

Parliamentary Inquiry confirms infrastructure procurement reform is an imperative

Consult Australia welcomes the release of the Commonwealth Parliamentary Inquiry report, [*Government Procurement: A sovereign security imperative*](#), which tackles all the hard issues including risk, insurance, project planning, access, and the tension between Commonwealth and state/territory jurisdictions.

The report endorses many of Consult Australia's solutions to address the legacy issues that have been stifling productivity and innovation, including 'go slow to go fast', digital by default, de-risking for delivery, and civil liability reform.

Looking at the practical application of procurement rules, the report found that although government (at all levels) must make decisions based on 'value for money' almost universally the winning bid is the one with the lowest cost, with best value overlooked.

The Federal Government has \$120billion of projects in the pipeline. There has never been a stronger sovereign imperative, to use this buying power to positively influence all levels of government procurement.

Nicola Grayson, Chief Executive of Consult Australia, said:

"Australia is facing some major macro-economic headwinds as we emerge from a health pandemic and struggle with rising input costs. We cannot afford to continue down the current path. Failing to get government procurement right is a threat to our sovereign security as more contractors and designers question whether to engage in major government projects."

On behalf of its members, Consult Australia made a detailed written submission to the inquiry where it advocated for a more collaborative approach which does not encourage a race to the bottom in terms of price and quality.

"It is affirming that the Committee recognised the role of the Commonwealth in driving better behaviours at all levels of government. However, there are dozens of reports gathering dust on shelves that made similar findings to this inquiry. Genuine change only occurs when the recommendations are turned into policy, which is supported by training to enhance the capacity of government procurement professionals."

"We are urging the Commonwealth to lead by example, adopt the recommendations in the report to ensure risk is shared appropriately, collaborative digital tools are used as standard, and long overdue civil liability reform is adopted. We also call on the states and territories to remove the duplication of procurement rules that ties our industry up in red tape.

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Together these steps will free our industry from the productivity and innovation shackles that have held it back for so long. Australia will then start to benefit from the full value of infrastructure investments.”

According to the report released 31 March, decades of lowest price government procurement has compromised Australia’s ability to effectively deliver on infrastructure commitments.

Mr John Alexander OAM MP, Chair of the House of Representatives Standing Committee on Infrastructure, Transport and Cities said: ‘Over many decades, sovereign security has been compromised due to our expedient choices in seeking the lowest price over best value for our procurement. This has diminished our capacity to deliver fit-for-purpose infrastructure and a sustainable industry.’

The upcoming federal election is the ideal time to remind government at all levels that they have a responsibility, to take a more collaborative approach to the procurement and delivery of major projects, where risk is shared, and goals are aligned.

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NOTES TO EDITOR

1. About Consult Australia

Consult Australia is the industry association representing consulting businesses in design, advisory and engineering, an industry comprised of over 58,600 businesses across Australia. This includes some of Australia's top 500 companies and many small businesses (97%). Our members provide solutions for individual consumers through to major companies in the private sector and across all tiers of government. Our industry directly employs over 285,000 people in architectural, engineering and technical services and many more in advisory and business support. It is also a job creator for the Australian economy, the services we provide unlock many more jobs across the construction industry and the broader community.

2. About Nicola Grayson

Nicola Grayson is the Chief Executive of Consult Australia. Nicola is responsible for implementing the organisation's strategy, building ongoing external relationships, and for leading Consult Australia's advocacy and government relations agenda on behalf of members.

Nicola is a member of and former chair of the International Federation of Consulting Engineers (FIDIC) Risk, Liability, and Quality Committee. In Australia she chairs the Australian Sustainable Built Environment Council's Urban Resilience Task Group and sits on numerous government forums representing the Consult Australia membership. Nicola is the Convenor for Consult Australia's Champions of Change leadership group for gender diversity and inclusion, a member of the Champions of Change Coalition.

Nicola is a government relations specialist, and has represented industry associations in the United Kingdom, the European Union, and Australia. Nicola has worked across a range of sectors including general insurance, consumer finance, alcohol, and education, in addition to consulting engineering. She has an Honours Degree in Law from the United Kingdom and is a member of the Australia Institute of Company Directors.

3. For interview

For more information and to arrange an interview, please contact Nicola Grayson directly on +61499 878 839 or email nicola@consultaustalia.com.au.