



## COVERSHEET

<b>Minister</b>	Hon Stuart Nash	<b>Portfolio</b>	Economic and Regional Development
<b>Title of Cabinet paper</b>	The Implementation of Broader Outcomes and New Government Procurement Employment Rule	<b>Date to be published</b>	7 December 2020

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
September 2020	The Implementation of Broader Outcomes and New Government Procurement Employment Rule	Office of the Minister for Economic and Regional Development
July 2020	Annex Two: Implementation of Government Procurement Broader Outcomes Report	MBIE
7 September 2020	CAB-20-MIN-0423	Cabinet Office

### Information redacted

**YES**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reason of free and frank opinions.



**IN CONFIDENCE**



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# Implementation of the Government Procurement Broader Outcomes objectives

Agency report-back – July 2020

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## Background

Following approval by Cabinet in May 2019, the fourth edition of the Government Procurement Rules (the Rules) came into force on 1 October 2019. The Rules are designed to achieve wider public value and to leverage the annual government contract spend of \$42 billion. Wider public value is linked to the achievement of social, economic and environmental benefits (“broader outcomes”). The revised Rules incorporate a priority set of broader outcomes to be leveraged through procurement, as agreed by Cabinet in October 2018 [CAB-18-MIN-0516.01 refers].

Since the introduction of the Rules, there has been growing evidence of government agencies including the Broader Outcome priority areas in their procurement requirements and achieving greater public value. The four priorities that are incorporated into the revised Rules are:

- 1.1. Increase New Zealand businesses’ access to government procurement;
- 1.2. Increase the size and skill level of the domestic construction sector workforce and provide employment opportunities to targeted groups;
- 1.3. Improve conditions for workers and future-proof the ability of New Zealand business to trade; and
- 1.4. Support the transition to a net zero emissions economy and assist the government to meet its goal of significant reduction in waste by 2020.

On 15 June 2020, Cabinet directed mandated agencies subject to the Rules to report back to their responsible Minister, as appropriate, before 30 June 2020 on their implementation of the new Rules [CAB-20-MIN-0289 refers]. The report back requested information on the implementation of broader outcomes, as well as the measures mandated agencies have undertaken to use procurement to:

- 1.1. enable the redeployment of displaced workers;
- 1.2. support training and education opportunities for workers;
- 1.3. encourage the employment of local workers and cohorts who traditionally have poorer outcomes, such as Māori and Pacific peoples; and
- 1.4. identify opportunities that enable a wider range of businesses to access government procurement opportunities, specifically supporting participation by small to medium enterprises and Māori and Pasifika businesses.

Cabinet invited Ministers to refer these reports to the Chief Executive of the Ministry of Business Innovation and Employment (MBIE) (as the Procurement Functional Leader) for collation. This report presents the results from the report back from agencies.

## Key findings

- The survey response rate was approximately 87 percent with 120 of the 138 mandated agencies responding.
- Around 70 percent of respondents reported they have incorporated into their procurement activity the priority outcomes of;
  - Increasing access for New Zealand businesses; and
  - Reducing emissions and waste.
- Approximately 60 percent reported incorporating outcomes on improving conditions for New Zealand workers.
- A small number of agencies (approximately 35) have undertaken construction procurement activities and this is reflected in the results, with 34 percent of respondents reporting they have incorporated outcomes on construction skills and training.
- Over a third of respondents reported incorporating other broader outcomes, wider than the priority outcomes.
- Around 23 percent of agencies have effective contract management and reporting practices relating to broader outcomes. Approximately 14 percent of agencies have developed measures and set targets, while over 20 percent are in the process or at the early stages of establishing mechanisms to measure the achievement of broader outcomes.
- Around half of respondents reported including three out of the four employment and training outcomes into their procurement activity, while only 17 percent reported including outcomes to enable the redeployment of displaced workers.
- Approximately 54 percent of respondents have identified opportunities that enable a wider range of businesses to access government procurement activities (including small to medium enterprises (SMEs) and Māori/Pacific businesses).

## Agency response rate

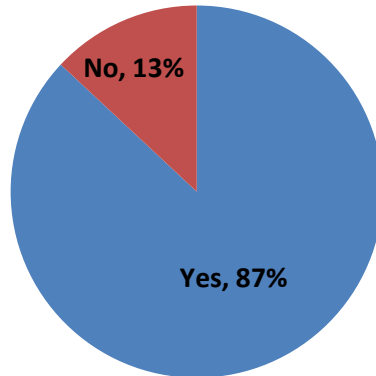
MBIE, on behalf of the Procurement Functional Lead, distributed the 'report-back' questionnaire to the 138 mandated agencies on 22 June 2020, on the aforementioned topics outlined by Cabinet. Annex 4 provides a complete list of the 138 Government Procurement mandated agencies.

Mandated agencies were given until 30 June to complete the questionnaire (seven working days). As demonstrated in Figure 1, the survey response rate was approximately 87 percent with 120 of the 138 mandated agencies responding<sup>1</sup> (see Annex 1). 13 percent (18 agencies) did not provide a response prior to this report being finalised (Annex 2).

