction waste from landfill



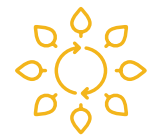
use of recycled aggregate reduced use of Portland cement by **30–40%**



more than **10,000 kilolitres** of site stormwater captured and reused for dust suppression and drain cleaning at construction sites



a **58% reduction** in paper usage across the department due to remote working



the production of **4.2 million MJ** of power from the department's solar panels within the reporting period, saving over **1200 tonnes of CO₂**



Solar panels serving a dual purpose of providing green energy and shelter for cars at the Ararat Prison.

CASE STUDY: USING RECYCLED PLASTIC ON THE MORDIALLOC FREEWAY PROJECT

Major Road Projects Victoria's Mordialloc Freeway project showcases the principles of the Victorian Government's Recycled First policy.

From the outset, the project took an ambitious approach to encourage suppliers to come up with innovative solutions. For example, when the company providing plastic noise walls offered a 30 per cent recycled product, the project team asked if they could do better.

The result is about 10 kilometres or 32,000 square metres of noise wall made from 75 per cent recycled plastic, with about half coming from products from kerbside collection and half from soft plastics.

This equates to 570 tonnes of recyclable plastic that might otherwise have gone to landfill.

The freeway works also incorporated an innovative product called eMesh, which replaces conventional steel mesh used to reinforce concrete.

eMesh is a fibre created from 100 per cent recycled plastic. Around 17 tonnes of eMesh will be used to build the shared walking and cycling path alongside of the freeway, as well as in some traffic islands.

Using eMesh reduces greenhouse gas emissions associated with the project by 58 per cent compared with using steel mesh. It's also quicker to install and increases the lifespan of the concrete it reinforces.

Together, these are great examples of how government procurement is driving better environmental outcomes.



eMesh fibre created from 100 per cent recycled plastic used to build the shared walking and cycling path alongside of the Mordialloc freeway.



DID YOU KNOW?

Recycled First is a Victorian Government policy requiring:

- bidders on all road and rail construction infrastructure projects to demonstrate how they will optimise their use of recycled and reused materials
- contractors report on the types and volumes of recycled and reused products they used.

More details can be found at: [Recycled First Policy](#).



Installing one of the panels from the 32,000 square metres of 75 per cent recycled plastic sound wall.

How suppliers work with the Social Procurement Framework

There are two types of government suppliers: social benefit suppliers and mainstream suppliers.

A **social benefit supplier** operates and has business premises in Victoria and meets one or more of the following criteria:

- is a social enterprise, certified by Social Traders or listed on the online social enterprise Map for Impact
- is an Australian Disability Enterprise providing 'supported employment services' as defined in s. 7 of the Disability Services Act 1986 (Cth)
- is a Victorian Aboriginal business, verified by Supply Nation or Kinaway.

To count an engagement in its social procurement activity reports, a department or agency must ensure the social benefit supplier is verified.

A **mainstream supplier** is any supplier that is not a social benefit supplier.

DIRECT AND INDIRECT SOCIAL PROCUREMENT

The government uses social procurement both directly and indirectly to deliver social and sustainable outcomes. Government buyers consider opportunities to deliver social and sustainable outcomes as part of every procurement activity.

In the direct approach, departments or agencies use a Victorian Government procurement process or an established State Purchase Contract to purchase goods, services or construction from a verified social benefit supplier.

In the indirect approach, departments or agencies purchase goods, services or construction from a 'mainstream supplier' using invitations to supply and clauses in contracts to deliver social and sustainable outcomes.

This includes subcontracting social benefit suppliers in supply chains.

WHAT SUPPLIERS NEED TO DEMONSTRATE

When making purchasing decisions under the *Social Procurement Framework*, government buyers also consider whether verified social benefit suppliers:

- are suitably qualified
- demonstrate experience and have a proven track record
- have the capacity and scale to deliver the requisite work
- comply with mandatory government agency contract terms
- comply with all relevant industry standards, regulations and legislation
- are competitively priced
- have business practices that align with the *Social Procurement Framework*, such as a corporate social responsibility policy, gender or disability action plans or engagement with social benefit suppliers.

HOW SOCIAL PROCUREMENT BENEFITS SUPPLIERS

Social procurement is good for Victorian businesses. As well as integrating positive social and environmental outcomes with core business, being able to demonstrate these outcomes makes suppliers more competitive when bidding for government work.

It also helps to foster workplace diversity, capability and productivity, and contributes to innovative solutions for complex social, economic and environmental problems.

FIND OUT MORE

More information for suppliers and government buys can be found on the **Victorian Government Social Procurement Framework** website.

For Social Procurement Framework questions, please email socialprocurement@ecodev.vic.gov.au

Recycled First is a new Victorian Government policy that requires bidders on government infrastructure projects to demonstrate how they will optimise the use of sustainable products.

Sustainability Victoria's Buy Recycled directory helps you find products with recycled content.

For industry-specific queries, call Jobs Victoria on **1300 208 575** or email jobsvictoria@ecodev.vic.gov.au

Business Victoria also has information on selling to government.



