VGPB Annual Report 2024 - 25

Victorian Government Purchasing Board
Achieving excellence on government procurement

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Message from the Chair

Over the past year, the Victorian Government Purchasing Board (VGPB) has progressed its 2024-2026 strategic plan, established in January 2024. The strategic plan seeks to respond to a complex procurement environment and the emergence of new technologies, and support government agencies with education and tools to achieve value for the Victorian people in all procurement activity. The priorities set out in the VGPB's strategic plan are:

- Streamline procurement for buyers and suppliers and facilitate datadriven decisions
- Build procurement capability to support good decision-making
- Engage to support good procurement
- Create fit-for-purpose procurement policy.

Our strategic priorities

Significant work has been delivered against our capability priority in 2024-25. With the support of the Department of Government Services (DGS), we have now completed the seven-part 'Introduction to Procurement' series of eLearning courses. We have also released several additional advanced courses including writing specifications and managing risk in procurement. The Procurement Knowledge Hub will continue to be available to build procurement capability across the Victorian Government.

The rollout of the Digital Marketplace and Supplier Hub continued through 2024-25, with 11 State Purchase Contracts (SPCs) and registers now available on the platform, and 3,444 active suppliers registered.

Procurement data analytics continues to evolve, with a range of high-quality dashboards and reports giving SPC category managers and departmental chief procurement officers (CPOs) insights to enable informed decision making.

On the policy front, a number of updates were made to VGPB guidelines and templates, including for supplier debriefs, conflict of interest and risk management. Attention was also afforded to the role that artificial intelligence will play in procurement and the relevant focus that government will need to

have on this as the technology and its use matures. This work will support buyers with supplier engagement, probity and achieving value-for-money.

Stakeholder engagement

Engagement continues to be a focus for the VGPB. In February the Board met with the CPOs of the 14 accredited departments and agencies to workshop risks facing Victorian Government procurement and potential mitigation strategies. The Board also welcomed 11 department and agency CPOs to its Board meetings during the year to share their procurement experience, achievements and challenges. These engagements help deepen the VGPB's understanding of the diversity of procurement across VGPB agencies.

Board renewal

I would like to thank departing Board members Charleene Mundine, Denise Dyer and Peter Lane for their contributions. We wish Charleene, Denise and Peter well with their future endeavours.

Nadine Lennie

Chair, Victorian Government Purchasing Board

The VGPB at a glance

The Victorian Government Purchasing Board (VGPB) is a Victorian Government-owned body corporate established under the *Financial Management Act 1994* (FMA), which reports to the Minister for Government Services. The VGPB sets the policy framework for goods and services procurement to deliver value-for-money outcomes for Victoria. The VGPB program of work is supported by the Procurement Policy team within the Department of Government Services.

For more information on the VGPB and its functions, visit <u>About the VGPB</u> on the Buying for Victoria website.

This annual report summarises the work carried out during the financial year from 1 July 2024 to 30 June 2025.

This report is required under section 54M of the FMA and is available for download on the <u>Buying for Victoria</u> website in PDF and accessible online format.

Board meetings

The Board meets once every two months to discuss procurement policy and practices, and the progress of its work program. The VGPB collaborates with a broad range of stakeholders across the Victorian Government to help drive strategic outcomes. The Board held six regular meetings and one strategic risk workshop in 2024–25, as listed in Table 1.

Table 1: Board meeting attendance in 2024-25

Board member	Member since	Meetings attended	Risk workshop attended
Nadine Lennie (Chair)	10 October 2020	6 of 6	1 of 1
Charleene Mundine	1 July 2022	5 of 6	1 of 1
Claire Thomas	1 July 2018	6 of 6	1 of 1
Denise Dyer	1 July 2019	6 of 6	1 of 1
Helen Vaughan	1 July 2024	6 of 6	1 of 1
Peter Gluskie	3 August 2021	6 of 6	1 of 1
Peter Lane	1 July 2019	5 of 6	1 of 1
Raoul Wainwright	1 June 2021	6 of 6	1 of 1

Board members

Departing members Charleene Mundine, Denise Dyer and Peter Lane concluded their terms on the Board in June 2025.

