

APEC : Government Procurement

**Survey on Government Procurement Systems
in Member Economies**

Updated Information: June 2000

Member Economy: Australia

1 Economy-wide Information

Australia is a federation with three levels of government. In addition to the Commonwealth (also referred to as “Federal”) Government, there are six State Governments, two Territory Governments and many local governments.

Each of these tiers of Government has its own procurement legislation, policies and procedures. There is no national regulation of government procurement. The Commonwealth, State, Territory and New Zealand governments are, however, parties to the *Australia New Zealand Government Procurement Agreement* (ANZGPA) which commits them to:

- remove discrimination among themselves in government procurement; and
- work in a coordinated way to improve and introduce greater uniformity to procurement practices and procedures.

The principal body for implementing this inter-governmental agreement is the *Australian Procurement and Construction Ministerial Council* (APCMC), a body of Government Ministers representing each jurisdiction on procurement and construction issues. The Ministerial Council is supported in its work program by the *Australian Procurement and Construction Council* (APCC), a body of senior State, Territory, Commonwealth and New Zealand officials set up to consider broad strategy issues relating to public sector procurement and construction. (See the APCC Homepage at <http://www.apcc.gov.au>).

The APCC is responsible for reinforcing the objectives of the ANZGPA including promoting uniformity in procurement policies and practices.

1.1 Administrative Structure (Commonwealth Government)

1.1.1 Administration of procurement

a) Central arrangements

In the Commonwealth Government, the management of procurement is substantially decentralised. Each agency is responsible for its own procurement within a centrally prescribed framework of procurement policy, principles and specified Government requirements. This framework is set out in the *Commonwealth Procurement Guidelines* (CPGs) issued under regulations by the Minister for Finance and Administration.

The CPGs can be viewed and downloaded electronically via the Department of Finance and Administration's (DOFA) Competitive Tendering and Grants Branch's Internet Homepage at <http://www.ctc.gov.au>.

Commonwealth departments and agencies that operate under the *Financial Management and Accountability Act 1997* are required to operate in accordance with the framework of policies and principles set out in the CPGs. Government Business Enterprises (GBEs), Commonwealth Authorities and Companies operate under the *Commonwealth Authorities and Companies Act 1997* or specific legislation relating to their establishment (often referred to as enabling legislation). Unless specifically directed to do so by responsible Ministers, they are not required to operate in accordance with the Government's procurement policies.

b) Central procurement entities

There are a number of entities in the Commonwealth Government with procurement responsibilities and functions as described below.

Department of Finance and Administration and Administration (DOFA)

The Minister for Finance and Administration administers the *Financial Management and Accountability Act 1997* (FMA Act) and *Financial Management and Accountability Regulations*.

Under the Commonwealth Government's Administrative Arrangement Orders, DOFA is responsible for procurement policy and services, Commonwealth public works policy and competitive tendering and contracting policy.

The Competitive Tendering and Grants (CTG) Branch of DOFA administers the Commonwealth Government's purchasing and disposals framework and plays a major role in its development in consultation with other government agencies. It manages the development of the *Commonwealth Procurement Guidelines* issued by the Minister for Finance and Administration. CTC Branch also provides support and services to government and to agencies including:

- policy advice on Competitive Tendering and Contracting;
- pre-qualification schemes for suppliers (the *Endorsed Supplier Arrangement*) in several product categories;
- policy on electronic commerce in Commonwealth purchasing;
- advising on purchasing policies;
- a toll-free telephone and email service, called the *Purchasing Advisory and Complaints Service*, to give Commonwealth agencies, suppliers and potential suppliers and the public quick access to procurement advice and an avenue for complaints; and
- administrative support to the Commonwealth representative to the *Australian Procurement and Construction Council* (APCC).

DOFA provides support for the supplier community through:

- *Endorsed Supplier Arrangements* (ESA) for information technology, major office machines, commercial office furniture and auctioneering services;

- the *Purchasing Advisory and Complaints Service*, advising suppliers and agencies on policy and practice issues, and if appropriate, facilitating communication between aggrieved suppliers and procuring agencies;
- information and material about Australian government purchasing policies through the Internet at <http://www.ctc.gov.au>;
- monitoring, reviewing and advising ministers on a wide range of purchasing matters, including:
 - reducing the costs of tendering for both government and industry;
 - enhancing the access of small to medium enterprises to government business; and
- providing a means through which industry, especially SMEs, can contribute to the development of these policies and procedures;

Government Communications Unit

The Government Communications Unit (GCU) in the Department of the Prime Minister and Cabinet manages the centralised arrangements for Commonwealth Government advertising, including the advertisement of Government business opportunities. The GCU is responsible for the Government Advertising website at <<http://www.ads.gov.au>>, operated by AIS Media, which combines into a single data entry the advertisement of government business opportunities as an electronic gazette notification and advertising in other media, such as newspapers.

Department of Communications, Information Technology and the Arts - Office for Government Online (OGO)

OGO works to ensure Commonwealth Government agencies use new technology effectively to help government do business better. One of OGO's objectives is to implement the government policy to put all appropriate government services online by 2001. OGO is responsible for the *Commonwealth Electronic Procurement Implementation Strategy* – for more information @ <<http://www.ogo.gov.au/projects/eprocurement/ImplementationStrategy.htm>>.

