

Senate Standing Committee on Foreign Affairs, Defence and Trade

Inquiry into the impact of Defence training activities and facilities on rural and regional communities – 14 July 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: National Contractors locality of purchases.

Question reference number: 4

Senator: Gallacher

Type of question: Spoken on Friday, 14 July 2017, Hansard page 24

Date set by the committee for the return of answer: 31 August 2017

Question:

CHAIR: What has become clear, and this is the third hearing we have had, is that you enjoy tremendous community support wherever you operate. This series of hearings came about because a group of local mayors came to Canberra and visited every one of the senators and members of parliament. The three mayors in the Iron Triangle said, 'We love Defence, we welcome them, they do a bit of damage to our roads and we eventually get them fixed up but they do not buy anything.' That is why we are trying to drill right down and either disprove or prove that and make it better. I've been told you trucked in bread and sausages from Sydney to Port Augusta. In Rockhampton allegedly there is an egg producer who produces 50,000 eggs a day and the amount he sells to Defence is zero. These appear to be obvious opportunities that are not being captured. You do not appear to be able to rebut my argument, and that is my main concern. So please take on notice that local procurement and the detail of local procurement needs to be completely visible, not to the committee but to the communities that you are in. Because if it is completely visible, they might be able to get in and do a bit of competition for that business. This is not really a question but it is in a way: we need to know where you procure the necessities of keeping people in an active state in a training field. Do you know?

Mr Grzeskowiak: As we have said in some of the other hearings, we have national contracts for a range of things.

CHAIR: But do you know where those national contractors buy their gear?

Mr Grzeskowiak: We do. I can provide some more information on notice.

Answer:

The Defence Fresh Foods Standing Offer Panel includes local, regional and national service providers.

Service providers procure foodstuffs either through national supply chains or local providers depending on a range of factors. These factors include whether the items are perishable or non-perishable; the ability of suppliers to provide the quantity and quality required; and the seasonal availability and cost of items. Non-perishable packaged items such as canned goods tend to be purchased through national supply arrangements while perishable commodities such as fresh fruit, vegetables, dairy products and meat more readily lend themselves to local supply arrangements.

Fresh Fruit and Vegetables:

Fresh fruit and vegetables may be purchased from local growers whenever the products are of suitable quality and specification and where the grower agrees to directly supply to the supplier at market price. Where local supply is not possible, products are procured from another grower, or from a wholesale market.

Poultry

Poultry is sourced from major manufacturers and processors around Australia, including Steggles, Inghams, Red Lea and La Ionica. All poultry is sourced from local hatcheries and farms located in regional areas.

Groceries, Dry Goods, Frozen Vegetables, Seafood and Eggs

Where possible local suppliers will be used. During Talisman Sabre 17, small to medium businesses were used to provide some products. Examples include:

- Green's Biscuits, Sunny Queen Australia, Heinz, Bundaberg Sugar, Hans Smallgoods and Trumps; and
- Bidfood's own brand, Caterer's Choice, eggs were supplied from Mount Morgan (from the Sunny Queen Australia / Smalls Trading for Rockhampton area).

Meat

Meat products are procured from local producers in regional areas. Cattle are purchased from major cattle growing regions within Australia and then processed at local abattoirs and boning rooms. Local refrigeration transportation is then used for delivery of meat products to training areas and or remote Defence sites.

Bakery

Bakery products are supplied by national providers, such as Tip Top, and also by local service providers, depending on the remoteness of the location.

Attachments:

A - Copy of Annex A of the New Defence Arrangements for Procurement of Foodstuffs.

SPECIFIC LOCATIONS

List of Abbreviations:

(R) Regular
(O) Occasional

Foodstuffs Categories:

Category 1 – Meat and meat products (including smallgoods)

Category 2 – Poultry

Category 3 – Bakery

Category 4 – Dairy

Category 5 – Fresh fruit and vegetables

Category 6 – Groceries, dry goods, quick frozen vegetables, seafood and eggs

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Table A-1: Standing offer panel for foodstuffs- Product category by delivery zone/location - Navy

Category	Supplier	New South Wales
1	Dick Stone Pty Ltd	These suppliers can supply the following locations: - Fleet Base East, Garden Island Sydney (R) - HMAS Waterhen(R) - HMAS Watson (R) - HMAS Kuttabul (R) - Sydney Wharves (0) - Chowder Bay (0)
2	M&J Chickens	
3	Tip Top Bakeries	
4	Parmalat Australia Pty Ltd	
5	Simon George & Sons Pty Ltd	
6	Bidfood Australia Ltd (Foodservice)	

Category	Supplier	Northern Territory
1	Bidfood Australia Ltd (Meats)	These suppliers can supply the following locations: - HMAS Coonawarra (R) - Darwin Wharves (0)
2	Asian United Food Services	
3	Palmerston Bakery	
4	Parmalat Australia Pty Ltd	
5	Simon George & Sons Pty Ltd	
6	Asian United Food Services	

Category	Supplier	Queensland
1	Gateway Providores Pty Ltd	These suppliers can supply the following locations: - Brisbane Wharves (0) - HMAS Moreton (0)
2	M&J Chickens	
3	Homestyle Bake	
4	Parmalat Australia Pty Ltd	
5	Simon George & Sons Pty Ltd	
6	Bidfood Australia Ltd (Foodservice)	
1	Gateway Providores Pty Ltd	These suppliers can supply the following locations: - Townsville Wharves (0)
2	M&J Chickens	
3	Tip Top Bakeries	
4	Parmalat Australia Pty Ltd	
5	Simon George & Sons Pty Ltd	
6	Bidfood Australia Ltd (Foodservice)	
1	Bidfood Australia Ltd (Meats)	These suppliers can supply the following locations: - HMAS Cairns (R) - Cairns Wharves (0)
2	M&J Chickens	
3	Tip Top Bakeries	
4	Parmalat Australia Pty Ltd	
5	Simon George & Sons Pty Ltd	
6	Bidfood Australia Ltd (Foodservice)	