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<sup>1</sup> As of 7/07/2020

**Figure 1. Percentage of agencies who responded to the questionnaire**

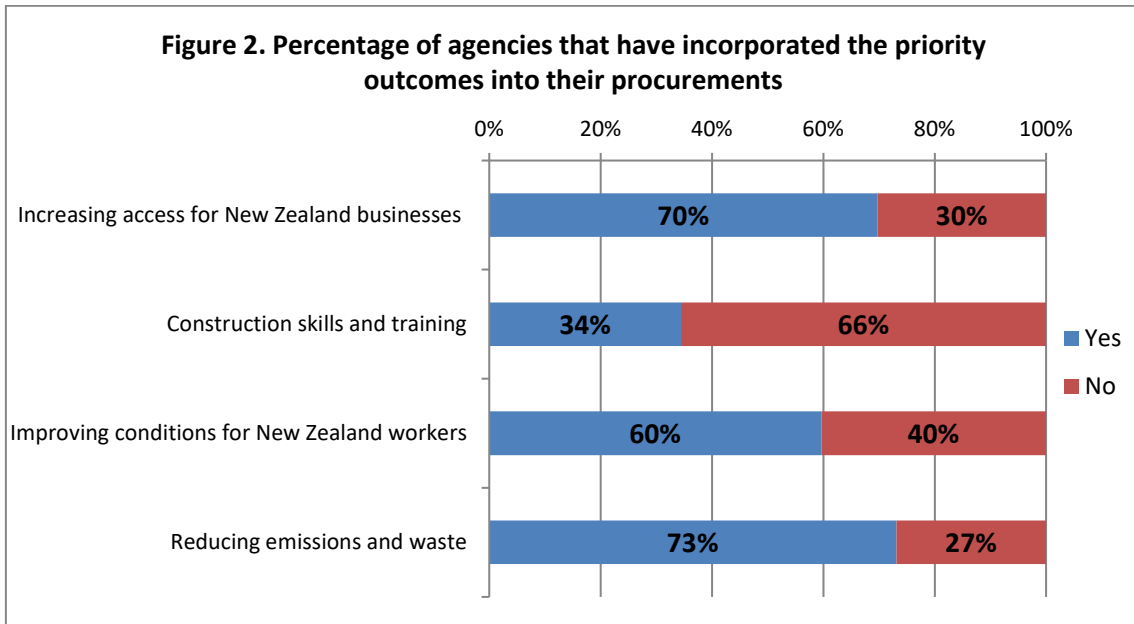


There are a number of reasons why responses were not received from agencies. Many agencies indicated the timeframe for report-back proved difficult, especially given it occurred as the 19/20 Financial Year drew to a close on June 30. Other agencies have only recently been created and therefore have not had the ability to report back, such as the Criminal Cases Review Commission established on 1 July 2020.<sup>2</sup>

## Implementation of the priority outcomes

Around 70 percent of responding agencies reported they have incorporated the priority outcomes of increasing access for New Zealand businesses and reducing emissions and waste into their procurement activity. Approximately 60 percent reported incorporating outcomes on improving conditions for New Zealand workers (see Figure 2). A small number of agencies (approximately 35) have undertaken construction procurement activities and this is reflected in the results, with 34 percent of respondents reporting they have incorporated outcomes on construction skills and training.

<sup>2</sup> For the purposes of this report, the Criminal Case Review Commission has not been included in the total reported number because it was only recently set up and so has not been able to incorporate Broader Outcomes into its procurement activities.



Agencies provided a number of examples as to how they have incorporated the priority outcomes into their procurement activity.

**Fire and Emergency New Zealand** is incorporating broader outcomes by:

- Actively working with key clothing suppliers to remove excess packaging from deliveries and move from plastic to paper or recyclable wrappings. 11,000 t-shirts were ordered for volunteers that would usually be individually wrapped but requested this did not happen on manufacture so that they arrived unwrapped in boxes.
- Advising small training providers when Request for Proposals (RFPs) are advertised and sending them the link as they are not familiar with the process and would not have responded otherwise.
- Seeking out local and regional psychologists and inviting them to join an open panel for clinical psychological services support for firefighters and keeping the process simple.
- Introducing seven e-vehicles and reviewing options to increase the fleet.
- Undertaking a review of travel patterns with a view to reducing unnecessary trips, with a target of a 957t CO<sub>2</sub>-e reduction<sup>3</sup> in carbon emissions.
- Using an electricity provider which is a 100 percent renewable electricity company.
- Working with Office Max to ensure paper purchased is carbon neutral with a recyclable wrapper and all reusable plates and cutlery are BioPak compostable versions.
- Including a 5 percent weighted criterion for property tenders on how the construction firm deals with contaminated soil, asbestos removal, onsite waste etc.
- Ensuring the main clothing supplier has an onboarding process which includes an ethical sourcing audit before a new supplier is accepted to supply.

**Inland Revenue Department** is incorporating broader outcomes by:

- Developing and implementing a 'Buying for Better Outcomes' strategy and roadmap to realise opportunities through existing arrangements, remove barriers to participation, and create new opportunities through procurement activity.
- Developing a reporting framework for social procurement including broader outcomes.

