



Australian Government  
Department of Finance

# Submission to the Finance and Public Administration References Committee Inquiry into the Senate order for departmental and agency contracts

JANUARY 2014

## Introduction

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In response to the invitation by the Senate Finance and Public Administration References Committee, the Department of Finance (Finance) provides this submission to the inquiry into the Senate order for departmental and agency contracts (the Senate Order).

## Finance's Position

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AusTender was established in 2007 and is the primary mechanism for public accountability and transparency of procurement information across the Commonwealth (see Attachment A for further information on AusTender).

The Senate Order has achieved its objective of ensuring that information on government expenditure is suitably available for public scrutiny. This is demonstrated by the significant reduction of reported confidentiality provisions in contracts, down from 24% in 2001 to 4% in 2012.

The Australian National Audit Office (ANAO) has suggested that Finance update Senate Order guidance to enable agencies to meet the Senate Order (for procurement contracts) through referencing of AusTender. It will also reduce the reporting burden on agencies in a tight fiscal environment.

Consolidating procurement reporting will clarify agency reporting obligations, and focus agency reporting effort to a single, and centrally supported system. Finance will continue to support agency compliance with the reporting obligations, however ultimately, responsibility for compliance lies with agencies.

If the Committee prefers to retain the Senate Order, for procurement contracts, Finance proposes that a biannual list by agency be published on AusTender consistent with the current Senate Order timeframes. This would list procurement contracts that were active during the preceding six months with consideration above \$100,000 and outline any confidentiality provisions that may be present.

## Supporting Detail

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Reporting procurement contracts on AusTender and separately as part of the Senate Order involves duplication of unnecessary costs to agencies, the ANAO and Finance. In 2012, excluding Finance and ANAO costs, this was estimated as \$6 per contract across 42,500 contracts. Finance anticipates this figure understates agency compliance

costs, particularly in large agencies, where the costs in circulation and review by officials is not accurately or easily accounted for.

### **Changes and/or updates to AusTender since 2007**

AusTender is the primary source of procurement information for the Government and private sector. Since the introduction of the Commonwealth Procurement Rules (CPRs) in July 2012, explicit obligations on agency AusTender reporting have been created under the Commonwealth procurement framework. This includes specifying, as a core requirement of the CPRs, that agencies report contracts and contract amendments valued above \$10,000 on AusTender within 42 days.

Finance continues to actively manage and regularly update AusTender capability and functionality. Since 2007, AusTender has undergone a number of major improvements including:

- Mandated reporting, effective 1 July 2008, of confidentiality provisions (contract and contract outputs) for contracts valued at \$10,000 and above, and providing publicly accessible report and search capability to access this information;
- Structured annual procurement plans to support automatic notification and watchlisting for public users, of agencies' planned procurements;
- Agency quality assurance tools to help improve contract reporting, data quality and internal reporting processes;
- Twenty software application maintenance releases to account for policy updates and general improvements to the system; and
- Hardware replacement and network re-architecture to support increased demand and to implement more advanced technologies.

### **How and when issues around data integrity for AusTender are addressed and by whom**

AusTender provides the mechanism for agencies to meet their own public accountability and transparency obligations. Agencies are responsible for correctly reporting their contracts and Finance plays an active part in this process to promote compliance through a dedicated and ongoing support program. This includes:

- A central AusTender helpdesk and dedicated 9am – 5pm telephone support line and after-hours support for agencies by arrangement;
- A dedicated agency email address for procurement policy queries;
- Regular one-on-one agency AusTender training and refresher sessions;
- Quarterly senior procurement officer forums attended by representatives across the Commonwealth;

- An AusTender Agency Reference Committee, which meets quarterly to review operational performance, business environment and associated needs, and its rolling development program;
- Guidance and assistance to agencies in their annual AusTender data review;
- A weekly schedule of one-on-one meetings between Finance and agency procurement policy and reporting staff;
- Online AusTender user guides and procurement policy documentation;
- Monthly procurement FAQs and procurement bulletins which are circulated to more than 2,500 APS staff.

