

APCC STRATEGIC CHARTER

DIRECTIONS 2002 – 2007

Australian Procurement and Construction Council



## APCC'S VISION

To be recognised by stakeholders as adding value and promoting excellence in the way governments deliver their services to the community.

## APCC'S MISSION

To advise governments and provide leadership to industry on procurement and asset management by:

- Adding value to the way governments work with the private sector to deliver services to the community;
- providing a forum for suppliers and government buyers to interchange ideas and knowledge;
- initiating policy developments to promote excellence in procurement and construction; and
- participating in the development and promotion of electronic procurement



## THE STRATEGIC CHALLENGES

*“Governments of the future face a number of challenges. If they are to keep up with changing societies, they will have to learn how to understand the needs of increasingly diverse and fragmented constituencies... In order to [respond to those needs], they need to learn to innovate.”*

*OECD Symposium, ‘Government of the Future’, Paris 1999.*

### FOREWORD

The issues facing governments of the 21st century require more than the traditional ‘silo’ responses. Critical change factors and the need for rapid solutions call for governments to take a proactive, strategic approach that crosses established boundaries.

The changing and complex government procurement environment challenges decision-makers in government and industry to give attention to the new forces that will determine policy and business responses. The role of government in procurement and service delivery to the community is continuing to evolve.

The work of the Australian Procurement and Construction Council (APCC) is shaped by a combination of changing government requirements and new technologies which, in turn, generate the need for new business models.

The challenge for all governments and APCC members is to build new delivery mechanisms that respond effectively to these elements.

The current and ongoing changes require the APCC to continuously examine its understanding of the role of government, the interface with the construction industry and how procurement strategies and asset management systems can be used as tools to provide leadership and direction.

The APCC, a peak body for Australian government asset and procurement agencies, is in a unique position to leverage the benefits from the emerging challenges and opportunities.

The collective expertise of the APCC builds on the individual member jurisdictional initiatives which contribute to the development and delivery of outcomes of national relevance.

As a leader in government procurement the APCC jurisdictions has chartered the way forward and driven reform in asset management, construction and eProcurement.

The *APCC Strategic Charter: Directions 2002-2007*, charts the way forward and provides a framework for action.

**The Hon Morris Iemma MP**  
**Chair,**  
**Australian Procurement and Construction Ministerial Council**



## CONTEXT AND OPERATING ENVIRONMENT

**Reforms introduced since the 1980's have fundamentally changed public sectors across Australia, and in other Western democracies. Commercialisation, a focus on customer service and user pays, contestability and outsourcing, and the development of a business oriented management culture are some of the forces which have transformed the machinery of government—and this process is on-going.**

### Changing community expectations

People continue to want governments that do more but cost less. The public's needs are changing as societies become more diverse, complex and fragmented.

There is public pressure on governments and corporations to demonstrate greater sensitivity to community, ethical, social and environmental issues in the conduct of their business. Governments are under increasing pressure to be more transparent and accountable to their communities.

Planning and decision-making requires an understanding of the longer-term economic, social and environmental trends, in order to anticipate and respond quickly.

### Global impacts

There is a growing convergence between public and private sectors. Both governments and business are feeling the global pressures for economic competitiveness. The impact of globalisation on small business and communities is a challenge for governments.

### The e-revolution

The information technology revolution has delivered expanded capabilities for data collection and forecasting to aid decision-making and improve service delivery.

E-business is transforming workplaces, markets and the way governments interact with the supplier community and citizens.

There are wide-reaching implications for infrastructure use, resource efficiency and new business models. No single response is adequate in this context and, if the benefits are to be harnessed, responses need to be multi-faceted and collaborative.

### Strategic procurement and asset management – the new disciplines

Against this backdrop, the last decade has seen the emergence of strategic procurement and strategic asset management as newly relevant disciplines.

Together they provide powerful tools to help governments respond to cost pressures, the realities of a declining revenue base and the changing service expectations of citizens. The usefulness of these tools has been further enhanced by developments in electronic data capture and modelling systems.

Achieving best value for money, whole-of life cost considerations, risk minimisation and a strategic planning approach that integrates asset planning into a broader whole-of system planning framework are concepts inherent in these disciplines.