<sup>3</sup> tCO<sub>2</sub>-e refers to carbon dioxide equivalent and is measured in tonnes

- Since October 2019, including questions on broader outcomes in the majority of open market procurements. This includes Testing Services (ICT), Security & Certification Services (ICT), Online Survey Software (ICT), Mental Health Training (Corporate), Property and Facilities Management Services (Corporate), Front of House construction work for Takapuna and Manukau (Corporate), Evidence Management Solution (ICT).
- Including broader outcomes in the RFP preconditions for Property and Facilities Management Services e.g. living wage, waste management protocols, equal opportunities questions where suppliers were asked to provide data to pre-qualify.
- Trialling broader outcomes reporting through the Waste Management Syndicated contract (in the latest/last renewal round) to give Inland Revenue a total syndicate view (waste/carbon/employment opportunities/social enterprise engagement); participating agencies can opt into this.

**Department of Conservation** is incorporating broader outcomes by:

- Including broader outcomes in tender specifications where appropriate e.g. including a weighting for community benefits (including local employment) in tenders for construction activities on the West Coast.
- Including a minimum 15 percent weighting on Health and Safety for all tenders involving work outdoors and requiring site-specific safety plans to be agreed before work starts.
- Contract templates including an option for sustainability plans appropriate to the activities being covered, such as a requirement on chemical container disposal when contracting for weed control services.
- Involvement in the redeployment of displaced forestry workers and other displaced contractors with a similar skill sets.

**Ministry of Education** is incorporating broader outcomes by planning for:

- The procurement of school bus services covering all of New Zealand. It is intended to be approximately \$1.7billion over the life of the contract term (12 years). The achievement of broader outcomes will be systematically incorporated into the evaluation of tenders by including them in the evaluation criteria, the pre-conditions, and in the contract.
- Various procurements over \$9 million in Capital Works, including: Onehunga High School, Rototuna High Schools, Scott Point Primary School, and Orewa North West Primary School.

**Accident Compensation Corporation (ACC)** is incorporating broader outcomes by:

- Embedding the approach into Business Cases, Board Papers, Procurement Plans and RFP documentation for procurement activity.
- Asking tender respondents if they:
  - are a Māori or Pasifika business
  - provide sustainable, fair and equitable employment environments and what their employment policies are
  - undertake any environmental or sustainable practices and what commitments their company has in place.
- Conducting monthly reporting and analysis of quality metrics and outcomes for Māori across health services.
- Purchasing 14 hybrid-petrol vehicles off the All of Government (AoG) vehicles catalogue and placing an order for another 40 for delivery in September.
- Requesting confirmation that outsourced mailroom staff are remunerated close to, at, or above the living wage.



- Evaluating RFP tenders for cleaning services on a regional basis so that local and regional businesses had the opportunity to be awarded a contract. ACC did not make it a requirement the supplier had to be able to provide the services nationwide.
- In RFPs, respondents were asked to outline their:
  - contribution their organisation makes to the local economy in each region covered by their proposal,
  - use of sustainable cleaning products and
  - proposed approach to reducing waste and minimising the environmental impact of the service.

**Department of Corrections** is incorporating broader outcomes by:

- Including them in Procurement Plans, RFPs and other procurement documentation.
- Including reporting requirements in contracts e.g. Fleet, office refurbishments, etc.
- Making the achievement of broader outcomes a key focus in contract management plans developed for commercial delivery.
- Completing a Benefits Realisation Plan for the Asset Management and Facilities Management (AMFM) contract. This is a joint contract for the delivery of AMFM services to Department of Corrections and Ministry of Justice.

**Department of Internal Affairs** is incorporating broader outcomes by:

- Including considerations on achieving the broader outcomes in all commercial collateral.
- Improving business capability and businesses' ability to successfully respond to tenders by adopting an extensive debriefing regime. This provides respondents insight into how their proposal met the tender requirements including not only overall rankings but:
  - specific evaluation panel feedback on their answers to the questions
  - scoring on each question
  - strengths, weaknesses, opportunities, and threats (SWOT) analysis of the response
  - the rationale for choosing the successful respondent
  - providing pricing information to give businesses further insight into the position of their response.
- Including in secondary procurements for Facilities Management Services broader outcomes questions on construction skills and training, and reducing emissions and waste.
- Conducting research into the impact of adopting the living wage for vulnerable workers in first tier supply chains.
- Reducing emissions of their fleet to meet the Prime Minister's directive by 2025/26.

**Department of the Prime Minister and Cabinet** is incorporating broader outcomes by:

- Including in contracts for Government House:
  - a pre-condition for any new cleaning services contracts for Government House that suppliers meet the living wage
  - consideration of companies providing apprenticeships/training and health and safety practices by weighting "capacity" when evaluating respondents on openly advertised procurement opportunities, in some cases.
- Switching some vehicles to electric vehicles.

