

Case Study

New Student Precinct social procurement

A diverse and inclusive supply chain generates social, sustainable and responsible outcomes by providing a mechanism for linking and integrating social and economic agendas. Social procurement is the process of generating social value above and beyond the cost of the goods, services and/or construction being procured. It should be considered as a key element in the value-for-money assessment; a balanced judgment of financial and non-financial factors relevant to procurement outcomes. Whilst there has been success in awarding goods and services business to Indigenous and social enterprise organisations, there was significant opportunity for the University to increase focus in construction projects.

The Student Precinct Head Contract (\$160M construction cost) was seen as a significant opportunity to include social procurement outcomes for the first time in the University's major projects. With a clear strategy and collaborative approach significant spend has been awarded to social enterprises and Indigenous businesses to help deliver the project, resulting in additional social value and an uplift in social procurement capability for both the University and its partners.

The tender process highlighted industry shortfalls around addressing social procurement outcomes. The successful contractor had experience, and – more importantly – agreed to plan, collaborate, share and learn with the [New Student Precinct](#) project team. The NSP social procurement targets

include a percentage of spend to be awarded to Indigenous businesses and social enterprises, and a separate target for training and employment opportunities for minority groups. Reporting and governance were an important factor to ensure accountability, transparency, and focus; however, the approach was to spend more time planning, collaborating, and discussing lessons learned as opposed to "hitting the targets". The collaborative approach was aimed at ensuring both parties gained an increased understanding of market capability and to ensure that Indigenous businesses, social enterprises and minority groups were provided the opportunity to participate in the project.

The compound effect of targets in a major project are significant and the social benefits are expected to last beyond the project. Contractors leverage a significant supply base to procure materials and trades to deliver construction projects, and the inclusion of targets provide the mechanism and the need for the contractor to create new relationships within their existing supply base and their subcontractors to self-educate, address diversity gaps and leverage opportunities in their own businesses. The contractor and the University both gained an increased awareness and capability in social procurement, and social and Indigenous businesses gained new connections, experience and potential for future work on other projects.



The social procurement targets included in the New Student Precinct Head Contract alongside governance and reporting frameworks, helped to keep visibility and drive real outcomes and social benefits. Some examples of these benefits on the project are:

- 100% of custom outdoor furniture procured through social enterprises and Indigenous businesses
- 60% of furniture fixtures and equipment precinct-wide have been sourced or will be sourced through social enterprises and Indigenous businesses
- Indigenous labour hire for site establishment, demolition works and site preliminaries
- Indigenous business supplying personal protective equipment and safety equipment for workers
- Social enterprise provided waste removal services, supporting workers with disabilities
- Social enterprises providing fruit, milk and consumables to site workers
- Indigenous labour hire for surveying, mechanical, electrical works and painting
- Ongoing discussion and education about social procurement, benefits, lessons learned, and continued increase in understanding market capability
- Contractor led conversations and self-generating ideas on additional social procurement opportunities



Images

Artist's impression of various rooms in the Student Pavilion in the New Student Precinct.