

## MEDIA RELEASE

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### **Australian Information Industry Association (AIIA) Welcomes Updated Commonwealth Procurement Rules**

*AIIA supports the new targets and notes the need for effective implementation.*

The Australian Information Industry Association (AIIA) is pleased to welcome the recently announced updates to the Commonwealth Procurement Rules (CPRs), aimed at fostering fair competition and achieving equitable outcomes across the Government procurement landscape.

In a move that aligns with AIIA's long-standing advocacy, the updated rules noted that apart from value for money considerations, officials are required to extend their consideration of the economic benefit of procurements to the Australian economy by applying it to SMEs and lower-level procurements. This principle, which the AIIA has actively contributed to through the concept of Retained Economic Benefit, is a significant step forward. The association remains engaged in the current public consultation on the Consideration of Broader Economic Benefits in Procurement to ensure these benefits are accurately assessed, measured and maximised.

During his testimony at the Senate enquiry on sovereign tech procurement, AIIA CEO Mr. Simon Bush highlighted several critical issues, including reduced Government spending on major ICT projects, the burdensome documentation process, and potential gaps in agencies' understanding of SMEs' capabilities without leveraging external services. The updated rules have addressed these concerns with several key provisions:

- **Simplification of Process:** Officials are encouraged to consider barriers to entry, such as the costly preparation of submissions, which may prevent SMEs from competing effectively (Rule 5.5.b).
- **SME Procurement Targets:** The Australian Government commits to non-corporate Commonwealth entities procuring at least 25% of contracts by value from SMEs for contracts up to \$1 billion (Rule 5.6). Additionally, there is a target for 40% of contracts by value to be procured from SMEs for contracts valued up to \$20 million (Rule 5.7).
- **Ethical Dispute Resolution:** Relevant entities must implement timely, equitable, and non-discriminatory complaint-handling procedures, including prompt acknowledgment of complaints related to procurement (Rule 6.9).
- **Support for First Nations and Women Entrepreneurs:** The Government will leverage its purchasing power to stimulate First Nations entrepreneurship and introduce measures for identifying women-owned and led businesses on AusTender.

Despite these positive developments, the AIIA recognises the need for a fit-for-purpose action plan. This plan should include further refinement of the definition of SMEs to ensure the rules support the targeted companies and, enable them to cost-effectively challenge procurement decisions.

"We are pleased to see Minister Gallagher's vision and expectations aimed at benefiting various sectors of the economy, including SMEs, First Nations, and women-led businesses," said AIIA CEO Simon Bush.

"The challenge now lies in the effective implementation and accountability of these updated rules. We look forward to working with the Government to ensure these rules deliver the intended outcomes and foster a more inclusive and competitive procurement environment."

#### **Media**

Siew Lee Seow

General Manager, Policy and Media

E: [siewlee@aiia.com.au](mailto:siewlee@aiia.com.au)

M: 0435620406

### **About AIIA**

The Australian Information Industry Association (AIIA) is the peak ICT body, representing approximately 90 per cent of Australians employed in the tech industry across a diverse group of members. Since 1978, AIIA has pursued strategic policies and activities to stimulate and grow Australia's digital ecosystem to create a favourable business environment and contribute to Australia's economic prosperity. We do this by providing a strong voice for the industry; building a sense of community through events and education; enabling a network for collaboration and inspiration; and developing compelling content from the industry's expertise.