

A Procurement Centre of Excellence

Establishing an independent Procurement Centre of Excellence to develop and implement best practice procurement and deliver value for money.

Consult Australia recommends establishing an independent Procurement Centre of Excellence to develop and implement best practice procurement and deliver value for money. With large amounts of public funds being spent on infrastructure, it is incumbent on governments to ensure they get maximum value for money through the procurement process. To buy wisely you need wise buyers: there are substantial opportunities for governments and business to share expertise, and identify and deliver solutions that improve productivity and value for money across the procurement process.

The Australian Government spent nearly \$42 billion across some 82,000 contracts each valued over \$10,000 in 2011-12. A one per cent efficiency dividend would equate to nearly half a billion dollars in savings. Including the value of procurement across 6 states, 2 territories and around 560 local governments: the opportunities to translate these savings into new infrastructure, hospital beds, police and other essential government services are substantial.

To overcome persistent deficiencies in procurement skills and practices, we recommend a whole of government approach supporting the establishment of an Australian Centre for Procurement Excellence, building on the work of the Australasian Procurement and Construction Council (APCC).

The recent February 2017 New South Wales Parliament Legislative Assembly Committee on Transport and Infrastructure [Report](#) on Procurement of Government Infrastructure Projects listed as its first recommendation:

'The Committee recommends that the NSW Government investigate whether it should establish a centre of procurement excellence to assist agencies with, amongst other things:

- consistent procurement practices across government;
- improving the skills and capacity of the NSW Government;
- maintaining best practice in procurement processes; and
- sharing procurement lessons learned from projects across government.'

We recommend:

Consult Australia recommends a Procurement Centre of Excellence expand the APCC's role and remit, broadening government engagement and building on work across jurisdictions considering efficiencies in procurement. The Centre would be tasked with building a stronger relationship between government and business and supporting best practice procurement in Australia at all levels of government. The Centre should:

- be established as independent of government;
- build stronger linkages between government and with industry sectors;
- provide transparent expert advice to all levels of government; and
- develop guidelines, build capability and improve standards.

The Board of the Centre for Procurement Excellence should include equal levels of representation from industry and government.

The Council of Australian Governments (COAG) in collaboration with appropriate business groups should lead a Government & Business Procurement Summit to build the mandate supporting the establishment of the Procurement Centre of Excellence. The Summit should:

- Highlight opportunities across all sectors to share expertise, increase productivity and deliver savings and efficiencies through better procurement;
- Identify key stakeholders, determine the terms of reference and appropriate governance supporting the Procurement Centre of Excellence.

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Our member firms' services include, but are not limited to: design; architecture; technology; engineering; surveying; legal; and management solutions.

We represent an industry comprising some 48,000 firms across Australia, ranging from sole practitioners through to some of Australia's top 500 firms. Collectively, our industry is estimated to employ over 240,000 people, and generate combined revenue exceeding \$40 billion a year.