

Australian Government Procurement Contract Reporting — 2022 Update

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Canberra ACT
2 February 2023

Dear Mr Speaker
Dear President

In accordance with the authority contained in Section 25 of the *Auditor-General Act 1997*, I have produced an information report titled *Australian Government Procurement Contract Reporting — 2022 Update*.

This information report is neither an audit nor an assurance review. This means that no conclusions or opinions are presented.

Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present this information report to the Parliament.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's website — <http://www.anao.gov.au>.

Yours sincerely



Grant Hehir
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office (ANAO). The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits, financial statement audits and assurance reviews of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Australian Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

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824,178

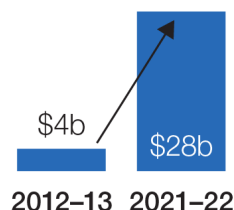
contracts were reported on AusTender with a start date between 1 July 2012 and 30 June 2022



with a total commitment of **\$565 billion** in value



1/3 of total contract value was committed through amendments

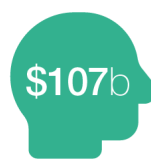


increase in value of amendments to existing contracts

Procurement categories with highest committed value (and also the greatest number of contracts)



\$123b
Commercial and Military and Private Vehicles and their Accessories and Components

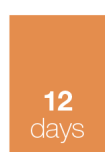


\$107b
Management and Business Professionals and Administrative Services

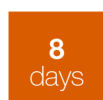


\$57b
Engineering and Research and Technology Based Services

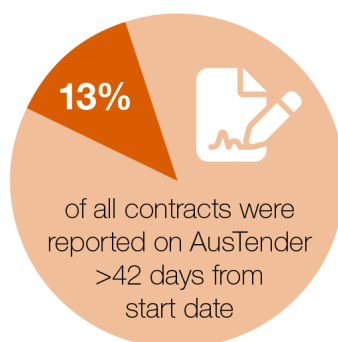
median number of days taken to report contract



2012-13 2021-22



8 days



total committed value of consultancy-related contracts

2012-13 ▼

\$352 million

\$888 million

2021-22 ▲



2012-13



2021-22

The proportion of the number of contracts associated with a standing offer has increased from **28 per cent** in 2012-13 to **50 per cent** in 2021-22

Of the **1,418**

standing offers that were reported to be panel arrangements

336 had one supplier listed on the panel

5,155

contracts — with a committed value of **\$8.8 billion** — were associated with these single-supplier panel arrangements

Summary

1. AusTender provides centralised publication of Australian Government procurements. Reporting on AusTender is mandated in the *Commonwealth Procurement Rules* (CPRs) for all non-corporate Commonwealth entities, and a select number of prescribed corporate Commonwealth entities (Paragraph 2.3).
2. Section 25 of the *Auditor-General Act 1997* enables the Auditor-General at any time to cause a report to be tabled in either House of the Parliament on any matter. This is the third information report prepared by the ANAO on Australian Government procurement contract reporting. The objectives of this information report are to provide transparency of, and insights on, procurements, procurement suppliers, use of competitive procurement processes and standing offers.
3. The primary data used for this report is based on information self-reported by entities on AusTender for contracts that commenced between 1 July 2012 and 30 June 2022 and was provided by the Department of Finance (Finance). The ANAO did not test the integrity nor gain any assurances over the underlying data used for this report. The ANAO performed diagnostics over the AusTender data provided by Finance and confirmed that high level summary statistics could be corroborated by Finance. The key information is set out below:
 - 824,178 contracts were reported on AusTender with a start date between 1 July 2012 and 30 June 2022, with a total commitment of \$565 billion in value.
 - one third of the total contract value was committed through amendments over the last 10 years, and the value of contract amendments to existing contracts has increased from \$4 billion in 2012–13 to \$28 billion in 2021–22.
 - the median value of parent contracts has increased over the 10 years from \$35,568 in 2012–13 to \$68,064 in 2021–22. When a contract has an amendment to its value, the median value of contract amendments has increased, from \$59,151 in 2012–13 to \$122,066 in 2021–22.
 - among all parent contracts that committed less than \$80,000 before contract amendments, the proportion of contracts that committed \$80,000 or more after contract amendments has increased from three per cent in 2012–13 to six per cent in 2020–21.
 - the median number of days taken to report a contract onto AusTender from the reported start date has decreased from 12 days in 2012–13 to eight days in 2021–22; however, 13 per cent of all contracts over the past 10 years were reported on AusTender after 42 days from the reported start date.
 - the committed value of procurements was highest for the procurement categories of ‘Commercial and Military and Private Vehicles and their Accessories and Components’ (\$123 billion), ‘Management and Business Professionals and Administrative Services’ (\$107 billion) and ‘Engineering and Research and Technology Based Services’ (\$57 billion). These three categories also had the greatest number of contracts.
 - the number of consultancy-related contracts has remained relatively consistent between 2012–13 and 2021–22, with an average of 4,071 contracts per year. The total committed

value for these consultancy-related contracts has increased from \$352 million in 2012–13 to \$888 million in 2021–22.

- the use of the open tender procurement method has increased, from 40 per cent of all contracts in 2012–13 to 55 per cent in 2021–22.¹ The use of the limited tender procurement method has decreased, from 53 per cent of all contracts in 2012–13 to 45 per cent in 2021–22.
- standing offers are increasingly used for procurements. The proportion of the number of contracts associated with a standing offer has increased from 28 per cent in 2012–13 to 50 per cent in 2021–22. The proportion of contract value that is associated with a standing offer has increased from 12 per cent in 2012–13 to 34 per cent in 2021–22.
- there were 1,418 standing offers that were reported to be panel arrangements, of which 336 had one supplier listed on the panel. There were 5,155 contracts with a committed value of \$8.8 billion that were associated with these single-supplier panel arrangements.
- seven of the top 10 panel arrangements by total committed value over the last 10 years had at least 80 per cent of the total value committed to 20 per cent or less of the suppliers represented on the panel.
- the Digital Marketplace Panel was the largest panel active between 2012–13 and 2021–22 in terms of number of suppliers, with 3,273 suppliers listed on the panel. There were 28,009 contracts with a committed value of \$8.6 billion that were associated with the Digital Marketplace Panel over the last 10 years.

1 This includes contracts associated with standing offers that were set up via an open tender procurement approach.

1. Background

Introduction

1.1 A procurement is the process of acquiring goods and services through the commitment of funding to a supplier. Procurement is an important and substantial activity for the Australian Government.

1.2 AusTender is the Australian Government's procurement information system, a centralised web-based facility that publishes a range of information pertaining to procurements and contracts awarded. It is the system used to enable relevant Commonwealth entities to monitor procurements, and fulfill publishing obligations under the Commonwealth Procurement Rules (CPRs).²

1.3 The contract values reported on AusTender represent the total committed value of each contract over the course of the contract duration including Goods and Services Tax (GST). While actual expenditure is not reported on AusTender, entities are required to report values of contracts and any subsequent amendments that are above a specified threshold (see Table 2.1 for the relevant reporting and procurement thresholds). AusTender data should therefore provide a reliable indicator of the total expected expenditure over the life of each contract. All actual expenditure on contracts should be captured in each entity's financial management information system and included in its annual financial statements.

Legislation, guidelines and frameworks

1.4 Under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), responsibility for the proper use of public resources, including procurement, rests with the accountable authority of each entity. This responsibility includes developing procurement policies, procedures and systems and the conduct of individual procurements. The Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), associated instruments, and policies, establish the requirements and procedures necessary to give effect to the governance, performance and accountability matters as covered by the PGPA Act.

1.5 The Department of Finance (Finance) is the central agency responsible for establishing and promoting the procurement framework, and the resource management framework. The Commonwealth Procurement Rules are issued by the Minister for Finance under section 105B of the PGPA Act. The CPRs outline the way in which procurement processes are to be conducted, and include requirements for relevant entities to publish information on planned procurements, open tenders, and notices containing key details of awarded contracts on AusTender.³

1.6 The primary purpose of the contract notice section of AusTender is to provide information to the market, and the wider Australian public, at the conclusion of a procurement process to demonstrate that the contract awarded is consistent with the representations that were made

2 Paragraphs 7.6 and 7.7 of the CPRs. This report uses the CPRs that were in force as of 30 June 2022. Refer to paragraph 1.14 of this report for details.

3 Relevant entities refer to Commonwealth entities covered under the PGPA Act where indicated.

during the approach to the market. This is consistent with the previous gazettal systems dating back to 1901 that AusTender supersedes.⁴

1.7 The procurement framework includes web-based guidance developed by Finance to assist entities with implementing the framework, resource management guides to advise entities of elements in the framework, notices of key changes and developments, and various templates such as the Commonwealth Contracting Suite. Finance is also responsible for the administration and maintenance of the AusTender platform.

Data sources

1.8 In compiling this report, the ANAO relied upon three datasets sourced from AusTender relevant to Australian Government procurement contract reporting (as shown in Table 1.1), which were provided by Finance. All contract, standing offer, and approach to market details are self-reported by entities. Values reported for contracts include GST.

Table 1.1: Data sources used in the information report

Data source	Purpose	CPRs reporting requirements
AusTender Contract Notice data for contracts reported to start between 1 July 2012 and 30 June 2022	Contract Notices report commitment of expenditure for the provision of goods and/or services by a supplier. This report provides details on the types of financial commitments relevant Australian Government entities make through procurement contracts. Contract Notices can comprise either contracts or amendments to existing contracts.	Paragraphs 7.18 and 7.19 of the CPRs specify the reporting threshold for relevant entities. Refer to Table 2.1 for details.
AusTender Standing Offer Notice data for standing offers published as of 1 September 2022	Standing Offer Notices report the establishment of a standing offer arrangement where there is a continuing offer to a supplier or a panel of suppliers for the provision of specified goods or services over a nominated period. This report provides details on the arrangements made by relevant Australian Government entities with suppliers.	Paragraph 7.20 of the CPRs specifies that standing offer notices must be reported on AusTender within 42 days, regardless of value.
AusTender Approach to Market Notice data for approaches to market published prior to 1 September 2022	Approach to Market Notices report a notification to the market for participation in a procurement, quote, expression of interest, request for information or request for proposal.	Paragraphs 7.10 and 7.11 of the CPRs specify that open tender approaches to market must be published on AusTender while limited tender approaches may be published on AusTender.

1.9 Information captured by AusTender influences the extent of analysis that can be undertaken. During the process of preparing this information report, the ANAO noted the following:

4 From 1901 there was a printed gazette, which reported details of significant contracts that were awarded. In 1985, a separate Purchasing and Disposal Gazette was introduced for this purpose. In 1999, the Purchasing and Disposal Gazette was superseded by the Gazette Publishing System (GaPS), an online electronic gazettal system. When AusTender was introduced in 2007, GaPS was decommissioned and the contract notices section of AusTender assumed this gazettal function.

- users of AusTender can alter information previously reported if a change was made to a contract, standing offer, or approach to market, such as additional commitments of relevant money, extension of end date, or changes in supplier details. Each material change to a contract is captured as an amendment. As this can occur at any point of time following the publishing of a contract, this limits analysis of contracts to the point of time at which the data was obtained from Finance;
- reported contracts can be removed from the public website of AusTender at any point of time by entities (referred to in the AusTender dataset as cancellation), with the entity required to record a reason for the removal in AusTender. Amendments to existing contracts that are cancelled by entities are still displayed on the public website, along with the recorded cancellation reason;
- AusTender datasets include procurement information from Commonwealth entities that are no longer active or have undergone a change in name as a result of a Machinery of Government (MoG) change. The ANAO has not undertaken any work to reconcile the names of inactive Commonwealth entities or Commonwealth entities that have undergone a MoG. Refer to paragraph 2.6 for further details on the process Finance undertakes in AusTender to reflect MoG changes. The ANAO reported entity names based on the information captured in AusTender; and
- key contract details in AusTender are self-reported by relevant entities. Data quality issues were observed during the ANAO analysis process. Refer to Appendix 1: Data Observations.

1.10 The ANAO also considered, but did not pursue, the following analysis because of challenges in:

- data matching to enable the analysis of suppliers that are also grant awards recipients; and
- consistently identifying COVID-19 related contracts to enable the analysis of COVID-19 related procurements.⁵

Rationale and approach

1.11 The purpose of the ANAO is to support accountability and transparency in the Australian Government sector through independent reporting to the Parliament, and thereby contribute to improved public sector performance. The *Auditor-General Act 1997* (section 25) enables the Auditor-General at any time to cause a report to be tabled in either House of the Parliament on any matter.

1.12 This is the third information report prepared by the ANAO on Australian Government procurement contract data reported on AusTender, and it analyses Australian Government procurement contract data with reported start dates between 1 July 2012 and 30 June 2022.

1.13 The objectives of this information report are to provide transparency of, and insights on, Australian Government procurement contract reporting on AusTender. The report includes:

5 The ANAO has covered COVID-19 procurements for the National Medical Stockpile in Auditor-General Report No.22 2020–21 *Planning and Governance of COVID-19 Procurements to Increase the National Medical Stockpile*, and Auditor-General Report No.39 2020–21 *COVID-19 Procurements and Deployments of the National Medical Stockpile*.

- overall trends in contract reporting;
- suppliers of procurements;
- use of competitive procurement processes; and
- use of standing offers in procurement.

1.14 As the associated legislation, guidelines and frameworks are subject to change over time, the ANAO considered the associated legislation, guidelines and frameworks referenced in the reporting that were in force as of 30 June 2022.⁶ These were:

- (a) the *Public Governance, Performance and Accountability Act 2013* registered on 23 August 2017;
- (b) the Public Governance, Performance and Accountability Rule 2014 registered on 21 April 2022; and
- (c) the Commonwealth Procurement Rules 14 December 2020.

1.15 This information report presents no conclusions or opinions as it is neither an audit nor an assurance review. The analysis of procurement contract reporting data contained in this report is based on AusTender data extracted and provided by Finance in September 2022. The ANAO did not test the integrity nor gain any assurances over the underlying data used for this report. The ANAO performed diagnostics over the AusTender data provided by Finance and confirmed that high level summary statistics could be corroborated by Finance.⁷

1.16 In December 2022, Finance advised the ANAO that:

Since 2018, the Department of Finance (Finance) has significantly improved data quality and access to procurement information for entities, potential suppliers and the public; this includes reviewing and correcting over 360,000 contract notices. Additionally, Finance has introduced a range of public analytical reports that provide greater transparency of the Australian Government's procurement activities. Finance also released an Entity Information Site that enables Finance to share policy developments and guidance with entities, including automated insights assisting with quality review processes.

Future initiatives planned to improve the quality of AusTender data include:

- Working with 18 entities to implement upgraded reporting solutions;
- Introducing the upgrade of the Commonwealth Procurement Reporting Framework to a cloud-based solution to allow for future entity expansion; and
- Replacing 'free text' fields and normalising supplier information with automated reports from existing external data sources, such as the Australian Business Register.

1.17 The report was prepared at a cost to the ANAO of \$155,532.

⁶ Further details regarding changes to legislation can be found on the Federal Register of Legislation website.

⁷ The majority of the analysis is based on the AusTender Contract Notices dataset extracted on 12 September 2022, provided by Finance. The data extracted is at a point in time and contract notices may be amended or updated since that point in time.

2. Centralised reporting on Australian Government procurement activity

2.1 This chapter outlines the various aspects of centralised reporting on Australian Government procurement activity, such as the relevant entities required to report their procurement activities, reporting arrangements for relevant entities, and the specified thresholds and dates used for reporting.

Entities required to report on AusTender

2.2 There were 187 Australian Government entities governed by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) as stated in the April 2022 flipchart of PGPA Act Commonwealth entities and companies.⁸ These were:

- 98 Non-Corporate Commonwealth Entities (NCEs);
- 71 Corporate Commonwealth Entities (CCEs); and
- 18 Commonwealth companies.

2.3 The Commonwealth Procurement Rules (CPRs) outline the procurement policy framework, and are applicable to 123 of the 187 Australian Government entities governed by the PGPA Act, to ensure relevant entities achieve value for money in the conducting of procurement activity.⁹ All 98 NCEs must comply with the CPRs. At the time this information report was prepared, 24 of the 71 CCEs were prescribed under section 30 of the PGPA Rule to comply with the CPRs. In addition to those 24 CCEs, section 29AA of the PGPA Rule applies the CPRs to the Commonwealth Superannuation Corporation in relation to its function of providing administrative services relating to the superannuation schemes it administers. Refer to Appendix 2 for a list of CCEs that are subject to the CPRs. None of the 18 Commonwealth companies were prescribed to comply with the CPRs.¹⁰

2.4 On 1 July 2022, there were Machinery of Government (MoG) changes implemented. These MoG changes resulted in the establishment of new Commonwealth entities, and amendments to existing Commonwealth entities and portfolios¹¹, as noted below.

- the Department of Employment and Workplace Relations was established;
- the Department of Climate Change, Energy, the Environment and Water was established;
- the Department of Agriculture, Water and the Environment was renamed to the Department of Agriculture, Fisheries and Forestry;
- the Department of Education, Skills and Employment was renamed to the Department of Education;

8 The numbers of relevant entities were obtained from the PGPA Act Flipchart as of April 2022. The next change to the Flipchart was in July 2022, which falls outside the specified time range of data that was analysed in the report.

9 Entities required to comply with the CPRs, including the AusTender reporting obligations, are referred to in the CPRs as 'relevant entities'.

10 The Minister for Finance is able to prescribe that CCEs and/or wholly-owned Commonwealth companies comply with the CPRs.

11 Full details regarding MoG changes can be found on the PGPA Act Flipchart section of Finance's website.

- the Department of Health was renamed to the Department of Health and Aged Care;
- the Department of Industry, Science, Energy and Resources was renamed to the Department of Industry, Science and Resources; and
- the Department of Infrastructure, Transport, Regional Development and Communications was renamed to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

2.5 These changes were reflected in the AusTender data for the aforementioned entities. The names of retired entities in the AusTender data remained unchanged from when they were reported.¹²

2.6 The Department of Finance (Finance) advised the ANAO that where a MoG has resulted in a change to an entity name without a change to the entity's Australian Business Number (ABN), any contracts published under the previous entity name would have been automatically updated to the new entity name. Where a MoG change resulted in a shift in functions between entities, or the establishment of a new entity (including a new ABN), a process exists for affected entities to review all previous contracts and notify Finance of contracts to be reassigned from one entity to another.

2.7 The 123 entities covered by the CPRs are required to publish their procurement contracts and other relevant information onto AusTender, including some details of contracts that have been awarded above specified thresholds (see Table 2.1). AusTender reporting is not required for contracts with a value below those specified thresholds. The value of Australian Government procurement activity reported on AusTender excludes that undertaken by the 46 CCEs and 18 Commonwealth companies not subjected to the CPRs. Some of those Commonwealth entities or companies engage in significant procurement activities.

Reporting arrangements

2.8 A parent contract is an original procurement contract reported on AusTender. Amendments can be made to existing parent contracts at any point through the lifespan of the contract and are subject to the same reporting thresholds as parent contracts. There are various reasons for amendments to contracts, such as exercising an option within a contract to increase the volume of goods or services or undertaking price variations resulting in a change to the contract value. A parent contract may be amended on more than one occasion, with amendments captured in AusTender as a separate entry to the parent contract.¹³

2.9 For this report, unless specified otherwise, use of the term contracts and committed value of contracts will mean the inclusion of both parent contracts and contract amendments.

2.10 The CPRs require that relevant entities must report contracts and amendments to existing contracts onto AusTender within 42 days of entering into, or amending, a contract valued at or above the reporting threshold.¹⁴ The CPRs also require that regardless of value, standing offers must be reported onto AusTender within 42 days of the relevant entities entering into, or amending such

12 The term 'retired' in AusTender is used to describe entities that may have undergone a name change, portfolio restructure, or no longer exist.

13 Contract amendments are identified by the 'A-' suffix in the AusTender identifier for contracts. For example, CN12345-A1 is an amendment of CN12345.

14 Paragraph 7.18 of the CPRs.

arrangements. Relevant details pertaining to the standing offer, such as supplier details and other entities participating in the standing offer, must be reported and kept current.¹⁵

Reporting and procurement thresholds

2.11 Entities required to report on AusTender must publish parent contracts and amendments if they are valued at or above the relevant reporting threshold.¹⁶ Table 2.1 illustrates the AusTender reporting thresholds for different categories of entities as well as the thresholds specified for the additional procurement rules in the CPRs.¹⁷ When the expected value of a procurement is at or above the relevant 'procurement threshold', additional rules in the CPRs must also be followed unless an exemption applies. Primarily, those additional rules require that, except under specified circumstances, procurements valued at or above the threshold must be conducted by an open approach to the market.

Table 2.1: Reporting and procurement thresholds

	Reporting threshold		Procurement threshold	
	Construction services	Non-construction services	Construction services	Non-construction services
Non-corporate Commonwealth entities				
	\$10,000	\$10,000	\$7.5 million	\$80,000
Corporate Commonwealth entities ^a				
Five prescribed entities identified at paragraph 3.7 of the CPRs ^b	\$7.5 million	\$80,000	\$7.5 million	\$80,000
19 other prescribed entities ^a	\$7.5 million	\$400,000	\$7.5 million	\$400,000
Commonwealth Superannuation Corporation (administrative services that relate to the superannuation schemes it administers only) ^c	\$10,000	\$10,000	\$7.5 million	\$80,000

Note a: Refer to Appendix 2 for the list of the CCEs subject to the CPRs.

Note b: These five entities are the Australian Digital Health Agency, Australian Human Rights Commission, National Portrait Gallery of Australia, Old Parliament House, and Regional Investment Corporation.

Note c: Paragraph 3.8 of the CPRs specifies the reporting requirements for the Commonwealth Superannuation Corporation.

Source: ANAO analysis of the CPRs.

15 Paragraph 7.20 of the CPRs.

16 Contract notice amounts are to reflect the total estimated committed value of the contract over the course of the contract duration.

17 Paragraphs 3.7, 7.19, and 9.7 of the CPRs.

Reporting dates

2.12 There are three key dates for contracts reported on AusTender¹⁸:

- the publish date is when a contract is reported on AusTender;
- the start date is the reported start of a contract by relevant entities; and
- the end date is the reported end of a contract by relevant entities.

2.13 To represent the commitment of money to procurement by the Australian Government, this information report analyses Australian Government procurement contract data determined by the reported start date for contracts between 1 July 2012 to 30 June 2022. Prior information reports on Australian Government Procurement Contract reporting have reported data determined by the publish date for contracts.¹⁹

18 Where there is no specific start date, AusTender instructs entities to report the date a contract was signed. Where there is no written contract, AusTender instructs entities to report the date of the first provision of products or services. Where no end date is specified in a contract, AusTender instructs entities to report the date when work is expected to be completed (not including extension of options).

19 Public reporting on the AusTender website uses publish date to determine the financial year a contract falls into.

3. Contract reporting

3.1 This chapter describes the contracts reported on AusTender, including trends observed in parent contracts, contract amendments, contract value thresholds, timeliness of reporting, goods and services, procurement categories, consultancies, confidentiality-related procurements, and short-term contracts.

3.2 There were 824,178 contracts valued at \$564.5 billion reported to start between 1 July 2012 and 30 June 2022 on AusTender. This comprised:

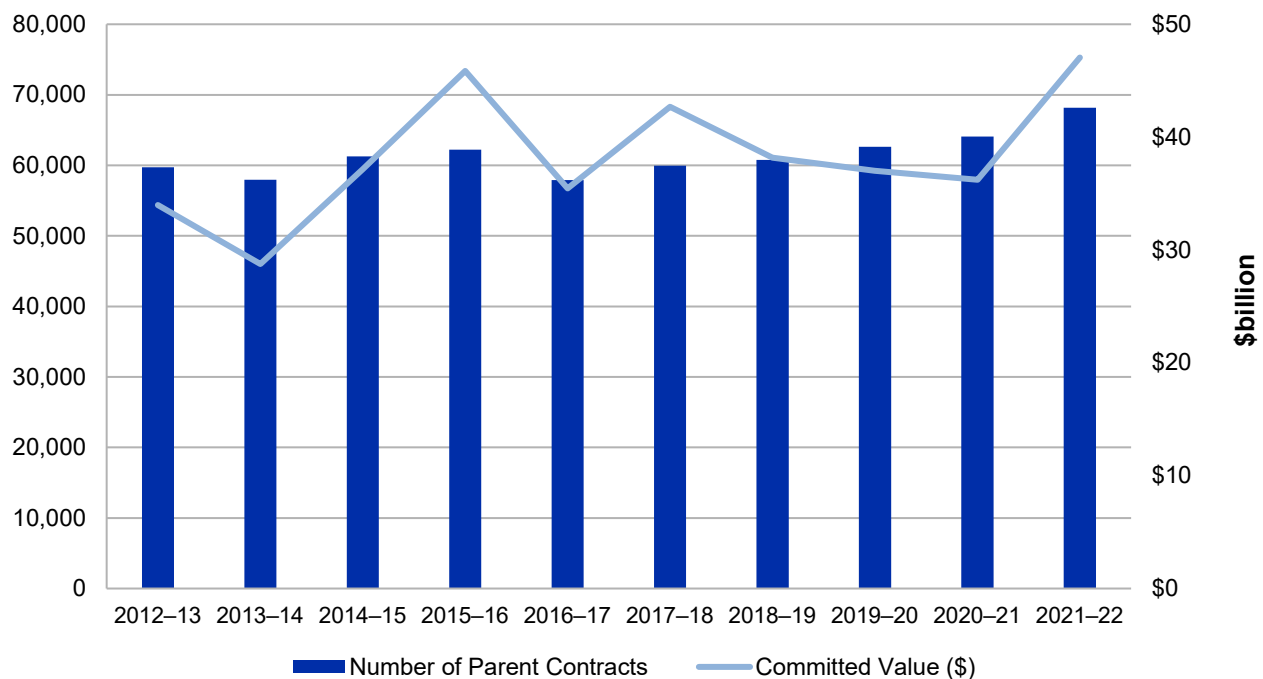
- 614,730 parent contracts (75 per cent of the total number) with a combined committed value of \$382.3 billion (68 per cent of the total value); and
- 209,448 contract amendments (25 per cent of the total number) with a combined committed value of \$182.2 billion (32 per cent of the total value).

3.3 The number of contracts has increased from 78,479 contracts in 2012–13 to 94,809 in 2021–22. The value of contracts has increased from \$38.0 billion in 2012–13 to \$75.3 billion in 2021–22.