Their effective application facilitates co-operation, efficiency gains and improved service delivery outcomes.

## Procurement and Service Delivery

As contracting continues to be a primary mechanism for the delivery of services and infrastructure, expertise in strategic procurement is more critical than ever for governments — not just in specialist, technical areas but a ‘wise buyer’ capability needs to be developed more broadly across public sectors.

The changing dynamics of government procurement requires skillful management of the relationships between providers, buyers and end users as these relationships continue to evolve in response to new service delivery frameworks such as Public Private Partnerships.

## APCC CAPABILITY

### National reference point

Through its membership the APCC is well positioned to provide leadership in this dynamic environment. APCC membership reflects the key government agencies in Australian State, Federal and Territory jurisdictions, and New Zealand with responsibilities for procurement, construction and asset management.

Over the last thirty years the Council has established itself as a national reference point on best practices, principles and emerging issues in these disciplines — for both governments and industry. In that time the APCC has also demonstrated its responsiveness to change and has lead the debate on new opportunities and challenges in government procurement.

The Council’s work in electronic procurement and establishing an agreed national framework is an example of the APCC’s capacity to champion innovation and capture the benefits through nationally consistent approaches.

### Skills and expertise

The APCC members have the specialist skills and knowledge to apply new and emerging procurement practices to the Australian context to maximise service delivery to the Australian community.

The APCC forum is a catalyst for knowledge sharing, intelligence gathering and has the information networks to draw on for formulating solutions. Such collaboration helps to maintain a continuous improvement focus nationally and at jurisdictional levels.

## Body of work

The APCC continues to direct effort to areas where it has already delivered a substantial body of work and which present on-going challenges for government in the current context:

- access to government markets for small to medium and regional business;
- public sector infrastructure needs;
- competitive tendering and contracting; and
- electronic commerce for procurement.

Deregulated markets, the global scope of change and e-business developments are the new dimensions to this activity and where national consistency promotes efficiency and delivers real benefits to governments and industry.

The APCC provides a highly credible national interface to industry. The value of this relationship will increase as the boundaries between private and public sectors continue to converge.

## THE STRATEGIC RESPONSE

*The APCC Strategic Charter provides broad direction for 2002-2007 on the future role of the APCC in optimising procurement solutions and service delivery outcomes for the Australian community.*

The strategies and directions outlined below recognise the environment of future government and the emerging business models for government procurement, construction, asset management and service delivery.

## DIRECTIONS 2002-2007

### Leadership

- Champion the role of strategic procurement and asset management in improving service delivery and ecologically sustainable development outcomes for governments and the community
- Drive a reform agenda that continues to position the APCC jurisdictions as leaders in the development of strategies and requirements for future business and procurement solutions
- Facilitate understanding in the public and private sectors of strategic procurement as a business enabler and tool for delivering enhanced service responsiveness
- Provide a contemporary governance framework through which jurisdictions can make procurement a more effective tool of government

## Innovation

- Identify emerging business models for government service delivery and evaluate their application to an environment of rapid change
- Recognise and encourage innovation by identifying a portfolio of initiatives that demonstrate new and dynamic responses to changing needs
- Encourage key service providers to adopt best practice business and procurement solutions
- Promote the take-up of electronic systems

## Collaboration

- Tap the specialist skills of the APCC collective to articulate and implement new and evolving procurement practices in ways that will deliver service benefits to the Australian community
- Strengthen relationships with government partners and other stakeholders to promote a consistent and co-ordinated national approach to government procurement
- Consult with key stakeholders on emerging issues

## Knowledge Capital

- Ensure that the APCC continues as the national leader in procurement thinking
- Optimise knowledge exchange across the APCC by establishing online information resources on best business and procurement practices
- Maintain effective knowledge networks and relationships within government and industry
- Develop methodologies to scope future market and business models and formulate responses

## Strategic Advice

- Maximise the APCC's interface with industry to articulate best service delivery outcomes for government by service providers
- Provide strategic advice to government on business and procurement solutions

## Commitment

- Ensure the financial sustainability through jurisdictional support of the APCC
- Establish a resource and accountability model for jurisdictions to support the APCC work program
- Share and transfer the aggregated knowledge base within the APCC membership
- Quantify the knowledge capital requirements for now and the future

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