

Media Release

BUYING TRUST: CORRUPTION RISKS IN PUBLIC SECTOR PROCUREMENT – REPORT TABLED

4 June 2024

Today the Commission’s report *Buying trust: Corruption risks in public sector procurement* was tabled in Parliament.

Public sector procurement is vulnerable to corruption. The acquisition of goods and services, and construction works are the state’s greatest expense. Procurements often involve numerous transactions and complex processes, creating opportunities for corruption and making improper conduct more difficult to detect.

Poor procurement may increase the costs of goods, services, and construction projects. Essential services may be delayed or not be delivered at all. Service quality may be reduced, putting public safety at risk. Suppliers, especially small businesses dependent on public sector work may be forced to lay off staff or close.

This report draws on a survey of procurement officers and state sector suppliers, stakeholder submissions, insights from reports referred to the Commission, and findings from other integrity agencies. It provides case studies illustrating common corruption risks in public sector procurement.

While the strength of public sector procurement in South Australia appears to have improved in recent years, more can be done. Commissioner Vanstone observed, “Worryingly, some procurement officers are not sufficiently aware of corruption risks. Many lack adequate procurement experience or are under-resourced. Too many are not receiving training in key corruption risks.”

Many suppliers were reluctant to report suspicions of corruption as they feared future contracts would be jeopardised. Then, suppliers who believe their tenders will not be treated fairly may be reluctant to bid.

The report makes 18 recommendations to assist public authorities to prevent corruption in public sector procurement, and alerts public officers to red flags that may indicate potential corrupt conduct.

The report is available on the Commission’s website: www.icac.sa.gov.au/evaluations-and-reviews

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