NADINE LENNIE (Chair)

Nadine Lennie is a finance professional with more than 30 years of experience in procurement across large-scale programs to deliver projects in both the public and private sectors. Nadine brings to the position of chairperson extensive financial acumen, experience working in government policy frameworks along with expertise in leadership and board management.

Nadine is currently the Group Chief Financial Officer at Transgrid, having previously held the position of Group Chief Financial Officer at Atlas Arteria, an international toll road company based in Melbourne.

CHARLEENE MUNDINE

Charleene Mundine is a procurement professional with experience in a diverse range of delivery environments, including large infrastructure and multidisciplinary building projects. Charleene is the Founder and Director of DLCM, an organisation supporting First Nation and socially diverse communities.

Leveraging her cultural heritage as a Wehabal woman from the West Bundjalung nation, Charleene works with government, non-profit and corporate sectors to improve economic participation for First Nation people through procurement and employment strategies.

CLAIRE THOMAS

Claire Thomas is an economics professional with a background in public policy and administration. Now an independent public policy consultant, Claire has provided economic and public policy advice to a range of government and non-profit organisations.

Claire is currently an independent member of the Department of Justice and Community Safety Audit and Risk Management Committee.

DENISE DYER

Denise Dyer is a multi-skilled professional with extensive experience in procurement, property and stakeholder relationship management. She has expertise in delivering major capability and change projects including

information technology initiatives across a large, complex government business enterprise.

Denise also has a background in finance, consulting and in achieving social procurement outcomes in sourcing activities. Previously Denise chaired the Corporate Real Estate Committee of the Victorian Property Council, and was the Company Secretary of corProcure, a joint venture between major corporations to promote global buying. Denise is currently the Associate Director campus and asset services at Swinburne University of Technology.

HELEN VAUGHAN

Helen Vaughan is an experienced senior public sector leader with extensive experience in corporate governance, providing advice to Ministers and Boards, and leading reform. Helen is Victoria's Commissioner for Environmental Sustainability and previously worked as a deputy secretary in the Victorian Government including as Chair of the Finance and Procurement Committee for the Department of Energy, Environment and Climate Action. In 2022, Helen received a Public Service Medal for outstanding public service to policy and program delivery.

PETER GLUSKIE

Peter Gluskie is an information and communications technology (ICT) professional with significant procurement experience in a range of sectors including technology, telecommunications, supply chain and fast-moving consumer goods organisations.

Peter brings to the VGPB significant experience leading complex technology transformation projects and procurements, along with expertise in governance, data and insights, complex problem-solving and financial management. Peter is currently a director/principal at Eagle Advantage Pty Ltd, a program management and strategy delivery consultancy.

PETER LANE

Peter Lane is a senior executive and technology leader with extensive experience leading digital transformation across the public, private and not-for-profit sectors.

Peter brings a strategic approach to technology governance, risk and compliance, and his previous roles in the Victorian Public Service have

equipped him with a deep understanding of the public sector's unique procurement needs and challenges.

Peter provides leadership and expertise to the VGPB, particularly in relation to technology procurement, procurement systems and the application of advanced data analytics to drive improved procurement outcomes.

RAOUL WAINWRIGHT

Raoul Wainwright is an experienced industrial advocate with a strong background in workplace relations and community services. Raoul has substantial experience in public policy development and working with government at all levels.

Raoul brings a practical understanding of the role of procurement in driving social, employment and environmental outcomes, in line with the Government's commitment to driving deeper value for money from procurement, including through the Social Procurement Framework.

Assessing the VGPB's performance

Each year, VGPB members conduct individual and Board assessments of performance over the previous 12 months and identify opportunities for improvement. In line with good practice guidance from the Victorian Public Sector Commission, the self-assessment considers several key areas, including the fulfilment of legislative requirements, strategic leadership, governance, Board meetings and decision-making, integrity, diversity and stakeholder relationships.

Board members reflected on the VGPB's strong focus on strategic leadership, decision making and meaningful engagement with stakeholders. Members highlighted the value of ongoing programs of work such as the DGS procurement data analytics function and compliance monitoring through the annual Standing Directions process. Board members also noted the value delivered from the continued focus on the VGPB's strategic priorities, including the strong positive feedback from agencies on the new procurement eLearning courses delivered over the past two years.

