



LEGISLATIVE COUNCIL

STANDING COMMITTEE ON SOCIAL ISSUES

MEDIA RELEASE

FIRST REPORT INTO THE PROCUREMENT PRACTICES OF GOVERNMENT AGENCIES IN NEW SOUTH WALES

FOR IMMEDIATE RELEASE

21 June 2024

The Standing Committee on Social Issues has tabled its first report for the 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.

Government procurement plays a vital role in the NSW economy with almost \$42 billion spent on the various resources that contribute to the provision of all public services to the people of NSW per year. Given its economic and social importance, the processes associated with procurement need to be fit for purpose. The procurement system should be constructed in such a way as to maximise the involvement of all types of businesses. Processes need to enable appropriate levels of transparency and oversight to ensure public funds are being used for the best outcomes for the people of NSW and ensure fairness for stakeholders.

To date, this inquiry has sought to understand the current processes engaged by NSW Government agencies in procuring goods and services, as part of a broader examination of government procurement practices. Supported by insights from government agencies, professionals and industry stakeholders, the committee has drawn initial conclusions in its first report before moving to the second phase of the inquiry.

The Hon Dr Sarah Kaine MLC, Chair of the Committee, said: 'The governance approach to procurement should be robust not only to ensure that legislative requirements are met but that, importantly, so too are the procurement objectives of value for money, fair and open competition, and ease of business, amongst others. It has been demonstrated that the current approach is not working as it should.

'What has been clear from the evidence provided to the committee is that the NSW Procurement Board is not functioning effectively as an oversight body to ensure compliance and meet its own statutory monitoring requirements. It is also apparent that there is a need to implement an expanded definition of 'value for money' to assist agencies to effectively interpret and apply. Other issues have also emerged from the evidence pertaining to small-medium enterprises, minimum contract disclosure requirements, contract management standards, and improvements to agency accreditation programs, amongst others', the Chair continued.

'In response to these gaps in governance and practice, the committee has put forward a number of recommendations with the hope of facilitating more transparent, fair and effective procurement practices moving forward'. The Chair concluded, 'It is clear that it is time for a new approach - one that the committee is eager to explore as it moves into the second phase of this inquiry'.

The committee continues its inquiry with a further four hearings and the tabling of its final report on 11 October 2024.

The committee report and further information about the inquiry, including submissions and hearing transcripts, can be found at: <https://www.parliament.nsw.gov.au/committees/inquiries/Pages/inquiry-details.aspx?pk=3014>.

For further information please contact Committee Chair, The Hon Dr Sarah Kaine MLC, on (02) 9230 2444.

-ENDS-