Parent contracts

3.4 Over the last 10 years, there have been 614,730 parent contracts with a committed value of \$382.3 billion. The number and total committed value of parent contracts in 2021–22 was greater than each of the previous nine years. The number of parent contracts has increased from 59,732 parent contracts in 2012–13 to 68,158 in 2021–22. The value of parent contracts has increased from \$33.9 billion in 2012–13 to \$47.1 billion in 2021–22 (Figure 3.1).

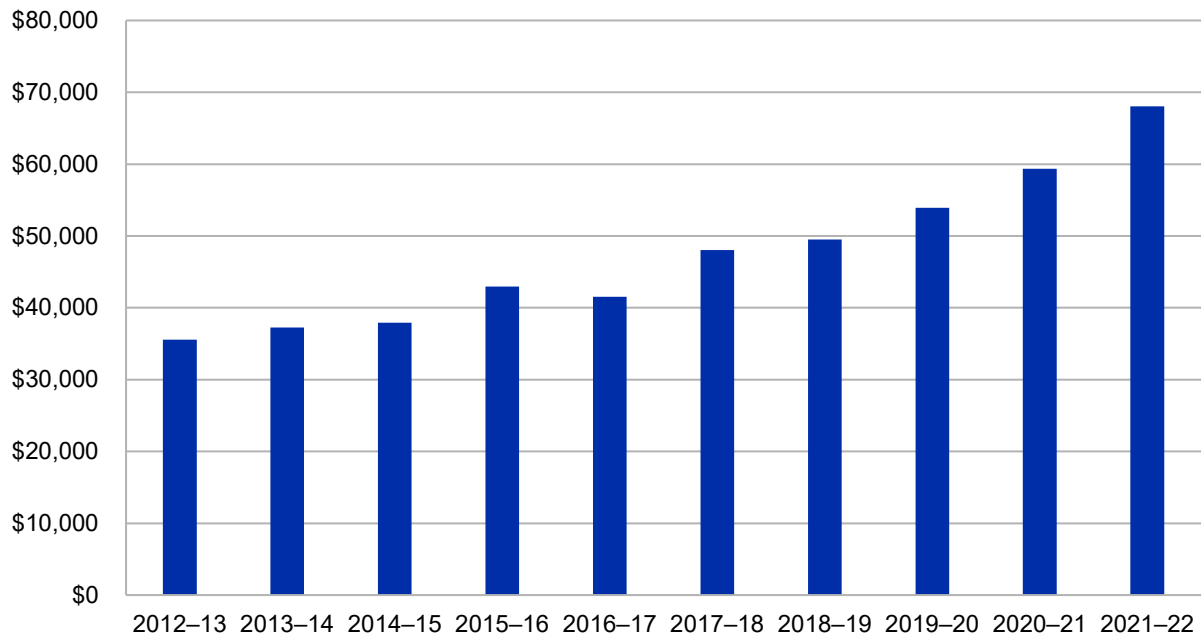
Figure 3.1: Number and value of parent contracts, 2012–13 to 2021–22



Source: ANAO analysis of AusTender parent contract notices started between 1 July 2012 and 30 June 2022.

3.5 The median value of parent contracts has increased in the last 10 years, from \$35,568 in 2012–13 to \$68,064 in 2021–22 (Figure 3.2).

Figure 3.2: Median value of parent contracts, 2012–13 to 2021–22



Source: ANAO analysis of AusTender parent contract notices started between 1 July 2012 and 30 June 2022.

3.6 The Department of Defence has reported the largest number of parent contracts over the last 10 years with 247,026 parent contracts, followed by Services Australia with 24,886. The Department of Home Affairs committed 51 per cent of its total committed value to procurements through parent contracts, with the remainder committed through amendments to existing contracts (Table 3.1).

Table 3.1: Top 10 entities by number of parent contracts, 2012–13 to 2021–22

Entity name	Number of parent contracts	Value of parent contracts (\$ billion)	Proportion of total value for the entity committed by parent contracts
Department of Defence	247,026	201.2	62%
Services Australia	24,886	15.0	72%
Department of Health and Aged Care	21,640	14.8	81%
Department of Agriculture, Fisheries and Forestry	18,997	5.7	75%
Department of Home Affairs	18,450	16.8	51%
Australian Taxation Office	15,196	9.2	59%
Department of Veterans' Affairs	15,042	2.9	90%
Department of Industry, Science and Resources	14,163	4.1	83%

Entity name	Number of parent contracts	Value of parent contracts (\$ billion)	Proportion of total value for the entity committed by parent contracts
Australian Federal Police	11,272	3.1	74%
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	11,162	3.5	80%

Source: ANAO analysis of AusTender parent contract notices started between 1 July 2012 and 30 June 2022.

3.7 The Department of Defence has reported the largest amount of committed value through parent contracts over the last 10 years with \$201.2 billion, followed by the Department of Home Affairs with \$16.8 billion. The Telecommunications Universal Service Management Agency and the Department of Social Services committed 100 per cent and 99 per cent respectively of their total committed value to procurements through parent contracts.²⁰ This indicates that almost all their commitment of value was done through parent contracts with little to no amendments to existing contracts (Table 3.2).

Table 3.2: Top 10 entities by value of parent contracts, 2012–13 to 2021–22

Entity name	Number of parent contracts	Value of parent contracts (\$ billion)	Proportion of total value for the entity committed by parent contracts
Department of Defence	247,026	201.2	62%
Department of Home Affairs	18,450	16.8	51%
National Blood Authority	887	16.0	94%
Services Australia	24,886	15.0	72%
Department of Health and Aged Care	21,640	14.8	81%
Department of Employment and Workplace Relations	2,767	10.0	93%
Australian Taxation Office	15,196	9.2	59%
Department of Foreign Affairs and Trade – Australian Aid Program	5,167	8.8	83%
Department of Social Services	8,380	8.2	99%
Telecommunications Universal Service Management Agency	52	6.4	100%

Source: ANAO analysis of AusTender parent contract notices started between 1 July 2012 and 30 June 2022.

²⁰ The Telecommunications Universal Service Management Agency was abolished in 2015, and its functions were transferred to the Department of Communications and the Arts in 2015.

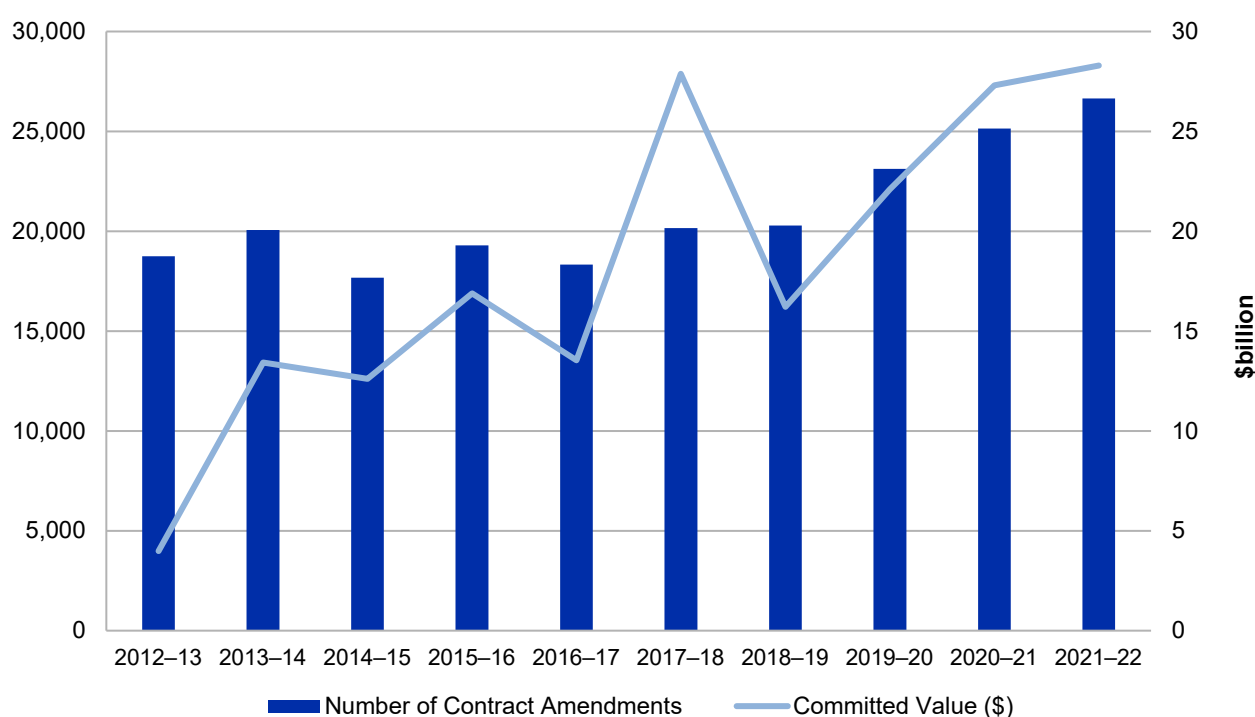
Contract amendments

3.8 AusTender captures original contract value, amendment value, and total value after amendments. The contract amendment analysis was based on amendments recorded for contracts with a start date between 1 July 2012 and 30 June 2022.²¹

3.9 Between 1 July 2012 and 30 June 2022, there have been 209,448 contract amendments with a value of \$182.2 billion (32 per cent of the total value). The number and total committed value of contract amendments in 2021–22 is greater than each of the previous nine years (Figure 3.3).

3.10 The number of contract amendments has increased from 18,747 contract amendments in 2012–13 to 26,651 in 2021–22. The value of contract amendments has increased from \$4.0 billion in 2012–13 to \$28.3 billion in 2021–22 (Figure 3.3).

Figure 3.3: Number and value of contract amendments, 2012–13 to 2021–22



Source: ANAO analysis of AusTender amendment contract notices started between 1 July 2012 and 30 June 2022.

3.11 Seventeen per cent of all parent contracts reported in the past 10 years have had at least one amendment. Of these amended parent contracts, the majority (64 per cent) were amended only once, while three per cent were amended more than five times (Table 3.3). Among all contracts reported on AusTender, a parent contract from the Department of Agriculture, Fisheries and Forestry for the ‘Provision of outsourced IT services’ has the largest number of contract amendments with 235 across its contract lifespan that started from 2009, including 78 amendments reported over the last 10 years. The committed value of this contract increased from \$96 million in 2008–09 to \$393 million in 2021–22.²²

²¹ In 2013–14, the Department of Finance introduced capabilities within AusTender to report amendments. The ANAO observed amendments could also be recorded for contracts started prior to 2013–14.

²² The contract on AusTender can be found using the contract identifier CN179354.

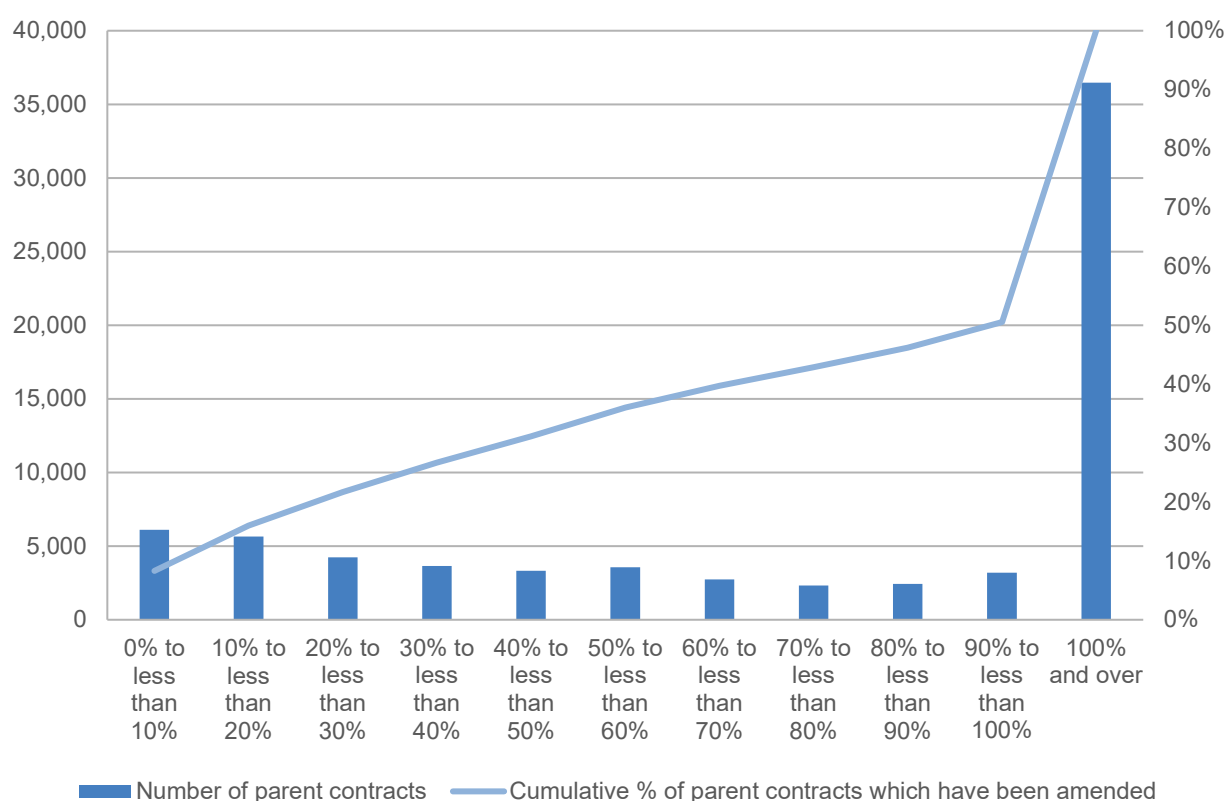
Table 3.3: Proportion of parent contracts amended at least once, 2012–13 to 2021–22

Number of amendments	Proportion of parent contracts with at least one amendment
1	64%
2	21%
3	8%
4	3%
5	2%
More than 5	3%
Total^a	100%

Note a: Totals may not add up due to rounding.

Source: ANAO analysis of AusTender data for parent contracts started between 1 July 2012 and 30 June 2022 that had at least one amendment started in the same period.

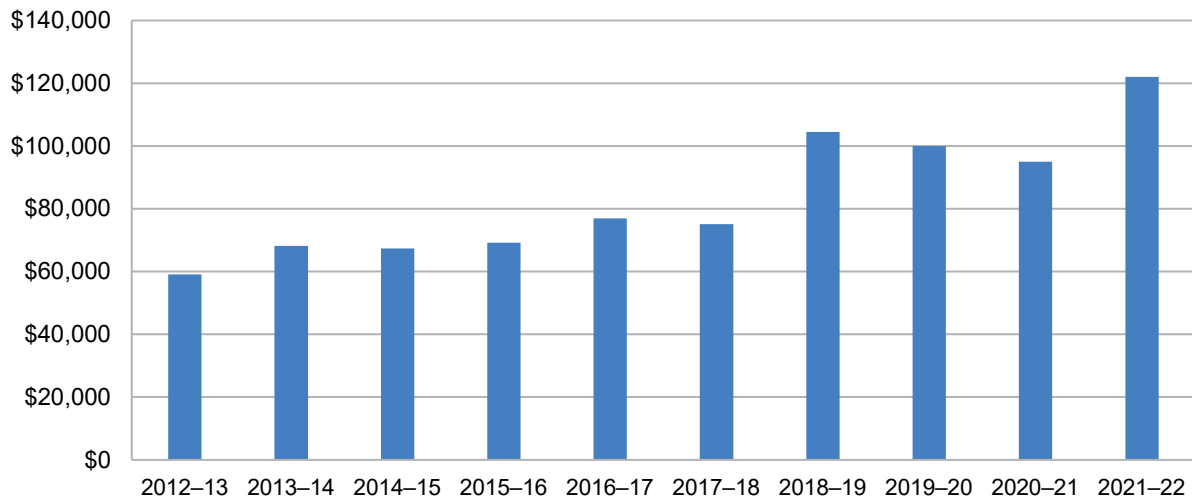
3.12 Twelve per cent of parent contracts over the last 10 years have recorded an amendment to the contract value, which represents 70 per cent of amended parent contracts. Where an amendment to increase the value of a contract has been reported on AusTender, the extent of the increase has often been significant. For example, 49 per cent of parent contracts with amendments to value had their value increased by at least 100 per cent (Figure 3.4).

Figure 3.4: Range of increase in contract value through amendments, 2012–13 to 2021–22

Source: ANAO analysis of AusTender data for parent contracts started between 1 July 2012 and 30 June 2022 that had at least one amendment to contract value.

3.13 The median value for amendments to contract value has increased in the last 10 years, from \$59,151 in 2012–13 to \$122,066 in 2021–22 (Figure 3.5).

Figure 3.5: Median value of amendments to contract value, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data, for amendments started between 1 July 2012 and 30 June 2022, with amendment value greater than 0.

3.14 The median proportion of the total amended value of a contract has increased from 42 per cent in 2012–13 to 50 per cent between 2017–18 and 2020–21, for those contracts that had at least one amendment to value (Table 3.4).

Table 3.4: Median proportion of the total value of a contract committed by all associated value amendments, 2012–13 to 2021–22

Financial year when the parent contract was reported to start	Number of parent contracts	Number of parent contracts with at least one value amendment	Median proportion of the total value of the contract committed by all associated value amendments
2012–13	59,732	3,612	42%
2013–14	57,943	5,455	46%
2014–15	61,283	6,461	47%
2015–16	62,226	7,544	49%
2016–17	57,923	7,026	49%
2017–18	59,965	8,582	50%
2018–19	60,787	8,486	50%
2019–20	62,616	10,101	50%
2020–21	64,098	10,408	50%
2021–22 ^a	68,158	6,027	46%

Note a: 2021–22 parent contracts are less likely to have recorded amendments due to a shorter period between the data extraction date and the contract start date.

Source: ANAO analysis of AusTender data for parent contracts started between 1 July 2012 and 30 June 2022 that had at least one amendment to contract value started in the same period.

3.15 The top 10 entities by number of contract amendments have reported a total of 131,681 contract amendments for a committed value of \$160.7 billion between 2012–13 and 2021–22. The entity with the largest number of contract amendments was the Department of Defence with 65,412 contract amendments, followed by Services Australia with 12,129 (Table 3.5).

Table 3.5: Top 10 entities by number of contract amendments, 2012–13 to 2021–22

Entity name	Number of contract amendments	Value of contract amendments (\$ billion)	Proportion of total value for the entity committed by contract amendments
Department of Defence	65,412	123.3	38%
Services Australia	12,129	5.7	28%
Department of Home Affairs	10,008	16.2	49%
Australian Taxation Office	8,505	6.5	41%
Department of Industry, Science and Resources	8,172	0.8	17%
Department of Social Services	6,007	0.07	1%
Department of Health and Aged Care	5,829	3.5	19%
Department of Agriculture, Fisheries and Forestry	5,293	1.9	25%
Australian Federal Police	5,283	1.1	26%
Department of Finance	5,043	1.6	26%

Source: ANAO analysis of AusTender data for amendments started between 1 July 2012 and 30 June 2022.

3.16 The top 10 entities by value of contract amendments have reported a value of \$166.6 billion committed between 2012–13 to 2021–22 across 118,589 contract amendments. The largest entity was the Department of Defence with \$123.3 billion, followed by the Department of Home Affairs with \$16.2 billion. Of the top 10, the entity with the largest amended proportion of the contract value is the retired entity Department of Employment, Skills, Small and Family Business with 78 per cent, indicating that the majority of its committed value was through amendments to existing contracts (Table 3.6).

Table 3.6: Top 10 entities by value of contract amendments, 2012–13 to 2021–22

Entity name	Number of contract amendments	Value of contract amendments (\$ billion)	Proportion of total value for the entity committed by contract amendments
Department of Defence	65,412	123.3	38%
Department of Home Affairs	10,008	16.2	49%
Australian Taxation Office	8,505	6.5	41%
Services Australia	12,129	5.7	28%
Department of Employment, Skills, Small and Family Business	1,097	4.5	78%

Entity name	Number of contract amendments	Value of contract amendments (\$ billion)	Proportion of total value for the entity committed by contract amendments
Department of Health and Aged Care	5,829	3.5	19%
Department of Agriculture, Fisheries and Forestry	5,293	1.9	25%
Department of Foreign Affairs and Trade - Australian Aid Program	3,768	1.8	17%
Digital Transformation Agency	1,505	1.6	56%
Department of Finance	5,043	1.6	26%

Source: ANAO analysis of AusTender data for amendments started between 1 July 2012 and 30 June 2022.

3.17 As indicated in Table 2.1, the majority of entities reporting on AusTender have a procurement threshold of \$80,000. Contract amendments to existing contracts can result in the total committed value for the contract exceeding the procurement threshold. The proportion of parent contracts that committed less than \$80,000 before contract amendments, but \$80,000 or more after contract amendments, has increased from three per cent in 2012–13 to six per cent in 2020–21 (Table 3.7).²³

Table 3.7: Number and proportion of parent contracts that committed less than \$80,000 before contract amendments, but more than \$80,000 after contract amendments, 2012–13 to 2021–22

Financial year when the parent contract started	Number of parent contracts that committed < \$80,000	Number of parent contracts that committed ≥ \$80,000 after amendments	Proportion of parent contracts that committed < \$80,000
2012–13	43,116	1,104	3%
2013–14	41,256	1,399	3%
2014–15	43,246	1,823	4%
2015–16	41,577	1,663	4%
2016–17	39,311	1,795	5%
2017–18	38,526	1,852	5%
2018–19	38,711	1,936	5%
2019–20	38,168	2,420	6%
2020–21	37,386	2,260	6%
2021–22 ^a	37,285	1,265	3%

Note a: 2021–22 parent contracts are less likely to have recorded amendments due to a shorter period of time between the data extraction date and the contract start date.

Note: The Contract Value field of the AusTender dataset was used for this analysis.

Source: ANAO analysis of AusTender data for parent contracts started between 1 July 2012 and 30 June 2021.

²³ Contracts that commenced in 2021–22 are less likely to have recorded amendments due to a shorter period of time between the data extraction date and the contract start date.

3.18 The proportion of parent contracts that had an extension to the end date through at least one contract amendment, has increased from three per cent in 2012–13 to 14 per cent in 2020–21 (Table 3.8).

Table 3.8: Number and proportion of parent contracts that had the end date extended by an associated contract amendment, 2012–13 to 2021–22

Financial year when the parent contract started	Number of parent contracts that had the end date extended	Proportion of all parent contracts that started in the financial year
2012–13	2,042	3%
2013–14	2,284	4%
2014–15	5,648	9%
2015–16	6,444	10%
2016–17	6,046	10%
2017–18	7,284	12%
2018–19	6,737	11%
2019–20	8,619	14%
2020–21	8,797	14%
2021–22 ^a	4,172	6%

Note a: 2021–22 parent contracts are less likely to have recorded amendments due to a shorter period of time between the data extraction date and the contract start date.

Source: ANAO analysis of AusTender data for parent contracts started between 1 July 2012 and 30 June 2021.

3.19 There have been 1,847 parent contracts that have at least one contract amendment that changed the supplier Australian Business Number (ABN) between 2012–13 to 2021–22. The greatest number of changes in supplier ABN for a contract was three. Finance advised that novations are the most common reason for supplier information being amended after the original procurement, with AusTender retaining the original supplier information on the contract displayed in the public website for transparency purposes.

Contract value thresholds

3.20 Over the last 10 years, approximately 65 per cent of contracts have a committed value below \$80,000, accounting for approximately three per cent of total committed value. Contracts valued at \$20 million or more account for 0.4 per cent of the total number of contracts, accounting for approximately 63 per cent of total committed value (Table 3.9). Most contracts reported on AusTender are subject to paragraph 9.7 of the CPRs, however a small number of high-value contracts are subject to additional procurement requirements if they meet the procurement thresholds specified in Table 2.1.²⁴

Table 3.9: Number and value and respective proportions of number and value by contract value thresholds, 2012–13 to 2021–22

Value thresholds ^a	Number of contracts	Proportion of all contracts	Value of contracts (\$ billion)	Proportion of total value
Below \$80k	536,241	65.1%	14.8	2.6%
\$80k to < \$200k	126,633	15.4%	16.4	2.9%
\$200k to < \$1m	121,739	14.8%	48.9	8.7%
\$1m to < \$4m	26,936	3.3%	52.0	9.2%
\$4m to < \$7.5m	5,293	0.6%	28.5	5.1%
\$7.5m to < \$20m	4,265	0.5%	50.6	9%
\$20m and above	3,071	0.4%	353.2	62.6%
Total^b	824,178	100%	564.5	100%

Note a: The thresholds were identified based on the various threshold points indicated in paragraphs 9.7, 6.10, 5.8, 4.7, 9.7 and 5.7 of the Commonwealth Procurement Rules 14 December 2020.

Note b: Totals may not add up due to rounding.

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

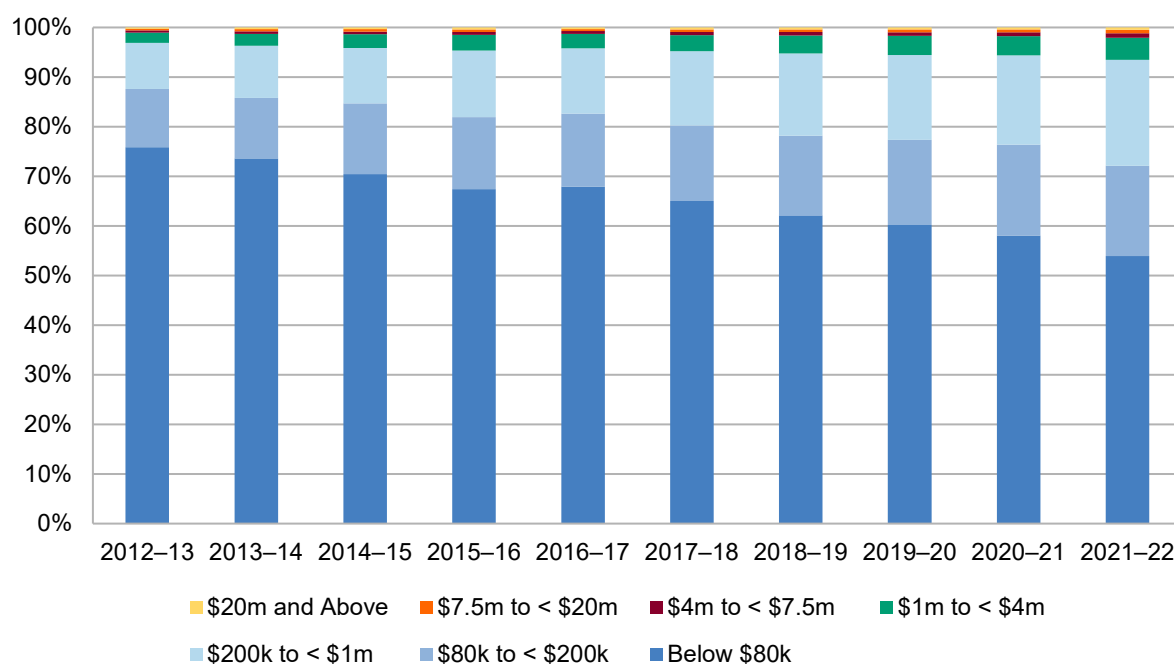
3.21 Between 1 July 2012 and 30 June 2022, the proportion of contracts with a committed value below \$80,000 has declined from 76 per cent to 54 per cent. This is followed by an increase in proportion for contracts valued between \$80,000 and \$4 million over the same period of time. The value threshold that experienced the largest increase was contracts that committed between \$200,000 to less than \$1 million, which increased from nine per cent to 21 per cent (Figure 3.6). The proportion of committed value by contracts per value threshold has remained relatively consistent over the 10 years (Figure 3.7).