OGO manages the Commonwealth's whole-of-Government telecommunications arrangements and has a central role in coordinating certain whole-of Government electronic Management Information Systems (eg. financial, human resource and records management information systems). OGO also manages the *Gazette Publishing System* (GaPS) together with the Department of Finance and Administration. GaPS publishes details of all contracts and standing offers arranged of \$A2000 or more on the Internet at <<http://www.contracts.gov.au>>.

Department of Industry, Science and Resources

The Department of Industry, Science and Resources (DISR) advises on civil industry policy. DISR advises on the industry development obligations of suppliers, and participates with DOFA for the *Endorsed Supplier Arrangements*. Their website is at <<http://www.isr.gov.au>>.

Department of Defence

The Department of Defence is the largest procurement agency in the Commonwealth budget sector. Defence policy for industry is implemented primarily through the Department's procurement activities. Information on this topic can be viewed via the Internet at <<http://www.dao.defence.gov.au/ipi>>

Australian Agency for International Development (AusAID)

AusAID provides advice to the Government on international development, plans and delivers Australia's official development cooperation and ecologically sustainable land development programs. It is a major procurement agency. Information about AusAID can be viewed via the Internet at <<http://www.aisaid.gov.au>>.

Office of Assets Sales and Information Technology Outsourcing (OASITO)

The objectives of OASITO are to:

- implement the sale or privatisation of Australian Government owned businesses;
- arrange for the outsourced provision of information technology infrastructure and other corporate support functions of Australian Government agencies, including through competitive tendering and contracting.

OASITO's website is at <<http://www.oasito.gov.au>>.

c) Procurement programs (schedules)

Generally the duration and format of agency procurement programs is not prescribed but is at the discretion of agencies.

The Department of Defence publishes forward procurement plans annually identifying purchases above \$A100 000 (\$A250 000 for facilities projects). These may be accessed through the Defence Materiel Organisation website at <<http://www.dao.defence.gov.au>>

1.2 General Procurement Policies and Practices (Commonwealth Government)

1.2.1 Economy-wide procurement policies

The core principles underpinning Commonwealth Government procurement are:

- Value for Money. Procurement practices and procedures are directed to achieving the best available value for money in the acquisition of goods and services for government programs. The test for the best available value for money encompasses a comparison of relevant benefits and costs on a whole of life basis.
- Open and effective competition. This is a central operating principle of Commonwealth procurement, permitting a range of procurement methods. It requires transparency in the procurement process, including access to opportunities for potential suppliers, particularly small to medium enterprises. Buying agencies should put effort and research into encouraging competition in order to get the best possible results from the market.
- Ethics and fair dealing. The Government requires that agencies and individuals conduct procurement activities in a fair and reasonable manner and with integrity.
- Accountability and reporting. The Government requires individuals and agencies to be answerable for their plans and actions and for the outcomes of these. A range of reporting requirements support this accountability.

- National competitiveness and industry development. Full and fair opportunities must be provided for Australian and New Zealand industry, especially small to medium enterprises, to compete for government business.
- Support for other Commonwealth Policies. Agencies and their officers are required to be aware of relevant government policy and to reflect it in the way they do business. Such policies include environment, workplace relations, creation of opportunities for Aboriginal and Torres Strait Islander people, progressive improvement in equal opportunity for women in the Australian workplace and trade and foreign policy.

The Government also expects suppliers to comply with the laws of the land, for example in occupational health, and safety and trade practices. Further information on this is available at <http://www.ctc.gov.au/publications/purchasing/cpg/index.htm> >

1.2.2 Procurement Practices

At the Commonwealth level there are no centrally prescribed contract award criteria. General guidance is provided on value for money and agencies must decide their criteria for individual procurements in context. Some guidance is provided on any industry development criteria for major projects worth more than \$A10 million, where such criteria are appropriate.

There are no local content requirements or preferences for local suppliers in general procurement. The Government is committed to best practice and continuing improvement in the conduct of its procurement. This includes commitment to industry development, and the promotion of national competitive advantage, consistent with achieving value for money.

Agencies are required to investigate ANZ industry capability and provide fair opportunity for suppliers to compete.

The government has introduced the *Endorsed Supplier Arrangement* for purchases of information technology, major office machines, commercial office furniture and auctioneering services, which recognises suppliers who can demonstrate a commitment to world best practice in terms of quality, standards and service, and long-term value-adding in Australia. Only pre-qualified endorsed suppliers can supply IT and major office machine products to Government agencies. The *Endorsed Supplier Arrangement* website can be accessed at <http://www.ctc.gov.au/esa>

There is no preference for small to medium enterprises as such, but regional buyers should give careful consideration to the claims of SMEs in their local areas, and assess them on a value for money basis. It is government policy, as stated in the *Commonwealth Procurement Guidelines*, that agencies are to source at least 10% of their purchasing from SMEs.

The general guidance provided to agencies enables them to choose open, limited or selective procurement procedures. The Commonwealth does not prescribe the procurement method to be used nor does it set minimum limits on the numbers of offers to be sought. Requirements and market conditions vary and the person responsible for deciding how supplies are to be procured must consider each case on its merits.

