19 May 2003
Major reform of Government purchasing

Paul Henderson, the Minister responsible for Government Procurement, will tonight announce the biggest reforms to the Government’s procurement processes in ten years.

Government purchasing is valued at about $750 million a year, and up to 100 business people are expected to attend the Minister’s presentation at Parliament House.

"For too many years, the business sector has voiced its concerns about the Government’s procurement process," Mr Henderson said.

"In 1999, the former government asked the private sector to report on their dissatisfaction with the process, but then failed to act on the report’s recommendations."

"The Martin Government has listened to the concerns of the private sector about procurement, and will deliver on major reforms to the purchasing process."

Key features of the reform include:

- Strengthening and expansion of the role of the Procurement Review Board;
- Emphasis on "best value for money" rather than lowest price in tender assessments;
- Mandatory procurement training for all personnel with procurement responsibility in government;
- Improved project planning in agencies;
- Recognition of the private sector as a valued partner in the procurement process;
- Creation of a private sector led Procurement Advisory Council, with direct access to the Minister;
- Creation of a complaints hotline for use by the private sector,

"The primary concern in Government purchasing and supply will be value – that is, the costs and benefits to the community and the Government, rather than a focus on the lowest price," said Mr Henderson.

"These are significant reforms to the purchasing and procurement process, making it better planned, better managed, and more open and accountable."