**Education Review Office** is incorporating broader outcomes by:

- Strategically procuring from the AoG panel of suppliers so the broader outcomes would be factored supplier selection. For example by:
  - replacing the fleet of vehicles with lower emission vehicles using the AoG panel of vehicle suppliers
  - using the Police syndicated contract for cleaners whereby wage and use of environmentally friendly products/practices were considerations in awarding this contract.
- Considering implementing environmentally sustainable practices such energy efficient lighting, waste recycling management, and incorporating electronic collaborative tools such as Zoom meeting rooms for any fit-outs.

### **Reasons why the priority outcomes are not being implemented**

As established in Figure 2, twenty agencies have not incorporated any priority outcomes into their procurement activity. These twenty agencies are: Civil Aviation Authority of New Zealand; Crown Irrigation Investments Limited; Crown Law Office; Electricity Authority; External Reporting Board; Guardians of New Zealand Superannuation; Human Rights Commission; Institute of Environmental Science and Research Limited; Ministry for Women; New Zealand Productivity Commission; Office for Māori Crown Relations - Te Arawhiti; Parliamentary Counsel Office; Pharmaceutical Management Agency; Predator Free 2050 Limited; Social Wellbeing Agency; Social Workers Registration Board; South Canterbury District Health Board; Southern Response Earthquake Services Limited; Takeovers Panel; and Wairarapa District Health Board.

There are a number of reasons why agencies have not incorporated these outcomes. Many agencies have not undertaken any significant procurements since the Rules came into force. For example, Southern Response Earthquake Services Limited is winding-down its activities, having completed over 99 percent of its core purpose and is now approaching the end of its intended function. No significant procurements have occurred since 2019 and no procurement activities are intended to take place before the Company completes its purpose.

Other agencies, such as Crown Law Office, New Zealand Productivity Commission, Social Workers Registration Board and the Takeovers Panel, are not large public purchasers and primarily utilise the AoG contracts for purchases of goods and services.

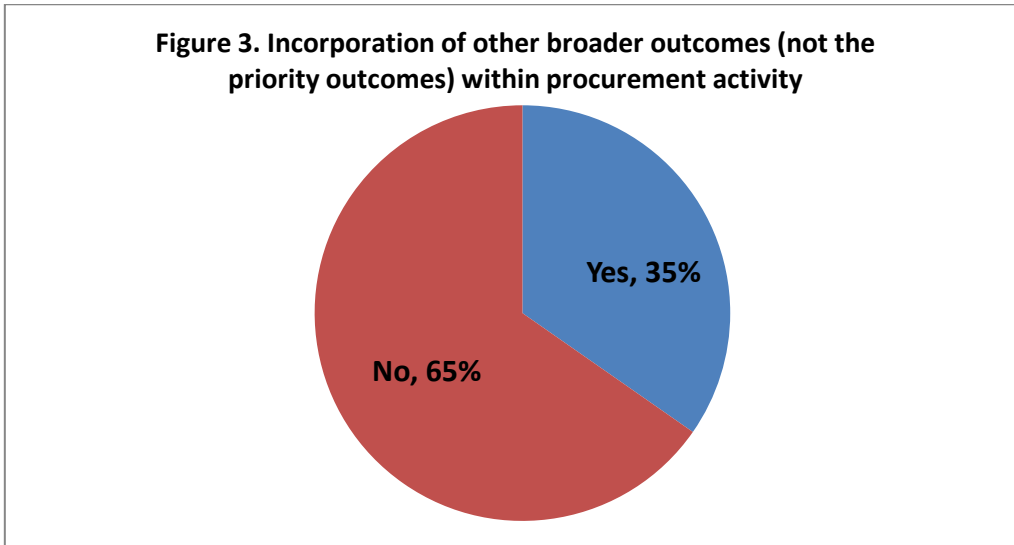
New Zealand Government Procurement continually broadens the ability to achieve priority outcomes areas within the relevant AoG contracts. This ensures that those agencies that primarily procure from these contracts are still able to achieve broader outcomes in their purchasing activity.

Other agencies, such as Civil Aviation Authority of New Zealand, Crown Irrigation Investments Limited, Institute of Environmental Science and Research Limited and Parliamentary Counsel Office stated that the opportunity to implement broader outcomes, and specifically the priority outcomes, has not yet arisen through their procurement activity. However, many are either developing or have put in place procurement policies and strategies to ensure that their agency is able to achieve broader outcomes effectively. MBIE, as the Procurement Functional Lead agency, will take a proactive approach to work with these agencies as they develop these strategic procurement policies.

## **Other broader outcomes sought through procurement activities**

Over a third of responding agencies reported incorporating other broader outcomes, wider than the priority outcomes, into their procurement activity (Figure 3). This includes multiple agencies reporting examples relating to the:

- Utilisation of social enterprises to achieve better buying outcomes from regular spend.
- Promotion of a wage floor based on the living wage through contracts and supply chains.
- Utilisation of innovative and agile procurement practices and procedures.
- Promotion of greater use of technology.



## Measuring and ensuring the achievement of broader outcomes

Many agencies reported they have frameworks in place to measure and ensure the effective delivery of broader outcomes through their procurement activity. As demonstrated in the table below, around 14 percent of agencies have effective contract management and reporting practices relating to broader outcomes. Approximately 23 percent of agencies have developed measures and set targets, while over 20 percent are in the process of establishing mechanisms to measure the achievement of broader outcomes.