This decision should take into account the characteristics of the requirement and the particular market at the time. Consideration of these factors will determine whether:

- public (or open) notification is justified;
- effective competition can be achieved through confining (or limiting) invitations to known or qualified/approved suppliers; or
- market or other procurement factors require a sole sourcing approach.

Australia is not a member of any plurilateral procurement or regional procurement agreement. Under the *Australia New Zealand Government Procurement Agreement*, however, Australia accords national treatment to the goods and services of New Zealand.

1.2 General Procurement Policies And Practices (State/Territory Governments)

New South Wales (NSW): The *NSW Government Procurement Policy* aims to achieve service, economic, environmental and social objectives while obtaining best value for money. Four key principles underpin the policy: value for money; efficiency and effectiveness; probity and equity; and effective competition. The *Policy* is supported by the *Code of Practice* and *Code of Tendering for NSW Government Procurement*, which establish standards of behaviour expected of all NSW agencies and those doing business with and for the Government. The NSW Government Procurement Policy contains strategies to foster economic and regional development. The application of a price preference to goods (and related services) of Australian and New Zealand origin applies as a general requirement. Where applicable, Industrial Impact Statements may be required. The Policy and the Codes are available on the Internet at <http://www.dpws.nsw.gov.au>.

South Australia (SA): Government purchasing policies for goods and services are underpinned by eight overarching principles: value for money, management of risk, professional integrity and probity, client service, accountability, simplicity and local industry sourcing where local suppliers can demonstrate competitiveness and capability. Within this principle-driven policy framework, government agencies are required to comply with State Supply Board and other Government policies. A preference margin may apply where one or more suppliers claim Australian or New Zealand content. State Supply Board policies are available on its Website at < <http://www.statesupplyboard.sa.gov.au> >.

Western Australia (WA): Government purchasing is centred around policies and practices that aim to ensure that government purchasing is conducted wisely and with attention to value for money, continuing competition, support for local industry, probity and equity and active contract management. A preference margin may apply where one or more suppliers claims Australian or New Zealand content over imported products. Public authorities are required to support competitive local suppliers by applying a regional preference when comparing a regional bid with one from a metropolitan Western Australian supplier with no regional content.

Victoria (VIC): Government purchasing policies and practices aim to achieve accountable, transparent, effective and value for money procurement by departments. The Victorian Government Purchasing Board (VGPB), supported by the Procurement Branch, Department of Treasury and Finance, develops purchasing policies and guidance, has responsibility for the electronic commerce for procurement program, brokers purchasing training, manages the collection and analysis of purchasing statistics and reviews major requisitions. A range of VGPB common use arrangements are also managed either centrally or on a lead agency basis.

Queensland (QLD): Government purchasing policies, as outlined in the *State Purchasing Policy*, apply to all goods, equipment and related services, construction contracts and service contracts by departments and statutory bodies. It does not apply to real property transactions. The *State Purchasing Policy* is based on three fundamental principles: to advance Government priorities; to achieve value for money and to ensure probity and accountability for outcomes. An accountable body or person within an agency is responsible for ensuring that procurement by the agency consistently pursues these three fundamental principles. Further information about Qld procurement policy is available from the Qld Government Marketsite at <<http://www.qgm.qld.gov.au>>.

Tasmania (TAS): Government purchasing policies emphasise value for money, open and effective competition and enhancing opportunities for local businesses. Purchasing officers are required to conduct all business in the best interests of the State and avoid any situation that may impinge on impartiality. Officers are required to purchase without prejudice and maximise value in all transactions. A preference margin may apply where one or more suppliers claim Australian or New Zealand content.

Northern Territory (NT): Government purchasing policies are based on five principles as follows: Open and effective competition; Value for money; Enhancing capabilities of local business and industry; Environmental protection; Ethical behaviour and fair dealing. Further information is available at <http://www.nt.gov.au/dib/procurement/>

Australian Capital Territory (ACT): Government purchasing policies and practices aim to achieve value for money for government through open and effective competition; take into account environmental, risk management and probity issues; and require purchasing activities be conducted in an ethical manner. To the extent that it is consistent with these principles, buyers are encouraged to maximise opportunities for local suppliers. Further information is available at <http://www.basis.act.gov.au>.

1.3 Laws and Regulations

Commonwealth: The primary legislation relating to Commonwealth Government procurement is the *Financial Management and Accountability Act 1997*. *Financial Management and Accountability Regulations* made under this act set the regulatory framework for procurement.

New South Wales: The legislation governing New South Wales State procurement is the *Public Sector Management (Goods and Services) Regulation 1995*. The *Regulation* establishes the State Contract Control Board as the Government's central procurement and contracting authority for the provision of common use goods and services to the New South Wales Public Service.

South Australia: The legislation governing South Australian Government purchasing is the *State Supply Act 1985* and the *Public Finance and Audit Act 1987*. The legislation and the South Australian Government's unified supply policy, as set out in the document *Purchasing Strategically*, establishes the State Supply Board as the body responsible for overseeing the procurement of goods and services by public authorities.

Western Australia: The legislation covering Western Australian State Government procurement is the *State Supply Commission Act 1991*. Under the Act the State Supply

Commission has responsibility for the conduct of the supply process in goods and services, while the *Public Works Act 1902* covers works related procurement. Some agencies with enabling legislation may also have procurement responsibility and all agencies are required to comply with the *Financial Administration and Audit Act 1985* and *Public Sector Management Act 1902*.

