

## Hon Steven Marshall MP Premier

Wednesday 22 September 2021

### **Government expenditure to have new focus**

A new procurement framework requires State government agencies to focus on economic benefit to the State from their procurement activity and ensure local businesses are given every opportunity to quote and tender for government work.

The South Australian Government spends over \$11 billion a year on purchasing goods, services and construction activities. This spending underpins the provision of most public services and has a significant impact on employment, business activity and investment in the state as well as generating substantial social and environmental benefits.

South Australia is a Small and Medium Sized Enterprise State with 96 percent or more classified as small business with a significant amount of these businesses wanting to access work from government.

Premier Steven Marshall said today he is committed to see South Australian businesses have every opportunity to be involved in the supply of goods and services to the government agencies.

“We are always looking at job creation, economic growth, skill development, workforce development, local content and the capacity for a procurement to stimulate the State’s economy,” Premier Marshall said.

The new South Australian Government Procurement Framework includes two key principles, Achieving Value for Money (VFM) and Maximising the Opportunity for South Australian business participation.

This framework aligns with the South Australian Industry Participation Policy, and accordingly the State Government has approved changes to Procurement Governance Policy to include the following:

- In addition to the value for money considerations, public authorities will be required to consider the economic benefit of the procurement to the South Australian economy.
- Public authorities will need to justify whether local businesses have been invited to quote or tender and if not why.
- Tender specifications must not be an obstacle for South Australian supply.
- A sourcing strategy to consider opportunities for start-up businesses will be required.
- Consideration will be given to engage Aboriginal businesses operating in South Australia.
- Procurement Services SA, Department of Treasury and Finance, will now publish a Forward Procurement Plan on behalf of all public authorities to inform prospective suppliers about future procurement opportunities. This will inform suppliers of the public authority’s intentions to undertake a procurement (valued above \$55,000) and indicative timing in the

coming 24-month period. The Forward Procurement Plan can be accessed via [www.procurement.sa.gov.au](http://www.procurement.sa.gov.au)

“These changes are great as it will mean government agencies will now be required to investigate what the local market has to offer before making procurement decisions. It will also mean the Office of the Industry Advocate (OIA) will have the ability to monitor public authorities’ performance against these recommendations,” Mr Jon Seeley, Group Managing Director with Seeley International said.

“Spending locally not only directly creates jobs in South Australian industries, it also has a multiplier effect in that it increases economic activity in downstream industries and can stimulate private investment in South Australia.”

Theo Kristoris Managing Director of Leader Computer supported these comments saying, “the State Government should be congratulated on these reforms as they will improve the ability of South Australian businesses to compete for and win government contracts and this will complement the work done by the Industry Advocate’s Office in building the capability and capacity of businesses based in South Australia to participate in government contracts.”

The Industry Advocate is available to businesses if they want to know more about how the Industry Participation Policy is being applied and registering on the South Australian Product and Services Register.

For more information go to <https://industryadvocate.sa.gov.au/>