Members identified areas for focus for the year ahead, including championing best-practice procurement and engaging with a wider range of stakeholders.

Priority 1: Streamline procurement for buyers and suppliers and facilitate data-driven decisions

Good procurement systems and data analytics are the cornerstones of modern procurement. Procurement systems enable efficiency and control over the purchasing process, while good data provides valuable business intelligence and actionable insights.

In the last year, the DGS team continued to develop its procurement data analytics function and migrate further SPCs to the Digital Marketplace.

Procurement spend data and analytics function

In 2024-25, the DGS team continued to improve its suite of analytical dashboards. Key improvements were made to make the dashboards more consistent and easier to use, helping category managers analyse data and make data-driven decisions.

New dashboards were also established to give departments a detailed breakdown of their spend under the Professional Advisory Services SPC. These dashboards allow departments to identify patterns and trends to facilitate data-driven decisions.

Digital Marketplace and Supplier Hub

The Digital Marketplace and Supplier Hub provide a central platform for government to buy from SPCs and for suppliers to register their details. In 2024-25, DGS continued the roll-out of the Digital Marketplace and Supplier Hub, adding two further SPCs onto the Digital Marketplace, bringing the total to 11 SPCs and registers.

Priority 2: Build procurement capability to support good decision making

In early 2023, the VGPB and departmental CPOs identified building procurement capability as an emerging priority for the Board. In 2023-24, the Procurement Knowledge Hub was launched, with the first of a series of eLearning courses tailored to the VGPB policy framework for buyers across government. This year, the team has continued to develop new eLearning courses tailored to the VGPB policy framework for buyers across government. DGS also delivered its regular peer-to-peer learning sessions for procurement professionals and engaged with departments and agencies directly on their procurement capability needs.

Launch of new eLearning courses for the Procurement Knowledge Hub

DGS developed and released seven new eLearning courses for the Procurement Knowledge Hub (the Hub) in 2024-25. This included four new courses to complete the Introduction to Procurement series. The series aims to help buyers build a foundational understanding of the procurement process. The courses included are:

- Introducing procurement: what is procurement?
- Governance: the key to your procurement success
- Plan the procurement: achieving your procurement goals
- Prepare invitation documents: setting your procurement in motion*
- Invite, evaluate and select offers: essential steps for better procurement outcomes*
- Managing the contract: delivering value with your supplier*
- Concluding the contract: closing with confidence.*

The course content is aligned with the VGPB policy framework with lots of practical advice and examples. The series also aims to raise awareness of common red flags for fraud and corruption at each stage of the process, along with appropriate counteracting measures.

^{*}new in 2024-25

Three additional skill builder courses were developed to address and uplift capability in priority areas identified by agencies. The skill builder courses were:

- Supplier debriefs: building supplier participation and capability
- Develop specifications: communicating your needs and wants effectively
- Managing risk in procurement: a continuous process

Buyers can also access training and resources on other policy areas on the Hub relating to the Social Procurement Framework, Building Equality Policy and the Good Food Policy.

In 2024-25, DGS supported eight departments and agencies to embed the DGS eLearning courses from the Hub directly into their own learning management systems, providing them with more oversight and the ability to mandate courses to specific users. Feedback to date on the Hub and the eLearning modules has been positive. A recent survey found that most users find the courses engaging, are likely or very likely to continue using the Hub and would recommend the Hub to colleagues.

Whole of Victorian Government Procurement Officers' Meeting

DGS hosts a series of peer-to-peer learning events throughout the year known as the Procurement Officers' Meeting. These events brought together an average of 175 procurement practitioners from across departments and agencies to share information and learn from each other.

Seven events were held in 2024–25 including presentations on the Supplier Code of Conduct, Fair Jobs Code, Intellectual Property Policy, the Digital Marketplace and SPCs.

Priority 3: Engage to support good procurement

The VGPB values connecting with a variety of procurement stakeholders. Engagement helps gather feedback to inform the VGPB's work and encourage good procurement practices.

