

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Deregulation Portfolio

Department of Finance and Deregulation

Supplementary Estimates Hearing – October 2010

Outcome 2, Program 2.1

Topic: Procurement Guidelines – Exemption 16 for ADEs

Question reference number: F96

Type of Question: Written

Date set by the committee for the return of answer: 3 December 2010

Number of Pages: 2

Senator Fifield asked:

- a) How much would it cost to enable the AusTender system to monitor and report on the use of exemption 16?
- b) Are any of the other fifteen exemptions monitored and/or reported on?
- c) Do you acknowledge that, in the absence of data on the take-up of exemption 16, it is very difficult to effectively monitor the use of exemption 16 by departments and agencies?
- d) What steps is Finance taking to encourage the take-up of exemption 16 by government departments and agencies?

Answer:

- a) Each of the 104 departments and agencies under the *Financial Management and Accountability Act 1997* is required to report all procurement contracts awarded, where they are valued at \$10,000 and above, on AusTender.

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.

It is not possible to provide an estimate of the cost to enable the AusTender system to monitor and report on the use of exemption 16. An estimate of the cost of implementing such a change on AusTender could be sought, but this would reflect only a small element of the total cost. This is because over 60 separate systems in departments and agencies connect to AusTender to download contract data. Any change on AusTender will also necessitate changes to those systems.

However, information about procurement contracts above \$10,000 in value with businesses that primarily exist to provide the services of persons with a disability have previously been identified using the Australian Business Numbers (ABN) for such businesses. The ABNs have been provided by the Department of Families, Housing, Community Services and Indigenous Affairs

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(FaHCSIA), which is responsible for the Australian Disability Enterprises (ADE) program.

- b) The use of the other exemptions from the Mandatory Procurement Procedures is generally not reported on. However, agencies with policy responsibility for the areas covered by certain exemptions may monitor this activity. Finance is aware that, for example, leasing of real property, engagement of counsel or barristers, procurement of motor vehicles, and government advertising services are monitored by the agencies responsible for those matters.
- c) No. Data from AusTender on contracts above \$10,000 awarded to ADEs is available to support monitoring of the take-up of the exemption. For example, information about procurement contracts above \$10,000 in value with businesses that primarily exist to provide the services of persons with a disability have previously been identified using the Australian Business Numbers (ABN) for such businesses. The ABNs have been provided by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), which is responsible for the Australian Disability Enterprises (ADE) program.

In addition, through engagement with the National Disability Services (NDS) organisation, FaHCSIA is able to access data on contracts awarded below the AusTender threshold.

- d) To encourage the take-up of the disabilities exemption, Finance has undertaken a number of actions. The former Parliamentary Secretary for Disabilities, National Disability Services, representatives of ADEs and FaHCSIA have spoken directly to procurement officials at a variety of different forums including the Procurement Discussion Forum. Finance supported the National Disability Services “Purchasing with Purpose Expo”, which was held on 1 June 2010. Finance officials have also actively participated in these events to support the ADE program.

Finance also actively promotes the use of ADEs through its network of agency procurement contacts. In conjunction with FaHCSIA, Finance also sits on the Disability Procurement Steering Committee of the National Disability Services organisation.