Finance's tailored program supports the diversity that exists across the Commonwealth. For example, Finance estimates that there are more than 65 different agency financial and contract management systems input to AusTender. These systems created and uploaded approximately 95% of the 67,000 contracts reported on AusTender in 2012-13.

### **AusTender and Senate Order Comparison and Completeness**

AusTender reporting reflects a dynamic reporting method, which is updated as contracts are entered into or amended. The Senate Order's static approach requires biannual snapshots of contracting information to be taken. Comparing dynamic data and static data is challenging as information is updated over-time.

### **Any comparative analysis in relation to agency lists generated by AusTender and those currently generated by agencies and departments to comply with the Senate Order**

Finance does not collect comparative data between agency AusTender listings and agency Senate Order listings. Given the engagement with agencies and the ANAO, Finance is confident in the ongoing accuracy of AusTender, particularly if their data quality effort is focussed on one reporting regime. AusTender enables agencies to update contract notices to support information accuracy, and the procurement and financial framework will continue to place specific responsibilities on reporting accuracy and completeness.

### **Any information on the extent that agencies and departments are currently using AusTender as a means to generate lists to comply with the Senate Order**

There is no single approach used by agencies to generate the Senate Order listing, and agencies have expressed confidence to Finance in relying on AusTender for procurement contracts. However, as the Senate Order requires non-procurement contracts to also be reported, it can be more administratively efficient to use a single internal system to generate the draft list for review. While this process may be more

efficient in generating the list, the high volume of procurement contracts in the Senate Order is administratively costly in review by reporting and procurement areas.

As outlined previously, this largely manual process can introduce inconsistencies to centrally managed contract systems when officials do not fully understand the Senate Order requirements or misinterpret specific contract details they may have inherited over-time.

### **Accessibility of the AusTender interface**

The AusTender website has been designed to be accessed across various platforms and by web browsers that are in common use. Its design complies with relevant Web accessibility standards articulated in WCAG 2.0.

In terms of usability, contract information is accessible through the Search or Reports functions, both of which are available on the home page. The Senate Order on Confidentiality in Procurement Contracts Report is available now as a standard report on AusTender. Help Desk support is also available to assist during business hours.

## Further Information

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### **AusTender**

AusTender delivers eight major centralised functions to Australian Government agencies and their market:

1. planned procurement publication, notification and watchlisting;
2. publication of publicly available government business opportunities;
3. automatic notification of those opportunities to suppliers in accordance with self-defined business profiles;
4. management of restricted tendering processes;
5. tender documentation and addenda distribution;
6. secure electronic lodgement of tender responses;
7. reporting of procurement contracts awarded valued at \$10,000 and above; and
8. associated reports library and searching.

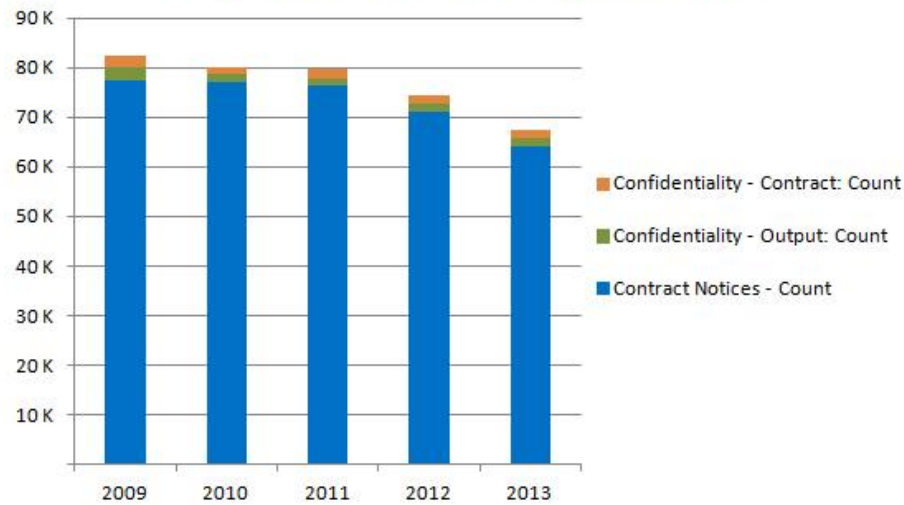
Further statistical information outlining current use of AusTender is provided below.