Many agencies stated that as the Rules only came into force in October 2019, they are yet to formalise their broader outcomes measurement frameworks. Others, as aforementioned, do not carry out enough procurement activity annual and therefore have not developed a process or framework for measuring broader outcomes.

Measuring the effective delivery of Broader Outcomes	Agency #	Agency %
Setting measures and targets and/or use of benefit realisation plans	15	14%
Effective contract management and reporting practices	25	23%
In the process of implementing ways to measure	21	20%
Does not currently measure	40	37%

Notes: Percentages do not add up to 100 as agencies provided free text to this question, and the table represents approximate numbers and percentages to illustrate the proportion of agencies at each stage.

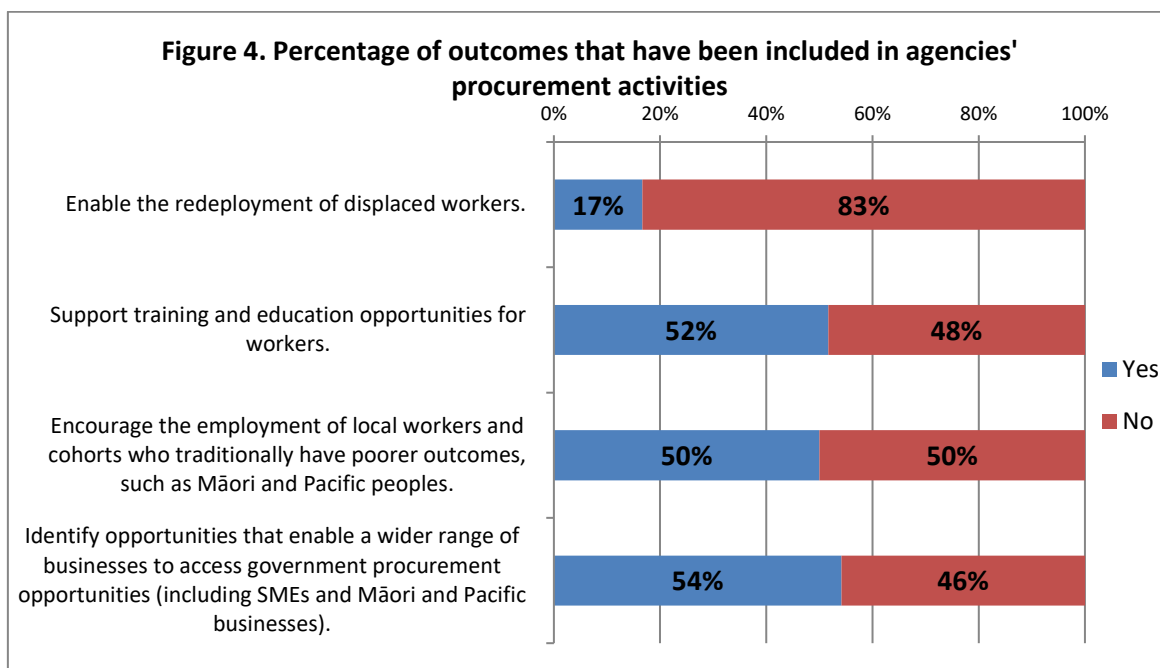
Some good practice examples from agencies that relate to the measurement and achievement of broader outcomes include:

- **Department of Conservation** – where the project is of a sufficient size to fall under the guidance of the Department's Project Management Framework, the outcomes are measured as part of project benefit realisation. Where the activity is a low value approach, the outcomes are delivered as part of the contract management activities undertaken on site.
- **Bay of Plenty District Health Board** – contract performance management is undertaken with a philosophy of 'caring for the contract' to ensure all parties view performance as successful. This is supported by evidence based reporting (e.g. cleaning audits against the Victoria Cleaning Standards) and monthly / quarterly operating performance meetings.
- **Ministry for Primary Industries** – will be implementing a Contract Review Board early in the 20/21 FY, which will require Contract Owners to report on benefits achieved, including any broader outcomes benefits identified/achieved.
- **Ministry of Justice** – ensures delivery of the broader outcomes as part of its standard contract management practices and reporting frameworks.
- **Ōtākaro Limited** – Project Managers and Project Directors are responsible for the management of the contract and ensuring that the deliverables within that contract are met. Monthly reporting is completed in various forums including an executive level oversight group where measures such number and type of health and safety incidents are reported on, and the number of hours worked to generate incident rates which are benchmarked with trend analysis. While the number of people currently in training and education opportunities as a result of the procurement is not reported on monthly, Ōtākaro can view this at any time through a request to the appropriate contractor as part of the contract management process.

## Supporting employment and training outcomes for New Zealand workers

Around half of the responding agencies reported including three out of the four employment and training outcomes into their procurement activity, outlined in Figure 4. Approximately 54 percent of respondents have identified opportunities that enable a wider range of businesses to access government procurement activities (including SMEs and Māori/Pacific businesses).

