

Friday 20 November 2015

WASTED MILLIONS ENOUGH TO PAY FOR SECOND SYDNEY AIRPORT

Consult Australia today welcomed the announcement of a NSW Parliamentary inquiry into procurement for public infrastructure projects.

Consult Australia NSW State Manager Matthew Trigg said, "The recently announced inquiry into the procurement of government infrastructure projects in NSW is a great opportunity to save tax-payer dollars simply by buying smarter."

In welcoming the Inquiry by the Legislative Assembly Committee on Transport and Infrastructure, he noted the substantial opportunities for more efficient procurement of professional services.

"Around \$43 billion is invested in public infrastructure each year. Around 53 per cent is procured from the private sector and professional services contribute almost 20 per cent to the overall value of projects."

Earlier this year Consult Australia's report commissioned from Deloitte Access Economics, *Economic Benefits of Better Procurement* estimated price impacts associated with poor procurement at around 5.4%, or \$239 million per year.

"Economic modelling has found that the benefits of better procurement accumulate over the long term with estimates of \$2.5 billion in cost savings for government nationally between 2015 and 2013; and \$5.1 billion in additional GDP generated over the same period," said Mr Trigg.

"A saving of that magnitude is enough to build the new Western Sydney Airport at Badgerys Creek." Unclear project objectives, onerous terms and conditions and poor risk management create significant inefficiencies in the way infrastructure is procured. These can often affect smaller businesses more as they are less able to absorb tendering costs or increases in insurance premiums.

Mr Trigg stated, "We look forward to sharing our industry's unique perspective on these issues, working with Mr Henskens and the Committee as part of this much-needed Inquiry."

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For further information or to arrange an interview, please contact Consult Australia's NSW State Manager, Matthew Trigg on 02 8252 6708 or nsw@consultaaustralia.com.au

About Consult Australia

Consult Australia is the association that represents the business interests of consulting firms that design, engineer, assess and plan our built and natural environments.

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.

Consult Australia is a significant contributor to the body of work around better procurement, with recent reports available at <http://consultaaustralia.com.au/Home/Advocacy/Infrastructure>