Queensland: Queensland State Government procurement is governed by the *Financial Administration and Audit Act 1977*. The *Financial Management Standard (1997)* issued under the Act requires that in developing an agency's systems for expense managements, the accountable officers or statutory body must ensure the agency's systems provide that, if the agency does not comply with the State Purchasing Policy published by the Department of Public Works, the accountable officer or body must record the reason for non-compliance.

Victoria: Procurement of goods and services by Victorian State Government departments is governed by the *Financial Management Act 1994*. The Victorian Government Purchasing Board, established under this Act, is responsible for the procurement policy and compliance framework under which departmental purchasing is undertaken. Construction procurement is subject to the *Project Development and Construction Management Act 1994* which is administered by the Department of Infrastructure.

Tasmania: The legislation covering government procurement activities is the *Financial Management and Audit Act 1990*. The Department of Treasury and Finance has responsibility for Government procurement policy.

Northern Territory: The legislation covering government procurement in the Northern Territory is the *Procurement Act 1995* and the *Procurement Regulations*.

ACT Government: The legislation covering government procurement in the Australian Capital Territory is the *Public Sector Management Act 1994* and the *Financial Management Act 1996*. The Department of Urban Services has responsibility for ACT purchasing policy.

1.3.2 Brief summary of the content of each of these laws and regulations (Commonwealth only)

The *Financial Management and Accountability Act 1997* requires the Chief Executive of an agency to manage the affairs of the agency in a way that promotes the proper use of the Commonwealth resources for which the Chief Executive is responsible. The term "proper use" is defined as "efficient, effective and ethical use".

The *Financial Management and Accountability Regulations* require that an official performing duties in relation to the procurement of goods, property or services must have regard to the *Commonwealth Procurement Guidelines*.

The Chief Executive of an Agency is authorised to give instructions (Chief Executive's Instructions) to officials in that Agency on any matter necessary or convenient for carrying out or giving effect to the *Financial Management and Accountability Act* or the *Financial Management and Accountability Regulations*, and, in particular on any of the following matters:

- (i) handling, spending and accounting for public money;
- (ii) making commitments to spend public money;

- (iii) recovering amounts owing to the Commonwealth;
- (iv) using, or disposing of, public property;
- (v) acquiring property that is to be public property.

1.3.3 Legislation/regulations that give exemption to the normal government procurement regulation practices

As Commonwealth legislation and guidelines do not prescribe detailed procedures for procurement, they also do not provide for exemption from specific practices and procedures.

1.4 Procurement Statistics

Annual purchasing statistics (Financial Year July-June 1998/99) for the Commonwealth Government are as follows:

TYPE OF PROCUREMENT	1998/99 AUS \$ M
Goods (a)	3679.4
Services (b)	3435.4
Works (c)	796.6
TOTAL	7911.4

NOTES:

(a) includes primary and manufacturing sector.

(b) includes electricity, gas, water, sewerage and drainage, community services, consultancy services, property and business services, communication services, financial services, health and education, automotive, transport and storage services, plant hire and leasing.

(c) Construction and Construction Services including building construction (residential and non-residential) and special trade construction (concreting, bricklaying and tiling trades, and other special trades: including plumbing, structural steel erection, electrical work, earth moving and dredging).

Value and Number of Contracts Arranged by Product and Service Code (1998-99)

P&S Code	Description	Value of contracts \$A	Number of notifications
1	Agricultural Produce, Un-processed	\$105,593,307	1967
2	Services to Agriculture	\$8,400,042	141
3	Forestry and Logging Products, Un-processed and Forestry Services	\$1,866,987	66
4	Fishing and Hunting or Trapping Produce, Un-processed	\$558,397	83

5	Mining Produce	\$27,245,694	152
6	Services to Mining	\$525,155	3
7	Food, Beverages and Tobacco, Manufactured	\$37,745,503	1681
8	Textiles, Clothing and Footwear	\$58,710,038	1229
9	Wood (Prepared), Wood Products and Furniture and Mattresses (Except Rubber)	\$18,385,240	670
10	Paper, Paper Products, Publishing and Printing	\$1,013,948,584	6239
11	Chemicals, Petroleum and Coal Products Refined or Manufactured.	\$112,683,820	2416
12	Non-Metallic Mineral Products, Manufactured	\$1,604,852	202
13	Basic Metal Products, Manufactured	\$95,828,761	675
14	Fabricated Metal Products	\$24,755,967	1419
15	Transport Equipment	\$499,661,429	7299
16	Photographic, Professional and Scientific Equipment	\$161,411,091	3003
17	Electrical Equipment and Hardware, Household Appliances	\$266,518,139	3926
18	Computers, Office Equipment, and Electrical Equipment *NEC	\$106,723,442	3155
19	Industrial Machinery and Equipment	\$1,090,488,252	12778
20	Leather, Rubber, Plastic and Manufactured Goods *NEC	\$46,584,246	3501
21	Electricity, Gas, Water, Sewerage and Drainage	\$39,296,813	690
22	Construction and Construction Services	\$796,595,873	5902
23	Automotive Services	\$3,277,651	509
24	Transport and Storage Services	\$389,857,186	7239
25	Communication Services	\$320,502,370	4219
P&S Code	Description	Value of contracts \$A	Number of notifications
26	Finance, Investment, Insurance and Related services	\$15,427,675	249
27	Consultancy, Property and Business Services *NEC	\$1,882,308,151	32384
28	Plant Hire and Leasing *NEC	\$52,987,411	2013
29	Health, Education, Museum and Library Services	\$157,371,437	5065
30	Research, Scientific and Meteorology Services	\$116,007,344	899
31	Community Services, Recreational, Personal and Other Services	\$458,551,076	8555
Grand total of all P&S codes		\$A7,911,421,933	118329

