

# Procurement



## 30 Day Payment Procurement Policy

During 2003-04, the Government implemented a 30 day payment policy, whereby all undisputed accounts of Government are to be paid within 30 days. From 1 July 2004, if payment is not made within 30 days, interest will be able to be claimed by suppliers. This time last year, around 85 per cent of Government accounts were paid within 30 days. Currently, 91 per cent of undisputed accounts are paid within 30 days. Simple processes for claiming interest due are being developed. This is another way the Government is promoting the interests of Territory business.

## Revised Policy for Insurance Requirements of Government Contractors

From 1 July 2004, the public liability insurance requirements on the supply and delivery of goods 'off the shelf' will be reduced from \$10 million to \$0.5 million. The public liability insurance reduction will apply to those goods available 'off the shelf' and for manufactured items where a manufacturer's warranty would generally apply. A definition of what is meant by goods 'off the shelf' is available from the Department of Corporate and Information Services' Contract and Procurement Services (CAPS). Industry views are sought on whether this definition should be reconsidered or requires change.

From 1 July 2004, the public liability insurance requirements of consultants undertaking management consultancy type work for Territory Government agencies will also be reduced from \$10 million to \$0.5 million. A guide to the types of management consultancies for which this reduction is expected to apply is also available from CAPS.

In addition, CAPS in conjunction with Northern Territory Treasury's Procurement Reference Group will be reviewing the insurance requirements of all proposed contracts and will make recommendations to the Minister responsible for Procurement on other changes that may be able to be made. A methodology developed by insurance specialists will be used to assist in this review.

### Procurement Training

*The Certificate IV in Government Procurement is being delivered to relevant Territory Government agency staff, mainly those with substantial procurement responsibilities.*

*Other training modules, tailored to different categories of staff, are also offered. These include sessions for administrative assistants who regularly purchase stationery, office furniture and travel, through to higher level strategic courses for executive managers with large financial delegations.*

*This will ensure that appropriate understanding and proficiency in Government procurement is widespread among agency staff.*

## Future Procurement Reforms

In 2004-05, reviews will be undertaken in several aspects of Government procurement:

- options for simplifying the process for tenders less than \$50 000, to make it simpler for business;
- further work on insurance requirements for Government suppliers to consider the adequacy of current definitions, simplifying processes and other insurance-related requirements;
- developing the Value for Money policy to ensure that Government obtains best value for money in its procurement activities; and
- revising the Procurement Guidelines to make them easier to understand and use.