24 Paragraph 9.7 of the CPRs states:

'When the expected value of a procurement is at or above the relevant procurement threshold and an exemption in Appendix A is not applied, the rules in Division 2 must also be followed. The procurement thresholds (including GST) are:

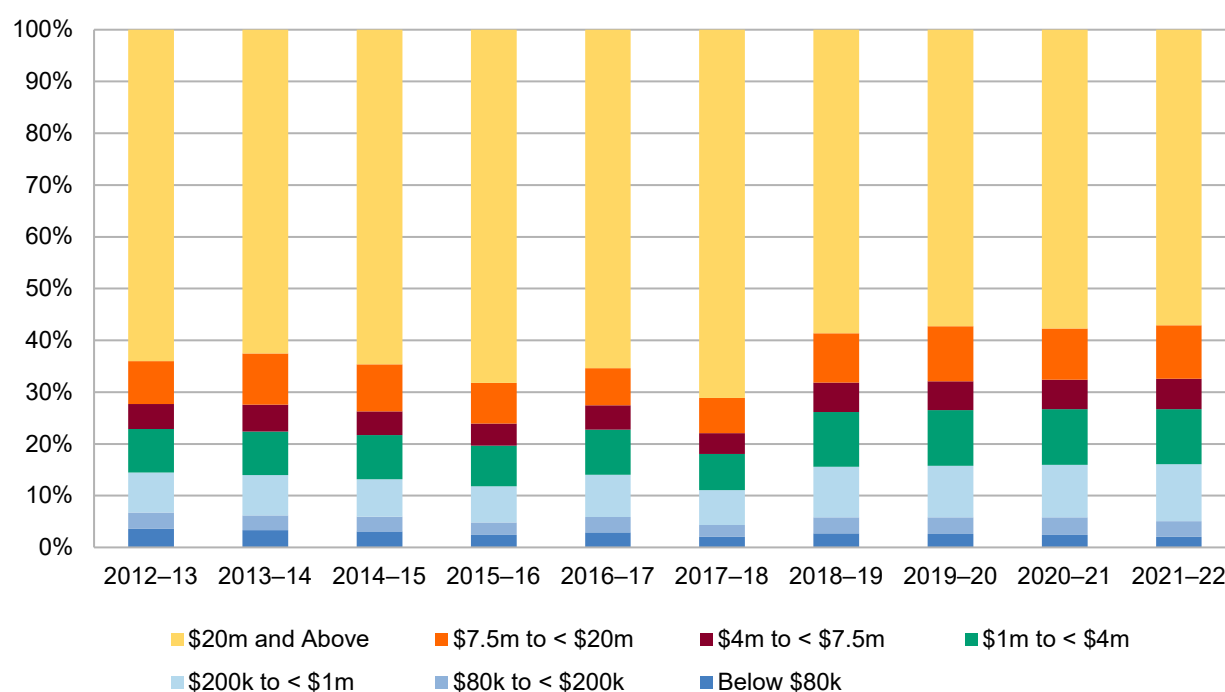
a. for non-corporate Commonwealth entities, other than for procurements of construction services, the procurement threshold is \$80,000;
b. for prescribed corporate Commonwealth entities, other than for procurements of construction services, the procurement threshold is \$400,000; or
c. for procurements of construction services by relevant entities, the procurement threshold is \$7.5 million.'

Figure 3.6: Proportion of the number of contracts by value thresholds, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

Figure 3.7: Proportion of the value of contracts by value thresholds, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

Timeliness of reporting

3.22 The CPRs state that *‘relevant entities must report contracts and amendments on AusTender within 42 days of entering into (or amending) a contract if they are valued at or above the reporting threshold’*.²⁵ The difference between the publish date on AusTender and the start date of a contract was used to determine the timeliness of reporting.²⁶

3.23 The median number of days taken to report on AusTender from the contract start date has decreased from 12 days in 2012–13 to eight days in 2021–22 (Table 3.10). With the increase in contract numbers over the last 10 years, the decrease in the median number of days to report a contract on AusTender over the same period of time indicates an improvement in the timeliness of reporting by relevant entities.

Table 3.10: Median number of days to report a contract on AusTender from the contract start date, 2012–13 to 2021–22

Financial year when the contract started	Number of contracts	Median number of days to report a contract
2012–13	78,479	12
2013–14	78,000	12
2014–15	78,948	13
2015–16	81,514	13
2016–17	76,260	13
2017–18	80,120	13
2018–19	81,072	12
2019–20	85,736	10
2020–21	89,240	9
2021–22	94,809	8

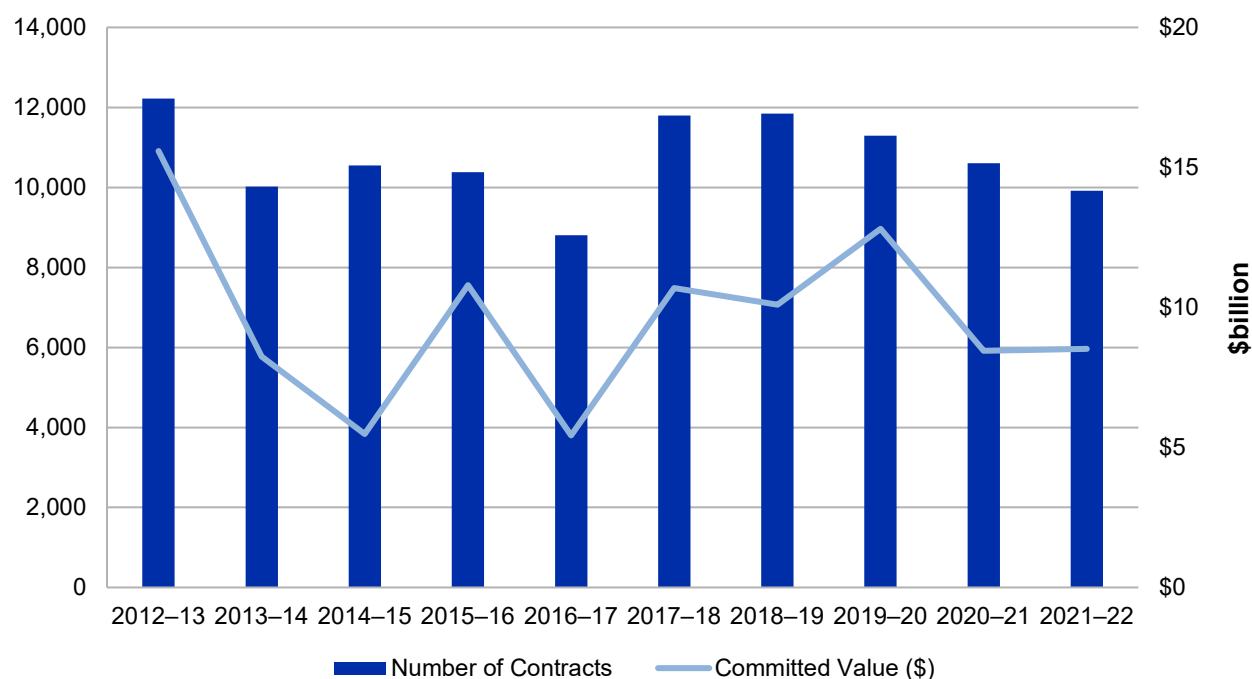
Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

3.24 Over the last 10 years, there were 107,428 contracts (13 per cent of all contracts) that were reported on AusTender after 42 days from the contract start date (Figure 3.8).

²⁵ Paragraph 7.18 of the CPRs.

²⁶ The start date of a contract may not reflect the contract signed date as outlined in paragraph 42 of the Resource Management Guide RMG 423 *Procurement Publishing and Reporting Obligations*.

Figure 3.8: Number and value of contracts reported after 42 days from the contract start date, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022, and published after 42 days from the contract start date.

3.25 The proportion of all contracts that were reported after 42 days from the contract start date has decreased from 16 per cent in 2012–13 to 10 per cent in 2021–22. The proportion of total committed value that is committed by contracts reported after 42 days from the reported start date has decreased from 41 per cent in 2012–13 to 11 per cent in 2021–22 (Table 3.11).

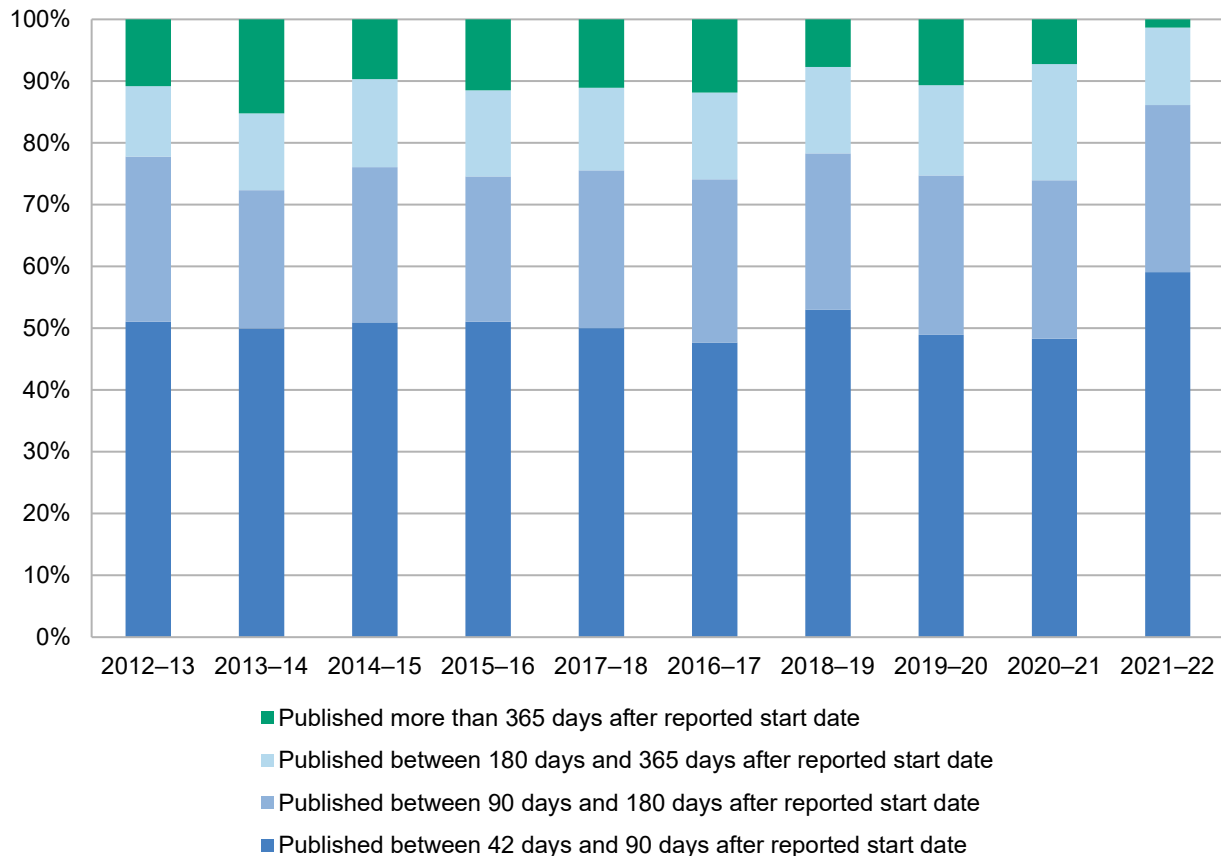
Table 3.11: Proportion of the number and value of contracts reported on AusTender after 42 days from the contract start date, 2012–13 to 2021–22

Financial year when the contract started	Proportion of all contracts that were reported after 42 days	Proportion of total value of contracts committed by contracts reported after 42 days
2012–13	16%	41%
2013–14	13%	20%
2014–15	13%	11%
2015–16	13%	17%
2016–17	12%	11%
2017–18	15%	15%
2018–19	15%	19%
2019–20	13%	22%
2020–21	12%	13%
2021–22	10%	11%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

3.26 Between 2012–13 and 2021–22 there were 107,428 instances (13 per cent) where a contract or amendment was published more than 42 days after the reported start date. Of these late reported contract notices, 49 per cent were late by at least three months and 10 per cent by at least a year. Figure 3.9 shows that the overall trend remains similar over time.

Figure 3.9: Proportion of contracts reported on AusTender after 42 days from the contract start date, by number of days after start date, 2012–13 to 2021–22^a



Note a: It is less likely to have contracts that have been published after 42 days in 2021–22 due to a shorter period between the data extraction date and the contract start date.

Source: ANAO analysis of AusTender data contract notices started between 1 July 2012 and 30 June 2022 and published after 42 days from contract start date.

3.27 The top 10 entities by proportion of their contracts reported after 42 days from the contract start date have a total of 18,827 contracts for a committed value of \$9 billion dollars between 2012–13 to 2021–22 (Table 3.12).

Table 3.12: Top 10 entities by proportion of contracts reported after 42 days from the contract start date, 2012–13 to 2021–22

Entity name ^a	Number of contracts reported after 42 days	Number of contracts reported by the entity	Proportion of all contracts reported after 42 days
Grains Research and Development Corporation	819	1,179	69%

Entity name ^a	Number of contracts reported after 42 days	Number of contracts reported by the entity	Proportion of all contracts reported after 42 days
Aged Care Quality and Safety Commission	772	1,590	49%
Australian Digital Health Agency	1,203	2,532	48%
CSIRO	776	1,675	46%
Administrative Appeals Tribunal	1,031	2,494	41%
Australian Prudential Regulation Authority	960	2,487	39%
Office of the Commonwealth Ombudsman	386	1,266	30%
Fair Work Commission	597	2,019	30%
Great Barrier Reef Marine Park Authority	457	1,610	28%
National Capital Authority	552	1,975	28%

Note a: The ANAO's analysis excluded entities that had fewer than 1,000 contracts, due to the presence of entities with very small numbers of contracts for which a small number of contracts reported after 42 days from the contract start date could skew the result.

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

3.28 The top 10 entities by proportion of their contracts reported within 42 days from the contract start date have a total of 64,636 contracts for a committed value of \$4 billion dollars between 2012–13 to 2021–22 (Table 3.13).

Table 3.13: Top 10 entities by proportion of contracts reported within 42 days from the contract start date, 2012–13 to 2021–22

Entity name ^a	Number of contracts reported within 42 days	Number of contracts reported by the entity	Proportion of all contracts reported within 42 days
Royal Australian Mint	2,304	2,356	98%
Department of Employment and Workplace Relations ^b	4,257	4,379	97%
Department of Education Employment and Workplace Relations	4,902	5,052	97%
Future Fund Management Agency	2,277	2,353	97%
Australian Taxation Office	22,699	23,701	96%
Department of Social Services	13,704	14,387	95%
NDIS Quality and Safeguards Commission	1,406	1,478	95%

Entity name ^a	Number of contracts reported within 42 days	Number of contracts reported by the entity	Proportion of all contracts reported within 42 days
Department of Families, Housing, Community Services and Indigenous Affairs	1,969	2,080	95%
Department of Employment, Skills, Small and Family Business ^b	6,281	6,717	94%
Australian Research Council	1,975	2,133	93%

Note a: The ANAO's analysis excluded entities that had fewer than 1,000 contracts, due to the presence of entities with very small numbers of contracts for which a small number of contracts reported after 42 days from the contract start date could skew the result.

Note b: These were retired agencies that reported contracts on AusTender prior to MoG changes.

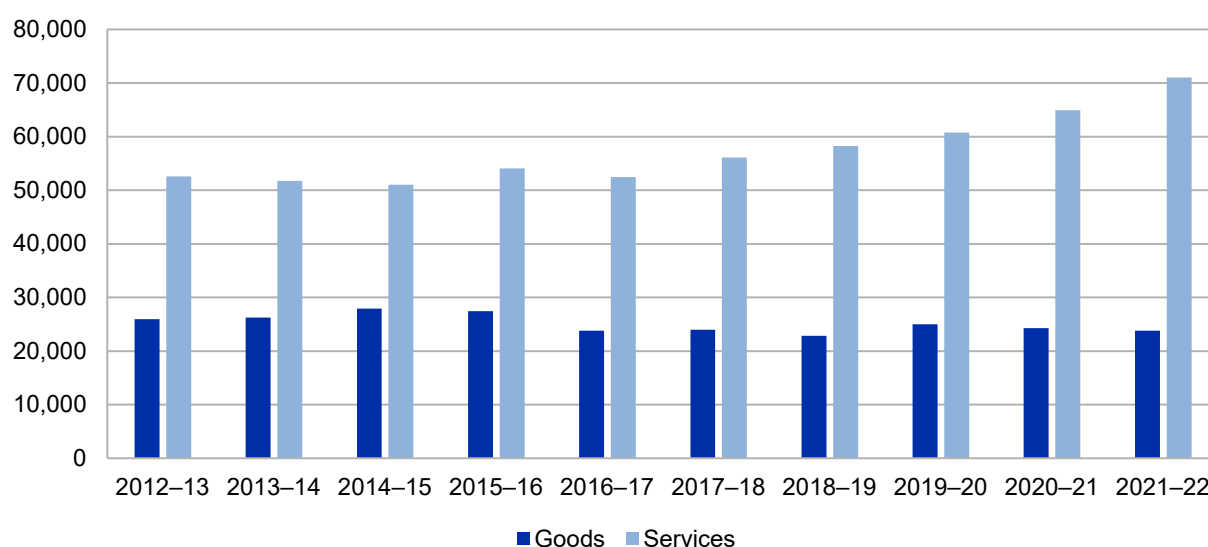
Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

Goods and services

3.29 The Department of Finance (Finance) utilises the global standard United Nations Standard Product and Services Category (UNSPSC) Code for entities to report on the category of the procurement. This is a standard system, used globally, to classify products and services. When entities input contract information on AusTender, they are required to select a UNSPSC code that reflects the contract's primary purpose or output. Finance uses these codes to further categorise the contracts as goods, or services.²⁷

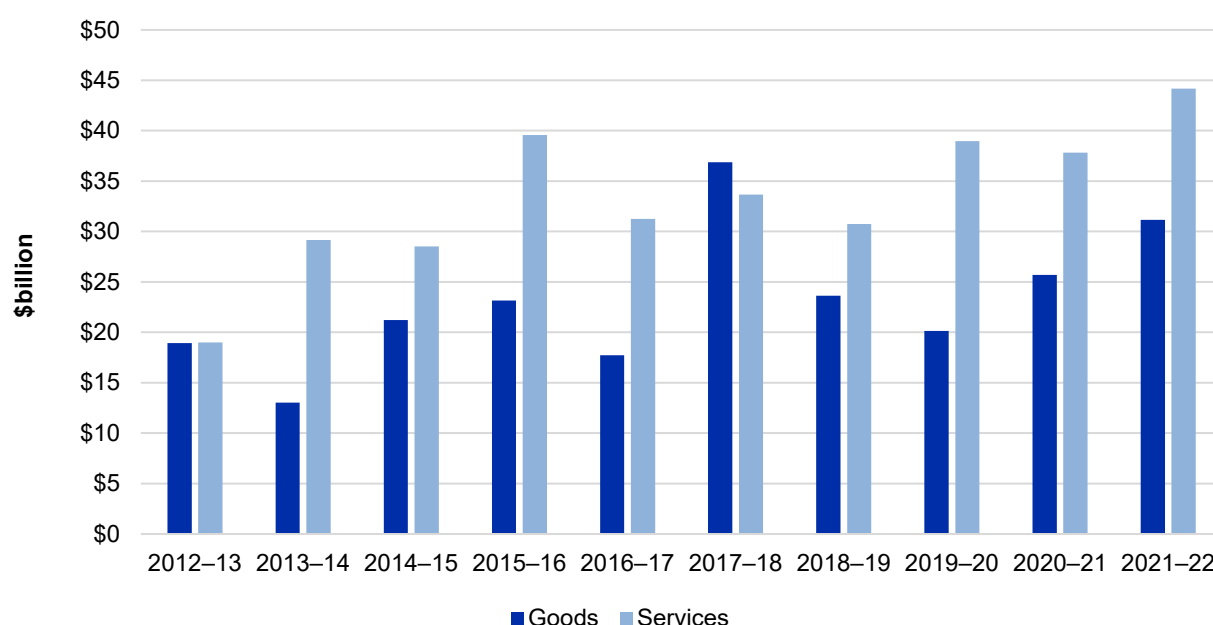
3.30 The number of goods-related contracts has remained relatively consistent over the last 10 years, whilst the number of services-related contracts has steadily increased (Figure 3.10). The committed value of goods-related and services-related contracts is more varied year to year (Figure 3.11).

Figure 3.10: Number of goods and services contracts, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

²⁷ A UNSPSC Code is labelled either 'Goods' or 'Services' by Finance; a Code only has one label assigned.

Figure 3.11: Value of goods and services contracts, 2012–13 to 2021–22

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

3.31 The increase in the number of service-related contracts was also observed in the proportion of the number and committed value of contracts by goods or services. The proportion of services-related contracts by number has increased from 67 per cent in 2012–13 to 75 per cent in 2021–22 though the total value of service-related contracts has remained around 60 per cent for most years over the same period (Table 3.14).

Table 3.14: Proportion of the number and value of contracts that were goods or services, 2012–13 to 2021–22

Financial year when the contract started	Proportion of number of contracts		Proportion of total value of contracts	
	Goods	Services	Goods	Services
2012–13	33%	67%	50%	50%
2013–14	34%	66%	31%	69%
2014–15	35%	65%	43%	57%
2015–16	34%	66%	37%	63%
2016–17	31%	69%	36%	64%
2017–18	30%	70%	52%	48%
2018–19	28%	72%	43%	57%
2019–20	29%	71%	34%	66%
2020–21	27%	73%	40%	60%
2021–22	25%	75%	41%	59%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

Procurement categories

3.32 For each UNSPC Code, there is a corresponding UNSPSC Title that provides a description of what the Code represents. Based on these Titles, Finance assigns a higher-level category classification. From this point forward, the UNSPC Title will be referred to as the 'child category' and the higher-level category assigned by Finance will be referred to as the 'parent category'.

3.33 The top 10 parent procurement categories by number of contracts had 669,586 contracts with a value of \$470 billion, which comprised 81 and 83 per cent of the number and total value of all contracts over the last 10 years respectively. 'Management and Business Professionals and Administrative Services' was the largest parent category by number of contracts with 270,451, followed by 'Engineering and Research and Technology Based Services' (Table 3.15).

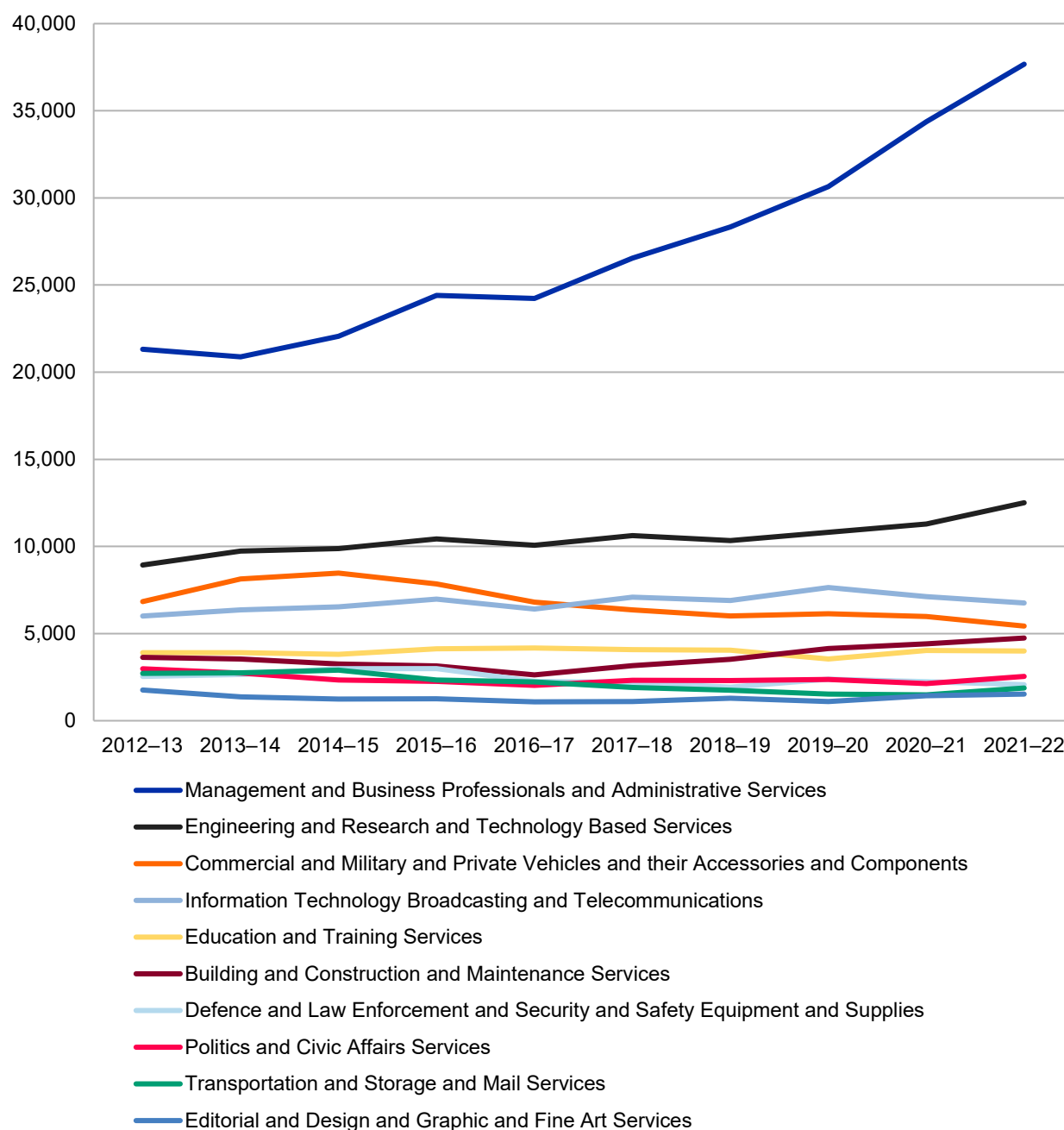
Table 3.15: Top 10 parent procurement categories by number of contracts, 2012–13 to 2021–22

Parent category	Number of contracts	Value of contracts (\$ billion)
Management and Business Professionals and Administrative Services	270,451	106.7
Engineering and Research and Technology Based Services	104,637	57.4
Commercial and Military and Private Vehicles and their Accessories and Components	68,039	122.8
Information Technology Broadcasting and Telecommunications	67,795	44.0
Education and Training Services	39,631	14.0
Building and Construction and Maintenance Services	36,175	54.0
Defence and Law Enforcement and Security and Safety Equipment and Supplies	24,237	27.9
Politics and Civic Affairs Services	23,984	23.9
Transportation and Storage and Mail Services	21,476	15.7
Editorial and Design and Graphic and Fine Art Services	13,161	3.9

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

3.34 'Management and Business Professionals and Administrative Services' has shown an increase over the last 10 years, from 21,317 contracts in 2012–13 to 37,672 contracts in 2021–22. The other parent procurement categories in the top 10 have had a relatively steady number of contracts over the same period (Figure 3.12).

