

## Standing Committee on Finance and Public Administration

### ANSWER TO QUESTION ON NOTICE

Additional Estimates Hearing – February 2010

Department of Finance and Deregulation

Finance and Deregulation Portfolio

#### Outcome 2, Program 2.1

Topic: Disability Services

Question reference number: F7

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Senator Fifield asked:

You would be aware of Minister Tanner's release on 10 October 2008 relating to new Commonwealth Procurement Guidelines, which gave an exemption from the mandatory procurement processes where services were going to be purchased from an Australian disability enterprise. I think we have now just about ticked over the first year of that being in effect; it came into effect on 1 December 2008. I am just wondering if Finance, as the department responsible for these guidelines, maintains any whole-of-government records in relation to the accessing or the taking up of that exemption?

**Mr Grant**—We do have a list of disability enterprises. AusTender in its current form has been operating for only two years. I could have a look at whether we are able to match up the list of disability enterprises that we have with tenders awarded.

**Senator FIFIELD**—Yes, if you could.

#### Answer:

AusTender, the Australian Government procurement information system, records all procurement contracts awarded, where they are valued at \$10,000 and above, for the 2007-2008 financial year forward. It also holds contract records from previous financial years that were active at 1 July 2007.

Contracts awarded for the services of people with a disability are not required to be separately reported by agencies on AusTender, nor are services sourced using Exemption 16 to the mandatory procurement procedures in the Commonwealth Procurement Guidelines.

Therefore AusTender cannot provide a definitive picture in relation to the impact of the Exemption, particularly as there is likely to be a substantial portion of relevant contracts that would fall below AusTender's reporting threshold.

However, Finance has matched the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)' list of Australian Disability Enterprises

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(ADEs) with AusTender records of contracts commenced in the 12 months prior and post the Exemption's date of effect, 1 December 2008.

The analysis shows that contracts awarded to businesses registered as ADEs for the period 1 December 2007 to 30 November 2008 total \$1.608 million. For the period 1 December 2008 to 30 November 2009 contracts awarded to those businesses total \$6.824 million. It should be noted that the latter figure includes a \$4.7 million contract with the Red Cross for Community Case Services.

FaHCSIA has responsibility for the Australian Disability Enterprises (ADE) program, which brings together businesses that primarily exist to provide the services of persons with a disability. This program is supported by Exemption 16 to the Mandatory Procurement Procedures in the Commonwealth Procurement Guidelines.

Questions in relation to the number of contracts that have been awarded to ADEs, where the contract values fall below the AusTender reporting threshold of \$10,000, should be directed to FaHCSIA.