Monday 16 February, 2009

Cutting Red Tape to Boost Economic Activity

Chief Minister Paul Henderson today announced the biggest shake-up of government planning and procurement processes for many years.

“Under the proposals, about 40 per cent of Government contracts – those under $200,000 - will require written quotes only. This means more Territory companies get work, with less red tape,” Mr Henderson said.

“Of course, I expect Northern Territory companies to also continue to win many of the bigger contracts tendered by the Territory Government – and we will also streamline processes for these bigger jobs.

Under the proposals, which will be part of a review of procurement procedures, thresholds will be lifted across the procurement process.

- **Tier One** – requires one quote – now contracts up to $5,000 – proposal to lift threshold to $15,000.

- **Tier Two** – minimum three written quotes and public gazetted - now up to $10,000 – proposal to lift threshold to $100,000

- **Tier Three** – minimum three written quotes – now $10,000 to $50,000 – proposal to lift threshold to $200,000

- **Tier four and five** – full public tender – now above $50,000 – proposal would be above $200,000.

“Many such contracts will be available under the Rudd Government’s stimulus package – with every school to receive up to $200,000 for repairs and maintenance and every primary school up to $3 million for a new or upgrade major infrastructure project.”

Speaking at All Pro Group in Berrimah, Mr Henderson said he had signed up to tight timelines to get funding out the door for projects through the Rudd Government’s stimulus package – which will mean an estimated $450 million flowing to the Territory.

“We will cut red tape, make tendering for projects simpler and easier for business and speed up planning approvals,” he said.

“Following yesterday’s industry summit, we remain committed to freeing up the system, reducing paperwork and getting projects up and running as soon as possible.
“My proposals will reduce timelines for smaller projects by about three weeks, and also cut timelines significantly for larger projects.

“In addition I am reviewing the conditions of contract and the complicated paperwork around selection of panels. Panels are groups of companies that the Government can select from which have already passed certain broad criteria for doing particular work.”

Mr Henderson said the Development Consent Authority process would be sped up, an industry reference group established and a dedicated website set up.

“We will also look at the time lines for processing decisions and ways to reduce that paperwork and red tape.

“All these measures are designed to get work happening out on the ground, keep Territorians in jobs and improve our infrastructure.”

Territory Government’s Operation Stimulus to Implement the Package.

- The Development Consent Authority to meet every fortnight instead of every month (recruitment of five more staff to start immediately);
- A Summit held on yesterday to brief industry and get all ideas on the table;
- Dedicated Stimulus Action Squads set up in Government Departments to get these projects up-and-running as fast as possible;
- We’ll make it even easier for local companies to get local projects; and
- A short and sharp review of procurement to streamline development processes and cut red tape – including raising the threshold before you need to go to tender and getting contractors involved earlier in the processes.

Under the stimulus package, every primary school will have a large scale infrastructure project, such as a library or hall, built or upgraded. There will also be 500 new science labs and language centres across Australia and up to $200,000 for every school for upgrades and maintenance.

The Territory will also benefit from the other measures in the package including road maintenance, energy efficiency for houses, tax breaks for business, public and defence housing and $900 one-off bonus payments for Territorians.

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