

Submission to the Joint Committee of Public Accounts and Audit Inquiry into Commonwealth Procurement

Response to supplementary question: professionalising the procurement function

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A possible means of building procurement expertise in the APS is for the APSC to create a professional stream for procurement, similar to the existing HR, Data and Digital professions.

- a. What are the advantages and disadvantages of this approach, in your view?
- b. What benefits does your suggested approach have compared to this idea? Do you see them as mutually exclusive or could both approaches be pursued at the same time?

The two approaches are synergistic. The best outcome will be achieved by combining the APSC's strategic positioning with a qualification-based career pathway that confers immediate structure onto what is currently an under-defined skillset. However this combination still lacks an essential third ingredient: accountability for delivery, which we also explore in this response.

The role of the APSC

Formal recognition by the APSC would represent a significant advance for the function. The APSC has the track record, influence and credibility to position procurement within the APS workforce of the future. However, as a policy agency, it is not accountable for outcomes and does not have the reach or subject matter expertise to ensure the successful delivery of the strategies it has crafted. Responsibility for delivery typically lies with the agencies, who must balance workforce strategy adoption with other priorities. This diffuse accountability means that the desired professional changes may not be swift.

The APSC's Digital Profession strategy was launched in 2020, alongside similar HR and Data initiatives. Taken as a template, the strategy's strengths lie in its thorough and thoughtful approach to the initial phases of the project, and especially to achieving buy-in from agencies whose work practices and staff profiles may be required to change. Many of the strategy's high-level initiatives could also easily be repurposed to support a procurement stream.

The delivery effort itself is not quite so well delineated and it is a little challenging to understand how successful these initiatives have been in the two years since their rollout. The Digital Profession strategy does not contain any timelines, hard objectives, or success criteria by which progress may be measured. These targets are important and must be set by a capable accountable entity.

The role of formal qualifications

The Digital Profession strategy leverages the Skills Framework for the Information Age (SFIA) for its competency assessments. This tool accommodates a variety of digital roles, but its flexibility means that its conclusions can be subjective. The same can be said for procurement-specific equivalents such as ProcurCompEU, the European Union's competency framework for public servants. In contrast, the broader procurement profession has exam-assessed qualifications that are globally recognised.

In Australia, the Chartered Institute of Purchasing and Supply (CIPS) provides a rounded, formal education for buyers at all levels. This UK-headquartered organisation has a worldwide membership of around 200,000. Alternatively, the US-based Institute of Supply Management (ISM) is also well regarded and has a member base of ~50,000. Qualifications from either organisation will provide objective measures of attainment that are especially relevant where there are no currently agreed standards of expertise.

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Why advocate for formal qualifications? Because they provide balanced curricula that address the education gaps so evident in the recent ANAO audits. They quickly and clearly frame up the learning and skills agenda so that in-house effort can be focussed on other aspects of the strategy. They demonstrate that procurement deserves recognition as a profession and explain what procurement professionals know and how they act. And they provide a bridge for private sector talent where this knowledge is already valued.

Qualifications also represent a tangible commitment to an individual's career path that may be important signalling for a newly recognised specialism in an organisation that prizes generalist ability. Offering them will allow government buyers to self-select their level of enthusiasm for the profession and will signal both a commitment to their development and an expectation of their performance.

Are formal qualifications strictly necessary? No. Will they be a forever thing for the APS? Perhaps not, but they are a swift and effective way to take those faltering first steps towards expertise.

The role of an accountable entity

We have convened that the APCS will provide a strategic roadmap for the profession. Also that the roadmap will be underpinned by a qualification curriculum so that public servants who choose the profession are rewarded with a quality education and a career pathway that is recognised beyond Canberra. This much is straightforward. But what does success look like? How will success criteria be set? How will results be delivered?

The Digital Profession strategy nominates a (somewhat totemic) Head of Profession to spearhead efforts. This role sits outside the DTA, which is the lead agency for the strategy. The role of the DTA is to *"coordinate and collaborate across agencies to engage and support the APS Digital Head of Profession"*. The role of the Head is to champion the profession. Absent any public reporting on the success of the strategy, this does not seem to be a tight accountability loop. How might we improve this model to drive greater ownership of outcomes?

Success for procurement will lie in a collaborative relationship between the APSC and a central point of accountability for professionalising the function – an accountability that is not present in the Digital Profession strategy. Let us suppose that the point of accountability is the new commercial entity which we propose. Or, if such an entity is not created, some other designated function that, unlike today, is both responsible and accountable for procurement performance across all categories. In the UK, this is the Government Chief Commercial Officer.

In this scenario, the APSC would lead on communications, engagement and documentation and would collaborate with the accountable entity to define both the strategy and its target outcomes. The two would also jointly develop an inventory of procurement staff - including part-time buyers - and a factbase of their activities, skillsets and needs.

The accountable procurement entity would draw up operationally pragmatic professional development plans and work structures with agencies as part of its engagement with them. These plans might, for example, include hands-on coaching in the context of key projects; skills transfers through secondments to the accountable entity's Practice Development team, or helping the agency set up a Supplier Performance Management team. The entity will be responsible for defining role requirements, professional standards and operational practices. It will set attainment targets and deadlines for uplifting the profession, and it will be accountable for their achievement. It will also model these skills and behaviours through its own advisory work and whole-of-government procurement activity.

Over time, this three-way interaction between the APSC, the accountable entity, and the agencies they both serve, may mature into a tailored specialist career pathway, similar to that portrayed in the UK's Commercial Career Framework. This framework lays out commercial roles within government, technical capabilities required for each role, and the professional experiences required for progression. Objective measures are provided by an in-house accreditation board.

The proposed approach of strategy, structure and delivery is practical and implementable. It builds on the APSC's existing work and leverages its strengths in policy development and engagement. It centres

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important parts of the procurement profession's future within the accountable entity, and thus helps to cement the entity's remit. It decreases the time-to-value by swiftly providing a professional structure and expertise expectations for government buyers.

Conclusion

We hope that this high-level response to your supplementary question is helpful to the work of the Inquiry and to its decision-making processes.

We are happy to explore the ideas it contains with you, and in the meantime are grateful for the opportunity to make a contribution on a topic about which we are both passionate and qualified.

Resources and further reading

"Our Public Service, Our Future" Report of the Thodey Review:

<https://www.pmc.gov.au/sites/default/files/resource/download/independent-review-aps.pdf>

Digital Profession Strategy: https://www.apsc.gov.au/sites/default/files/2021-03/digital_professional_stream_strategy_final_accessible.pdf

EU Procurement Competency Framework: https://commission.europa.eu/system/files/2020-12/procurcompeu-ecf_for_pp_en.pdf

UK Government Commercial Career Framework:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1091726/Commercial_Career_Framework_V2.0.pdf

UK Government Commercial Function: <https://www.gov.uk/government/organisations/government-commercial-function/about>

Chartered Institute of Purchasing & Supply (CIPS) qualifications:

<https://www.cips.org/employers/people/qualifications-programme>

Industry view on CIPS qualification: <https://www.procurious.com/procurement-news/what-is-cips-and-how-to-get-accredited> and ISM v CIPS: <https://www.procurious.com/procurement-news/3-key-differences-cips-ism>

Institute of Supply Management qualifications:

<https://www.ismworld.org/certification-and-training/certification/cpsm/>