

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**ADDITIONAL ESTIMATES 2014-15**

Finance Portfolio

**Department/Agency:** Department of Finance

**Outcome/Program:** 1/1.1

**Topic:** Procurement of paper

**Senator:** Madigan

**Question reference number:** F15

**Type of question:** Hansard, F&PA Committee, Page 65, 24 February 2015

**Date set by the committee for the return of answer:** Friday, 10 April 2015

**Number of pages:** 2

**Question:**

**Senator MADIGAN:** Could the department take on notice to provide any correspondence which the Department of Finance has provided to different government departments or the ANAO regarding paper procurement from 1 January 2014?

**Ms Halton:** I am happy to have a look. I do not know what we will find, but I will take it on notice.

**Answer:**

Information consistent with the following has been provided in response to numerous requests from procurement officials within entities, for information relating to copy paper procurement:

- The Stationery and Office Supplies (SOS) Panel arrangement was established in March 2012, following an open tender process, for an initial term of three years with two one year extension options. The three panellists are: Complete Office Supplies Pty Ltd (a 100% Australian owned company); Staples Australia Pty Limited; and Office Max Australia Limited (both US owned companies).
- As part of the SOS tender process, a value for money assessment was undertaken of suppliers' offerings, which included relevant financial and non-financial considerations such as environmental sustainability and fit-for purpose. The assessment included consideration of a SOS basket of goods required to meet entities' SOS needs.
- The SOS Panel offers products across four classifications:
  - Premium;
  - House;
  - Environmental; and
  - Budget.
- The range of classifications provides entities with choice of products based on quality, price and sustainability to best meet their requirements. Entities are able to restrict their catalogues to products that best meets their needs.

- Use of the SOS Panel is mandatory for all *Public Governance, Performance and Accountability Act 2013* (PGPA Act) non-corporate Commonwealth entities.
- The SOS Panel was established in accordance with the then applicable *Commonwealth Procurement Guidelines* (since replaced with the *Commonwealth Procurement Rules (CPRs)*) which are non-discriminatory in nature and contain mandatory requirements for government purchasing regardless of value.
- The CPRs incorporate government purchasing commitments from Australia's Free Trade Agreements (FTA). The FTAs ensure that potential suppliers to government cannot be discriminated against due to their size, degree of foreign affiliation or ownership, location, or origin of their goods or services.
- The Free Trade Agreements provide Australian exporters access to other government procurement markets that could otherwise be closed or difficult to access.
- Preferencing local suppliers would require the re-negotiation of our existing international obligations, which is not feasible.
- The PGPA Act requires non-corporate Commonwealth entities to conduct procurements in accordance with the CPRs.
- Maintaining objective, rules based criteria for government procurement processes ensures that the government is delivering value for money to taxpayers of Australia. The assessment of value for money includes relevant financial and non-financial considerations such as environmental sustainability, energy efficiency and environmental impacts.
- The *Australian Government ICT Sustainability Plan 2010 – 2015* applies to non-corporate Commonwealth entities subject to the PGPA Act. The SOS Panel supports Environmental Standard ES4 of the Plan which requires:

*“Agencies are required to source office copy paper for general purpose use with a minimum of 50 per cent post-consumer recycled content by July 2011 with progression to 100 per cent by July 2015. Remaining virgin fibre content is to originate from chain-of-custody sources, such as Forest Stewardship Council (FSC) certified sources/forests, Program for the Endorsement of Forest Certification (PEFC) schemes or from sustainably managed forests.”*