However, only 17 percent reported including outcomes to enable the redeployment of displaced workers. Many agencies' reasons for not including these outcomes included that there were no employment opportunities arising within their organisations or within their procurement activities where displaced workers could be redeployed. Others mentioned that as the number of displaced workers has increased due to the COVID-19 pandemic, this will be an issue they look to address more in the future.



Agencies provided a number of examples as to how they have incorporated these employment and training outcomes into their procurement activity.

**Ministry of Primary Industries (MPI)** is incorporating employment and training opportunities by:

- Exploring options with partner agencies and key suppliers to deploy staff outside of MPI, either within existing contracts or via new arrangements (such as secondments). This allows MPI to retain these skilled resources in meaningful work until the border reopens and they can return to their substantive roles or be retained within industry.
- Working on providing funding for a skills and training programme targeting people displaced/out of work as a result of COVID-19, and who are interested in being retrained in the Primary Industries sector.
- Engaging the services of a project coordinator nominated by Whangaparoa, for the Māori Agribusiness programme, which builds capacity and capability of the Māori agribusinesses which MPI works with. The benefits are that MPI can utilise their strong connections with the group and understand and deliver kaupapa Māori in accordance with the group's tikanga.

**Department of Conservation** is incorporating employment and training opportunities by:

- Using the rural nature of conservation activities to support local communities.
- Specific examples of targeted engagement that has recently completed or are in the process of completing include:
  - a requirement for a company undertaking feral pig control in Waipoua Forest to train up local Iwi members
  - construction at Dolomite Point requires tenderers to demonstrate how their proposal will benefit the local community, specifically in employment opportunities
  - the management tender for Whakapapa Holiday Park required the successful tenderer to engage with local iwi and hapū to tell the history of the site as part of the service, this resulted in employment opportunities at the holiday park for Iwi members

- forestry harvesting at Te Paki in Northland is being run in conjunction with local iwi to maximise the return to iwi for their neighbouring stands of trees
- engaging local iwi for the construction of a walking track at Kura Tāwhiti.

**Ministry of Social Development** is incorporating employment and training opportunities by:

- Partnering with the social enterprise Morehurehu Limited to purchase a Business Advice, Training and Mentoring programme for eight women in Wainuiomata. Morehurehu Limited is a team of professionals who have been working in the community education space teaching weaving and self-efficacy skills and developing micro credentials for iwi, community and private businesses.
- Partnering with Morehurehu to deliver a Māori weaving programme for 20 women in Wainuiomata in 2019. All 20 participants completed the programme whilst 19 of them completed a level 4 NZQA qualification the Certificate in Te Pou Hono ki Taiao within 12 weeks allocated. Eight of 20 participants have expressed their desire to start up a social enterprise.

**New Zealand Transport Agency** is incorporating employment and training opportunities through a number of initiatives:

- Te Ahu a Turanga Manawatū Tawarua Highway:
  - approximately 12 people employed through Central SkillsHub via a pilot recruitment drive; and
  - the provision of scholarships to iwi partners, Provision for 10 cadets within the MSD/Conservation Volunteers programme run by the NZ/iwi partnership.
- Tairāwhiti Rooding Package:
  - retraining of forestry workers provisioned to support delivery of package;
  - panel with subcontracting requirements provided by locally owned business, high percentage Māori workforce/Māori owned business; and
  - partnership with local schools to promote science, technology, engineering and mathematics (STEM) initiatives or onsite days for workforce experience under investigation.
- New Zealand Upgrade Programme Auckland: partnership with local schools to promote STEM initiatives or onsite days for workforce experience under investigation.
- Te Ahu a Turanga Manawatū Tawarua Highway:
  - target set for 60 percent local workforce to deliver the project (equating to 300+ people); and
  - provisions for 20 new cadets, 20-55 housing units to be built and retained by the community post project completion, 10-12 people employed through Central SkillsHub via recruitment trial, 70 plus work placements brokered via MSD Skills for Industry.

### **Reasons why employment and training outcomes are not being implemented**

Of those agencies that responded to the survey, 39 had not implemented any training or employment outcomes through their procurement activity. A complete list of these agencies is included in Annex 3.

Similar to the lack of implementation of the priority outcomes, many of the smaller agencies stated that they have a limited number of staff members working on procurement activities, and therefore have not had the chance to incorporate such outcomes. The Ministry for Women, for example, stated that they do not have significant contracts and mostly rely on standard AoG suppliers.

Other agencies stated that the only procurement they carry out is the procurement of consultants with very specific expertise. Therefore, they are unable to incorporate any of the wider employment outcomes.

