



THE SOUTH AUSTRALIAN
**COUNTRY WOMEN'S
ASSOCIATION**
INCORPORATED

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Thank you for the opportunity to make a submission to the South Australian Productivity Commission on the Government Procurement Inquiry.

The South Australian Country Women's Association Inc (SACWA) has been serving the South Australian community since 1929. It is a not for profit, non-party political and non-sectarian organisation.

SACWA has over 2,000 members as individual members and as members of 130 branches throughout the metropolitan and rural areas of South Australia.

Although SACWA is not part of the procurement process we would like to make some observations and cite 'Insights from Other Jurisdictions' which SACWA feels have relevance to the South Australian jurisdiction.

- There appears to be an absence of Mutual Recognition with the Commonwealth, States and Territories. An example is the current situation with Police vests in South Australia. They have been approved for use in New South Wales but the South Australian Government is insisting on a six-month review and testing in South Australia.
- The New Zealand Government has cut the time to apply for tenders through the New Zealand Business Number. This unique identifier stores all core data of a business, removing the need for it to repeat this information for every transaction or tender.
- The mining company Rio Tinto identifies and reports on procurement as part of their sustainability indicators including Communities, Economic Contributions, and Value Chain. Rio Tinto supports local communities by procuring goods locally, or in cases where required goods and services are not available locally, by offering "...training and development programmes to help local communities take advantage of employment and procurement opportunities" and in remote and less-developed parts of the world "...share tools and knowledge with local suppliers to increase supply chain reliability and encourage good social and environmental practices.
- SACWA endorses government tenders supporting local communities by procuring goods locally as per the Rio Tinto example above.

- SACWA believes that tenders by South Australian companies should be given preferential treatment over interstate companies. This would support the South Australian economy and local employment and this economic benefit should be taken into account.
- In Victoria, State Purchase Contracts (SPCs) are used for the purchase of common use goods and services. These agreements reportedly achieve value for money by aggregating demand. These SPCs are constituted as either sole or multiple panel suppliers which may be either open to new providers or closed (confined to suppliers engaged at commencement of the contract).
- Victoria's new Social Procurement Framework 2018 is structured around 10 social procurement objectives that "...generate social value above and beyond the value of the goods, services, or construction being procured". The Framework prescribes specified "activity requirements" based on spend thresholds, effectively increasing the obligation to achieve social procurement objectives, the more that is spent.
The first annual report against the Framework by government agencies will commence in July 2019, but the Victorian Government is reporting examples of social procurement as the Framework is being implemented. These case studies include sub-contracting opportunities for a construction company majority owned by Traditional Owners, nursery services from a nursery providing employment to people with a disability, and construction employment opportunities for service veterans and women.
- Small & Medium Enterprises (SMEs) need to be paid on time as they can be particularly susceptible to cash flow-related risks. The UK's CCS reports that all 32 of the British Government's biggest suppliers have signed up to the Prompt Payment Code, accounting for 10 billion pounds of total government spend. Signatories to the Code undertake to "...pay suppliers within a maximum of 60 days, to work towards adopting 30 days as the norm, and to avoid any practices that adversely affect the supply chain."

On 13 December 2018, the Prime Minister, Scott Morrison, announced that the Commonwealth of Australia was implementing a 20 day maximum payment schedule for SMEs. Mr Morrison also said he would be discussing this time frame with State Premiers and Chief Ministers at COAG that day.

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State President
The South Australian Country Women's Association Inc

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