* NEC : not elsewhere classified

The data covers contracts reported in the (*Purchasing and Disposals*) Gazette of \$A2000 or more. It does not include Government Business Enterprises purchasing.

1.5 Channel for Complaint/Appeal by Potential Suppliers

Commonwealth Government

Suppliers that complain about procurement processes or decisions are entitled to receive a fair hearing from agencies. Agencies should accept complaints in the normal course of events in accordance with whatever procedures that they have in place for handling complaints in general. Often buyers and suppliers can resolve them at the working level.

There is no special Commonwealth-wide system for dealing with procurement complaints or providing remedies for complainants. However, two general avenues of complaint are available.

The *Purchasing Advisory and Complaints Service (PACS)*, within the Competitive Tendering and Grants Branch in the Department of Finance and Administration has a toll-free number 1800 650 531 and email address <pacs@dofa.gov.au> to advise suppliers and agencies on procurement issues, and to facilitate communication between aggrieved suppliers and buying agencies to help resolve complaints. PACS is not empowered to overturn procurement decisions.

A supplier may also complain about alleged breaches of the *Australian and New Zealand Government Procurement Agreement* by Commonwealth bodies to the Department of Finance and Administration (DOFA) -the Designated Body for this purpose. The principal review provisions of the agreement require that the parties provide non-discriminatory access to their procurement for Australian and New Zealand suppliers and products, and maximise the competitive opportunities available to them.

Any supplier may complain to the Commonwealth Ombudsman concerning actions or decisions by a buying agency that the supplier considers wrong, unjust, unlawful, discriminatory or unfair. If the Ombudsman finds a complaint to be justified, the Ombudsman may recommend a remedy, such as:

- an apology
- reconsideration of or changes to a decision
- changes to agency rules or procedures
- compensation for losses or damages caused by the agency's decision or action, or
- changes to the law that caused the problem.

Agencies are not compelled to accept a recommended remedy, but if the agency does not act upon the recommendations adequately, the Ombudsman may report to the Prime Minister and then to Parliament.

State/Territory Governments

Suppliers may address complaints about individual government procurement decisions to State/Territory procurement agencies where they consider they have a grievance. Where a supplier is not satisfied with the agency's response, the complaint may be referred to the relevant State/Territory Government Minister.

A supplier may also complain to the State/Territory Ombudsman concerning actions or decisions by a government agency that the supplier considers wrong, unjust, unlawful,

discriminatory or unfair. A supplier may also complain about alleged breaches of the Australia and New Zealand Government Procurement Agreement by State/Territory Governments to the bodies designated in the Agreement.

2. Entity-specific Information

Entity specific information is provided on Commonwealth entities only.

2.1 Identification

A current listing of Commonwealth agencies and the names, addresses, telephone, telex and facsimile numbers of their executive personnel is contained in the *Commonwealth Government Directory* available from AusInfo on subscription. Fax +61 2 6295 4888.

The *Government Online Directory* (GOLD) provides electronic access to similar information, and can be viewed at <<http://gold.directory.gov.au>>.

2.2 Procurement Portfolio

A detailed breakdown of the types of procurements made by individual Commonwealth agencies can be arranged on request. A fee may be incurred. The public may also access statistical data about contracts arranged by the Commonwealth Government at the *Gazette Publishing System* (GaPS) Website at <<http://www.contracts.gov.au>>.

2.3 Procurement Policies and Practices

2.3.1 Outline of procurement policies adopted by the individual entity where these differ from economy-wide policies

The Department of Defence has arrangements that apply to all purchases of \$A5 million and above. They involve the preparation of formal acquisition strategies incorporating industry plans and objectives that identify desirable Australian industry outcomes. Tenderers are required to provide industry development plans in their bids, with an agreed industry development program being negotiated and written into contracts with successful tenderers.

Additional Australian industry requirements apply where military significant equipment and logistics acquisitions are involved in support of the Defence requirement for enhanced self-reliance.

The Australian Industry Involvement (AII) program is the major mechanism through which these are satisfied. The program consists of activities offered by suppliers, and undertaken within Australian industry, to achieve specific capabilities identified by Defence in the tender document. Information on the Department of Defence's AII arrangements is available on the Internet at <<http://www.dao.defence.gov.au/ipi>>.

The Australian Agency for International Development (AusAID) has put in place purchasing-related arrangements for developing its supplier-base which enable it to forego some of the whole-of Government requirements applicable to other departments and Agencies.