## Upcoming procurement opportunities to include employment and training outcomes for New Zealand workers

Agencies were asked whether any of their forthcoming procurement activities have the ability to incorporate broader outcomes related to employment and training opportunities. A number of opportunities were identified, including:

- **New Zealand Defence Force** – The Construction Alliance investment will potentially create hundreds of jobs in the construction sector, often in remote rural areas such as Ohakea, Bulls, Martin, and Feilding.
- **Waitemata District Health Board** – the forthcoming cleaning services (\$1million annually) procurement will focus on organisations that employ Māori and Pasifika staff and to local businesses, and security services (\$1million annually) procurement will focus on organisations that employ Māori and Pasifika staff and to local businesses.
- **New Zealand Transport Agency** – Currently commencing a three month co-design process with industry with respect to the New Zealand Upgrade Programme consisting of 17 projects to be delivered by Waka Kotahi. This process will develop broader outcomes focus areas and targets for delivery over the programme.
- **Taranaki District Health Board** – Procurement for Stage 2 of the \$336million hospital building programme and the Mental Health facility upgrade (\$8million).
- **Serious Fraud Office** – Potential new office premises including fit-out provided by landlord in 2021. Will be an opportunity to have contractor engaged by landlord incorporate the outcomes within the project. The number of jobs or training opportunities that this may create in unknown at this stage.
- **Tairāwhiti District Health Board** – Improved community based Drug and Alcohol services. In a mix of funding across the District Health Board and through funded iwi providers there will be an almost doubling in the range and depth of alcohol and drug services in the community. These are across the range of health professionals and community based workers, primarily delivered through iwi providers. Training will be provided as part of this. The number of jobs created through this will be approximately 15.
- **New Zealand Customs Service** – The Security Services tender will incorporate broader outcomes, particularly improving conditions for New Zealand workers. The tender is for nation-wide services at all Customs sites.
- **Southern District Health Board** – Tender for Construction: Relocation and fit-out of Central Sterile Supply Unit at Dunedin Hospital. This tender will be an opportunity to convey the importance of providers planning to build the capacity and capability of the construction workforce. Additionally, sustainability factors could be tested in the response form.



- **Ministry of Justice** – Tauranga Moana Innovative Courthouse Project: The Ministry has been working to plan jobs and skills hubs in parallel with future courthouse builds. These new hubs would enable the development of skill sets amongst the local community that can then be utilised as part of major construction projects. Social procurement methods will be used as part of the selection of a primary building contractor. Initial discussions are for new skills hubs in Tauranga, Rotorua and Whanganui.
- **Kāinga Ora–Homes and Communities** – The Arlington Flats Project is significant redevelopment involving the establishment of a 300-unit complex at Rolleston Street, Mount Cook, Wellington. The project has \$186million total investment with a related \$144million in construction costs. The procurement process will look to deliver a number of skills and training based initiatives, including:
  - Improve numeracy, literacy and driving skills
  - Other learning opportunities for staff within contract works projects.
  - Equitable employment initiatives to support or women into trades and/or project leadership roles
  - Recruit, retain and support employment of apprentices.

## Summary

There is significant evidence to suggest that the majority of mandated government agencies are incorporating the broader outcome priority areas into their procurement activity. A small proportion of agencies are incorporating other broader outcomes.

Approximately half of the responding agencies are actively working to build employment and training outcomes into their procurement activity. A small number (around 17 percent) are also enabling the redeployment of displaced workers.

Results gathered through the questionnaire should be treated as indicative as it is likely the questionnaire did not extensively capture all available evidence. Given the high proportion of agencies implementing broader outcomes, it is also likely that the small number of agencies that did not respond are also incorporating broader outcomes.

There appears to be a consistent and high uptake of the approach among mandated agencies. The trends outlined in this report indicate that this strategic approach to procurement is likely to be supported across all agencies including those who are not mandated.



## Annex 1. Agencies that provided a response

1. Accreditation Council	2. Fire and Emergency New Zealand	3. Ministry of Housing and Urban Development	4. Parliamentary Counsel Office
5. Accident Compensation Corporation	6. Government Communications Security Bureau	7. Ministry of Justice	8. Pharmaceutical Management Agency
9. AgResearch Limited	10. Government Superannuation Fund Authority	11. Ministry of Social Development	12. Predator Free 2050 Limited
13. Bay of Plenty District Health Board	14. Guardians of New Zealand Superannuation	15. Ministry of Transport	16. Privacy Commissioner
17. Broadcasting Standards Authority	18. Health and Disability Commissioner	19. Museum of New Zealand Te Papa Tongarewa Board	20. Public Trust
21. Callaghan Innovation	22. Health Promotion Agency	23. National Institute of Water and Atmospheric Research Limited	24. Real Estate Agents Authority
25. Canterbury District Health Board	26. Health Quality and Safety Commission	27. Nelson Marlborough District Health Board	28. Retirement Commissioner
29. Capital and Coast District Health Board	30. Health Research Council of New Zealand	31. New Zealand Antarctic Institute	32. Serious Fraud Office
33. Children's Commissioner	34. Human Rights Commission	35. New Zealand Artificial Limb Service	36. Social Wellbeing Agency
37. Civil Aviation Authority of New Zealand	38. Hutt District Health Board	39. New Zealand Blood Service	40. Social Workers Registration Board
41. Climate Commission	42. Independent Police Conduct Authority	43. New Zealand Customs Service	44. South Canterbury District Health Board
45. Commerce Commission	46. Inland Revenue Department	47. New Zealand Defence Force	48. Southern District Health Board
49. Crown Infrastructure Partners Limited	50. Institute of Environmental Science and Research Limited	51. New Zealand Film Commission	52. Southern Response Earthquake Services Limited
53. Crown Irrigation Investments Limited	54. Institute of Geological and Nuclear Sciences Limited	55. New Zealand Forest Research Institute Limited, trading as Scion	56. Sport and Recreation New Zealand
57. Crown Law Office	58. Kāinga Ora—Homes and Communities	59. NEW ZEALAND GREEN INVESTMENT FINANCE LIMITED	60. Statistics New Zealand
61. Department of Conservation	62. Lakes District Health Board	63. NEW ZEALAND GROWTH CAPITAL PARTNERS LIMITED	64. Tairāwhiti District Health Board

