

Doing Business with Government

Procurement Reforms

Government Procurement Council

The Government Procurement Council was formed in 2003 as a mechanism for industry to provide advice to Government on procurement matters. The membership of the council was recently expanded to include the Chamber of Commerce Northern Territory, Motor Trades Association and Territory Construction Association.

Simple Tender Process

The Simple Tender process is used for procuring low-value goods and services where Government's requirements can be simply explained. Since January 2005, Government has been using the new streamlined process for purchases between \$10 000 and \$50 000. The Simple Tender process makes it faster and cheaper for businesses supplying Government, and reduces time and paperwork for all parties involved in a transaction.

Value for Money

The term 'Value for Money' has been defined to make it clear that it does not necessarily mean 'lowest price', but that the tenderer that best meets the requirements of the Government purchaser will be awarded the contract.

Value for Money considerations include:

- local development opportunities, such as jobs for Territorians and staff training;
- timeliness of supply, such as whether the business has a local presence;
- total cost of supply; and
- past performance, capacity and experience of the tenderer.

The Territory Government will consult further with industry in May 2005 about the detail of the Value for Money policy so that it can be implemented in July 2005.

Liaison with Business

Increased resources will be allocated to liaise with industry on procurement matters, including providing advice and training on Government procurement, or where businesses or industry representatives have complaints or concerns on procurement actions of Territory Government agencies.

Industry Participation Plans

Government's *Building Northern Territory Industry Participation* framework for providing Territory businesses with a full, fair and reasonable opportunity to participate in the future growth of the Territory, requires that industry participation plans be submitted for all infrastructure projects valued over \$5 million.

Industry participation plans are considered as part of the tender assessment process and ensure that tenderers on major Government projects maximise opportunities to use local suppliers, services and labour.

30 Day Payment

The Government's 30 day payment policy means that suppliers can claim interest for late payment when accounts are not paid within 30 days of receipt. So far this financial year, an average of 95 per cent of Government accounts have been paid within 30 days.

Territory Businesses Winning Contracts

In the first three quarters of 2004-05, \$322 million (80 per cent) in contracts above \$50 000 in value were awarded to Northern Territory businesses, out of a total of \$403 million.

For that same period, 72 per cent of the 1457 contracts awarded above \$50 000 in value were won by Northern Territory businesses.

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eBusiness

Online facilities such as Territory Business Channel, Connect:NT and Transact:NT make it easier for businesses to transact electronically with Government, including services such as online business licences, permits and registration and online payment of fees and charges.

Industry Information

Information about the Territory's industries and businesses is important for decision making by both Government and business.

Industry Sector Snapshots, providing economic profiles of the various sectors of the Northern Territory economy, are available online. These snapshots provide an overview of 14 key industry sectors and include data on the economic outlook and performance (turnover, employment, trade) of each sector and linkages to other sectors and Government activity in the sector.

www.tbc.nt.gov.au/pls/portal30/url/folder/DBIRD_TBC/INDUSTRY

The Northern Territory Business Profile provides a comprehensive online profile of business in the Northern Territory. It identifies business characteristics, growth rates, business operations and business operators. The information has been collated to provide a better understanding of businesses in the Northern Territory.

www.tbc.nt.gov.au/pls/portal30/url/folder/DBIRD_TBC/PUBLICATIONS

MVR Online for Commercial Customers

In industry consultation, licensed motor vehicle dealers (LMVDs) and large fleet owners identified significant 'down time' for their businesses when using manual processes for vehicle registration renewals. Bulk fleet electronic registration renewals via credit card or electronic funds transfer will give fleet owners better control and more flexibility over their cash flows and the ability to check the registration status of their vehicle fleet online. This means that commercial businesses will be able to carry out business with the Motor Vehicle Registry (MVR) from their place of work.

The MVR Quick Pay internet-based product, enabling vehicle registration (where no inspection is required) and driving licence renewal (where no eyesight test is required), was launched in December 2004 with around 1000 online transactions being conducted to date. Quick Pay provides a 24 hour a day, 7 day a week facility for commercial customers to carry out the majority of renewals on the internet.



Further online services for registration, transfer, disposal or inspection of motor vehicles will be offered to commercial customers via a staged project. The system will enable approved LMVDs to electronically register a new vehicle, on behalf of the MVR, for customers at point of sale.