Throughout 2024–25, the Board continued its series of CPO presentations, inviting CPOs from various departments and agencies to share their procurement experiences and insights (see Figure 1). Each presentation helps the VGPB build a stronger understanding of procurement 'on the ground' by hearing firsthand about stakeholders' perspectives and concerns. During the year the VGPB also met with the Auditor-General and the NSW Procurement Board to discuss current opportunities and risks facing government procurement.

DGS manages an online Buyers' Community of Practice group on the Victorian Public Sector Innovation Network, which provides additional support to all government buyers. The Buyers' Community of Practice has grown to more than 1,200 members, giving procurement professionals across government access to policy updates and resources.

CPO presentations at VGPB meetings in 2024–25

August 2024

- Victorian Infrastructure Delivery Authority
- Country Fire Authority

October 2024

- Suburban Rail Loop Authority
- Fire Rescue Victoria

December 2024

- Department of Government Services
- Department of Justice and Community Safety

February 2025

- Yarra Valley Water
- Greater Western Water

April 2025

- Barwon Water
- Coliban Water

June 2025

• Australian Grand Prix Corporation

Priority 4: Create fit-for-purpose procurement policies

A key focus for the VGPB is to simplify and streamline government procurement processes to make the Victorian Government a buyer of choice. Working with the DGS team, the policies, guides and templates are regularly reviewed to ensure fit-for-purpose procurement. Opportunities for improvement are identified through both consultation and ongoing feedback channels.

New and updated policies, guides and templates in 2024–25

Supplier debrief guidance

A supplier debrief is an opportunity for suppliers to receive feedback on why their offer was successful or not and how their future offers can be improved. Effective supplier debriefs can identify opportunities for improvement, build trust and uplift market capability. This year the supplier debrief guide was updated and published on the Buying for Victoria website, to provide more targeted and practical advice to buyers to support high quality debriefs.

Conflict of interest guidance and templates

The identification and management of real, perceived or potential conflicts of interest are key to upholding the probity and integrity of a procurement process. This year the COI Declaration and Management Plan template was updated to align with the recently revised Victorian Public Sector Commission (VPSC) guidance and model conflict of interest policy. The VGPB conflict of interest template is designed specifically for use in procurement activities and supports agencies to identify and manage conflicts effectively.

Risk management guidance and tools

Good risk management can improve value for money outcomes in procurement. In 2024-25, a suite of new and revised risk guidance and tools was developed to support agencies to better manage risk, including risk in supply chains. The suite includes three new products: a guide, a toolkit with templates, and a training course. Highlights include:

Assessing the impact of risk on value for money

- Managing both negative and positive risk impacts, including turning a negative impact to a positive impact
- Evaluating risk using a four-by-three matrix (simplified from a five-by-five matrix)
- Scaling risk management to the complexity of a procurement

Audit guidance

The VGPB regularly reviews the effectiveness and suitability of its audit program and related guidance to ensure that it remains fit-for-purpose. In 2024-25, the VGPB updated its audit guidance for agencies. Key changes included encouraging greater use of data analytics in audits, and consideration of emerging risk areas including cyber security, fraud and corruption.

Artificial intelligence in procurement guidance

Artificial intelligence is increasingly being used by buyers and suppliers. During the year the VGPB hosted discussions on the risks and opportunities in procurement arising from use of artificial intelligence and has requested DGS develop guidance for buyers in the coming year, to supplement the recently released Administrative Guideline for the safe and responsible use of Generative Artificial Intelligence in the Victorian Public Sector.

Compliance

Under the FMA, the VGPB is responsible for monitoring compliance with its supply policies.

The key mechanism used to monitor compliance with the goods and services procurement framework is the annual self-assessment of compliance through the Standing Directions attestation submitted to the Minister for Finance. This is reported one year in arrears, with the compliance data available to the VGPB after the required publishing date for this report.

Departments and accredited agencies (see below), have an additional level of oversight through an accreditation and audit program, as well as tracking against performance measures which are reported in the VGPB annual report.

The VGPB is also responsible for reviewing escalated complaints about compliance with its policies in procurement processes.

To see a full list of VGPB expansion agencies and portfolio agencies, visit Goods and services mandated agencies on the Buying for Victoria website.

