

The benchmarking to enhance council procurement outcomes series

A snapshot of Local Government Procurement within Victoria

FY
2020

The fourth edition of the MAV LEAP Program Paper has been published. The FY20 edition highlights the sector procurement KPIs and the impact of the early stages of the COVID-19 pandemic on the spend patterns of councils participating in the MAV LEAP Program for the 4th quarter of FY20.

Insights on FY20 Sector Procurement KPIs

<p>2.8% Growth in sector average procurement maturity</p>	<p>Procurement Maturity The MAV Leap Program assists councils in structuring and supporting their procurement improvement programs which has resulted in a continued overall growth of procurement maturity across the sector during FY20. Over half the councils assessed took substantial steps towards improving procurement outcomes within their councils by commencing and / or completing key actions within their LEAP development plans.</p>
<p>1.5% Reduction in transactions below \$1,000</p>	<p>Process Efficiency Councils continue to improve their payment processing efficiency with a consecutive year of positive reduction in the processing of purchase order and invoice transactions below \$1,000. There has been a 10% reduction in these transactions over the past 4 years.</p>

Insights on the Impact of the COVID-19 Pandemic on Council Spend Patterns

The table below showcases the categories of council spend significantly impacted during the early stages of the COVID-19 pandemic. It highlights the percentage breakdown of sector spend for each category and the percentage of FY17-19 Q4 average quarterly spend that occurred during FY20 Q4:



Led by the construction and operations and waste management and landfill categories, the overall spend for Victorian councils during Q4 FY20 increased by an average of just under \$1M per council from the corresponding quarter the previous year. However data analysis shows sharp decreases in council spend, supplier usage and transaction processed for half the council spend categories.

The MAV LEAP Program is a continuous improvement program designed specifically for local government that combines data analytics, maturity assessment and benchmarking to provide you with a roadmap for improvement.

Visit the MAV Procurement website for further information on the MAV LEAP Program: <http://www.mav.asn.au/what-we-do/procurement>