

## ANSWER TO QUESTION ON NOTICE FOR THE COMMITTEE

At the Committee hearing on 3 July 2024, Committee member the Hon. Damien Tudehope asked the following questions to the witness Luigi Amoresano:

“The Hon. DAMIEN TUDEHOPE: Mr Amoresano, have you read **the current procurement policy framework**? ..... Procurement policy under the current Government **has a number of features, including various items like value for money, fair and open competition, easy to do business, innovation, and economic development, social outcomes and sustainability ... How would you change the requirements relating to value for money?** There is an explanatory note relating to value for money. **What positions would you adopt to change what currently exists in relation to value for money?**” (Bold type added.)

The above questions from the Committee member the Hon. Damien Tudehope relate to the NSW Government document entitled “NSW Government Procurement Policy Framework” (dated March 2024), in which the requirements relating to “value for money” are specified on page 10 (of that document) as follows:

“The overarching consideration for government procurement is ensuring best value for money in the procurement of goods, services, and construction ..... Value for money is not necessarily the lowest price, nor the highest quality good or service. It requires a balanced assessment of a range of financial and non-financial factors, such as: quality, cost, fitness for purpose, capability, capacity, risk, total cost of ownership or other relevant factors.”

Adoption of our regulatory oversight model (as proposed in our submission to the Committee’s inquiry) would necessitate that the following text be added to the above extract (from the “NSW Government Procurement Policy Framework”):

“**Value for money**” through government procurement can **never** justify cost reductions which are derived from (or obtained by way of) **illegality**. Therefore, “**value for money**” is characterised by **a zero-tolerance approach to the circumvention or avoidance of legally required minimum standards of pay and conditions (and safety)** for any workers throughout the supply chains performing work required to fulfill government procurement contracts.”

Unfortunately, the “NSW Government Procurement Policy Framework” (dated March 2024) does not seem to ensure the proactive monitoring of compliance with the NSW Government procurement requirements specified in that document. It certainly does not ensure the proactive monitoring (of such compliance) being carried out by nominated third party agencies which can exercise such proactive monitoring without the kind of potential conflicts of interests characterising those various private sector firms operating in the overlapping commercial sectors of consultancy and accountancy.