2.3.2 Outline of procurement practices and their relationship with procurement policies adopted by the individual entity where these differ from economy-wide policies

Agencies have discretion to decide how to best handle their procurement, taking account of their own particular circumstances and the nature of the markets in which they are buying. Agencies issue their own instructions on the conduct of their procurement. They must have regard to the Commonwealth's framework of general policies and principles described in the *Commonwealth Procurement Guidelines* and advisory guidance that DOFA may issue from time to time.

2.4 Laws and Regulations applicable to the individual entity in the Government Procurement field

Those agencies operating under the *Financial Management and Accountability Act 1997* (FMA Act) are required by the *Finance Management and Accountability Regulations* to operate in accordance with the framework of policies and principles outlined in the *Commonwealth Procurement Guidelines*. Government Business Enterprises (GBEs), Commonwealth Authorities and Companies, unless specifically directed to do so by responsible Ministers, are exempt from the requirement to operate in accordance with the Government's procurement policies.

2.5 Procurement Statistics

The following listing is derived from the Purchasing and Disposals Gazette database which contains details of the total estimated liability of contracts valued at \$A2000 or more notified by Commonwealth departments and agencies during 1998-1999 (sorted by value).

Note that there have been several changes since this listing was compiled, and some Departmental structures and names have subsequently changed.

Rank	Agency	Total Value (\$A)	Number of notifications	Percentage of total value
1	Department of Defence	\$5,107,736,809	51,806	64.56
2	Centrelink	\$664,735,603	15,180	8.40
Rank	Agency	Total Value (\$A)	Number of notifications	Percentage of total value
3	AusAID	\$319,723,293	936	4.04
4	Australian Taxation Office	\$305,382,499	5,220	3.86
5	Department of Health and Family Services	\$171,155,883	2,911	2.16
6	Department of Employment, Education, Training and Youth Affairs	\$127,975,407	1,920	1.62
7	Department of Foreign Affairs and Trade	\$106,318,263	2,830	1.34
8	Department of the Environment	\$90,010,647	2,909	1.14
9	Department of Health and Aged Care	\$85,026,477	2,222	1.07
10	Department of Transport and Regional Development	\$84,952,797	988	1.07
11	Department of Primary Industries and Energy	\$81,602,596	2,361	1.03
12	Australian Bureau of Statistics	\$75,404,399	2,263	0.95

13	Aboriginal and Torres Strait Islander Commission	\$61,346,823	2,836	0.78
14	Attorney-General's Department	\$59,519,340	3,678	0.75
15	Department of Immigration and Multicultural Affairs	\$53,647,867	1,292	0.68
16	Department of Industry, Science and Tourism	\$50,131,019	1,971	0.63
17	Australian Customs Service	\$42,884,571	1,724	0.54
18	Department of Agriculture, Fisheries and Forestry	\$39,559,512	1,098	0.50
19	Joint House Department	\$30,629,183	720	0.39
20	Australian Electoral Commission	\$24,601,985	870	0.31
21	Department of the Treasury	\$24,158,636	711	0.31
22	Department of Family and Community Services	\$23,551,921	793	0.30
23	Department of Communications and the Arts	\$23,034,103	384	0.29
24	Department of Finance and Administration	\$21,773,339	160	0.28
25	Department of Veterans' Affairs	\$21,189,499	496	0.27
26	Department of Workplace Relations and Small Business	\$20,169,720	939	0.25
27	Department of Transport and Regional Services	\$19,442,405	527	0.25
28	Department of the Prime Minister and Cabinet	\$18,564,597	1,110	0.23
29	Australian Federal Police	\$17,398,823	1,099	0.22
30	Department of the Parliamentary Reporting Staff	\$16,085,190	774	0.20
31	Australian Centre for International Agriculture Research	\$12,871,773	130	0.16
32	Department of the Senate	\$11,185,046	307	0.14
Rank	Agency	Total Value (\$A)	Number of notifications	Percentage of total value
33	Australian Industrial Registry	\$10,360,740	490	0.13
34	Australian Archives	\$9,246,937	167	0.12
35	Department of Industry, Science and Resources	\$7,366,664	342	0.09
36	Administrative Appeals Tribunal	\$6,936,473	221	0.09
37	Federal Court of Australia	\$6,162,431	67	0.08
38	Australian Government Solicitor	\$5,128,871	618	0.06
39	National Capital Authority	\$5,042,444	200	0.06
40	National Archives of Australia	\$4,915,429	448	0.06
41	Department of Social Security	\$4,491,483	131	0.06
42	ComSuper	\$3,853,041	245	0.05
43	National Science and Technology Centre	\$3,548,932	514	0.04

