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JOINT SELECT COMMITTEE ON GOVERNMENT PROCUREMENT

Inquiry into the Government Procurement Framework

Issue date: Thursday, 29 June 2017

Final report on government procurement

The Joint Select Committee on Government Procurement today released its final report into the Australian Government's procurement rules, including a range of recommendations for improving the rules on how the Government spends its money.

The Committee's recommendations include:

- amending the rules to require all goods purchased by the Australian Government to comply with national standards;
- the introduction of policies to promote environmentally sustainable procurement and best practice terms and conditions for subcontractors;
- the appointment of an independent Industry Advocate to provide support for businesses to access Commonwealth contracts, to provide advice to government agencies, and to evaluate and monitor the economic benefit associated with government procurement; and
- the publication of comprehensive guidelines to inform officials' application of the rules in a consistent, transparent and equitable manner.

Committee Chair Senator Xenophon believes the new procurement rules, introduced in March, have the potential to deliver significant benefit to the Australian economy by providing important support to Australian industry.

"Implemented effectively, the new rules will enable a broader, more accurate consideration of value-for-money in procurement decision making," Senator Xenophon said.

"However, their impact will be dampened unless the Australian Government act swiftly to address the implementation concerns identified in this report.

"A national Industry Advocate, cast on the highly successfully South Australian model, is urgently needed to overcome a current procurement culture focused on lowest cost rather than value for money, lacking in transparency and unaware of the benefits of engaging Australian businesses."

Last financial year, more than \$56.9 billion was spent by the Australian Government on the goods and services required to deliver its policy objectives. More than 10,000 businesses were contracted to deliver these items, including 9,595 small to medium businesses.

The Joint Select Committee on Government Procurement was formed to investigate the implementation of the new Commonwealth Procurement Rules, which came into effect on 1 March 2017. The Committee considered how the implementation of the new rules could be strengthened to increase the economic benefit procurement delivers to the Australian economy.



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For further information about the Committee, or to view its final report, visit the Committee's [website](#).

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Joint Select Committee on Government Procurement

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