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65. Department of Corrections	66. Land Information New Zealand	67. New Zealand Infrastructure Commission/Te Waihanga	68. Takeovers Panel
69. Department of Internal Affairs	70. Landcare Research New Zealand Limited	71. New Zealand Lotteries Commission	72. Taranaki District Health Board
73. Department of the Prime Minister and Cabinet	74. Law Commission	75. New Zealand Police	76. Te Kāhui Whakamana Rua Tekau mā Iwa – Pike River Recovery Agency
77. Drug Free Sport New Zealand	78. Maritime New Zealand	79. New Zealand Productivity Commission	80. Te Puni Kōkiri (Ministry of Māori Development)
81. Earthquake Commission	82. MidCentral District Health Board	83. New Zealand Qualifications Authority	84. Television New Zealand Limited
85. Education New Zealand	86. Ministry for Pacific Peoples	87. New Zealand Symphony Orchestra	88. Tertiary Education Commission
89. Education Payroll Limited	90. Ministry for Primary Industries	91. New Zealand Tourism Board	92. The New Zealand Institute for Plant and Food Research Limited
93. Education Review Office	94. Ministry for the Environment	95. New Zealand Trade and Enterprise	96. The Treasury
97. Electoral Commission	98. Ministry for Women	99. New Zealand Transport Agency	100. Waikato District Health Board
101. Electricity Authority	102. Ministry of Business, Innovation and Employment	103. Northland District Health Board	104. Wairarapa District Health Board
105. Energy Efficiency and Conservation Authority	106. Ministry of Defence	107. NZ Health Partnerships Limited	108. Waitemata District Health Board
109. Environmental Protection Authority	110. Ministry of Education	111. Office for Māori Crown Relations - Te Arawhiti	112. West Coast District Health Board
113. External Reporting Board	114. Ministry of Foreign Affairs and Trade	115. Oranga Tamariki– Ministry for Children	116. Whanganui District Health Board
117. Financial Markets Authority	118. Ministry of Health	119. Otakaro Limited	120. Worksafe

## **Annex 2. Agencies that did not respond**

1. Arts Council of New Zealand Toi Aotearoa	2. Hawke's Bay District Health Board	3. New Zealand Walking Access Commission
4. Auckland District Health Board	5. Tamaki Regeneration Limited	6. The Network for Learning Limited
7. Broadcasting Commission (NZ On Air)	8. Heritage New Zealand (Pouhere Taonga)	9. Research and Education Advanced Network New Zealand Limited
10. City Rail Link Limited	11. Ministry for Culture and Heritage	12. Office of Film and Literature Classification
13. Counties Manukau District Health Board	14. State Services Commission	15. Radio New Zealand Limited
16. Criminal Cases Review Commission	17. Te Reo Whakapuaki Irirangi (Maori Broadcasting Funding Agency)	18. Te Taura Whiri I Te Reo Māori (Māori Language Commission)

### Annex 3. Agencies that have not implemented any employment or training outcomes through their procurement activity

1. Civil Aviation Authority of New Zealand	2. Environmental Protection Authority	3. Museum of New Zealand Te Papa Tongarewa Board
4. Climate Commission	5. External Reporting Board	6. Nelson Marlborough District Health Board
7. Crown Irrigation Investments Limited	8. Financial Markets Authority	9. New Zealand Customs Service
10. Crown Law Office	11. Health Promotion Agency	12. New Zealand Green Investment Finance Ltd
13. Department of the Prime Minister and Cabinet	14. Human Rights Commission	15. New Zealand Productivity Commission
16. Drug Free Sport New Zealand	17. Lakes District Health Board	18. New Zealand Symphony Orchestra
19. Education New Zealand	20. Landcare Research New Zealand Limited	21. Parliamentary Counsel Office
22. Electoral Commission	23. Ministry for Women	24. Privacy Commissioner
25. Electricity Authority	26. Ministry of Transport	27. Public Trust
28. Guardians of New Zealand Superannuation	29. Southern Response Earthquake Services Limited	30. The Treasury
31. Real Estate Agents Authority	32. Takeovers Panel	33. Wairarapa District Health Board
34. Serious Fraud Office	35. Tertiary Education Commission	36. Whanganui District Health Board
37. Social Wellbeing Agency	38. South Canterbury District Health Board	39. New Zealand Infrastructure Commission

