

# Senate Select Committee on Financial Technology and Regulatory Technology

## PUBLIC HEARING ANSWERS TO QUESTIONS ON NOTICE

### Digital Transformation Agency

**Topic:** Digital Marketplace – Government ICT tender application process

**Question reference number:** 1

**Senator:** Andrew Bragg (CHAIR)

**Type of question:** Hansard, page 4, Wednesday 26 February 2020

**Date set by the committee for the return of answer:** 6 March 2020

**Number of pages:** 2

#### **Question:**

**CHAIR:** Before I go to the deputy chair, I want to get an answer to my question. If I'm a small-business person in Stone & Chalk on Bridge Street in Sydney and I want to come and pitch for an ICT tender of the government, how many fields on average would I have to fill in?

**Mr Thorpe:** There are a couple of things I'd say to that. The first thing is that the digital marketplace provides a far simpler mechanism for small and medium-sized enterprises to participate and make government aware of their services. I can't comment on the number of fields in the digital marketplace, but what I can say is we've built the platform based on user research and user designs; in other words, we've iterated the product to ensure it's as easy to use as possible. A platform is one part of it and the policy setting is another, and the work that we do to understand how we address user needs, which is right not just for buying services but for selling them too, which is simplifying contracts, which I note is a barrier for small and medium-sized enterprises to participate because of the complexity of contract work. We've done some work around developing a contract suite that provides a standardisation for that to support small businesses doing that first hurdle and getting into the marketplace itself.

**CHAIR:** It's still not clear to me how easy it is, but maybe you can take that on notice.

#### **Answer:**

The following includes radio buttons, checkboxes and text boxes in the definition of “fields”.

- The minimum number of required fields to join the Digital Marketplace (the Marketplace) is 31 fields. This is when no optional fields are selected.
- If all optional fields are filled out, the total required to join the Marketplace with one recruitment service is 50 fields.
- If a recruiter offers services against all Marketplace categories – the total number of fields would be 89.

The following table provides further detail on the fields broken down by the information that the Digital Transformation Agency seeks from a seller upon joining the Marketplace:

| <b>Field</b>            | <b>Mandatory</b>                                     | <b>Optional</b>              |
|-------------------------|--|------------------------------|
| Business basics         | 8  | 1                            |
| Business details        | 2  | 3                            |
| Contacts                | 6  | 0                            |
| Disclosures             | 6  | 0                            |
| Documents               | 5  | 0                            |
| Tools and methodologies | 2  | 1                            |
| Accreditations          | 0  | 3                            |
| Recruiter               | 1  | 0                            |
| Services                | 1<br>(if recruiter is selected)                      | 0                            |
| Candidates              | 5<br>(if recruiter is selected –<br>for one service) | 0                            |
| Products                | 0  | 5<br>(if you have a product) |
| Declaration             | 1  | 0                            |

There are some variables based on the seller's business offering which will impact the total number of fields a seller has to complete. Variables include business offerings such as consultancy or recruiter services and if they have unique business identifiers such as small and medium-sized enterprises (SME), disability, indigenous etc.).

# Senate Select Committee on Financial Technology and Regulatory Technology

## PUBLIC HEARING ANSWERS TO QUESTIONS ON NOTICE

### Digital Transformation Agency

**Topic:** Digital Sourcing Policies

**Question reference number:** 2

**Senator:** Marielle Smith (Deputy Chair)

**Type of question:** Hansard, page 6, Wednesday 26 February 2020

**Date set by the committee for the return of answer:** 6 March 2020

**Number of pages:** 2

#### **Question:**

**Mr Thorpe:** I understand. DTA has responsibility for government to look at digital products and services. Supporting the Commonwealth Procurement Rules, we have four policies that provide guidance, essentially, for government to buy from the market. One in particular is the fair criteria policy, which is trying to emphasise the opportunities for small and medium-sized enterprises. In addition, where there is no or limited government experience, we have something called the Digital Sourcing Network, where we work with government agencies to help explain how these policies work. There's a policy on how to create new opportunities for small organisations to start working with government or selling services to government. That's a policy we have, and we're happy to share that on notice.

Further to the original question on notice around what engagement the DTA has made with fintech—Hansard went off for a moment—the Digital Transformation Agency launched the digital marketplace, which is the platform where small and medium-sized enterprises can provide services to government. We launched that at the fintech incubator at Stone & Chalk in 2016. Since then we've iterated the platform listening to user needs. As I mentioned, we have four policies. Those policies are iterated both with government and the people who sell to government, which includes fintech.

**Senator MARIELLE SMITH:** I'd appreciate some more information on that. I understand that, in procurement, it's really hard when you're studying strategic guidance on government procurement, because everyone comes at this from a different angle. People are looking at it from a social angle, an Indigenous procurement angle—there are all these different ways we can use procurement as a lever to achieve broader government policy, and this is another one of those. If there are things you are doing, and doing well, that we can capture, because it has been a criticism—for us, it's about working out whether it's a valid criticism or a criticism that exists because there has been a lack of engagement or a lack of ease in navigating how to get involved. Anything you can give us that helps us understand that would be useful.

## Answer:

The Australian Government's Digital Sourcing Framework (<https://www.dta.gov.au/help-and-advice/ict-procurement/digital-sourcing-framework-ict-procurement/digital-sourcing-policies>) consists of four policies. As part of the Digital Transformation Agency's (DTA) commitment to user-centred design, these policies were co-developed with experts from a range of agencies across government as well as the ICT industry to meet the needs of both user groups.

Each of the policies covers a different part of the digital sourcing process:

1. **Digital Sourcing Consider First Policy** (<https://www.dta.gov.au/help-and-advice/ict-procurement/digital-sourcing-framework-ict-procurement/digital-sourcing-policies/digital-sourcing-consider-first-policy>) is used at the planning stage of the digital sourcing process, while business needs are being identified before any investment decisions are made.
2. **Digital Sourcing Panels Policy** (<https://www.dta.gov.au/help-and-advice/ict-procurement/digital-sourcing-framework-ict-procurement/digital-sourcing-policies/digital-sourcing-panels-policy>) is used at the point when buyers must make a decision about what method they will use for a procurement and is driven by principles such as ensuring panels are open to new sellers more often.
3. **Digital Sourcing Fair Criteria Policy** (<https://www.dta.gov.au/help-and-advice/ict-procurement/digital-sourcing-framework-ict-procurement/digital-sourcing-policies/digital-sourcing-fair-criteria-policy>) is used prior to approaching the market, to ensure buyers have explored their procurement options and buy in a fair and transparent way.
4. **Digital Sourcing Contract Limits and Reviews Policy** (<https://www.dta.gov.au/help-and-advice/ict-procurement/digital-sourcing-framework-ict-procurement/digital-sourcing-policies/digital-sourcing-contract-limits-and-reviews-policy>) is relevant when buyers are designing contracts to make sure they reduce risk, drive competitive outcomes and increase flexibility.

As well as helping government buyers, the DTA is also working to help ICT industry sellers when selling to government. For example, the Digital Sourcing Network (DSN) (<https://www.dta.gov.au/help-and-advice/uplifting-digital-sourcing-capability/digital-sourcing-network>) is uplifting skills on both sides of the procurement relationship:

- The DSN provides training to public servants so they can engage confidently with sellers, ask knowledgeable questions, assess the products and services sellers are offering, and support the principles of the Digital Sourcing Policies through the outcomes they deliver.
- The DSN also provides training to sellers to help them understand government jargon and procurement processes, and better access government opportunities.