Departments and accredited agencies

Any reference to 'departments and accredited agencies' in this section refers to the below list of departments and agencies:

- Department of Education (DE)
- Department of Energy, Environment and Climate Action (DEECA)
- Department of Families, Fairness and Housing (DFFH)
- Department of Government Services (DGS)
- Department of Health (DH)
- Department of Jobs, Skills, Industry and Regions (DJSIR)
- Department of Justice and Community Safety (DJCS)
- Department of Premier and Cabinet (DPC)
- Department of Transport and Planning (DTP)
- Department of Treasury and Finance (DTF)
- Cenitex

- Victoria Police
- Victorian Infrastructure Delivery Authority (VIDA)
- V/Line

Compliance results reported in 2023-24

The VGPB monitors compliance with its goods and services supply policies primarily through the outcomes of the annual attestation process for the Standing Directions 2018 under the FMA (2018 Directions). The 2018 Directions include 18 mandatory policy requirements from the VGPB's goods and services supply policies.

Should a department or agency not meet a VGPB policy requirement, it will report a non-compliance under the 2018 Directions:

- A compliance deficiency is an attribute, condition, action or omission that is not fully compliant with the VGPB requirements
- A material compliance deficiency is a compliance deficiency that a reasonable person would consider as having a material impact on the agency or the state's reputation, financial position or financial management

The 2023-24 financial year was the second full year of compliance reporting across all VGPB agencies. For the second consecutive year, no agencies reported a material compliance deficiency as shown in Table 2.

Consistent with previous years, the results for 2023-24 show strong compliance in core procurement governance and sourcing processes. While agencies reported improved compliance, compliance deficiencies were reported in those requirements which are more complex and unique to the best practice VGPB policy framework, those requiring significant cross-agency planning or where responsibilities are more distributed. These areas include:

- · emergency procurement
- contract management and contract disclosure
- procurement forward planning and capability strategies

Table 2: VGPB agencies reporting a compliance deficiency from 2022–23 to 2023–24

Compliance deficiencies reported by VGPB agencies in 2022–23

Measure	Number reported	Proportion (%)
Total number of VGPB agencies that reported at least one compliance deficiency (and percentage of total*)	55	35.0
Total number of VGPB agencies that reported at least one material compliance deficiency (and percentage of total*)	0	0

Note: From the 2024-25 VGPB Annual Report, compliance is reported on an agency basis rather than against the 18 policy requirements.

*2022-23 results are included for 167 agencies in 2022–23 and 159 agencies in 2023-24.

Compliance deficiencies reported by VGPB agencies in 2023–24

Measure	Number Reported	Proportion (%)
Total number of VGPB agencies that reported at least one compliance deficiency (and percentage of total*)	51	32.1
Total number of VGPB agencies that reported at least one material compliance deficiency (and percentage of total*)	0	0

Note: From 2024-25, compliance is reported on an agency basis rather than against the 18 policy requirements.

*2022-23 results are included for 167 agencies in 2022–23 and 159 agencies in 2023-24.

Reported compliance outcomes continue to improve each year, as agencies embed VGPB policy requirements. Compliance improvements are supported

by close engagement with agencies, procurement capability uplift activities and creation of guidance materials tailored to key challenges facing agencies. Refer to the VGPB priorities section for further details of these activities.

The VGPB accreditation and audit program

The VGPB accreditation and audit program applies to departments and a small number of large agencies, providing additional assurance on compliance.

The VGPB accreditation process assesses alignment of a department or agency's procurement strategy and policies with the VGPB policy framework. Accreditation is maintained through participation in the VGPB audit program. Goods and services procurement audits assess procurement practice and compliance with the department's policies in key risk and improvement areas.

Visit <u>Buying for Victoria</u> for more on the VGPB accreditation program including what is expected as part of the accreditation process.

Accreditation applications

Obtaining accreditation is a comprehensive process. Agencies must thoroughly review, revise and submit documentation to the VGPB to demonstrate that their internal procurement policies and processes align with VGPB policy requirements. Documentation must be assessed and supported by the agency's internal auditor and the Audit and Risk Committee.

DGS, established in January 2023, finalised its VGPB accreditation in October 2024. The DGS accreditation covers the DGS procurement framework which applies to DGS, DTF and DPC.