Figure 3.12: Top 10 parent procurement categories by number of contracts, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022

3.35 The top 10 parent procurement categories by value of contracts for the last 10 years had 666,348 contracts with a value of \$497 billion, which comprised 81 and 89 per cent of the number and total value of all contracts over the last 10 years respectively (Table 3.16).

Table 3.16: Top 10 parent procurement categories by value of contracts, 2012–13 to 2021–22

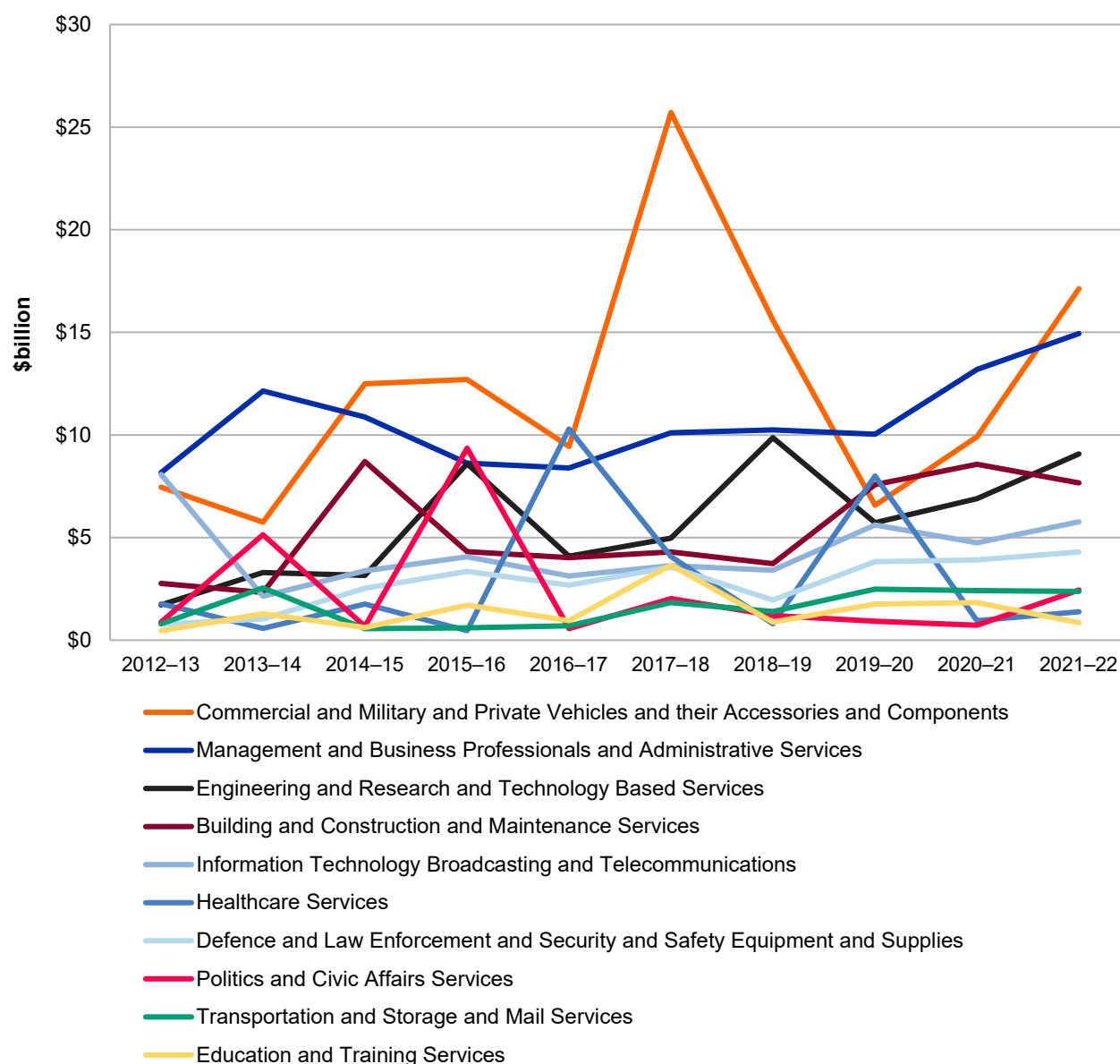
Parent category	Number of contracts	Value of contracts (\$ billion)
Commercial and Military and Private Vehicles and their Accessories and Components	68,039	122.8
Management and Business Professionals and Administrative Services	270,451	106.7
Engineering and Research and Technology Based Services	104,637	57.4
Building and Construction and Maintenance Services	36,175	54.0
Information Technology Broadcasting and Telecommunications	67,795	44.0
Healthcare Services	9,923	30.1
Defence and Law Enforcement and Security and Safety Equipment and Supplies	24,237	27.9
Politics and Civic Affairs Services	23,984	23.9
Transportation and Storage and Mail Services	21,476	15.7
Education and Training Services	39,631	14.0

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

3.36 Among the top 10 parent procurement categories by value of contracts, ‘Commercial and Military and Private Vehicles and their Accessories and Components’ is more varied than other categories with a peak observed in 2017–18 (Figure 3.13).²⁸

²⁸ This peak in committed value is driven by contracts from the Department of Defence, which committed \$25 billion in 2017–18, compared to \$8 billion in 2016–17 and \$15 billion in 2018–19.

Figure 3.13: Top 10 parent procurement categories by value of contracts, 2012–13 to 2021–22



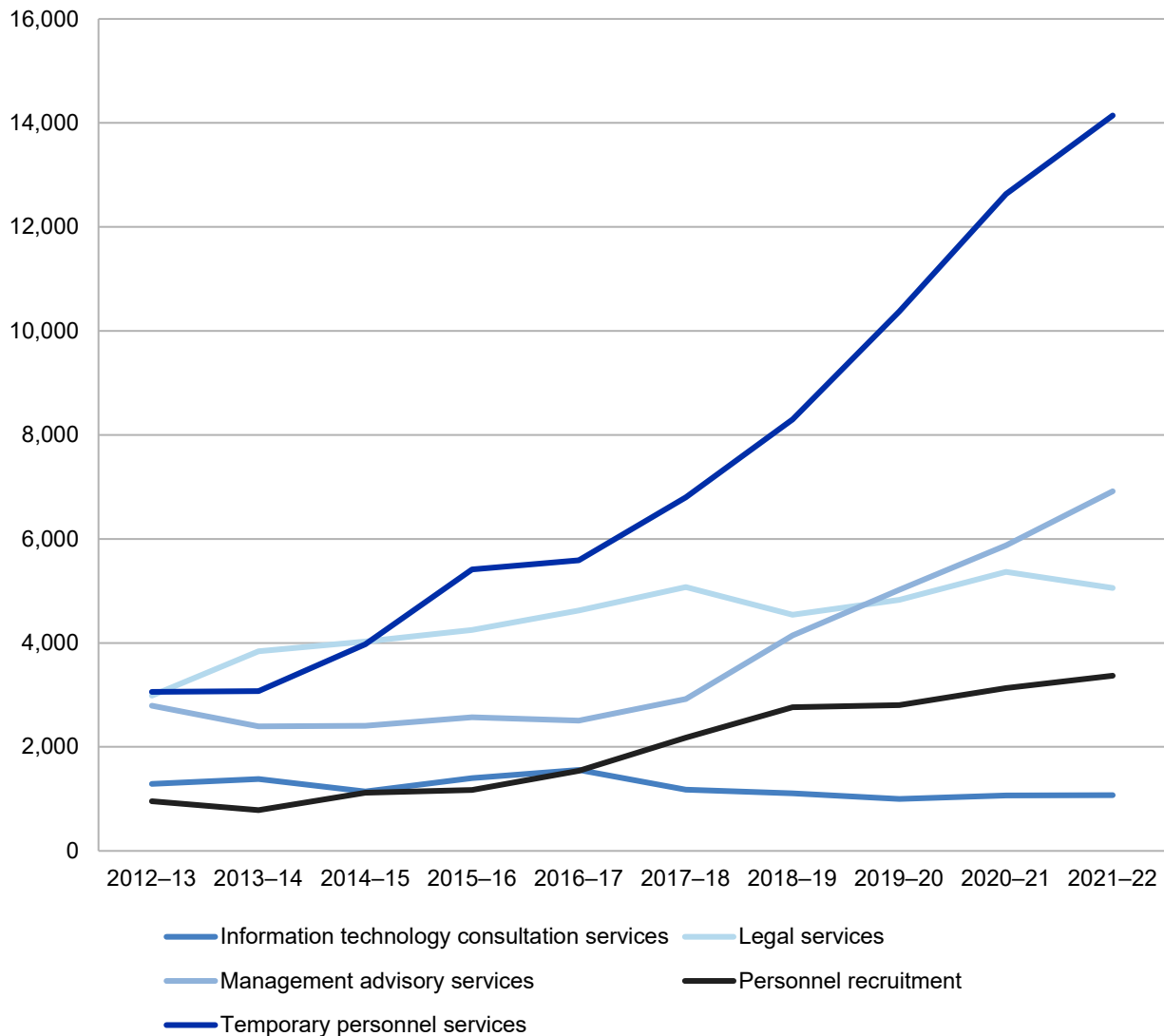
Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022

3.37 As the parent category ‘Management and Business Professionals and Administrative Services’ experienced an increase in the number of contracts over the last 10 years, the ANAO analysed the changes in number (Figure 3.14) and value (Figure 3.15) of contracts in its top five associated child categories over the same period.

- four out of the five child categories have experienced an increase in the number of contracts over the last 10 years.
- the child category that saw the largest increase in the number of contracts was ‘Temporary personnel services’, which increased from 3,058 contracts in 2012–13, to 14,143 contracts in 2021–22.

- the number of contracts for 'Management advisory services' increased from 2,504 contracts to 6,916 contracts over the same period.

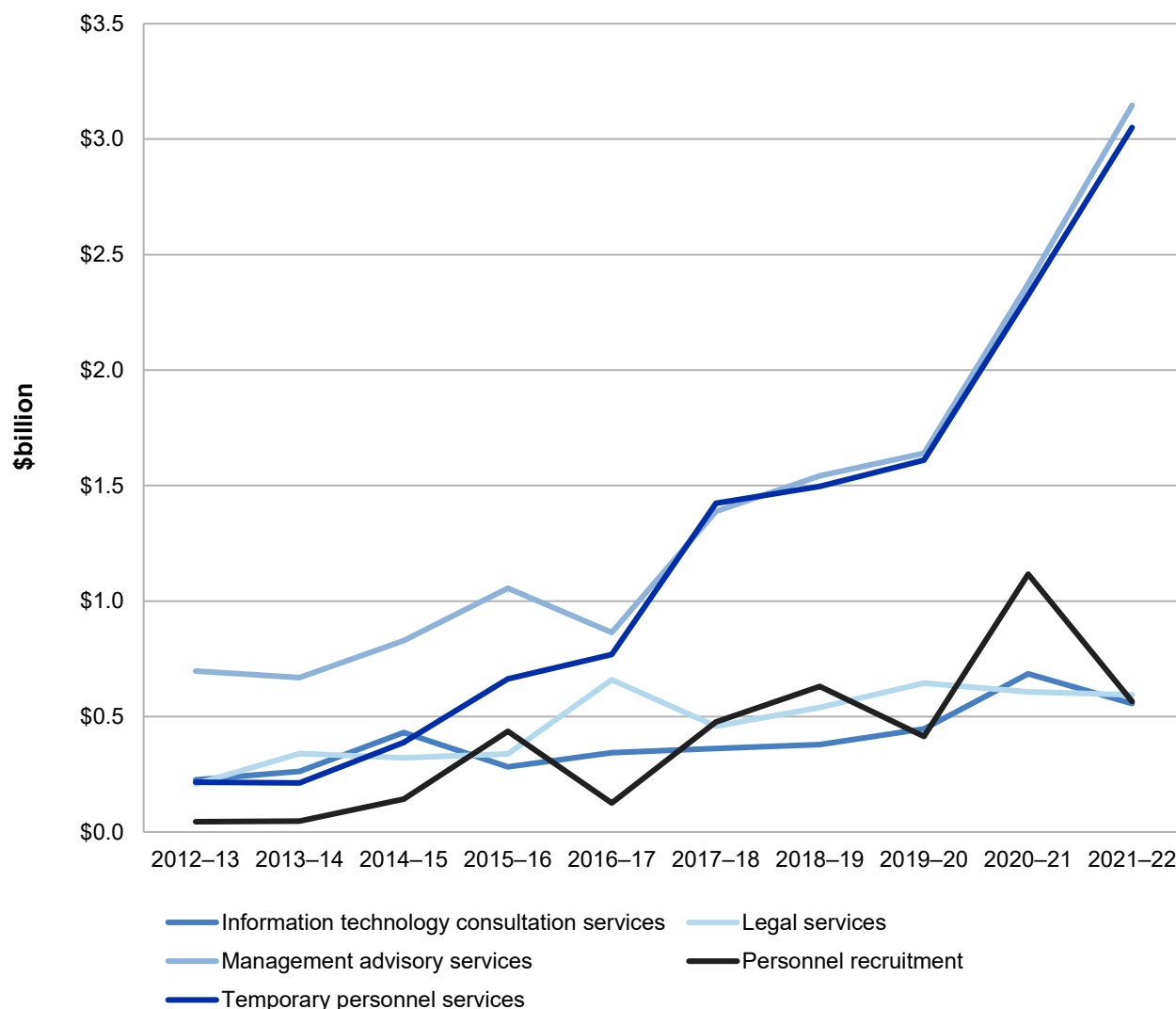
Figure 3.14: Top five child categories for 'Management and Business Professionals and Administrative Services' by number of contracts, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

3.38 In the last 10 years, the committed value for the child category 'Temporary personnel services' increased from \$215 million in 2012–13 to \$3 billion in 2021–22. The committed value of contracts for 'Management advisory services' increased from \$697 million in 2012–13 to \$3.1 billion in 2021–22. Since 2016–17, the child categories 'Management advisory services' and 'Temporary personnel services' have grown at a similar rate (Figure 3.15).

Figure 3.15: Value committed by the top five child categories for ‘Management and Business Professionals and Administrative Services’ by number of contracts, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

Consultancy-related procurements

3.39 Contracts relating to consultancy are identified in AusTender data via the use of a ‘Consultancy Flag’ field.²⁹

3.40 The number of consultancy-related contracts has remained relatively consistent between 2012–13 and 2021–22, with an average of 4,071 contracts per year. The total committed value for these consultancy-related contracts has increased from \$352 million in 2012–13 to \$888 million in 2021–22 (Table 3.17).

²⁹ Non-corporate Commonwealth entities are required to report information on consultancy-related procurements.

Table 3.17: Number and value of consultancy-related contracts, 2012–13 to 2021–22

Financial year when the contract started	Number of consultancy-related contracts	Value of consultancy-related contracts (\$ million)
2012–13	4,918	351.8
2013–14	4,152	370.4
2014–15	3,900	444.3
2015–16	3,986	532.6
2016–17	3,842	551.0
2017–18	4,001	602.4
2018–19	3,846	526.6
2019–20	3,836	595.7
2020–21	4,049	688.6
2021–22	4,182	887.7

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 that were identified as consultancy-related contracts.

3.41 For the top 10 entities by number of consultancy-related contracts, the Australian Research Council has the highest proportion of consultancy-related contracts, with 59 per cent of its contracts, and 39 per cent of its committed value being consultancy-related. For the remaining entities, the proportion of contracts that were consultancy-related ranged between one per cent and 16 per cent, and the proportion of the committed value ranged between 0.4 per cent and 12 per cent (Table 3.18).

Table 3.18: Top 10 entities by number of consultancy-related contracts, 2012–13 to 2021–22

Entity name	Number of consultancy-related contracts	Value of consultancy-related contracts (\$ million)	Proportion of all contracts by the entity	Proportion of total value by the entity
Department of Defence	4,465	1,137.1	1.4%	0.4%
Department of Health and Aged Care	3,089	543.0	11%	3%
Department of Finance	2,491	214.2	16%	4%
Department of Industry, Science and Resources	2,382	200.2	11%	4%
Department of Agriculture, Fisheries and Forestry	2,129	359.2	9%	5%
Australian Taxation Office	1,930	199.2	8%	1%
Australian Securities and Investments Commission	1,379	174.3	12%	12%

Entity name	Number of consultancy-related contracts	Value of consultancy-related contracts (\$ million)	Proportion of all contracts by the entity	Proportion of total value by the entity
Australian Research Council	1,266	44.0	59%	39%
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	1,231	322.3	10%	7%
Department of Home Affairs	1,022	236.7	4%	0.7%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

3.42 For the top 10 entities by value of consultancy-related contracts, none of the entities had committed more than 10 per cent of their total committed value for the last 10 years to consultancy-related procurements. The largest proportion of the top 10 entities was the Department of Infrastructure, Transport, Regional Development, Communications and the Arts with seven per cent (Table 3.19).

Table 3.19: Top 10 entities by value of consultancy-related contracts, 2012–13 to 2021–22

Entity name	Number of consultancy-related contracts	Value of consultancy-related contracts (\$ million)	Proportion of all contracts by the entity	Proportion of total value by the entity
Department of Defence	4,465	1,137.1	1.4%	0.4%
Department of Health and Aged Care	3,089	543.0	11%	3%
Department of Agriculture, Fisheries and Forestry	2,129	359.2	9%	5%
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	1,231	322.3	10%	7%
Department of Home Affairs	1,022	236.7	4%	0.7%
Department of Finance	2,491	214.2	16%	4%
Department of Social Services	999	208.5	7%	3%
Department of Industry, Science and Resources	2,382	200.2	11%	4%
Australian Taxation Office	1,930	199.2	8%	1%
Services Australia	335	197.7	1%	1%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

3.43 Consultancy-related contracts were more prevalent in some procurement categories than others. Twenty per cent of the number of 'Financial and Insurance Services' contracts were consultancy-related, accounting for six per cent of the total committed value of contracts in this category (Table 3.20).

Table 3.20: Top 10 parent procurement categories by number of consultancy-related contracts, 2012–13 to 2021–22

Parent category	Number of consultancy-related contracts	Value of consultancy-related contracts (\$ million)	Proportion of all contracts by the category	Proportion of total value by the category
Management and Business Professionals and Administrative Services	28,723	3,791	11%	4%
Politics and Civic Affairs Services	3,586	479.7	15%	2%
Financial and Insurance Services	2,273	187.5	20%	6%
Engineering and Research and Technology Based Services	1,812	292.3	2%	0.5%
Environmental Services	1,123	301.5	18%	10%
Education and Training Services	545	65.9	1%	0.5%
Building and Construction and Maintenance Services	481	128.6	1%	0.2%
Healthcare Services	432	35.7	4%	0.1%
Editorial and Design and Graphic and Fine Art Services	309	34.4	2%	1%
Public Utilities and Public Sector Related Services	298	29.1	3%	0.4%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

3.44 For the top 10 parent procurement categories by value of consultancy-related contracts, 'Environmental Services' has the largest proportion of the total value committed by consultancy-related contracts with 10 per cent (Table 3.21).

Table 3.21: Top 10 parent procurement categories by value of consultancy-related contracts, 2012–13 to 2021–22

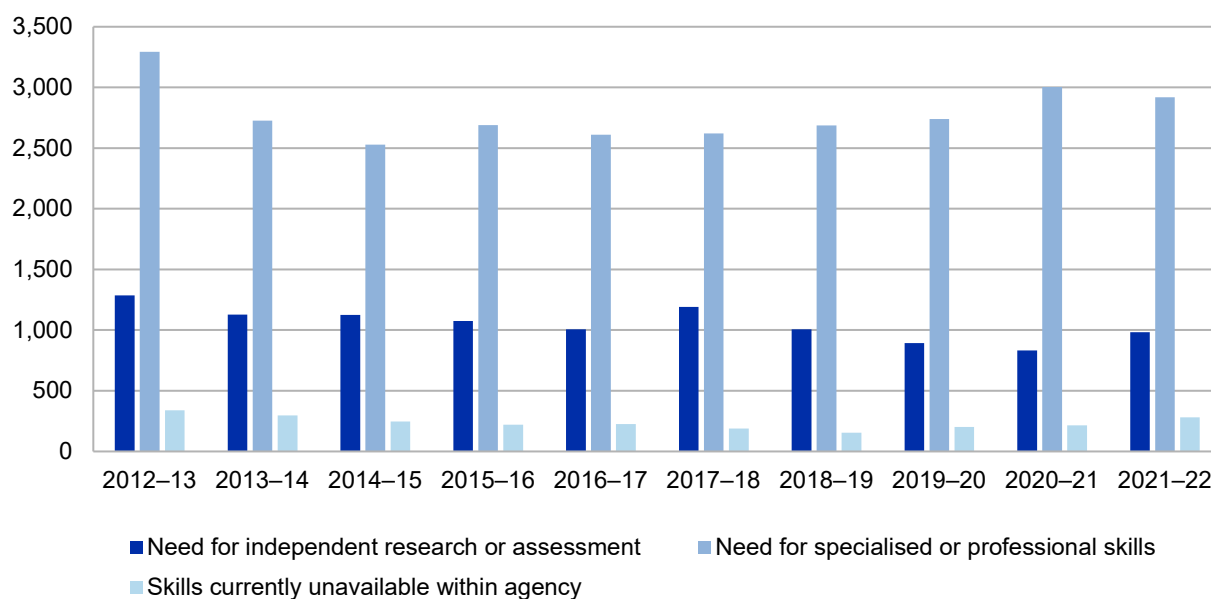
Parent category	Number of consultancy-related contracts	Value of consultancy-related contracts (\$ million)	Proportion of all contracts by the category	Proportion of total value by the category
Management and Business Professionals and Administrative Services	28,723	3,791	11%	4%
Politics and Civic Affairs Services	3,586	479.7	15%	2%
Environmental Services	1,123	301.5	18%	10%

Parent category	Number of consultancy-related contracts	Value of consultancy-related contracts (\$ million)	Proportion of all contracts by the category	Proportion of total value by the category
Engineering and Research and Technology Based Services	1,812	292.3	2%	0.5%
Financial and Insurance Services	2,273	187.5	20%	6%
Building and Construction and Maintenance Services	481	128.6	1%	0.2%
Education and Training Services	545	65.9	1%	0.5%
Farming and Fishing and Forestry and Wildlife Contracting Services	229	58.1	8%	3%
Information Technology Broadcasting and Telecommunications	229	45.3	0.3%	0.1%
Commercial and Military and Private Vehicles and their Accessories and Components	152	47.2	0.2%	0.04%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

3.45 The listed consultancy reasons in consultancy-related contracts were consistent over the last 10 years, with 'Need for specialised or professional skills' being the most cited reason for consultancy-related contracts, followed by 'Need for independent research or assessment' (Figure 3.16).

Figure 3.16: Number of consultancy-related contracts by consultancy reason cited, 2012–13 to 2021–22



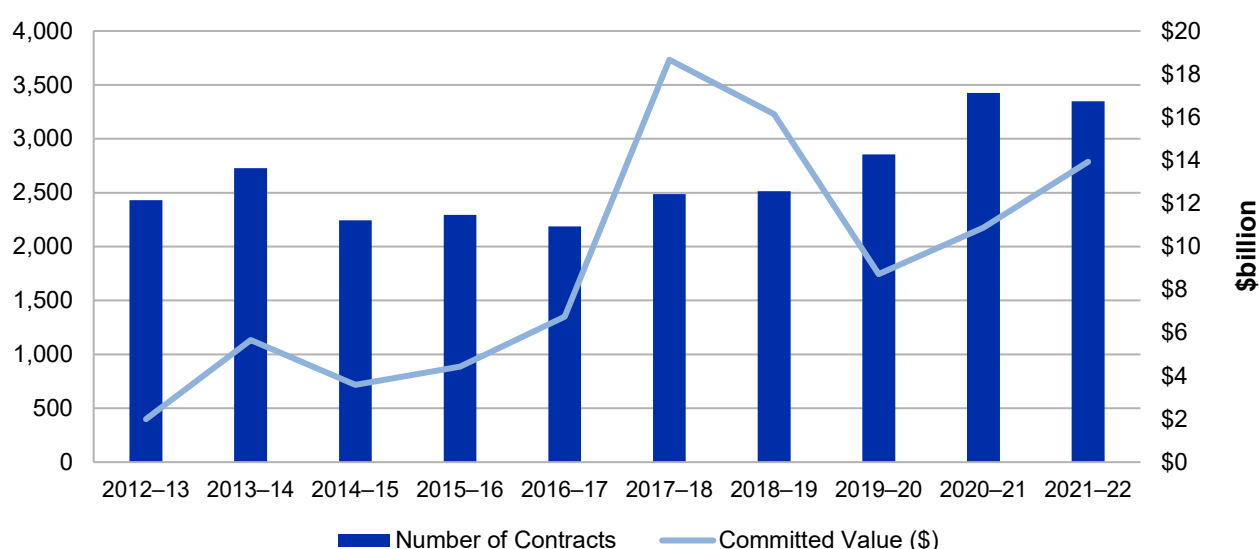
Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 that were identified as consultancy-related contracts.