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Category	Supplier	Western Australia
1	Bidfood Australia Ltd (Meats)	These suppliers can supply the following locations: - Fleet Base West, Garden Island (R) - HMAS Stirling (R) - Fremantle Wharves (0) - Henderson Dry-dock (0)
2	M&J Chickens	
3	Tip Top	
4	Parmalat Australia Pty Ltd	
5	Bidfood Australia Ltd (Bidfood Fresh)	
6	Bidfood Australia Ltd (Foodservice)	

Table A-2: Standing offer panel for foodstuffs- Product category by delivery zone/location – Land

Category	Supplier	New South Wales
1	Dick Stone Pty Ltd	These suppliers can supply the following location: - Holsworthy Barracks (R)
2	M&J Chickens	
3	Tip Top Bakeries	
4	Parmalat Australia Pty Ltd	
5	Simon George & Sons Pty Ltd	
6	Bidfood Australia Ltd	
1	Dick Stone Pty Ltd	These suppliers can supply the following location: - Singleton Military Area (0)
2	M&J Chickens	
3	Tip Top Bakeries	
4	Parmalat Australia Pty Ltd	
5	T&F All States	
6	Bidfood Australia Ltd (Foodservice)	

Category	Supplier	Northern Territory
1	Bidfood Australia Ltd (Meat)	These suppliers can supply the following locations: - RAAF Base Darwin (R) - Robertson Barracks (R)
2	Asian United Food Services	
3	Palmerston Bakery	
4	Parmalat Australia Pty Ltd	
5	Simon George & Sons Pty Ltd	
6	Asian United Food Services	
1	Bidfood Australia Ltd (Meat)	These suppliers can supply the following location: - RAAF Base Tindal (R)
2	Asian United Food Services	
3	Asian United Food Services	
4	Parmalat Australia Pty Ltd	
5	Simon George & Sons Pty Ltd	
6	Asian United Food Services	

Category	Supplier	Queensland
1	Gateway Providores Pty Ltd	These suppliers can supply the following locations: - RAAF Base Amberley (R) - Gallipoli Barracks (R) - Greenbank Training Area (0)
2	M&J Chickens	
3	Homestyle Bake	
4	Parmalat Australia Pty Ltd	
5	Simon George & Sons Pty Ltd	
6	Bidfood Australia Ltd (Foodservice)	

Category	Supplier	Queensland
1	Gateway Providores Pty Ltd	These suppliers can supply the following location: - Gympie (R)
2	M&J Chickens	
3	Homestyle Bake	
4	Parmalat Australia Pty Ltd	
5	Mitchell's Fruit and Veg Pty Ltd	
6	Bidfood Australia Ltd (Foodservice)	
1	Gateway Providores Pty Ltd	These suppliers can supply the following location: - Rockhampton (R)
2	M&J Chickens	
3	Tip Top Bakeries	
4	Parmalat Australia Pty Ltd	
5	Simon George & Sons Pty Ltd	
6	Bidfood Australia Ltd (Foodservice)	
1	Gateway Providores Pty Ltd	These suppliers can supply the following location: - Lavarack Barracks (R)
2	M&J Chickens	
3	Tip Top Bakeries	
4	Parmalat Australia Pty Ltd	
5	Townsville Fruit & Vegetables	
6	Bidfood Australia Ltd (Foodservice)	

Category	Supplier	South Australia
1	Austral Meat	These suppliers can supply the following locations: - Adelaide - Woodside Barracks (R) - Murray Bridge Training Area (R) - RAAF Base Edinburgh (R)
2	M&J Chickens	
3	Tip Top Bakeries	
4	Parmalat Australia Pty Ltd	
5	Bidfood Australia Ltd (Bidfood Fresh)	
6	Bidfood Australia Ltd (Foodservice)	
1	Austral Meat	These suppliers can supply the following locations: - Port Augusta - Cultana Training Range (R) - Woomera Range (R)
2	M&J Chickens	
3	TBA*	
4	Parmalat Australia Pty Ltd	
5	Bidfood Australia Ltd (Bidfood Fresh)	
6	Bidfood Australia Ltd (Foodservice)	

*There were no preferred suppliers for Category 3 (Bakery Goods) in these locations. In locations where a preferred supplier is not present Defence will enter into simple procurement to source goods to support Defence capability.

Category	Supplier	Victoria
1	Bidfood Australia Ltd (Meat)	These suppliers can supply the following locations: - Puckapunyal Military Area (0) - Beersheba Barracks, Wangaratta (0) - ADFSC Field Detachment, Bonegilla (0)
2	M&J Chickens	
3	TBA*	
4	Parmalat Australia Pty Ltd	
5	Simon George & Sons Pty Ltd	
6	Bidfood Australia Ltd (Foodservice)	

*There were no preferred suppliers for Category 3 (Bakery Goods) in these locations. In locations where a preferred supplier is not present Defence will enter into simple procurement to source goods to support Defence capability.

Category	Supplier	Western Australia
1	Bidfood Australia Ltd (Meat)	These suppliers can supply the following locations: - Perth - Campbell Barracks (R) - Irwin Barracks (R) - Bindoon Training Area (R)
2	M&J Chickens	
3	Tip Top Bakeries	
4	Parmalat Australia Pty Ltd	
5	Bidfood Australia Ltd (Bidfood Fresh)	
6	Bidfood Australia Ltd (Foodservice)	