Audits

The VGPB audit program requires departments and accredited agencies to complete two procurement audits every three years. The scope of these audits is tailored to each organisation's specific risks and processes and is agreed with the VGPB before starting the audit. Departments and accredited agencies must report to the VGPB with their audit findings and actions for addressing any recommendations.

Audits in 2024-25

In 2024-25 the VGPB received the final three procurement audits of the 2021-24 VGPB audit program. These audits considered contract management,

business-led procurement and cyber security. All departments and accredited agencies have now completed the requirements of the 2021–24 audit cycle.

Overall, the audit findings reflected a strong awareness of VGPB policy requirements. Areas identified for improvement included better guidance to support the application of the policies and improved documentation.

Management actions to address findings are unique to each agency. However, common remediations included improving guidelines, system improvements and developing training materials to support and uplift internal procurement capability.

Complaints

The VGPB policy framework requires departments and agencies to have a complaints management system in place that sets out the process and procedures for investigating and resolving complaints. Departments and agencies investigate and resolve complaints in line with their complaints process. If the complainant is dissatisfied with the outcome, they may refer their complaint to the VGPB for review.

Three complaints were referred to the VGPB for review in 2024-25, in relation to procurements carried out by DFFH, Parks Victoria and DGS. The VGPB reviewed the complaints for DFFH and Parks Victoria and found no evidence of non-compliance with VGPB policies. As at 30 June 2025, the remaining complaint is not yet finalised.

Visit Buying for Victoria for information on complaints management.

Performance

Departments and accredited agencies track their procurement performance each year against a set of agreed performance measures and report their results to the VGPB. This is reported in addition to the <u>2018 Directions</u> reporting outlined in the compliance section of this report.

The three performance measures for the 2024–25 reporting period are:

- 1. Procurement capability
- 2. Planned procurement activity as a percentage of actual procurement activity
- 3. Supplier satisfaction

Note that departments and accredited agencies have procurement models and profiles that vary in complexity and size. These differences should be considered when comparing results.

Performance measure 1: Procurement capability

Organisations assess their capability at the end of each financial year using the <u>VGPB capability assessment tool</u>.

Results in 2024-25 show that procurement capability has remained steady and comparable to previous years (Table 3). Organisations continue to focus on enhancing their capability, incorporating various training offerings into their capability development plans to keep practitioner skills current. Changes in capability scores in 2024-25 have been attributed to the introduction of more automated/guided systems and processes, and operational and staff changes within procurement functions.

Table 3: Procurement capability assessment results

Department / accredited agency	2022–23	2023–24	2024–25
Department of Education	89.3	92.0	91.3
Department of Energy, Environment and Climate Action	71.7	67.3	64.3
Department of Families, Fairness and Housing	94.0	93.3	93.3
Department of Government Services	N/A	76.0*	83.3*
Department of Health	92.7	87.3	87.3
Department of Jobs, Skills, Industry and Regions	98.7	96.0	96.0
Department of Justice and Community Safety	82.7	85.3	91.3
Department of Premier and Cabinet	68.0	76.0*	83.3*
Department of Transport and Planning	75.3	81.3	83.3
Department of Treasury and Finance	85.3	76.0*	83.3*
Cenitex	86.7	86.7	86.7
Victoria Police	60.0	63.0	62.0
Victorian Infrastructure Delivery Authority	80.7	84.0	85.3
V/Line**	N/A	84.0	83.3

^{*} Scores for DGS, DTF and DPC are consolidated from 2023-24 following a Machinery of Government change. DGS now provides corporate procurement support for all three departments.

^{**} V/Line began reporting on performance measures 1 and 3 in 2023–24.

Performance measure 2: Planned procurement activity as a percentage of actual procurement activity

The VGPB policies emphasise forward planning and transparency to the supply market about upcoming opportunities. Under the VGPB's governance policy, organisations must develop and publish a forward procurement plan on their website. This measure assesses the level of forward planning by comparing the number of procurements undertaken with the number of planned procurements indicated in the forward procurement plan (Table 4).

Nine of the 14 departments and accredited agencies reported an improvement in planned procurement activity compared to the previous year. This was attributed to improved collaboration with business units and an emphasis on procurement planning as part of a proactive, long-term strategy to support future business needs.