Confidentiality-related procurements

3.46 Any contract or a part of a contract that contains a confidentiality clause or use of confidential information is required to be flagged in AusTender, with relevant entities able to provide a justification reason for the confidentiality. Contracts that have a confidentiality clause are referred to as confidentiality contracts and contracts that use confidential information are referred to as confidentiality outputs. Contracts can be classified as both a confidentiality contract as well as a confidentiality output.

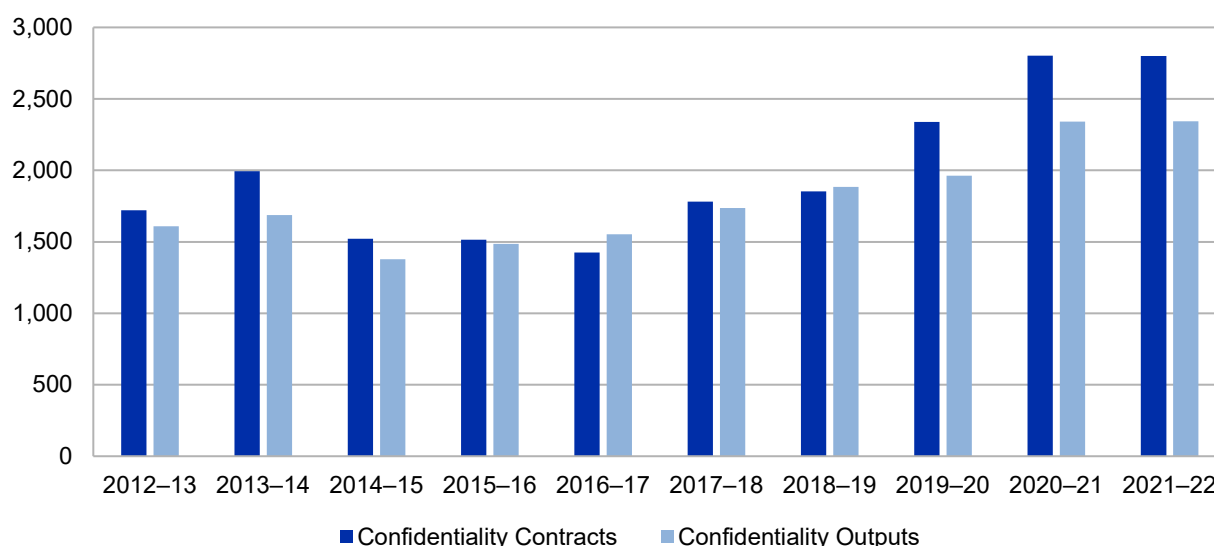
3.47 Over the last 10 years, the number of confidentiality-related contracts (contracts that were reported as either a confidentiality contract, confidentiality output or both) has increased from 2,431 in 2012–13 to 3,347 in 2021–22. The committed value of these contracts has also increased over the same period, from \$2 billion in 2012–13 to \$14 billion in 2021–22 (Figure 3.17).

Figure 3.17: Number and value of confidentiality-related contracts, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 that were identified as confidentiality-related contracts.

3.48 There were more confidential contracts than confidential outputs in eight out of the last 10 years (Figure 3.18).

Figure 3.18: Number of confidentiality contracts and confidentiality outputs, 2012–13 to 2021–22

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 that were identified as confidentiality-related contracts.

3.49 Entities can select one or more specified reasons in AusTender when reporting the justification for a confidentiality-related contract. For both confidentiality contracts and confidentiality outputs, the majority of contracts have one justification provided.

- (a) The majority of confidential contracts have the justification reported as 'Costing/profit information' (33 per cent) or 'Public Interest' (18 per cent) or 'Other' (17 per cent) (Table 3.22).
- (b) The majority of confidential output contracts have the justification reported as 'Other' (26 per cent) or 'Public Interest' (25 per cent) or 'Intellectual Property' (24 per cent) (Table 3.23).

3.50 The reason 'Other' is an option from a drop-down menu in AusTender, and there is no additional reporting of what the entity considers to be 'Other'.

Table 3.22: Top 10 confidentiality contract reasons by number of contracts, 2012–13 to 2021–22

Confidentiality contract reason	Number of confidentiality contracts	Proportion of all confidentiality contracts
Costing/profit information	6,760	33%
Public interest	3,691	18%
Other	3,471	17%
Intellectual property	2,599	13%
Privacy Act 1988	1,446	7%
Costing/profit information, Intellectual property	946	5%
Statutory secrecy provisions	618	3%

Confidentiality contract reason	Number of confidentiality contracts	Proportion of all confidentiality contracts
Costing/profit information, Other	167	1%
Costing/profit information, Privacy Act 1988	141	1%
Costing/profit information, Intellectual property, Other	101	0.5%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 that were identified as confidentiality contracts.

Table 3.23: Top 10 confidentiality output contract reasons by number of contracts, 2012–13 to 2021–22

Confidentiality output reason	Number of confidentiality outputs	Proportion of all confidentiality outputs
Other	4,886	26%
Public interest	4,697	25%
Intellectual property	4,460	24%
Privacy Act 1988	3,006	16%
Statutory secrecy provisions	803	4%
Intellectual property, Privacy Act 1988	263	1%
Intellectual property, Statutory secrecy provisions	119	1%
Artistic, literary or cultural secrets	108	1%
Intellectual property, Other	108	1%
Privacy Act 1988, Public interest	91	0.5%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 that were identified as confidentiality output contracts.

Short-term contracts

3.51 The ANAO analysed short-term contracts to identify the proportion of short-term contracts, and all contracts, that started by month of a year.³⁰ For all contracts, the most frequent month for starting a contract was in the first month of a financial year (July) with 14 per cent of all contracts reported to start in July. For short-term contracts, the most frequent month was the last month of the financial year (June) with 26 per cent of all short-term contracts reported to start in June (Figure 3.19).

³⁰ Short-term contracts are contracts between 0 and 31 days in length as calculated by the difference between the contract start date and end date.

Figure 3.19: Proportion of short-term contracts by month of start date, 2012–13 to 2021–22

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

3.52 Over the last 10 years, the proportion of the number of short-term contracts for the year that started in June was around 20 per cent, reaching the highest proportion (24 per cent) in 2020–21 and the lowest proportion (17 per cent) in 2017–18 and 2018–19 (Table 3.24).

Table 3.24: Proportion of the number of short-term contracts reported to start in June compared to the rest of the year, 2012–13 to 2021–22

Financial year when the short-term contract started	Proportion of the number of short-term contracts started in June	Proportion of the number of short-term contracts started in the rest of the year
2012–13	20%	80%
2013–14	22%	78%
2014–15	23%	77%
2015–16	22%	78%
2016–17	19%	81%
2017–18	17%	83%
2018–19	17%	83%
2019–20	18%	82%
2020–21	24%	76%
2021–22	21%	79%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 with duration between 0 and 31 days.

3.53 Over the last 10 years, the proportion of the total committed value by short-term contracts for a year that started in June is around 24 per cent, reaching the highest proportion (46 per cent) in 2012–13 and the lowest proportion (16 per cent) in 2017–18 (Table 3.25).

Table 3.25: Proportion of the value of short-term contracts reported to start in June compared to the rest of the year, 2012–13 to 2021–22

Financial year when the short-term contract started	Proportion of the total value committed by short-term contracts started in June	Proportion of the total value committed by short-term contracts started in the rest of the year
2012–13	46%	54%
2013–14	29%	71%
2014–15	20%	80%
2015–16	26%	74%
2016–17	28%	72%
2017–18	16%	84%
2018–19	19%	81%
2019–20	19%	81%
2020–21	19%	81%
2021–22	22%	78%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 with duration between 0 and 31 days.

3.54 The Department of Defence is the entity that committed the most value through short-term contracts that were reported to start in June, with \$1.5 billion across 8,523 contracts over the 10 years (Table 3.26).

Table 3.26: Top 10 entities by value of short-term contracts reported to start in June, 2012–13 to 2021–22

Entity name	Number of short-term contracts reported to start in June	Value of short-term contracts reported to start in June (\$ million)
Department of Defence	8,523	1,510.7
Services Australia	831	203.3
Department of Health and Aged Care	823	146.4
Department of Finance	204	91.7
Australian Taxation Office	649	84.5
Department of Home Affairs	673	83.1
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	569	74.9
Department of Foreign Affairs and Trade	274	64.0
Bureau of Meteorology	418	49.5
Department of Agriculture, Fisheries and Forestry	671	44.5

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 with contract duration between 0 and 31 days and a start date in June.

4. Suppliers of procurements

4.1 In the Commonwealth Procurement Rules (CPRs), a supplier is defined as an entity or a person who has entered into a contract with the Commonwealth.³¹ This chapter describes the suppliers reported on AusTender, including procurement categories, supplier locations, consultancy-related suppliers, and confidentiality-related suppliers.

4.2 The ANAO observed that supplier names self-reported in AusTender by relevant entities could be varied, with the same supplier present in AusTender data under multiple names (refer to Appendix 1). As such, it is unreliable to use supplier name as the only identifier for suppliers of procurements. The ANAO used the reported Australian Business Number (ABN), where available, as the main identifier for suppliers where relevant for the analysis as it is a unique 11-digit number for businesses and organisations that operate in Australia. Some suppliers are structured to have multiple ABNs. Suppliers can be reported as being exempt from having an ABN.³² The ANAO used the entity name as recorded on the Australian Business Register (ABR) associated with the ABNs when reporting on specific suppliers identified using their ABN.³³ The Department of Finance (Finance) advised that it is planning to release supplier insight reporting for entities using the Australian Business Register data.

Suppliers by procurement category

4.3 The following table shows the top five suppliers by value for the five largest procurement categories. Refer to Table 3.16 for the top 10 procurement categories by value (Table 4.1).

Table 4.1: Top five procurement categories by value and largest suppliers, 2012–13 to 2021–22

Procurement categories	Top five suppliers by contract value	Value of contracts (\$ billion)	Proportion of total value by procurement category
Commercial and Military and Private Vehicles and their Accessories and Components	Fms Account ^a	12.8	10%
	Dmojsf Official Australian Account ^a	12.7	10%
	Fms Account Reserve Bank Of Australia ^a	12.3	10%
	ASC PTY LTD	6.0	5%
	BOEING DEFENCE AUSTRALIA LTD	5.9	5%
	DEFENCE HOUSING AUSTRALIA	4.9	5%

31 Appendix B of the CPRs.

32 Suppliers are exempt from ABN where they are not carrying on or starting an enterprise in Australia, not making supplies connected with Australia's indirect tax zone, not a body registered as a company under the *Corporations Act 2001* or have an annual turnover below a specified threshold. There were 40,686 contracts that reported their associated supplier as being exempt from an ABN.

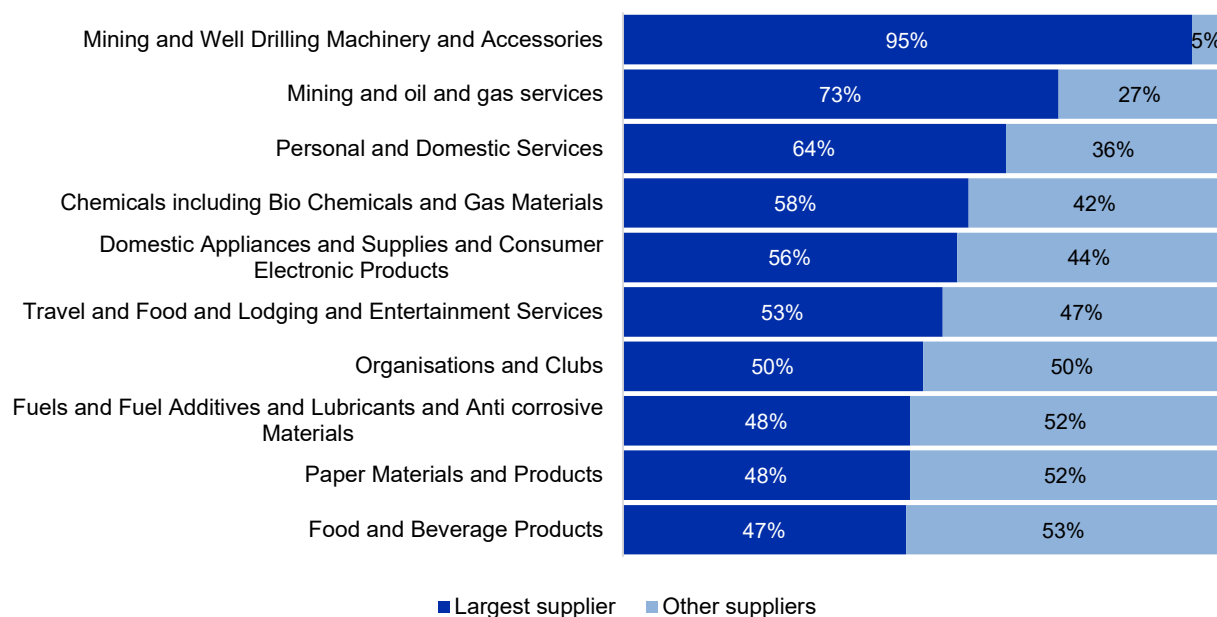
33 The entity name is the name that appears on all official documents or legal papers and changes depending on the entity type, and in most cases is capitalised in the records on the ABR.

Procurement categories	Top five suppliers by contract value	Value of contracts (\$ billion)	Proportion of total value by procurement category
Management and Business Professionals and Administrative Services	SERCO AUSTRALIA PTY LIMITED	4.3	4%
	VENTIA AUSTRALIA PTY LTD	2.8	3%
	CANBERRA AIRPORT PTY LIMITED	2.4	2%
	JONES LANG LASALLE (ACT) PTY LIMITED	2.3	2%
Engineering and Research and Technology Based Services	SAS INSTITUTE AUSTRALIA PTY. LIMITED	4.4	8%
	ASC SHIPBUILDING PTY LIMITED	3.0	5%
	IBM AUSTRALIA LTD	2.6	4%
	TELSTRA CORPORATION LIMITED	2.1	4%
	BOEING DEFENCE AUSTRALIA LTD	1.7	3%
Building and Construction and Maintenance Services	LENDLEASE CONSTRUCTION PTY LIMITED	6.6	12%
	VENTIA AUSTRALIA PTY LTD	5.9	11%
	SPOTLESS FACILITY SERVICES PTY LTD	4.1	8%
	Laing O'Rourke Australia Construction Pty Ltd	3.4	6%
	LENDLEASE CONSTRUCTION (SOUTHERN) PTY LIMITED	3.1	6%
Information Technology Broadcasting and Telecommunications	TELSTRA CORPORATION LIMITED	8.1	18%
	DATA#3 LIMITED.	2.4	5%
	IBM AUSTRALIA LTD	1.7	4%
	BOEING DEFENCE AUSTRALIA LTD	1.4	3%
	OPTUS NETWORKS PTY LIMITED	1.3	3%

Note a: ABN exempt supplier names are as recorded in AusTender.

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

4.4 From 2012–13 to 2021–22, there were ten procurement categories where one supplier was awarded more than 40 per cent of the total contract value for that procurement category (Figure 4.1).

Figure 4.1: Procurement categories with the most concentrated supplier market, 2012–13 to 2021–22

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

4.5 Table 4.2 shows the procurement categories and their top associated supplier by total contract value from 2012–13 to 2021–22. The total number of suppliers with at least one contract reported on AusTender for these procurement categories are also included (Table 4.2).

Table 4.2: Top ten parent procurement categories by proportion of contracts that have been committed to a single supplier, 2012–13 to 2021–22

Parent category	Top supplier name	Proportion of all contracts by procurement category held by the top supplier	Total value of contracts by procurement category (\$ million)	Number of suppliers awarded at least one contract in the last 10 years
Mining and Well Drilling Machinery and Accessories	UPSTREAM PRODUCTION SOLUTIONS PTY LTD	95%	236.0	56
Mining and oil and gas services	Petrofac Facilities Management Limited ^a	73%	490.9	122
Personal and Domestic Services	ABT ASSOCIATES PTY LTD	64%	4.2	17

Parent category	Top supplier name	Proportion of all contracts by procurement category held by the top supplier	Total value of contracts by procurement category (\$ million)	Number of suppliers awarded at least one contract in the last 10 years
Chemicals including Bio Chemicals and Gas Materials	THALES AUSTRALIA LIMITED	58%	2,330.3	184
Domestic Appliances and Supplies and Consumer Electronic Products	Supreme Foodservice Fze ^a	56%	210.0	519
Travel and Food and Lodging and Entertainment Services	Air Travel Panel Providers ^b	53%	5,165.6	2,315
Organisations and Clubs	DT GLOBAL ASIA PACIFIC PTY LTD	50%	269.6	540
Fuels and Fuel Additives and Lubricants and Anti corrosive Materials	AMPOL AUSTRALIA PETROLEUM PTY LTD	48%	6,151.8	383
Paper Materials and Products	WINC AUSTRALIA PTY LIMITED	48%	473.9	325
Food and Beverage Products	Prepack Ltd ^a	47%	750.3	373

Note a: ABN exempt supplier names are as provided in AusTender.

Note b: Supplier name as provided in AusTender represents all suppliers for the Whole of Australian Government Air Travel Panel.

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

Suppliers by location

4.6 Procurements can be made with suppliers outside Australia for goods and services.³⁴ Entities are required to report the country where the supplier is located on AusTender. The ANAO considered foreign suppliers to be suppliers where the relevant entities have listed the country of location as a country other than Australia, and domestic suppliers to be suppliers where the country

³⁴ There is no explicit guidance in the CPRs regarding procurement with suppliers outside of Australia.

is listed as Australia. For the following analysis suppliers are counted by ABN where there is one reported, otherwise they are identified by the reported Supplier Name.

4.7 Domestic suppliers located in New South Wales had the largest number of contracts and committed value, with 271,144 contracts and approximately \$150 billion over the last 10 years (Table 4.3).

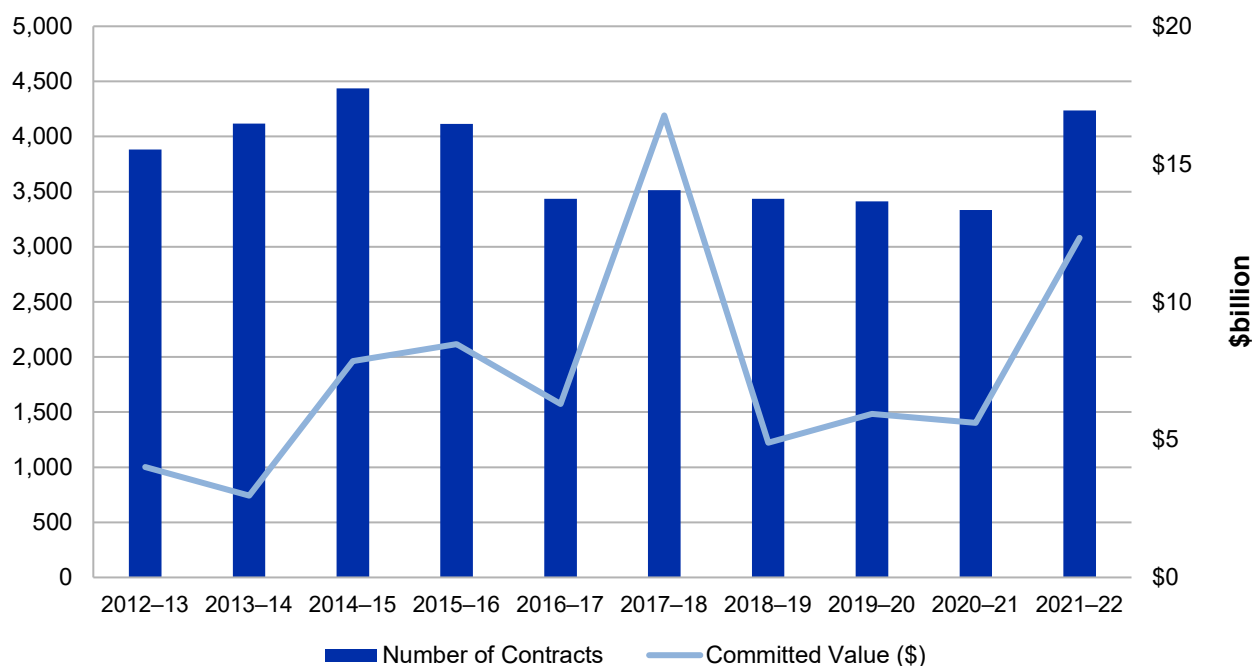
Table 4.3: Number and value of contracts for suppliers reported to be located in Australian states and territories, 2012–13 to 2021–22

Supplier state or territory	Number of contracts	Value of contracts (\$ billion)
New South Wales	271,144	149.9
Victoria	149,500	112.0
Australian Capital Territory	213,444	95.1
Queensland	74,335	56.2
South Australia	36,027	48.9
Western Australia	28,515	22.5
Northern Territory	7,532	3.6
Tasmania	5,769	1.3

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 where Supplier State is not outside Australia.

4.8 Over the last 10 years, the number of contracts with foreign suppliers have remained relatively consistent. The contract value with foreign suppliers is varied between years, with a peak observed in 2017–18 and an increase from 2020–21 to 2021–22 (Figure 4.2).

Figure 4.2: Number and value of contracts associated with foreign suppliers, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 where Supplier Country is not Australia.

4.9 The number of foreign suppliers has increased from 1,795 in 2012–13 to 2,360 in 2021–22. The number of domestic suppliers has increased from 12,647 in 2012–13 to 13,035 in 2021–22 (Table 4.4).

Table 4.4: Number of foreign and domestic suppliers, 2012–13 to 2021–22

Financial year	Number of foreign suppliers	Number of domestic suppliers
2012–13	1,795	12,647
2013–14	1,756	12,145
2014–15	1,655	11,441
2015–16	1,810	11,870
2016–17	1,675	11,259
2017–18	1,808	11,285
2018–19	1,823	11,718
2019–20	1,843	11,901
2020–21	1,811	12,006
2021–22	2,360	13,035

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

4.10 Outside of Australia, suppliers located in the United States (US) received the most contracts, followed by suppliers in the United Kingdom (Table 4.5).

Table 4.5: Top 10 countries of foreign suppliers by number of contracts, 2012–13 to 2021–22

Supplier country	Number of contracts	Value of contracts (\$ millions)
United States	15,975	5,921.7
United Kingdom	5,341	2,222.7
Canada	1,625	1,019.6
New Zealand	1,609	698.9
Singapore	1,139	856.2
Germany	1,070	944.8
Switzerland	714	333.6
France	704	2,685.3
United Arab Emirates	638	359.7
Malaysia	584	79.0

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 where Supplier Country is not Australia.

4.11 Suppliers in the US also received the most committed value, followed by suppliers in France (Table 4.6).

Table 4.6: Top 10 countries of foreign suppliers by value of contracts, 2012–13 to 2021–22

Supplier country	Number of contracts	Value of contracts (\$ millions)
United States	15,975	5,921.7
France	704	2,685.3
United Kingdom	5,341	2,222.7
Spain	213	2,089.0
Israel	540	1,030.4
Canada	1,625	1,019.6
Germany	1,070	944.8
Singapore	1,139	856.2
New Zealand	1,609	698.9
Papua New Guinea	473	616.8

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 where Supplier Country is not Australia.

Consultancy suppliers

4.12 Over the last 10 years, there were 6,328 individual suppliers (including ABN exempt suppliers) that provide consultancy-related services. These suppliers comprise approximately 12 per cent of all suppliers over the same period.

4.13 The Australian Government Solicitor had the largest number of consultancy-related contracts with 2,067 contracts, which comprise 16 per cent of all its associated contracts. Among the top 10 suppliers by number of consultancy-related contracts, PricewaterhouseCoopers Consulting (Australia) Pty Limited had the largest proportion of its contracts that were consultancy-related with 39 per cent, and the Australian Government Solicitor had the smallest proportion. PricewaterhouseCoopers appears twice in the top 10 suppliers by number of consultancy-related contracts; the ABN 52780433757 has the trading name 'PricewaterhouseCoopers Legal', and the ABN 20607773295 has the name 'PricewaterhouseCoopers Consulting (Australia) Pty Limited' (Table 4.7).

Table 4.7: Top 10 suppliers by number of consultancy-related contracts, 2012–13 to 2021–22

Supplier ABN	Supplier name	Number of consultancy-related contracts	Value of consultancy-related contracts (\$ million)	Proportion of all contracts for the supplier	Proportion of total value for the supplier
69405937639	AUSTRALIAN GOVERNMENT SOLICITOR ^a	2,067	71.5	16%	5%
51194660183	KPMG	1,360	329.4	25%	15%
75288172749	ERNST & YOUNG	1,017	320.2	37%	26%

Supplier ABN	Supplier name	Number of consultancy-related contracts	Value of consultancy-related contracts (\$ million)	Proportion of all contracts for the supplier	Proportion of total value for the supplier
74490121060	DELOITTE TOUCHE TOHMATSU	860	190.5	29%	14%
52780433757	PRICEWATERHOUSE COOPERS	786	221.2	38%	32%
35740217343	CLAYTON UTZ	719	48.0	19%	10%
75304286095	ASHURST AUSTRALIA	486	25.7	17%	8%
65119369827	SYNERGY GROUP AUSTRALIA PTY LTD	425	46.1	19%	8%
20607773295	PRICEWATERHOUSE COOPERS CONSULTING (AUSTRALIA) PTY LIMITED	419	202.5	39%	27%
63478951337	MADDOCKS	391	13.8	20%	8%

Note a: The Australian Government Solicitor operates as a group within the Attorney-General's Department.

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 that were identified as consultancy-related contracts.

4.14 KPMG had the largest committed value from its consultancy-related contracts with \$329.4 million, which comprise 15 per cent of the total committed value of all its associated contracts. Among the top 10 suppliers by value of consultancy-related contracts, the Boston Consulting Group Pty Ltd had the largest proportion of its total committed value that was consultancy-related with 52 per cent, and GHD Pty Ltd had the smallest proportion with 11 per cent (Table 4.8).