AusTender functions address only the elements that are common across all agencies' procurement processes. The user management structure can be adapted to reflect agencies' individual business models.

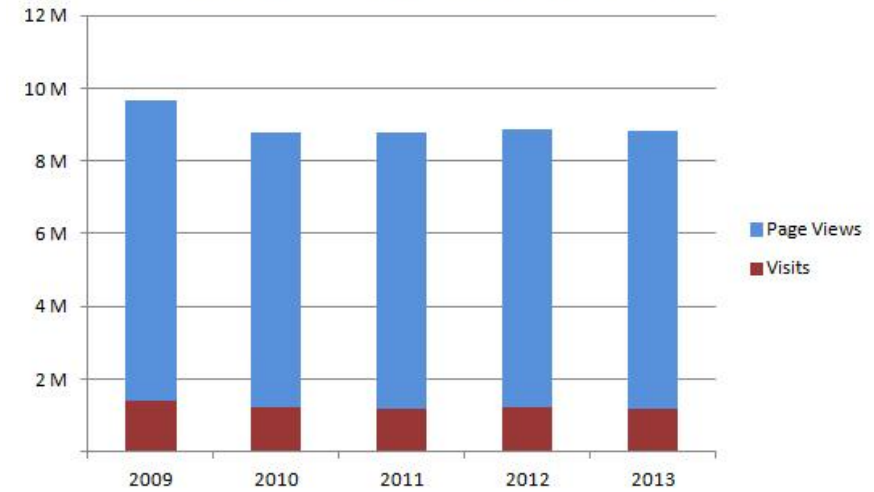
For industry, AusTender provides centralised access to procurement information, documentation and process participation. For agencies, it is the key compliance and transparency mechanism of the Government Procurement Framework. It also provides workflow management, probity assurance and security.

Agency use of AusTender, as a whole of Government resource, is governed by a Memorandum of Agreement (MOA) between Finance, as the service provider, and each user agency. The MOA defines the responsibilities of both parties.

### Contract Notices and Confidentiality

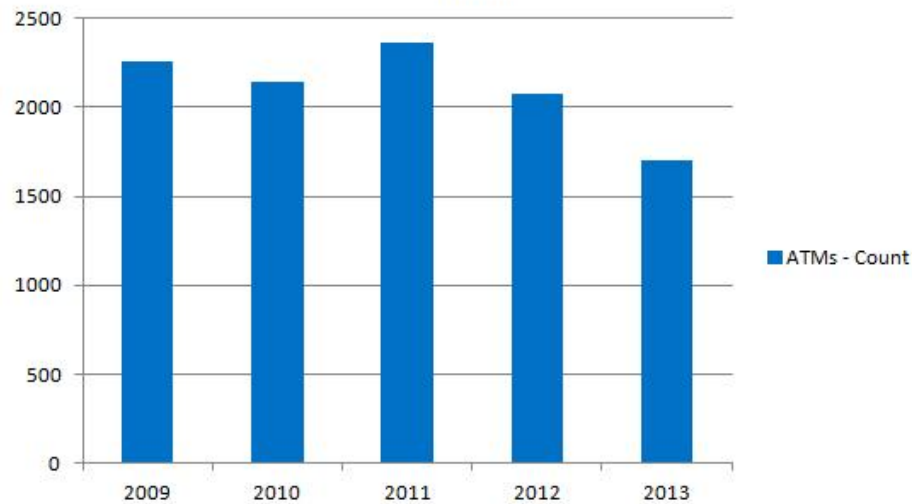


### AusTender Visits and Pages Viewed



### Approaches To Market

Per Annum



### Business Opportunity Notifications