Table 4: Planned procurement activity as a percentage of actual procurement activity

Department / accredited agency	2022–23	2023–24	2024–25
	(%)	(%)	(%)
Department of Education	14.7	40.8	55.6
Department of Energy, Environment and Climate Action	N/A	33.8	57.4
Department of Families, Fairness and Housing	35.6	20.7	47.9
Department of Government Services	N/A	18.3	19.3
Department of Health	44.7	58.2	81.8
Department of Jobs, Skills, Industry and Regions	N/A	58.0	80.3
Department of Justice and Community Safety	6.7	26.1	19.3
Department of Premier and Cabinet	63.2	35.7	33.3

Department of Transport and Planning	N/A	6.0	19.0
Department of Treasury and Finance	N/A	30.0	44.6
Cenitex	14	28.6	36.4
Victoria Police	71.4	40.0	25.0
Victorian Infrastructure Delivery Authority	70	97.4	58.0
V/Line**	N/A	100	77.8

Note: DEECA, DGS, DJSIR, DTP and DTF underwent machinery of government changes in 2022–23 that affected their ability to measure and report meaningful results on some performance measures for that year. The table denotes 'N/A' where results were not reported for these departments.

Performance measure 3: Supplier satisfaction

The supplier satisfaction results are based on a survey sent to successful and unsuccessful suppliers immediately following a sourcing process and measure their satisfaction with the process.

Supplier feedback provides valuable insights to participating organisations and the VGPB to identify strengths and areas for improvement.

Survey feedback indicated suppliers are seeking longer timeframes to respond to tenders, more regular communication where procurement processes are delayed, and more specific feedback following procurement processes.

Table 5: Supplier satisfaction

Satisfaction scores

	2022–23	2023–24	2024–25
Successful suppliers	88%	83%	85%
Unsuccessful suppliers	41%	40%	18%

Note: The 2024-25 survey results include the 10 departments, Cenitex, VIDA, Victoria Police and V/Line.

^{**} V/Line began reporting on performance measures 1 and 3 in 2023–24.

State purchase contracts

By combining demand for commonly used goods and services, government can harness greater economies of scale when negotiating with suppliers. Aggregating purchasing power allows organisations to negotiate competitive pricing and better terms and conditions. It also reduces risk and the administrative burden on buyers and suppliers.

The Victorian Government manages <u>SPCs and registers for commonly</u> <u>purchased goods and services</u>. Some SPCs are mandatory meaning they must be used by all <u>Victorian Government departments and agencies under the remit of the VGPB framework</u>. More than 200 organisations benefit from the time and cost savings offered by SPCs, with a total annual spend under SPCs estimated to be about \$3 billion in 2024–25.

Visit 'About goods and services contracts' on the <u>Buying for Victoria</u> website for more information on SPCs.

The role of the VGPB in SPCs

The VGPB reviews and endorses business cases for establishing new SPCs before approval by the relevant Minister. The VGPB is also consulted where an SPC is being replaced or varied.

In 2024–25, the VGPB reviewed and endorsed four business cases for new SPCs. The procurement process commenced for three of these in 2024–25, including <u>electricity large sites</u>, <u>professional advisory services</u> and the <u>public charging of fleet electric vehicles</u>. The remaining business case was for a potential new SPC being considered.

The VGPB was also consulted on seven SPC variations in 2024–25. These variations may have extended the contract term or agreed material changes to the contract. This can include adjustments to the contract price, scope of work, or terms and conditions. Variations were made to the following SPCs:

- cyber security
- geospatial data and analytics
- amazon web services contract
- eProcurement platform

- Microsoft
- electricity small sites
- telecommunications services.

Requests for tender and contract details are disclosed at www.tenders.vic.gov.au

Acknowledgement

The Victorian Government Purchasing Board acknowledges all Aboriginal and Torres Strait Islander peoples, as the Traditional Owners and custodians of the land and waterways on which we work and live. We pay respect to Elders past, present and future, and to all Aboriginal and Torres Strait Islander people. The fabric of Australia is strengthened and enriched with Aboriginal people's varied customs and cultures.

Document information

Victorian Government Purchasing Board Annual Report 2024–25

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