Table 4.8: Top 10 suppliers by value of consultancy-related contracts, 2012–13 to 2021–22

Supplier ABN	Supplier name	Number of consultancy-related contracts	Value of consultancy-related contracts (\$ million)	Proportion of all contracts for the supplier	Proportion of total value for the supplier
51194660183	KPMG	1,360	329.4	25%	15%
75288172749	ERNST & YOUNG	1,017	320.2	37%	26%
52780433757	PRICEWATERHOUSE COOPERS	786	221.2	38%	32%
20607773295	PRICEWATERHOUSE COOPERS CONSULTING (AUSTRALIA) PTY LIMITED	419	202.5	39%	27%

Supplier ABN	Supplier name	Number of consultancy-related contracts	Value of consultancy-related contracts (\$ million)	Proportion of all contracts for the supplier	Proportion of total value for the supplier
74490121060	DELOITTE TOUCHE TOHMATSU	860	190.5	29%	14%
20093846925	AECOM AUSTRALIA PTY LTD	254	137.6	25%	27%
70007347131	THE BOSTON CONSULTING GROUP PTY LTD	106	106.6	43%	52%
41687119230	COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION ^a	360	104.5	23%	15%
66055131443	MCKINSEY PACIFIC RIM INC	56	89.7	40%	47%
39008488373	GHD PTY LTD	241	72.2	12%	11%

Note a: CSIRO is a Corporate Commonwealth Entity.

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 that were identified as consultancy-related contracts.

4.15 Of the 15 suppliers that comprise the top 10 suppliers by number or value of consultancy-related contracts, 13 suppliers experienced an increase in the total committed value between 2012–13 and 2021–22.³⁵ The supplier that experienced the largest increase in consultancy-related contract value was McKinsey Pacific Rim Inc., with \$294,000 committed in 2015–16 to \$12 million committed in 2021–22.

Confidentiality-related suppliers

4.16 The Australian Government Solicitor had the largest number of confidentiality-related contracts to with 1,585 contracts, which comprise 13 per cent of all contracts associated with it. Among the top 10 suppliers by number of confidentiality-related contracts, Barristers' Clerking Services Unit Trust had the largest proportion of all its contracts being confidentiality-related with 74 per cent, and Hays Specialist Recruitment (Australia) Pty Limited had the smallest proportion with one per cent (Table 4.9).

³⁵ The two suppliers that experienced a decrease were the Australian Government Solicitor and Ashurst Australia.

Table 4.9: Top 10 suppliers by number of confidentiality-related contracts, 2012–13 to 2021–22

Supplier ABN	Supplier name	Number of confidentiality-related contracts	Value of confidentiality-related contracts (\$ million)	Proportion of all contracts for the supplier	Proportion of total value for the supplier
69405937639	AUSTRALIAN GOVERNMENT SOLICITOR ^a	1,585	136.1	13%	10%
68003035470	AIRBUS AUSTRALIA PACIFIC LIMITED	930	1,630.1	31%	25%
35740217343	CLAYTON UTZ	551	93.6	14%	19%
75304286095	ASHURST AUSTRALIA	538	47.6	19%	15%
78848387938	RM HASSALL & AS WHITE & OTHERS	433	54.7	20%	18%
47001407281	HAYS SPECIALIST RECRUITMENT (AUSTRALIA) PTY LIMITED	392	37.0	1%	1%
25832335126	BARRISTERS' CLERKING SERVICES UNIT TRUST	355	18.1	74%	82%
22041424954	V AHUJA & Others	324	35.0	26%	15%
51194660183	KPMG	281	128.4	5%	6%
63478951337	MADDOCKS	271	20.5	14%	12%

Note a: The Australian Government Solicitor operates as a group within the Attorney-General's Department.

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 that were identified as confidentiality-related contracts.

4.17 The supplier named Dmojsf Official Australian Account has the largest amount of committed value reported as confidentiality-related contracts, with \$12.7 billion. Rheinmetall Defence Australia Pty Ltd and Boeing Defence Australia Ltd have the second-largest value. One hundred per cent of the total committed value for all contracts associated with Dmojsf Official Australian Account were confidentiality-related contracts. Among the top 10 suppliers by value of confidentiality-related contracts, Ventia Australia Pty Ltd had the smallest proportion of total value committed to confidentiality-related contracts with 28 per cent (Table 4.10).

Table 4.10: Top 10 suppliers by value of confidentiality-related contracts, 2012–13 to 2021–22

Supplier ABN	Supplier name	Number of confidentiality-related contracts	Value of confidentiality-related contracts (\$ billion)	Proportion of all contracts for the supplier	Proportion of total value for the supplier
–	Dmojsf Official Australian Account	27	12.7	42%	100%
62137668092	RHEINMETALL DEFENCE AUSTRALIA PTY LTD	48	4.5	47%	99%
64006678119	BOEING DEFENCE AUSTRALIA LTD	200	4.5	9%	44%
33051775556	TELSTRA CORPORATION LIMITED	162	4.3	3%	34%
29008423005	BAE SYSTEMS AUSTRALIA LIMITED	225	4.1	5%	42%
44003677352	SERCO AUSTRALIA PTY LIMITED	29	4.1	18%	86%
87114035595	RHEINMETALL MAN MILITARY VEHICLES AUSTRALIA PTY LIMITED	98	3.1	10%	94%
15051899864	ASC SHIPBUILDING PTY LIMITED ^a	17	3.0	100%	100%
11093114553	VENTIA AUSTRALIA PTY LTD	17	2.8	1%	28%
66120398067	SEQIRUS (AUSTRALIA) PTY LTD	74	2.6	93%	99%

Note a: ASC Shipbuilding Pty Limited is a Government Business Enterprise and a proprietary company limited by shares.

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 that were identified as confidentiality-related contracts.

5. Use of competitive procurement processes

5.1 The categories of procurement methods set out in the Commonwealth Procurement Rules (CPRs) have varied over time. For the majority of the 10-year period examined by the ANAO, the methods as defined by the CPRs were:

- (a) 'open tender', defined as involving publishing an open approach to market and inviting submissions; this includes multi-stage procurements, provided the first stage is an open approach to market³⁶;
- (b) 'prequalified tender', which involves publishing an approach to market inviting submissions from all potential suppliers on a³⁷:
 - shortlist of potential suppliers that responded to an initial open approach to market on AusTender;
 - list of potential suppliers selected from a multi-use list established through an open approach to market; or
 - list of all potential suppliers that have been granted a specific licence or comply with a legal requirement, where the licence or compliance with the legal requirement is essential to the conduct of the procurement; and
- (c) 'limited tender', where one or more potential suppliers are approached to make a submission; this includes the category previously referred to as 'direct source procurement'.

5.2 These procurement methods apply to both contracts as well as standing offers. Contracts that are procured through a standing offer will have the procurement method of the standing offer. For example, an entity that procures from the supplier(s) on a standing offer that was set up using an open tender procurement method would be reported as an open tender contract.

5.3 This chapter describes the procurement methods for contracts reported on AusTender, including trends in procurement methods, market approaches for procurements, use of limited tenders and non-competitive procurement processes.

Procurement methods

5.4 Over the last 10 years, limited tender and open tender contracts form the majority of procurement methods used, in terms of both the number of contracts (95 per cent) and the committed value (91 per cent). Limited tender contracts were used most frequently (50 per cent of contracts) and had the largest proportion of committed value (46 per cent) of the three procurement methods (Table 5.1).

36 Appendix B of the CPRs.

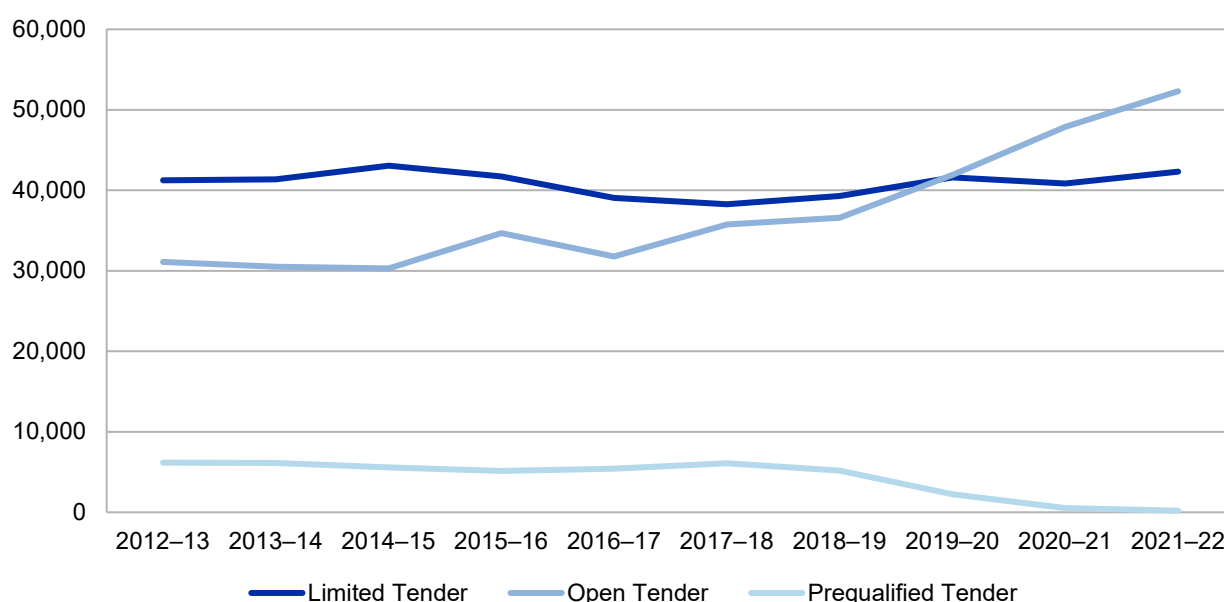
37 Appendix C of the CPRs March 2017: prequalified tender as a procurement method was no longer reported on as of 1 January 2019.

Table 5.1: Number and value of contracts by procurement methods, 2012–13 to 2021–22

Procurement method	Number of contracts	Value of contracts (\$ billion)	Proportion of all contracts	Proportion of total value
Limited Tender	408,710	259.6	50%	46%
Open Tender	372,784	256.0	45%	45%
Prequalified Tender	42,684	49.0	5%	9%
Total	824,178	564.5	100%	100%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

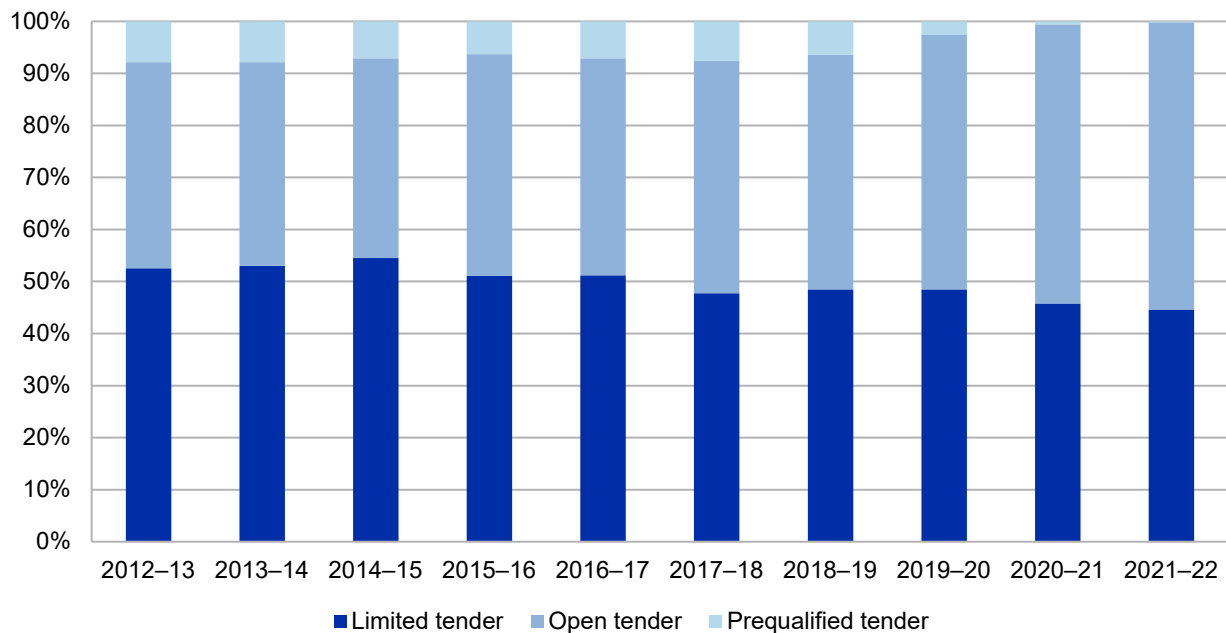
5.5 The number of contracts procured through limited tender has remained relatively consistent between 2012–13 and 2021–22, while the number of contracts procured through open tender has increased over the same period. The prequalified tender procurement method was discontinued as a reported procurement method from 1 January 2019, resulting in the number of contracts procured using that method decreasing since 2019–20. The increase in open tender contracts occur around the same time as the discontinuation of prequalified tender as a reported procurement method (Figure 5.1).³⁸

Figure 5.1: Number of contracts by procurement method, 2012–13 to 2021–22

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

³⁸ These reported contracts are amendments of parent contracts procured using prequalified tender.

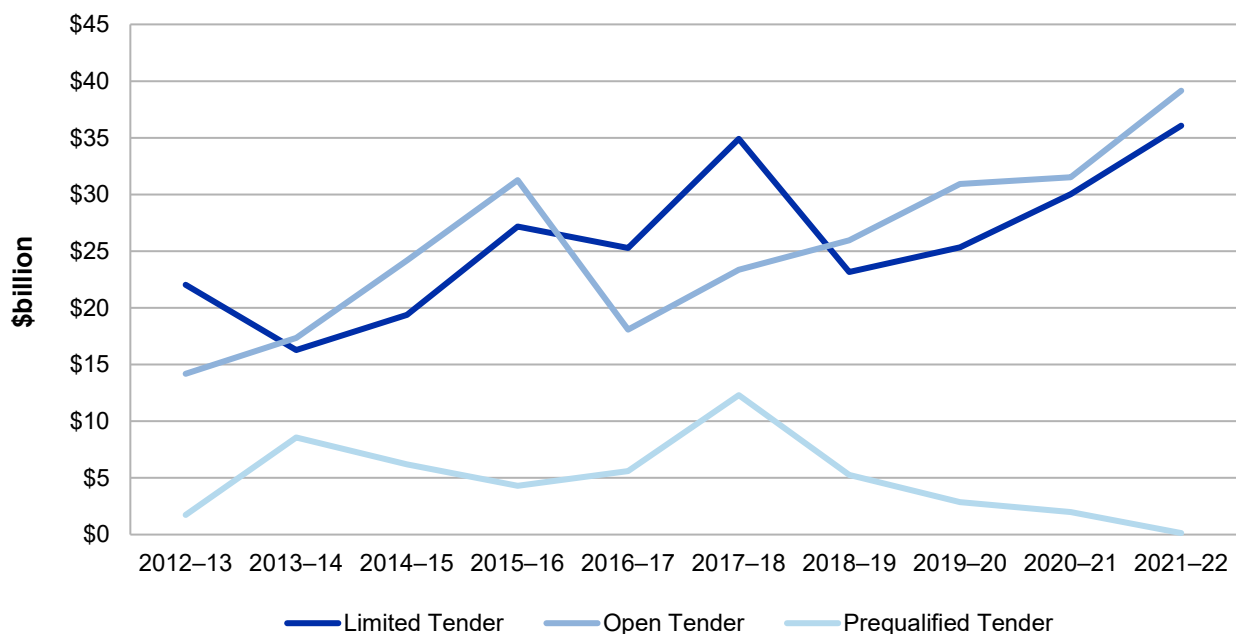
Figure 5.2: Proportion of the number of contracts by procurement method, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

5.6 Over the last 10 years both open tender and limited tender contracts have more committed value than prequalified tender contracts. Since 2018–19 the contract value committed through open tender contracts has been more than limited tender contracts. There has been a decrease from 2018–19 for contract value committed through prequalified tender procurements. The increase in committed value for open tender contracts occurs around the same time as the discontinuation of prequalified tender as noted in the paragraph 5.5 (Figure 5.3).

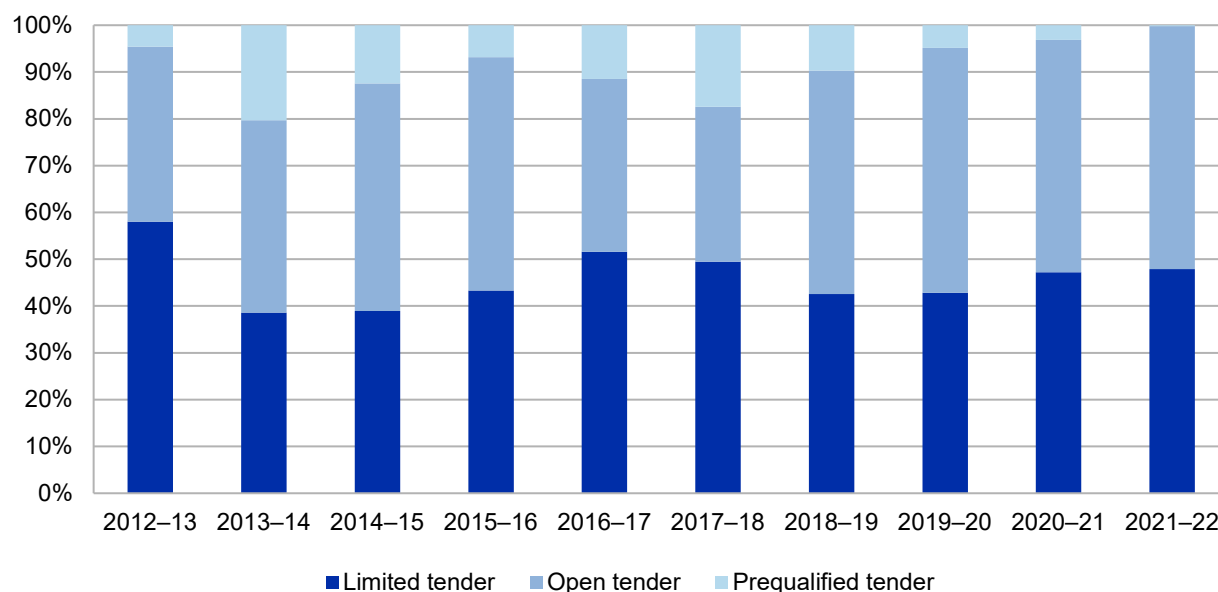
Figure 5.3: Value of contracts by procurement methods, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

5.7 For seven out of the past 10 years open tender contracts had the larger proportion of contract value than limited tender contracts (Figure 5.4).

Figure 5.4: Proportion of the value of contracts by procurement methods, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

5.8 The Department of Defence has the largest number of open tender contracts with 91,107, followed by Services Australia. Among the top 10 entities by number of open tender contracts, the Department of Social Services had the largest proportion of contracts committed via open tender procurement process with 75 per cent, and the Department of Defence had the lowest proportion with 29 per cent (Table 5.2).

Table 5.2: Top 10 entities by number of open tender contracts, 2012–13 to 2021–22

Entity name	Number of contracts	Value of contracts (\$ billion)	Proportion of all contracts for the entity	Proportion of total value for the entity
Department of Defence	91,107	113.7	29%	35%
Services Australia	25,953	15.9	70%	77%
Department of Home Affairs	19,424	19.8	68%	60%
Department of Health and Aged Care	16,462	8.3	60%	45%
Department of Agriculture, Fisheries and Forestry	13,765	4.9	57%	64%
Australian Taxation Office	13,399	11.3	57%	72%
Department of Veterans' Affairs	13,128	2.1	73%	66%
Department of Social Services	10,765	7.4	75%	90%

Entity name	Number of contracts	Value of contracts (\$ billion)	Proportion of all contracts for the entity	Proportion of total value for the entity
Department of Industry, Science and Resources	10,757	3.2	48%	66%
Department of Foreign Affairs and Trade	9,210	4.0	66%	64%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 and where Procurement Method is 'Open tender'.

5.9 The Department of Defence has the largest committed value of open tender contracts with \$113.7 billion. Among the top 10 entities by value of open tender contracts, the Department of Foreign Affairs and Trade – Australian Aid Program had the largest proportion of committed value via open tender procurements with 95 per cent, and the Department of Defence had the smallest proportion with 35 per cent. Eight of the top 10 entities by value of open tender contracts have committed at least 60 per cent of their total value through open tender procurements (Table 5.3).

Table 5.3: Top 10 entities by value of open tender contracts, 2012–13 to 2021–22

Entity name	Number of contracts	Value of contracts (\$ billion)	Proportion of all contracts for the entity	Proportion of total value for the entity
Department of Defence	91,107	113.7	29%	35%
Department of Home Affairs	19,424	19.8	68%	60%
Services Australia	25,953	15.9	70%	77%
Australian Taxation Office	13,399	11.3	57%	72%
Department of Employment and Workplace Relations	3,673	10.2	84%	94%
Department of Foreign Affairs and Trade - Australian Aid Program	5,428	10.1	61%	95%
Department of Health and Aged Care	16,462	8.3	60%	45%
Department of Social Services	10,765	7.4	75%	90%
Department of Education	8,440	5.0	71%	84%
Department of Agriculture, Fisheries and Forestry	13,765	4.9	57%	64%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 and where Procurement Method is 'Open Tender'.

5.10 The Department of Defence has the largest number of limited tender contracts with 203,102, followed by the Department of Industry, Science and Resources. Among the top 10 entities by number of limited tender contracts, the Department of Defence had the largest proportion of contracts committed via limited tender procurement process with 65 per cent, and the Services Australia had the smallest proportion with 27 per cent (Table 5.4).

Table 5.4: Top 10 entities by number of limited tender contracts, 2012–13 to 2021–22

Entity name	Number of contracts	Value of contracts (\$ billion)	Proportion of all contracts for the entity	Proportion of total value for the entity
Department of Defence	203,102	167.5	65%	52%
Department of Industry, Science and Resources	10,475	1.6	47%	32%
Services Australia	9,990	4.7	27%	23%
Australian Taxation Office	9,641	4.0	41%	26%
Department of Agriculture, Fisheries and Forestry	9,627	1.9	40%	25%
Department of Health and Aged Care	8,755	9.4	32%	51%
Australian Federal Police	8,753	1.5	53%	35%
Department of Home Affairs	8,069	12.0	28%	36%
Australian Securities and Investments Commission	6,702	0.5	56%	36%
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	5,359	2.6	42%	58%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 and where Procurement Method is 'Limited tender'.

5.11 The Department of Defence has the largest committed value of limited tender contracts with \$167.5 billion, followed by the National Blood Authority. Of the top 10 entities by value of limited tender contracts, the Telecommunications Universal Service Management Agency had the largest proportion of committed value from limited tender contracts with 99 per cent, indicating that almost all of the committed value for that entity was done so through limited tender procurements (Table 5.5).

Table 5.5: Top 10 entities by value of limited tender contracts, 2012–13 to 2021–22

Entity name	Number of contracts	Value of contracts (\$ billion)	Proportion of all contracts for the entity	Proportion of total value for the entity
Department of Defence	203,102	167.5	65%	52%
National Blood Authority	398	15.4	35%	91%
Department of Home Affairs	8,069	12.0	28%	36%
Department of Health and Aged Care	8,755	9.4	32%	51%
Telecommunications Universal Service Management Agency ^a	48	6.4	57%	99%

Entity name	Number of contracts	Value of contracts (\$ billion)	Proportion of all contracts for the entity	Proportion of total value for the entity
Services Australia	9,990	4.7	27%	23%
Department of Employment, Skills, Small and Family Business	3,054	4.6	45%	80%
Australian Taxation Office	9,641	4.0	41%	26%
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	5,359	2.6	42%	58%
Department of Finance	4,984	2.3	33%	39%

Note a: This agency was abolished in 2015 and its functions were transferred to the Department of Communication and Arts.

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 and where Procurement Method is 'Limited tender'.

5.12 The parent procurement category 'Management and Business Professionals and Administrative Services' has the largest number of open tender contracts with 162,176, followed by Engineering and Research and Technology Based Services'. For the top 10 parent procurement categories by number of open tender contracts, 'Healthcare services' had the largest proportion of its contracts committed through open tender with 64 per cent, and 'Transportation and Storage and Mail Services' had the smallest proportion with 30 per cent (Table 5.6).

Table 5.6: Top 10 parent procurement categories by number of open tender contracts, 2012–13 to 2021–22

Parent category	Number of contracts	Value of contracts (\$ billion)	Proportion of all contracts for the category	Proportion of total value for the category
Management and Business Professionals and Administrative Services	162,176	63.3	60%	59%
Engineering and Research and Technology Based Services	64,408	30.2	62%	53%
Information Technology Broadcasting and Telecommunications	32,609	23.7	48%	54%
Building and Construction and Maintenance Services	18,347	36.1	51%	67%
Education and Training Services	12,636	10.9	32%	78%
Politics and Civic Affairs Services	7,846	18.6	33%	78%

Parent category	Number of contracts	Value of contracts (\$ billion)	Proportion of all contracts for the category	Proportion of total value for the category
Financial and Insurance Services	7,293	1.7	63%	49%
Transportation and Storage and Mail Services	6,511	5.2	30%	33%
Editorial and Design and Graphic and Fine Art Services	6,456	3.0	49%	76%
Healthcare Services	6,375	11.1	64%	37%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 and where Procurement Method is 'Open tender'.

5.13 The parent procurement category 'Management and Business Professionals and Administrative Services' has the largest committed value of open tender contracts with \$63.3 billion, followed by Building and Construction and Maintenance Services'. For the top 10 entities by value of open tender contracts, the parent category 'Fuels and Fuel Additives and Lubricants and Anti corrosive Materials' had the largest proportion of its total value committed through open tender with 90 per cent, and 'Commercial and Military and Private Vehicles and their Accessories and Components' had the smallest proportion with 11 per cent (Table 5.7).