44	Australian Transaction Reports and Analysis Centre	\$3,334,632	67	0.04
45	Family Court of Australia	\$3,114,897	89	0.04
46	Australian Competition and Consumer Commission	\$3,104,341	162	0.04
47	National Library of Australia	\$2,904,727	226	0.04
48	Human Rights and Equal Opportunities Commission	\$2,749,914	195	0.03
49	Department of Employment, Workplace Relations and Small Business	\$2,512,117	46	0.03
50	Department of the Parliamentary Library	\$2,148,300	121	0.03
51	Commonwealth Ombudsman	\$1,995,393	79	0.03
52	Office of the Official Secretary to the Governor-General	\$1,932,586	147	0.02
53	Australian Survey and Land Information Group	\$1,878,013	63	0.02
54	National Film and Sound Archive	\$1,702,142	59	0.02
55	Department of the House of Representatives	\$1,604,879	199	0.02
56	National Museum of Australia	\$1,006,031	17	0.01
57	Office of National Assessments	\$831,098	91	0.01
58	Australian Institute of Police Management	\$755,206	62	0.01
59	Productivity Commission	\$309,812	23	0.00
60	National Competition Council	\$223,759	26	0.00
61	Australian National Audit Office	\$160,693	20	0.00
62	Australian Heritage Commission	\$150,200	12	0.00
63	Refugee Review Tribunal	\$115,651	13	0.00
Rank	Agency	Total Value (\$A)	Number of notifications	Percentage of total value
64	Australian Institute of Aboriginal and Torres Strait Islander Studies	\$64,070	4	0.00
	Total of all agencies	\$A7,911,421,932	118,329	100.00

2.6 Channel for Complaint/Appeal by Potential Suppliers

Same as for economy-wide channels.

2.7 Contact Points

Commonwealth

Branch Manager
Competitive Tendering and Grants Branch
Department of Finance and Administration
GPO Box 1920
Canberra ACT 2600 Australia

TEL : +61 2 6215 3508
FAX : +61 2 6215 3366
WWW : <<http://www.ctc.gov.au> >

New South Wales

Chairperson
State Contracts Control Board
Level 23 McKell Building
2-24 Rawson Place
Sydney NSW 2000 Australia
Telephone: +61 2 9372 8818
Fax: +61 2 9372 8844
Email: sccb@dpws.nsw.gov.au
WWW: <<http://www.dpws.nsw.gov.au> >

South Australia

Director
Contract Services
Department for Administrative and Information Services
GPO Box 549
Adelaide SA 5001 Australia
Telephone +61 8 8226 5666
Fax +61 8 8226 5667
WWW: <<http://www.tenders.sa.gov.au>>

Western Australia

Chief Executive Officer
State Supply Commission
5th floor Dumas House
2 Havelock St.
West Perth WA 6005 Australia
Telephone +61 8 9222 5700
Fax +61 8 9222 5780
WWW: <<http://www.ssc.wa.gov.au>>

Queensland

Director
Queensland Purchasing
Department of Public Works and Housing
Level 15 Mineral House 41 George Street
Brisbane Queensland 4000 Australia
Telephone +61 7 3235 4333
Fax +61 7 3224 7921
WWW: <<http://www.qgm.qld.gov.au>>

Victoria

Director Procurement
Victorian Government Purchasing Board
Department of Treasury and Finance
11th Floor, 1 Macarthur St.
East Melbourne Victoria 3002 Australia

Telephone +61 3 9651 2162
Fax +61 3 9651 2161
WWW: <<http://www.vgpb.vic.gov.au>>

Tasmania

Director
Procurement and Property Branch
Department of Treasury and Finance
GPO Box 147B
Hobart Tasmania 7001 Australia
Telephone +61 3 6233 3674
Fax +61 3 6234 3866
WWW: <<http://www.tres.tas.gov.au/tenders>>

Northern Territory

Manager
Procurement Policy Unit
Department of Industries and Small Business
GPO Box 4160
Darwin NT 0801 Australia
Telephone +61 8 8999 7828
Fax +61 8 8999 7657
WWW: <<http://www.nt.gov.au/dib>>

ACT Government

Manager
ACT Contracts and Purchasing
Policy Coordination
Department of Urban Services
GPO Box 158
Canberra ACT 2601 Australia
Telephone +61 2 6207 5540
Fax +61 2 6207 7366
WWW: <<http://www.basis.act.gov.au>>

APEC : Government Procurement

Survey on the Publication Arrangements for Government Procurement Opportunities in Member Economies

Member Economy : Australia

1. Procuring Entity

This questionnaire has been completed for the Commonwealth Government and each of the State and Territory Governments.

2. Procurement Portfolio

Commonwealth Government Financial Year July 1998 – June 1999)

TYPE OF PROCUREMENT	1998-99 AUS \$ M
Goods (a)	3679.4
Services (b)	3435.4
Works (c)	796.6
TOTAL	7911.4

NOTES:

(a) includes primary and manufacturing sector.

(b) includes electricity, gas, water, sewerage and drainage, community services, consultancy services, property and business services, communication services, financial services, health and education, automotive, transport and storage services, plant hire and leasing.

(c) Construction and Construction Services including building construction (residential and non-residential) and special trade construction (concreting, bricklaying and tiling trades, and other special trades: including plumbing, structural steel erection, electrical work, earth moving and dredging).

Information on procurement profile for State/Territory entities is not available.

3.(a) Procurement Program

Commonwealth departments and agencies must use the Government Advertising website at <<http://www.ads.gov.au>> to advertise all publicly available opportunities to do business with the Government, including but not limited to, invitations to bid, express interest, qualify as approved suppliers, offer proposals or the like.

3.(b) Summary of laws, regulations, rules or practices for publication of notices relating to notification of opportunities and qualification of suppliers

Commonwealth

There is no financial threshold for advertisement. The determining factor is the decision to approach the public at large.