In addition, where an inspection is required to renew registration and is carried out by a private vehicle inspector, the renewal will be able to be completed online. This initiative is planned for implementation in 2005-06 and will mean that all registration renewals can effectively be conducted online.

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Listening to Business

Business Round Table

The Government will continue its Business Round Table (BRT) meetings in 2005 with emphasis on diverse representation, action on issues raised and providing timely feedback.

The BRT is a forum designed to facilitate open communication between the Northern Territory Government and business and industry representatives, to identify key issues affecting economic development. The BRT sessions give industry representatives and business the opportunity to sit with members of the Government and constructively discuss business development issues. The BRT has resulted in outcomes that have directly assisted businesses in the Territory.

The Business Round Table met ten times during 2004 in Darwin, Palmerston, Alice Springs, Katherine, Tennant Creek, Maningrida and Nhulunbuy. Since first meeting in February 2002, more than 30 sessions have been held, with over 400 business operators and industry representatives from across the Territory engaging in extensive discussions with Government Ministers.

www.businessroundtable.nt.gov.au

Outsourcing

The Territory Government is committed to developing the Territory economy through a number of outsourcing initiatives to foster the growth of local industry (both in terms of size and capability) and enable local firms to take on larger projects and business opportunities.

Legal Services

A proportion of Government's legal services are outsourced to private sector legal firms, which promotes development of local expertise in public law and government business issues, and benefits businesses and the community through greater availability of local legal expertise. Other benefits to the legal profession include:

- ensuring maintenance and growth of the local legal profession;
- providing job opportunities for Charles Darwin University law graduates; and
- creating opportunities for skills transfer between public and private sector lawyers.

Audit Services

The provision of external audits on behalf of Parliament relies heavily on the skills and resources of local accounting firms. The approach adopted by the Territory can be contrasted with the practice in other jurisdictions, where heavy reliance is placed on internal resources for the conduct of audits.

Contracts exist between the Auditor-General and several local accounting firms for the provision of audit services covering almost all Northern Territory Government entities. Under this arrangement, around \$1.7 million per annum is paid by the Northern Territory Auditor-General's Office (NTAGO) for the provision of audit services.

The reliance on local firms offers benefits both to the firms and to the NTAGO. These include the ability of the NTAGO to have access to a pool of skills and experience not readily available otherwise, and the opportunity for local firms to develop additional skills and gain broader experience through the audit of public sector entities, leading to other opportunities across the public sector.



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Information, Communications and Technology



The information, communications and technology (ICT) sector in the Territory is maturing in its role as a major enabler to all sectors of the community. The Northern Territory ICT industry will release its five-year strategic plan in 2005, which prioritises growth, capability and capacity. The plan will provide the mechanisms and vision for industry development and growth in the Territory for the next five years.

Local small and medium enterprises (SMEs) have benefited from the Government's commitment to encouraging their participation in the contracts for providing ICT services across Government. The Government has outsourced all its desktop, messaging, internet and telephone requirements to private sector providers under long-term contractual arrangements.

This has resulted in increased revenue share for local SMEs and additional employment and professional development opportunities for local and regional ICT workers, building a healthier, stronger industry. Exposure to world's best business tools and skill sets has increased local ICT expertise and capability, providing benefits to all Territory industry sectors.

Telecommunications

The Government recently entered into its second five-year telecommunications contract, switching to Telstra as its service provider. The new contract will deliver a ten-fold increase in data bandwidth to Government agencies and connect over 100 new remote sites. The ten-fold increase in the data wide area network will enable agency business applications, typically hosted in Darwin, to be accessed by all users in the Territory, with significantly enhanced performance. This benefits such areas as front counter operations and hospital systems. In addition, more than 100 rural and remote sites throughout the Territory will be connected for the first time to these computing and telecommunications services, thereby reducing the inequity of access to those sites that exist today.

Around 70 new jobs will be created as a result of partnerships formed with local businesses to roll out the contract, and Telstra will invest more resources into its new and existing infrastructure across the Territory. In addition, in the coming 12 to 18 month period, an Industry Development Program will deliver a range of new initiatives and programs, boosting the Territory's ICT skills base and creating 170 new jobs, the majority of those in call centre operations.