Table 5.7: Top 10 parent procurement categories by value of open tender contracts, 2012–13 to 2021–22

Parent category	Number of contracts	Value of contracts (\$ billion)	Proportion of all contracts for the category	Proportion of total value for the category
Management and Business Professionals and Administrative Services	162,176	63.3	60%	59%
Building and Construction and Maintenance Services	18,347	36.1	51%	67%
Engineering and Research and Technology Based Services	64,408	30.2	62%	53%
Information Technology Broadcasting and Telecommunications	32,609	23.7	48%	54%
Politics and Civic Affairs Services	7,846	18.6	33%	78%
Commercial and Military and Private Vehicles and their Accessories and Components	4,928	13.1	7%	11%
Healthcare Services	6,375	11.1	64%	37%

Parent category	Number of contracts	Value of contracts (\$ billion)	Proportion of all contracts for the category	Proportion of total value for the category
Education and Training Services	12,636	10.9	32%	78%
Fuels and Fuel Additives and Lubricants and Anti corrosive Materials	3,483	5.5	57%	90%
Defence and Law Enforcement and Security and Safety Equipment and Supplies	3,485	5.5	14%	20%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 and where Procurement Method is 'Open tender'.

5.14 The parent procurement category 'Management and Business Professionals and Administrative Services' has the largest number of limited tender contracts with 83,914. Among the top 10 categories by number of limited tender contracts, 'Commercial and Military and Private Vehicles and their Accessories and Components' and 'Laboratory and Measuring and Observing and Testing Equipment' both had the largest proportion of contracts that were limited tender with 90 per cent, and 'Management and Business Professionals and Administrative Services' had the smallest proportion with 31 per cent (Table 5.8).

Table 5.8: Top 10 parent procurement categories by number of limited tender contracts, 2012–13 to 2021–22

Parent category	Number of contracts	Value of contracts (\$ billion)	Proportion of all contracts for the category	Proportion of total value for the category
Management and Business Professionals and Administrative Services	83,914	33.2	31%	31%
Commercial and Military and Private Vehicles and their Accessories and Components	61,154	87.5	90%	71%
Engineering and Research and Technology Based Services	38,401	26.0	37%	45%
Information Technology Broadcasting and Telecommunications	33,434	19.6	49%	45%
Education and Training Services	26,142	3.0	66%	21%
Defence and Law Enforcement and Security and Safety Equipment and Supplies	19,953	21.5	82%	77%

Parent category	Number of contracts	Value of contracts (\$ billion)	Proportion of all contracts for the category	Proportion of total value for the category
Politics and Civic Affairs Services	15,505	4.8	65%	20%
Transportation and Storage and Mail Services	14,434	9.3	67%	59%
Building and Construction and Maintenance Services	12,977	7.7	36%	14%
Laboratory and Measuring and Observing and Testing Equipment	8,374	0.9	90%	56%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 and where Procurement Method is 'Limited tender'.

5.15 The parent procurement category 'Commercial and Military and Private Vehicles and their Accessories and Components' has the largest value of limited tender contracts with \$87.5 billion, followed by 'Management and Business Professionals and Administrative Services'. Among the top 10 by value of limited tender contracts, the parent category 'Defence and Law Enforcement and Security and Safety Equipment and Supplies' had the largest proportion of total value committed through limited tender contracts with 77 per cent, and 'Building and Construction and Maintenance Services' had the smallest proportion with 14 per cent (Table 5.9).

Table 5.9: Top 10 parent procurement categories by value of limited tender contracts, 2012–13 to 2021–22

Parent category	Number of contracts	Value of contracts (\$ billion)	Proportion of all contracts for the category	Proportion of total value for the category
Commercial and Military and Private Vehicles and their Accessories and Components	61,154	87.5	90%	71%
Management and Business Professionals and Administrative Services	83,914	33.2	31%	31%
Engineering and Research and Technology Based Services	38,401	26.0	37%	45%
Defence and Law Enforcement and Security and Safety Equipment and Supplies	19,953	21.5	82%	77%
Information Technology Broadcasting and Telecommunications	33,434	19.6	49%	45%
Healthcare Services	3,467	19.0	35%	63%

Parent category	Number of contracts	Value of contracts (\$ billion)	Proportion of all contracts for the category	Proportion of total value for the category
Transportation and Storage and Mail Services	14,434	9.3	67%	59%
Building and Construction and Maintenance Services	12,977	7.7	36%	14%
Politics and Civic Affairs Services	15,505	4.8	65%	20%
Drugs and Pharmaceutical Products	315	4.0	23%	56%

Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 and where Procurement Method is 'Limited tender'.

Reported use of market approaches for procurements

5.16 The CPRs state that open tender procurements involve an open approach to market and inviting submissions.³⁹ This includes multi-stage procurements, provided the first stage is an open approach to market.⁴⁰ The CPRs state that limited tender procurements involve approaching one or more potential suppliers to make a submission when the process does not meet the rules for open tender; they do not always require an approach to market.

5.17 In AusTender, entities link an approach to market (ATM) to contracts by recording an ATM identifier in a contract record; where there was a self-reported identifier, the contract was flagged in AusTender data as having an ATM.⁴¹ While Resource Management Guide 423 recommends that entities publish the ATM identifiers on AusTender, it is not mandatory. There are instances where the reported ATM identifier for a contract was not published on AusTender (refer to Appendix 1 Table 1.1).

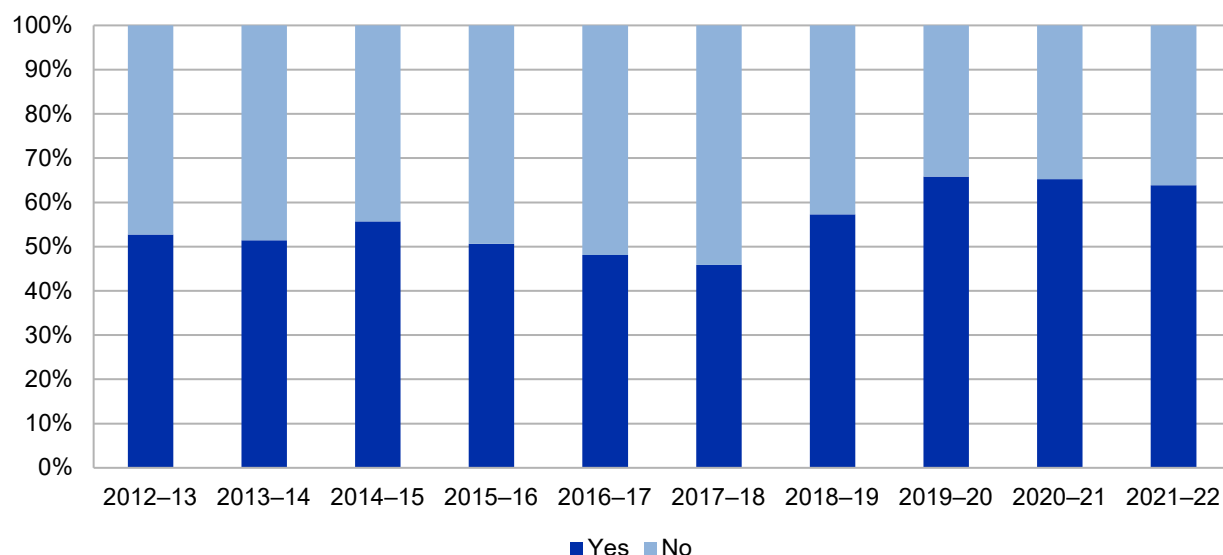
5.18 The proportion of the number of open tender contracts that have reported an ATM identifier has increased from 53 per cent in 2012–13 to 64 per cent in 2021–22 (Figure 5.5). The proportion of the committed value of open tender contracts that have reported an ATM identifier has also increased between 2012–13 and 2021–22, from 61 per cent to 81 per cent (Figure 5.6).

39 A contract that was procured through an open tender standing offer would be reported as an open tender contract.

40 Paragraph 9.8 of the CPRs.

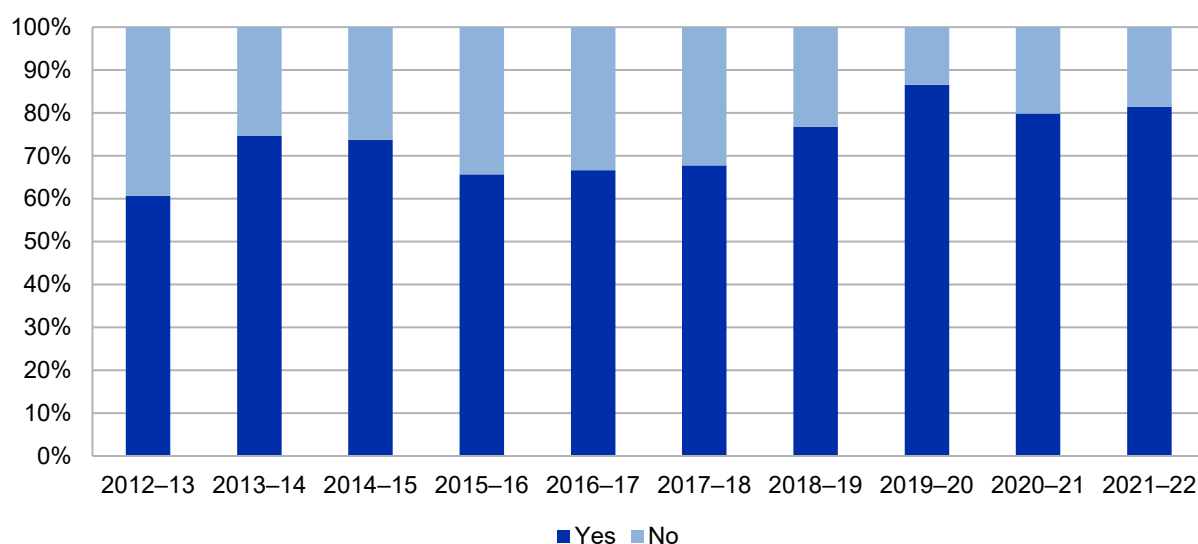
41 The ATM identifier field in AusTender is a free-text field and is not a mandatory field.

Figure 5.5: Proportion of the number of open tender contracts that have reported an approach to market, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 and where Procurement Method is 'Open tender'.

Figure 5.6: Proportion of the value of open tender contracts that have reported an approach to market, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022 and where Procurement Method is 'Open tender'.

Limited tenders and non-competitive procurements

5.19 For Parent contracts that have a value above \$80,000 and were procured using limited tender, a reason needs to be provided for exemption from Division 2 of the CPRs, or a condition for the use of limited tender. limited tender contracts that started prior to 2018–19 were not required to mark all procurements above \$80,000 as exempt or non-exempt or provide a justification for undertaking the procurement that exceeded the threshold. This limits the analysis of contracts that

exceeded the procurement threshold as Limited Tender contracts prior to 2018–19 lack reporting for the reasons around exceeding the procurement threshold.

5.20 The ANAO analysed limited tender contracts that exceeded the procurement threshold from 2018–19 onwards when the requirement to provide a justification for exceeding the threshold was implemented. Limited tender contracts were identified using the reported procurement method of the parent contracts only as this best reflects the initial procurement method of a contract. The ANAO included the commitment of value from associated amendments for these limited tender parent contracts when determining whether the contract exceeded the procurement threshold. The reporting of exemption or non-exemption from 2018–19 onwards demonstrated a high level of consistency with the requirement, with 99.8 per cent of Limited Tender parent contracts that exceeded the procurement threshold having an exemption or condition recorded.

5.21 Over the past four years, the proportion of limited tender parent contracts (and associated amendments) that reported an exemption or reported a condition for exceeding the threshold were consistent, with exemptions comprising around 45 per cent and conditions comprising around 55 per cent (Table 5.10).

Table 5.10: Proportion of limited tender parent contracts with a value exceeding \$80,000 and provided an exemption/condition, 2018–19 to 2021–22

Financial year	Number of limited tender parent contracts with value > \$80,000	Proportion of parent contracts that provided an exemption reason	Proportion of parent contracts that provided a condition
2018–19 ^a	8,277	43%	57%
2019–20 ^a	9,412	45%	55%
2020–21	9,160	44%	56%
2021–22	9,843	45%	55%

Note a: There were 87 parent contracts in 2018–19 and two parent contracts in 2019–20 that had a total contract value of more than \$80,000 that did not report either a Limited Tender condition or exemption. The analysis did not include these parent contracts in the proportions of parent contracts that provided an exemption reason or condition.

Source: ANAO analysis of AusTender data for parent contract notices started between 1 July 2018 and 30 June 2022, where Procurement Method is 'Limited tender', and original contract value is greater than \$80,000.

5.22 Seventy-three per cent of limited tender contracts that exceeded the procurement threshold and did not claim exemption reported the condition reason as 10.3e and 10.3.d.iii of the CPRs (Table 5.11).

Table 5.11: Condition cited by limited tender parent contracts with a value exceeding \$80,000, 2018–19 to 2021–22

Limited Tender condition	Number of parent contracts	Value of parent contracts (\$ billion)
10.3.e. Additional deliveries by original supplier intended as replacement parts, extensions, or continuation for existing goods or services for compatibility.	7,705	8.7
10.3.d.iii. Supply by particular business: due to an absence of competition for technical reasons.	7,200	10.8

Limited Tender condition	Number of parent contracts	Value of parent contracts (\$ billion)
10.3.d.ii. Supply by particular business: with no reasonable alternative or substitute: to protect exclusive rights or proprietary information.	1,631	1.3
10.3.b. Extreme urgency or events unforeseen.	950	2.8
10.3.a.i. No submissions or value for money submissions received.	655	1.1
Estimated value was under the procurement threshold.	498	0.01
Valued below the construction threshold.	416	0.3
10.3.a.iii. No tenderers satisfied conditions for participation.	374	0.4
10.3.g. Prototype intended for limited trial or developed at the entity's request for a research, experiment, study, or original development contract.	329	0.3
10.3.c. Advantageous conditions arising only in the very short term, not routine procurements.	263	0.2
10.3.d.i. Supply by a particular business: for works of art.	175	0.01
10.3.f. In a commodity market.	122	0.1
10.3.a.ii. No submissions met minimum content and format requirements.	78	0.5
10.3.h. Awarded to the winner of a design contest independently judged and run consistent with the CPRs.	14	0.003

Source: ANAO analysis of AusTender data for parent contract notices started between 1 July 2018 and 30 June 2022, where Procurement Method is 'Limited tender', original contract value is greater than \$80,000, and a Limited Tender Condition is provided.

5.23 For limited tender parent contracts that claimed an exception for exceeding the procurement threshold, 26 per cent of contracts reported the exemption reason as 'Paragraph 2.6 was applied in some part', reason 16 and 2 of Appendix A of the CPRs (Table 5.12).

Table 5.12: Exemptions cited by limited tender parent contracts with a value exceeding \$80,000, 2018–19 to 2021–22

Limited Tender exemption	Number of parent contracts	Value of parent contracts (\$ billion)
Paragraph 2.6 was applied in some part ^a	4,135	29.7
App A: 16. SME with at least 50 percent Indigenous ownership.	2,528	1.8
App A: 2. From another Commonwealth, state, territory or local government entity.	2,345	7.4
App A: 6. Research and development services (but not inputs).	1,664	1.3
App A: 14. Contracts for labour hire.	1,392	0.4
App A: 1. Leasing of immovable property or any associated rights.	968	3.1

Limited Tender exemption	Number of parent contracts	Value of parent contracts (\$ billion)
App A: 7. Expert or neutral person (including counsel or barristers).	797	0.2
App A: 13. By, or on behalf of select Defence intelligence agencies.	683	0.5
App A: 8. Procuring outside Australian territory for consumption outside Australian territory.	563	0.5
App A: 12. Government advertising services.	298	0.2
App A: 17. SME Procurements up to \$200,000 or \$500,000 for Defence ^b	295	0.03
App A: 5. Direct purpose of providing foreign assistance.	290	0.5
App A: 15. From a business that primarily exists to provide the services of persons with a disability.	65	0.02
App A: 9. Fiscal agency, depository and other associated services.	57	0.2
App A: 3. Funded by international grants, loans or other assistance.	43	0.01
Archived from 1 January 2019 - Appendix A: 10. procurement of motor vehicles.	37	0.04
App A: 11. Blood plasma products or plasma fractionation services.	16	0.3
App A: 4. Funded by grants and sponsorship payments from non-Commonwealth entities.	10	0.001
App A: 10. By the Future Fund Management Agency, for the purposes of managing and investing the assets of the Future Fund.	8	0.002

Note a: Paragraph 2.6 of the CPRs state that 'These CPRs do not apply to the extent that an official applies measures Determined by their Accountable Authority to be necessary for the maintenance or restoration of international peace and security, to protect human health, for the protection of essential security interests, or to protect national treasures of artistic, historic or archaeological value'.

Note b: The inclusion of 'or \$500,000 for Defence' in the exemption was first introduced in the 1 July 2022 CPRs.

Source: ANAO analysis of AusTender data for parent contract notices started between 1 July 2018 and 30 June 2022, where Procurement Method is 'Limited tender', original contract value is greater than \$80,000, and a Limited Tender Exemption is provided.

6. Standing offers in procurement

6.1 A standing offer is an arrangement that sets out the terms and conditions, including a basis for pricing, under which a supplier or suppliers agree to supply specified goods and services to a relevant entity for a specified period.⁴² Panel arrangements are a form of standing offer, however not all standing offers are panel arrangements. In this chapter, references to standing offer notices should be taken as including panel arrangements unless otherwise stated.

6.2 Standing offers are reported on AusTender as 'Standing Offer Notices' (SONs) and include details such as participating suppliers and agencies. Analysis of the use of standing offers is dependent on the extent to which entities identify that procurements were a result from an existing SON. AusTender allows entities to link reported contracts to relevant SONs, and entities are required to link the relevant SON.⁴³ Where the entity using the standing offer is not an AusTender reporting entity, the contract entered into the standing offer will not be recorded in AusTender data, nor included in the ANAO's analysis.

6.3 Procurement panels are a tool for the procurement of goods or services regularly acquired by entities. Panels are established through procurement processes, where typically a number of suppliers are appointed through a contract or deed of standing offer. Panels are usually established at a point in time, and once established, a panel must be refreshable for other suppliers to join. Where a panel arrangement was established by open tender, purchases made from it are also reported as being made by open tender, even when not all suppliers represented on the panel are invited to respond to the particular procurement opportunity. The 'Panel Arrangement' flag in AusTender data was introduced in 2014–15 and entities were encouraged to apply this flag to panels established prior to 2014–15.

6.4 This chapter describes the use of standing offers and panel arrangements for procurements, suppliers of standing offers, and use of lapsed standing offers for procurement.

Use of standing offers and panel arrangements

6.5 There were 3,173 individual SONs active at a point of time between 2012–13 and 2021–22.⁴⁴ There were 1,418 (45 per cent) SONs reported to be panel arrangements, 943 SONs (30 per cent) were reported to not be panel arrangements and 812 SONs (26 per cent) did not report any information against the 'Panel Arrangement' flag of the SONs dataset.

6.6 Over the last 10 years, there have been 314,840 contracts associated with a SON with a committed value of \$122 billion, representing 38 per cent and 22 per cent of the total number and committed value of contracts respectively. The proportion of the number of contracts that are associated with a SON has increased over the last 10 years, from 28 per cent in 2012–13 to 50 per cent in 2021–22 (Figure 6.1). Similarly, the proportion of the committed value of contracts that are

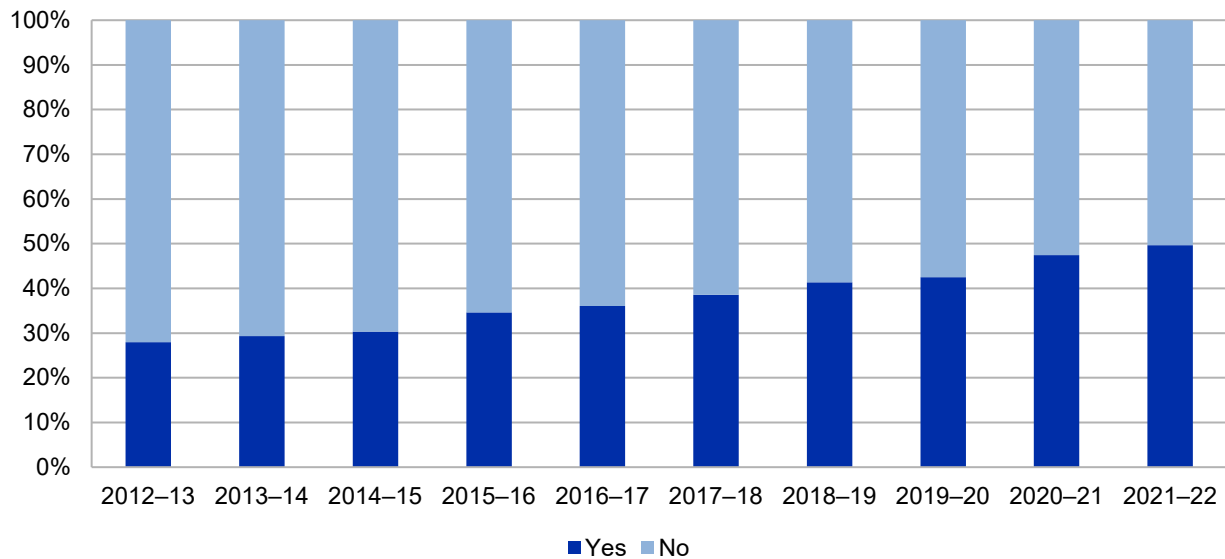
42 Appendix B of the CPRs.

43 This is a requirement as outlined in Resource Management Guide 423 – *Procurement Publishing and Reporting Obligations*: 'The CN must reflect the procurement method used to establish the standing offer and reference the relevant SON ID'.

44 SONs that lapsed prior to the time frame were not included.

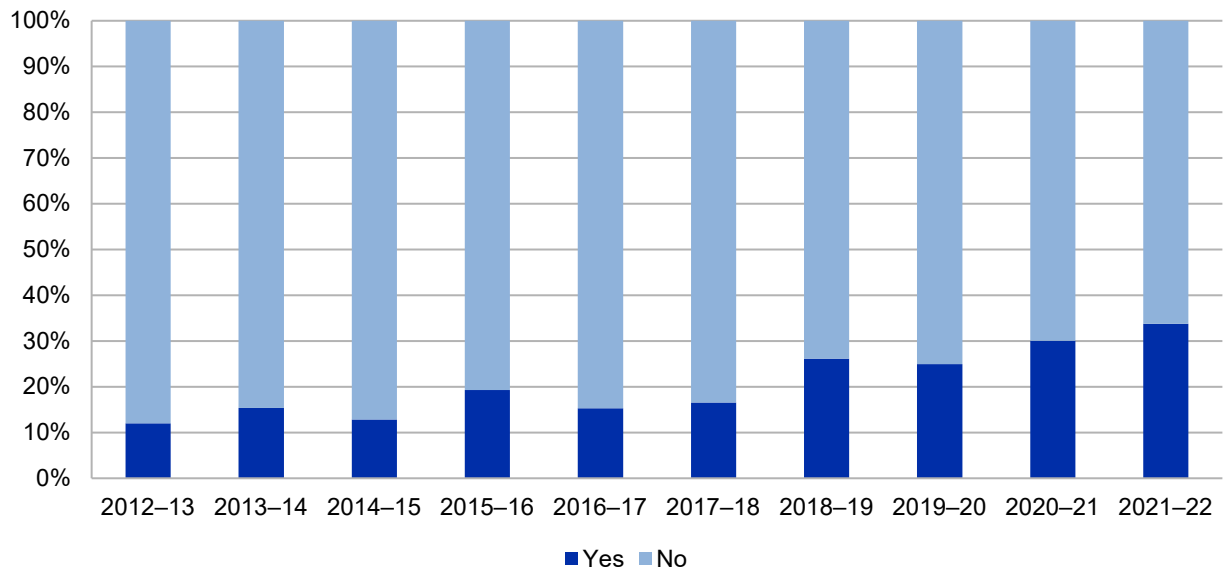
associated with a SON has increased from 12 per cent in 2012–13 to 34 per cent in 2021–22 (Figure 6.2).

Figure 6.1: Proportion of the number of contracts that are associated with a SON, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

Figure 6.2: Proportion of the value of contracts that are associated with a SON, 2012–13 to 2021–22

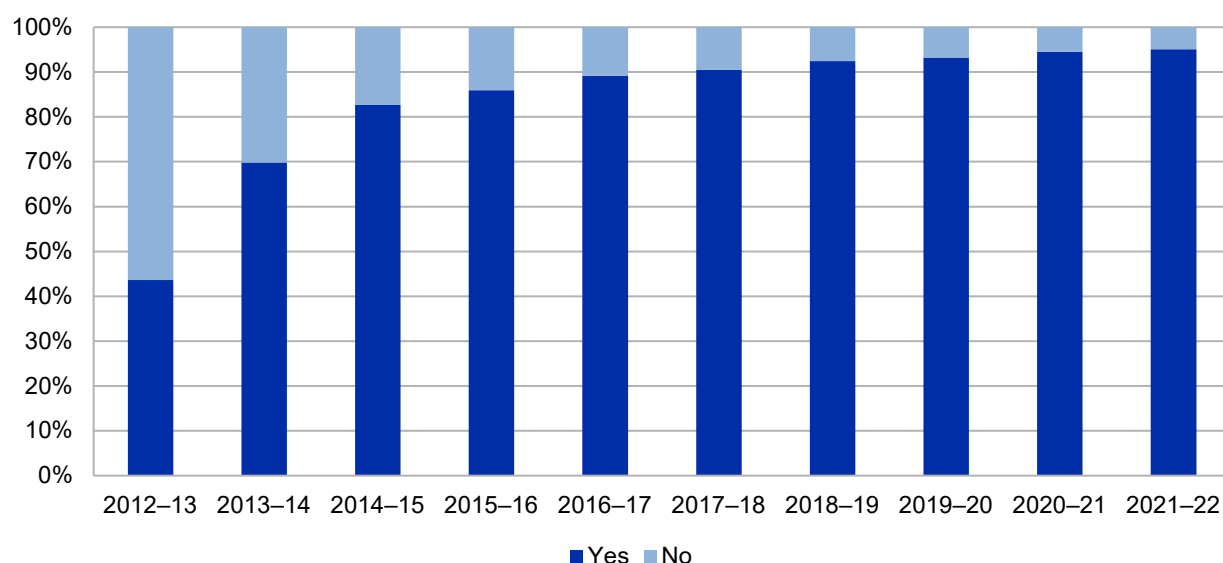


Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

6.7 Among the contracts that were associated with a SON, over the last 10 years, the proportion of the number of contracts that were reported as a panel arrangement has increased from 43 per cent in 2012–13 to 95 per cent in 2021–22 (Figure 6.3). This increase was also observed in the committed value of contracts associated with a SON that was reported as a panel arrangement,

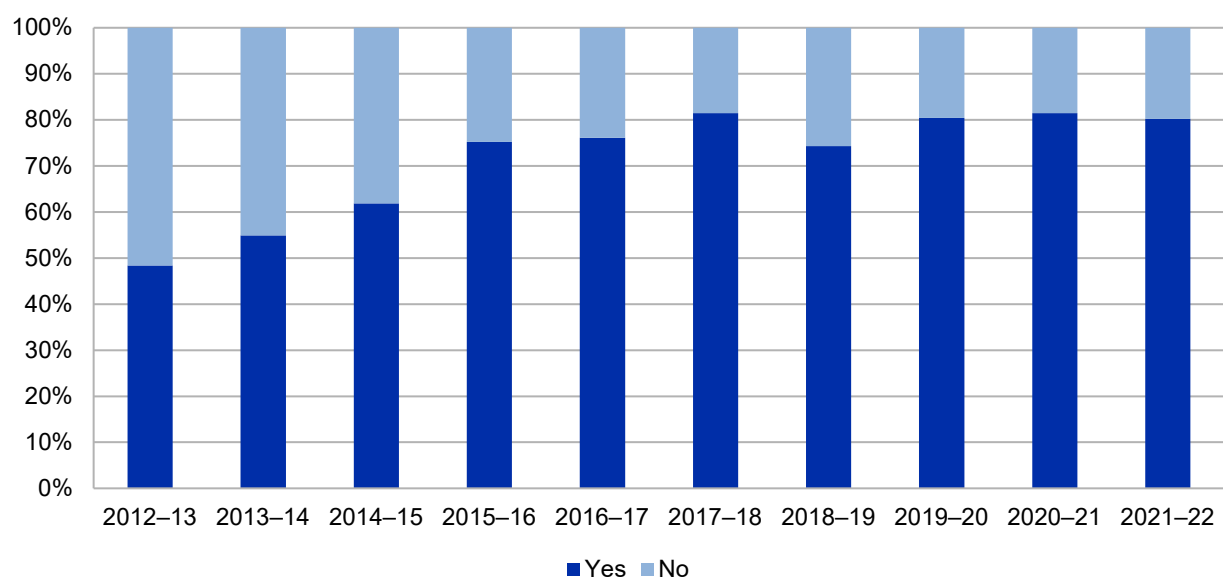
from 48 per cent in 2012–13 to 80 per cent in 2021–22 (Figure 6.4). The proportion of the number in 2021–22 was greater than the previous nine years (Figure 6.3).