Agencies must advertise publicly available business opportunities on the government advertising website at <<http://www.ads.gov.au>> and may advertise in other media, for example the tender columns of newspapers or trade magazines. Agencies must arrange advertisements through the Commonwealth's designated advertising agent, AIS Media, through the website at <<http://www.ads.gov.au>>.

Notification of opportunities is not required wherever the decision is to confine an approach, for example, to a sole source, a limited field of suppliers or to a list of approved suppliers established following a publicly notified selection process. Notification is not required for simple supplies where effective competition already exists, for example through retail outlets.

Market structure and location can be a consideration in deciding the method of notification, particularly where services are required. For example, advertising in the local newspaper for cleaning or small-scale maintenance services in a relatively isolated country location may promote effective competition and value for money without central notification.

The requirement to notify business opportunities applies to agencies operating under *the Financial Management and Accountability Act 1997*.

State and Territory Governments

The following rules apply to the advertisement of procurement opportunities within Australian State and Territory jurisdictions:

New South Wales: Government tenders are advertised in the local media. The primary publication for advertisement is the *Sydney Morning Herald*. Tenders called by the State Contracts Control Board are also available on the Internet at <<http://www.tenders.dpws.nsw.gov.au>>.

Western Australia: Public tenders are called where the estimated value of the goods or services exceeds \$A 50,000. All government tenders over a threshold of \$A50,000 are advertised on the Government Contracting Information Bulletin Board at <<http://www.contracting.wa.gov.au>> and in the appropriate section of a newspaper with statewide circulation (the *West Australian* newspaper).

Queensland: All government purchases over a threshold of \$A100,000 are publicly advertised in Brisbane and regional media as appropriate. Agencies are encouraged to advertise all suitable procurement opportunities at the Queensland Government Marketsite located at <<http://www.qgm.qld.gov.au>>.

Victoria: Victorian Government department tenders over a threshold of \$A100,000 are advertised on the Victorian Government Tenders website at <<http://www.tenders.vic.gov.au>> and in a composite advertisement published in the press, currently in the Saturday edition of *The Age*.

South Australia: Electronic access to information about all publicly available bidding opportunities is available through the *SA Tenders & Contracts* site at <<http://www.tenders.sa.gov.au>>. All public opportunities are also notified in the Monday edition of the *Adelaide Advertiser*

Tasmania: Inner-Budget Government agencies are required to advertise all tenders in the Saturday edition of at least one of the three Tasmanian daily papers (*The Mercury*, *The Examiner* or *The Advocate*), under the Tasmanian Government Tenders heading in the classified advertisement section. This is a minimum requirement. Government agencies may also choose to advertise on other days of the week and in other newspapers. Agencies are also required to advertise all tenders on the Tasmanian Government Tenders website <<http://www.tres.tas.gov.au/tenders>>.

Northern Territory: All government tenders over a threshold of \$A10,000 must be publicly advertised in a relevant local paper. Tenders may be accessed electronically on the Internet at <<http://notes.nt.gov.au/Tender>>

Australian Capital Territory: All government tenders are published in the local newspaper, *The Canberra Times*, and on the ACT Government's Buyers and Sellers Information Service *Basis* Internet site at <<http://www.basis.act.gov.au>>. The threshold above which tenders should be called is \$A50,000. Public notification of government contracts is at the discretion of the individual agency. Some agencies notify contracts arranged on the *Basis* Internet site.

4. Publication of procurement opportunities through Printed Media

Note that the Commonwealth has ceased publishing hard-copy notification of business opportunities in a central purchasing Gazette. Instead, notification of public opportunities is done via the Commonwealth's *Ads* on-line electronic advertisement system, at <<http://www.ads.gov.au>>. Individual buying agencies may also choose to supplement this with print advertisements in appropriate publications.

5. Publication of procurement opportunities through Electronic Media

5.1 Outline of the Commonwealth system

All public procurement opportunities are notified on *Ads* on the Government Advertising website <<http://www.ads.gov.au>>. Links to State Government tenders are also provided.

5.2 Functional capabilities

The Commonwealth *Ads* electronic notification system simplifies identification of business opportunities by providing a single point of access for this information.

5.3 Details of typical procurement information provided

Notifications of business opportunities on *Ads* include:

- ministerial portfolio, department or agency, division or group, branch or office and postcode of the branch or office;
- reference number allocated by the department or agency;
- description of the goods or services sufficient to identify the nature and quantity of the requirement, and any
 - delivery period that may apply;
 - closing date and time of invitation;
 - place of delivery postcode;
 - names, telephone numbers and email addresses of contact officers for supply of documents, or responses to commercial and technical inquiries;
- name and telephone number of contact officer for inquiries about the notification; and
- the *Australian and New Zealand Standard Commodity Classification* (ANZSCC) code for the goods and services required.

5.4 Mode of Access by Potential Supplies

All federal government public advertisements are accessible to local or overseas suppliers, either through the print media or through the Internet at <<http://www.ads.gov.au>>. There is no limitation to access, registration procedures or charges to potential suppliers for this service.

5.5 System administration

***Ads* Government Advertising website – Business Opportunities**

For inquiries about registration, use of system, technical support and general inquiries contact AIS Media

Phone: +61 1800 300 363

Email: canberra@aismedia.com.au