



**Inquiry into the procurement practices of government agencies in New South Wales and its impact on the social development of the people of New South Wales**

**TERMS OF REFERENCE**

1. That the Standing Committee on Social Issues inquire into and report on the procurement practices of government agencies in New South Wales and its impact on the social development of the people of New South Wales, and in particular:
  - (a) the current state of procurement by New South Wales government agencies, in particular:
    - (i) the value of procurement, through whole of government or agency procurement arrangements
    - (ii) the policies, schemes and contracts of all categories that New South Wales government agencies procure, including labour
    - (iii) the number of whole of government procurement arrangements available to New South Wales government agencies
    - (iv) the application of the New South Wales Procurement Policy Framework and the devolved nature of the responsibilities and obligations of New South Wales government agencies under the framework
    - (v) the value/volume of New South Wales government agencies procurement undertaken outside of whole of government procurement arrangements
    - (vi) the accreditation program for goods and services procurement and construction procurement
  - (b) the effectiveness of whole of government and agency procurement arrangements, including standing offers, panels and prequalification schemes, in ensuring that suppliers and their subcontractors deliver value for money and comply with relevant policies and regulations, including labour laws, at the qualification, contract negotiation stage and contract management stages of procurement
  - (c) current capacity of procurement officials in government agencies to assess suppliers and ensure they, and their subcontractors deliver value for money and comply with relevant policies and regulation, including labour laws, at the qualification or contract stage and throughout the contract management stage
  - (d) any opportunities that may exist for co-regulation, and other incentives to improve labour market governance and enforcement through the procurement process to ensure the process delivers both value for money and social outcomes
  - (e) the evaluation criteria used in tenders and how they are weighted in making a decision to award a contract, in particular consideration of:
    - (i) local content
    - (ii) value for money

- (iii) social, economic and labour market outcomes
  - (iv) environmental considerations, such as sustainable sourcing, energy efficiency and waste reduction
  - (v) innovation
  - (vi) subcontracting arrangements
- (f) current approaches to transparency and accountability of procurement by New South Wales government agencies, in particular:
- (i) function and requirements of the New South Wales Government Procurement Board and the New South Wales Procurement Policy Framework
  - (ii) record keeping arrangements for procurement activities
  - (iii) Agency annual self-reports and outcome reports
- (g) the New South Wales Government's procurement practices, in particular its ability to:
- (i) prioritise local content, local manufacturing, and local jobs
  - (ii) improve opportunities for quality training and workforce participation
  - (iii) provide opportunities for diversity, inclusion and the participation of disadvantaged groups, including women and minorities
  - (iv) support local suppliers, and small and medium enterprises
- (h) procurement best practice to encourage ethical conduct and promote social development in other jurisdictions, both nationally and internationally
- (i) any other related matters.

2. That the committee report by 11 October 2024.<sup>1</sup>

The terms of reference for the inquiry were referred to the committee by the Hon Courtney Houssos MLC, Minister for Finance, Minister for Natural Resources, on 12 September 2023 and adopted by the committee on 11 October 2023.<sup>2</sup>

### Committee membership

<b>Hon Dr Sarah Kaine MLC</b>	Australian Labor Party	<i>Chair</i>
<b>Ms Abigail Boyd MLC*</b>	The Greens	
<b>Hon Jeremy Buckingham MLC</b>	Legalise Cannabis Party	
<b>Hon Anthony D'Adam MLC</b>	Australian Labor Party	
<b>Hon Rachel Merton MLC</b>	Liberal Party	
<b>Hon Bob Nanva MLC</b>	Australian Labor Party	
<b>Hon Emily Suvaal MLC</b>	Australian Labor Party	
<b>Hon Damien Tudehope MLC*</b>	Liberal Party	

\* Ms Abigail Boyd MLC substituted for Dr Amanda Cohn MLC from 11 October 2023 for the duration of the inquiry.

\* The Hon Damien Tudehope MLC substituted for the Hon Sarah Mitchell MLC from 19 December 2023 for the duration of the inquiry.

<sup>1</sup> On 14 March 2024, the committee resolved to extend the reporting date to 11 October 2024 (*Minutes*, NSW Legislative Council, 19 March 2024, p 982) .

<sup>2</sup> *Minutes*, NSW Legislative Council, 12 October 2023, pp 581-582.