Figure 6.3: Proportion of the number of contracts associated with a SON that was reported as a panel arrangement, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

Figure 6.4: Proportion of the value of contracts associated with a SON that was reported as a panel arrangement, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for contract notices started between 1 July 2012 and 30 June 2022.

Suppliers of standing offers

6.8 For the 3,173 SONs that were active at a point of time between 2012–13 and 2021–22, 44 per cent were reported to allow multi-agency access, which means that these SONs support participation by other entities. The average number of suppliers associated with a SON was 10, and

the median number of suppliers associated with a SON was one. There were 1,666 SONs (53 per cent) that only had one associated supplier.

6.9 As there may be foreign suppliers present on SONs, for the following analysis, suppliers are counted by ABN where there is one reported, otherwise they are identified by the reported supplier name. For the top 10 SONs by number of suppliers, the Digital Marketplace Panel has the largest number of associated suppliers, with 3,273, followed by the Defence Support Services Panel. All of the top 10 SONs by number of suppliers associated are reported to be panel arrangements. Eight of the top 10 SONs are reported to be accessible to multiple entities. The Economic Development and Business Support Panel is only accessible to the Department of Prime Minister and Cabinet, and the Arranged passenger transport services panel was only accessible to the Department of Veterans' Affairs (Table 6.1).

Table 6.1: Top 10 SONs by number of suppliers, 2012–13 to 2021–22

SON ID	SON title	Number of suppliers	Number of contracts	Value of contracts (\$ billion)
SON3413842	Digital Marketplace Panel	3,273 ^{a b}	28,009	8.6
SON3485107	Defence Support Services (DSS) Panel	538 ^a	7,899	4.4
SON48590	Capability Acquisition and Sustainment Support Services (CASSS) Panel	476 ^a	6,277	2.3
SON3668352	Cloud Marketplace	368 ^{a b}	152	0.08
SON838301	Economic Development and Business Support Panel	322	86	0.01
SON888681	Arranged passenger transport services	317	0	0
SON3403954	IT Services Panel	301 ^{a b}	4,160	0.8
SON3490955	Software Marketplace - WoAG Software Licensing and Services Panel	298 ^{a b}	2,349	1.9
SON3538332	Capability Support Services Panel	287 ^{a b}	8,859	1.4
SON3637213	Creative and Digital Communication Panel 2019-2022	271	885	0.1

Note a: There are suppliers on the standing offer reported to be located outside Australia.

Note b: There are suppliers on the standing offer reported to be exempt from having an ABN.

Source: ANAO analysis of AusTender data for standing offer notices published as of 1 September 2022, and contract notices started between 1 July 2012 and 30 June 2022.

6.10 For the top 10 suppliers by number of associated SONs, KPMG has been associated with the largest number of SONs, with 239 (Table 6.2).

Table 6.2: Top 10 suppliers by number of associated SON and the number and value of contracts associated with those SON, 2012–13 to 2021–22

Supplier ABN	Supplier name	Number of SONs	Number of contracts	Value of contracts (\$ billion)
51194660183	KPMG	239	4,317	1.9
75288172749	ERNST & YOUNG	192	2,230	0.9
52780433757	PRICEWATERHOUSECOOPERS	172	1,478	0.5
74490121060	DELOITTE TOUCHE TOHMATSU	156	2,442	1.0
39008488373	GHD PTY LTD	150	1,131	0.3
37001024095	JACOBS GROUP (AUSTRALIA) PTY LTD	123	578	0.2
69405937639	AUSTRALIAN GOVERNMENT SOLICITOR	114	4,307	0.2
17006515028	SMS CONSULTING GROUP LTD	97	867	0.2
31100103268	NTT AUSTRALIA DIGITAL PTY LTD	97	780	0.2
19001011427	FUJITSU AUSTRALIA LTD	88	1,577	0.8

Source: ANAO analysis of AusTender data for standing offer notices published as of 1 September 2022, and contract notices started between 1 July 2012 and 30 June 2022.

6.11 There were 336 SONs that were reported to be panel arrangements (refer to paragraph 6.1), that had only one associated supplier. There were 5,155 contracts with a committed value of \$8.8 billion made to these single-supplier panel arrangements.

6.12 For the top 10 suppliers on these single supplier panels by number of contracts, CIT Solutions Pty Limited had the largest number of contracts with 527 for the 'Provision of Language Training Services' (Table 6.3).

Table 6.3: Top 10 suppliers of single supplier panel arrangements by number of contracts, 2012–13 to 2021–22

Supplier ABN	Supplier name	SON title	Number of contracts	Value of contracts (\$ million)
25008645823	CIT SOLUTIONS PTY LIMITED	Provision of Language Training Services	527	32.6
31010545267	DATA#3 LIMITED	Whole of Government Microsoft Large Account Reseller (LAR)...	526	722.5
26003682504	SAP AUSTRALIA PTY LTD	SAP Whole Of Government Arrangement	391	836.3
88122798207	CUBIC DEFENCE AUSTRALIA PTY LIMITED	Exercise and Advanced Training Services Standing Offer Panel	268	71.1

Supplier ABN	Supplier name	SON title	Number of contracts	Value of contracts (\$ million)
79000024733	IBM AUSTRALIA LTD	IBM Whole of Government Arrangement	261	1,636
21082930916	MACQUARIE TELECOM PTY LIMITED	Secure Internet Gateway Services	175	139.8
23106495498	AOT GROUP LIMITED	Accommodation Program Management Services to the Australian Government...	157	544.4
88122798207	CUBIC DEFENCE AUSTRALIA PTY LIMITED	Collective Training Services - planning and operation of training...	128	24.8
80003074468	ORACLE CORPORATION AUSTRALIA PTY LIMITED	Oracle Whole-of-Government Arrangement	127	140.3
63608314978	AMNESIUM PTY LTD	ICT Hardware, related software and services	102	13.7

Source: ANAO analysis of AusTender data for standing offer notices published as of 1 September 2022, and contract notices started between 1 July 2012 and 30 June 2022, where Panel Arrangement is 'Yes', and the panel lists one distinct supplier.

6.13 For the top 10 suppliers on these single supplier panels by value of contracts, IBM Australia Ltd had the largest committed value with \$1.6 billion for 'IBM Whole of Government Arrangement'. Four single-supplier panels, of which three are in the top 10 single-supplier panels by value of contracts, have the same title ('Head Deed for the supply of Essential Vaccine for National Immunisation'). These four panels had different SON identifiers on AusTender, and were associated with four different suppliers; three of these panels were reported to start at the same time, and the remaining one started two years after. All four panels were made available for similar lengths of time.

Table 6.4: Top 10 suppliers by single supplier panel arrangements by value of contracts, 2012–13 to 2021–22

Supplier ABN	Supplier name	SON title	Number of contracts	Value of contracts (\$ million)
79000024733	IBM AUSTRALIA LTD	IBM Whole of Government Arrangement	261	1,636
26003682504	SAP AUSTRALIA PTY LTD	SAP Whole Of Government Arrangement	391	836.3

Supplier ABN	Supplier name	SON title	Number of contracts	Value of contracts (\$ million)
31010545267	DATA#3 LIMITED.	Whole of Government Microsoft Large Account Reseller (LAR)...	526	722.5
76091591294	ABT ASSOCIATES PTY LTD	Papua New Guinea Governance Facility	41	640.1
66120398067	SEQIRUS (AUSTRALIA) PTY LTD	Head Deed for the supply of Essential Vaccine for the National Immunisation ^a	14	557.3
23106495498	AOT GROUP LIMITED	Accommodation Program Management Services to the Australian Government...	157	544.4
50008422348	PFIZER AUSTRALIA PTY LTD	Head Deed for the supply of Essential Vaccine for the National Immunisation ^a	11	479.7
47100162481	GLAXOSMITHKLINE AUSTRALIA PTY LTD	Head Deed for the supply of Essential Vaccine for the National Immunisation ^a	12	478.4
15242571122	Amazon Web Services Inc	AWS Whole of Government Arrangement ^b	5	334.8
63605345891	AMAZON WEB SERVICES AUSTRALIA PTY LTD	AWS Whole of Government Arrangement ^b	18	209.8

Note a: Separate standing offers with the same title.

Note b: Same standing offer with contracts awarded to different ABNs.

Source: ANAO analysis of AusTender data for standing offer notices published as of 1 September 2022, and contract notices started between 1 July 2012 and 30 June 2022, where Panel Arrangement is 'Yes', and the panel lists one distinct supplier.

Proportion of suppliers for panels

6.14 Previous information reports identified that the majority of panels examined had a relatively small proportion of suppliers that were committed for the majority of contract value. The same trend is observed in this report. For seven out of the top 10 panels by total value, at least 80 per

cent of the panel's total value was awarded to 20 per cent or less of the suppliers represented on the panel (Table 6.5).

Table 6.5: Proportion of suppliers awarded at or over 80% of panel's total value for top 10 panels by value, 2012–13 to 2021–22

SON ID	SON title	Total value awarded to the panel (\$ billion)	Number of suppliers making up at or over 80% of panel's total value	Percentage of suppliers awarded at or over 80% of panel's total value
SON3413842	Digital Marketplace Panel	8.6	191	12%
SON867801	ICT Contractor Services Panel	4.9	32	17%
SON3485107	Defence Support Services (DSS) Panel	4.4	60	18%
SON3520191	Information Communication Technology Provider Arrangement	3.4	18	20%
SON3460620	Property Services Coordinated Procurement to the Commonwealth of Australia	2.9	2	22%
SON3337469 ^a	Air Travel Services for the Australian Government	2.8	1	100%
SON3484837	Major Service Provider to CASG - Enterprise Support Services Agreement	2.7	3	75%
SON48590	Capability Acquisition and Sustainment Support Services (CASSS) Panel	2.3	39	15%
SON3374038	Outsource Labour for Service Delivery Panel	2.2	4	67%
SON3541738	Hardware Marketplace Panel	2.2	11	9%

Note a: Contract notices related to this panel grouped all suppliers together under one supplier name instead of listing them separately.

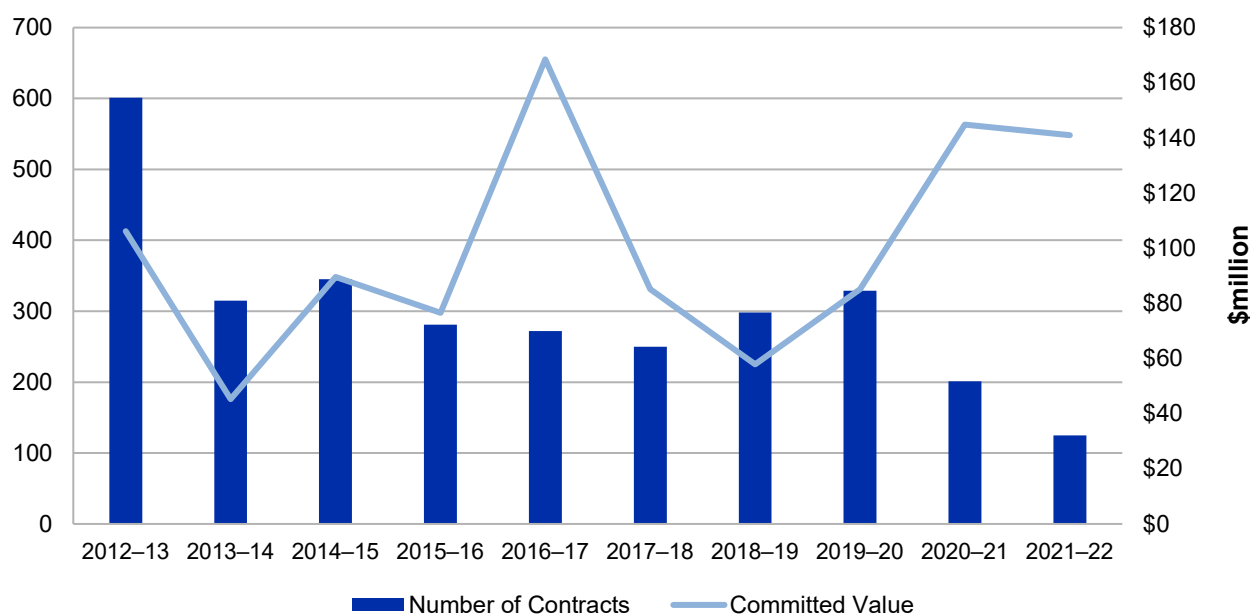
Source: ANAO analysis of AusTender data for standing offer notices published as of 1 September 2022, and contract notices started between 1 July 2012 and 30 June 2022, where Panel Arrangement is 'Yes'.

Use of standing offers that have lapsed for procurement

6.15 A standing offer is for a specified period of time and has an end date when it lapses. In this analysis the ANAO assessed parent contracts that had a start date that occurred after the associated SON's end date.

6.16 Over the last 10 years, there has been 3,017 parent contracts that had a start date occurring after the end date of the associated SON, with a committed value of \$1 billion. The number of parent contracts that started after the SON lapsed was the greatest in 2012–13 and the committed value of parent contracts that started after the SON lapsed was the greatest in 2016–17 (Figure 6.5).

Figure 6.5: Number and value of parent contracts that were reported to start after the associated SON was reported to end, 2012–13 to 2021–22



Source: ANAO analysis of AusTender data for standing offer notices published as of 1 September 2022, and parent contracts started between 1 July 2012 and 30 June 2022, where the end date of the standing offer notice is before the start date of the parent contract.

6.17 The largest SON that had associated parent contracts that started after the SON has lapsed was 'ICT Contractor Services' with 170 parent contracts. For the top 10 SONs by number of parent contracts that started after the SON has lapsed, three of the 10 SONs were panel arrangements (Table 6.6).

Table 6.6: Top 10 SONs by number of associated parent contracts that started after the SON was reported to end, 2012–13 to 2021–22

SON ID	SON title	Number of parent contracts	Value of parent contracts (\$ million)
SON50822	ICT Contractor Services	170	16.6
SON269193	ICT Managed Services	109	14.8

SON ID	SON title	Number of parent contracts	Value of parent contracts (\$ million)
SON661641	Information and Communication Technology (ICT) Services Commercial Off...	105	31.3
SON2917812	Recruitment and Related Services Panel	97	33.5
SON3066812	PACTAM 2	96	17.9
SON407415	Internet Based Network Connection Services	84	114.1
SON3175632	Specialist Health Service	83	11.4
SON72666	Supply of Management of Repairable Items, Provision of a Technical...	77	2.8
SON27006	Fleet Management Agreement - Contract for the provision of motor...	65	6.0
SON151058	Pharmaceuticals and Medications	62	7.2

Source: ANAO analysis of AusTender for standing offer notices published as of 1 September 2022, and parent contract started between 1 July 2012 and 30 June 2022, where the end date of the standing offer notice is before the start date of the parent contract.

6.18 The SON 'Internet Based Network Connection Services' had the largest committed value from parent contracts that started after it had lapsed, with \$114.1 million. For the top 10 SONs by value of parent contracts that started after the SON has lapsed, six of the 10 SONs were panel arrangements (Table 6.7).

Table 6.7: Top 10 SONs by value of associated parent contracts that was reported to start after the SON was reported to end, 2012–13 to 2021–22

SON ID	SON title	Number of parent contracts	Value of parent contracts (\$ million)
SON407415	Internet Based Network Connection Services	84	114.1
SON1143692	Tied Legal Services	28	90.4
SON3410307	Australian Humanitarian Partnership - Support Unit	8	65.7
SON2917812	Recruitment and Related Services Panel	97	33.5
SON661641	Information and Communication Technology (ICT) Services Commercial Off...	105	31.3
SON287	Data Network Replacement Project Panel	4	28.6

SON ID	SON title	Number of parent contracts	Value of parent contracts (\$ million)
SON179438	Air Transport Deed of Standing Offer	5	24.4
SON3386916	Telecommunications Services Panel	11	24.3
SON155495	External Service Provider and Project Management and Support Services...	19	23.3
SON3280319	ICT Professional Services - Treasury Portfolio	5	20.0

Source: ANAO analysis of AusTender data for standing offer notices published as of 1 September 2022, and parent contracts started between 1 July 2012 and 30 June 2022, where the end date of the standing offer notice is before the start date of the parent contract.



Grant Hehir
Auditor-General

Canberra ACT
2 February 2023

Appendices

Appendix 1 Data observations

The ANAO did not verify the completeness and accuracy of AusTender data, which was self-reported by relevant entities. The ANAO undertook a general examination of the data prior to analysis. There were some general observations outside the analysis covered in this report that may be relevant in understanding the extent of analysis that is possible using AusTender data.

Table A.1: Data observations

Observations	Description	Approach to observation
Instances of Publish Date preceding Start Date	<p>Some contracts were published in advance of when the contract was reported to start.</p> <p>These start dates tend to be weeks or months after the contract was published, though there were some contracts that had a reported start date years after the publish date.</p> <p>As an illustrative example, at the point of time in which AusTender data was extracted, CN266634 had a start date in 2101 when it was published in 2010.</p>	<p>The rules around reporting arrangements, as described in the Commonwealth Procurement Rules (CPRs), did not specify that relevant entities cannot publish contracts before they can start.</p> <p>The ANAO analysed procurements as they were reported on AusTender.</p>
Instances of no reasons being provided for contracts that indicated confidentiality or use of consultancy	<p>It was observed in the Austender data that there were contracts that indicated that there was an element of confidentiality or consultancy in the procurement but did not report a reason.</p> <p>There were three contracts (<0.01%) that flagged confidentiality in the contract or procurement output but did not specify a reason.</p> <p>There were 528 contracts (<0.01%) that flagged use of consultancy in the contract but did not specify a reason.</p>	<p>The ANAO analysed procurements as they were reported on AusTender.</p>
Instances of amendments occurring after contract has ended	<p>Some contracts had amendments occurring after the contract had lapsed.</p>	<p>The ANAO analysed procurements as they were reported on AusTender.</p>

Observations	Description	Approach to observation
Instances of variations in supplier name	<p>As an illustrative example, the Australian Business Number (ABN) 57195873179 was committed to supply 1,294 procurement contracts (including amendments) from 2012–13 to 2021–22 with a reported committed value of \$973.7 million. There were 50 variations of the supplier's name reported in the AusTender data provided.</p> <p>Some of these variations observed in the supplier's name include, but are not limited to:</p> <ul style="list-style-type: none"> • 'Aust Post Lpo 421891' • 'The Univeristy of New South Wales' • 'The University of Adelaide' • 'Uni Of Nsw – The Cashier' • 'University of New South W' • 'Social Policy Research Centre'. 	<p>The supplier's name as recorded on AusTender is reported by the relevant entities.</p> <p>The ANAO used the ABN as a unique identifier of a supplier (where available) instead of the supplier's name.</p> <p>Where relevant, supplier names presented in this report were derived from the entity name as reported on the Australian Business Register.</p>
Approach to Market ID not unique, and Approach to Market not compulsory to record in AusTender	<p>Each Approach to Market (ATM) created in AusTender is meant to have a unique ATM ID in AusTender, however it is for entities to generate an ATM ID. This name can be of any format.</p> <p>When linking a Contract Notice or Standing Offer Notice to an ATM, it is not compulsory to link to an ATM that was created in AusTender.</p> <p>These factors lead to several issues when linking Contract Notice to Approach to Market:</p> <ul style="list-style-type: none"> • The majority of Contract Notices with an ATM ID are not linked to an ATM ID published in AusTender. • Unrelated Contract Notices may be linked by ATM ID. • Uncontrolled formats may lead to issues with the text version of the ATM ID, causing incorrect links. 	<p>There is no analysis of Approach to Market data in this report, due to the low proportion of Contract Notices that can be reliably linked to an ATM published on AusTender.</p>

Observations	Description	Approach to observation
Instances of supplier location information that do not match known addresses	<p>Supplier location details, including postal address, postcode, town/city, state, and country, are manually entered into AusTender by entities. This may lead to addresses that do not match a known address. As an illustrative example, CN978141 has the following supplier location information:</p> <p>Town/City: SABAH Postcode: 9999 State/Territory: ACT Country: Australia.</p> <p>SABAH is not town/city in the ACT and the 9999 postcode is a special postcode reserved for festive mail.</p>	<p>Supplier Country and Supplier State/Territory are taken as reported on AusTender.</p> <p>Supplier location information aside from Country and State/Territory was not used to inform any analysis in this report.</p>

Source: ANAO analysis of AusTender data.

Appendix 2 Corporate Commonwealth Entities subject to the CPRs

Table A.2: Corporate Commonwealth Entities as of April 2022

CCEs subject to the CPRs	CCEs not subject to the CPRs ^a
<ul style="list-style-type: none"> • Australian Digital Health Agency • Australian Human Rights Commission • Australian Institute of Health and Welfare • Australian Institute of Marine Science • Australian Maritime Safety Authority • Australian National Maritime Museum • Australian Nuclear Science and Technology Organisation • Australian Pesticides and Veterinary Medicines Authority (APVMA) • Australian War Memorial • Comcare • Commonwealth Scientific and Industrial Research Organisation (CSIRO) • Director of National Parks • Export Finance and Insurance Corporation • Grains Research and Development Corporation • Independent Hospital Pricing Authority^b • Murray-Darling Basin Authority • National Gallery of Australia • National Museum of Australia • National Portrait Gallery of Australia • Old Parliament House • Regional Investment Corporation • Reserve Bank of Australia • Sydney Harbour Federation Trust • Tourism Australia • Commonwealth Superannuation Corporation^c (administrative services relating to superannuation schemes administered by the Commonwealth Superannuation Corporation) 	<ul style="list-style-type: none"> • Airservices Australia • Anindilyakwa Land Council • Army and Air Force Canteen Service (Frontline Defence Services) • Australia Council • Australian Broadcasting Corporation • Australian Commission on Safety and Quality in Health Care • Australian Curriculum, Assessment and Reporting Authority • Australian Film, Television and Radio School • Australian Hearing Services (Hearing Australia) • Australian Institute of Aboriginal and Torres Strait Islander Studies • Australian Military Forces Relief Trust Fund (Army Relief Trust Fund) • Australian National University • Australian Postal Corporation • Australian Reinsurance Pool Corporation • Australian Renewable Energy Agency • Australian Sports Commission (Australian Institute of Sport) • Central Land Council • Civil Aviation Safety Authority • Clean Energy Finance Corporation • Coal Mining Industry (Long Service Leave Funding) Corporation • Commonwealth Superannuation Corporation (non-administrative functions) • Cotton Research and Development Corporation • Defence Housing Australia • Fisheries Research and Development Corporation • Food Standards Australia New Zealand • Indigenous Business Australia • Indigenous Land and Sea Corporation • Infrastructure Australia • National Disability Insurance Agency • National Film and Sound Archive of Australia

CCEs subject to the CPRs	CCEs not subject to the CPRs ^a
	<ul style="list-style-type: none"> • National Housing Finance and Investment Corporation (NHFIC) • National Library of Australia • National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) • National Transport Commission • Northern Australia Infrastructure Facility • Northern Land Council • Royal Australian Air Force Veterans' Residences Trust Fund • Royal Australian Air Force Welfare Trust Fund • Royal Australian Navy Central Canteens Board • Royal Australian Navy Relief Trust Fund • Rural Industries Research and Development Corporation • Screen Australia • Special Broadcasting Service Corporation • Tiwi Land Council • Torres Strait Regional Authority • Wine Australia • Wreck Bay Aboriginal Community Council

Note a: The Northern Territory Aboriginal Investment Corporation was established as a Corporate Commonwealth Entity on 15 November 2022 under the Prime Minister and Cabinet portfolio. The entity is not included in the table above as it was established outside the timeframe of analysis in this report.

Note b: The 'Independent Hospital Pricing Authority' was renamed to 'Independent Health and Aged Care Pricing Authority' on 12 August 2022. This name change is not included in the table above as it occurred outside of the timeframe of analysis in this report.

Note c: The Commonwealth Superannuation Corporation is subject to the CPRs as detailed in Section 29AA of the PGPA Rule 2014.

Source: ANAO analysis of the Commonwealth Procurement Rules 14 December 2020, PGPA Act 2013 and PGPA Rule 2014.