



ABS Review of the Australian and New Zealand Standard Classification of Occupations (ANZSCO) APCC Submission to create a standalone Procurement Occupation Category

Introduction

The Australasian Procurement and Construction Council Inc (APCC) consists of Australian and New Zealand government agencies with responsibility for the disciplines of procurement, construction, asset management and property management policy and practice. The APCC works with all levels of government, international professional bodies, public and private sector skill service organisations, industry training bodies, universities and industry employers.

The public sector procurement profession, including contract management, is the dedicated workforce that has primary responsibility for championing government outcomes through agency procurement spend in collaboration with service providers.

Both the public sector and the private sector Procurement Function is responsible for delivering compliant, value for money procurement outcomes. Critical areas of procurement include: general goods and services, capital works, Defence materiel and ICT. Current estimates are that ANZ procurement is worth at least \$600 billion a year.

In conjunction with industry, the APCC developed the **Procurement Standard**, comprising the [Procurement Role Statement](#) and the [Procurement Capability Framework](#).

The Procurement Standard seeks to establish a standard definition of the ANZ Procurement Function and its underlying skills, as well as common terminology for position titles and job advertisements. This should provide potential applicants, training and educational providers, and Industry, a common understanding of its requirements.

The Procurement Standard established a range of specialist capabilities critical to delivering effective procurement outcomes. These include:

Professional Procurement Capabilities

- Identifying and Engaging with Risk
- Business Law
- Industry Engagement

Procurement Life Cycle Capabilities

- Governance and Assurance
- Planning
- Sourcing
- Evaluation and Negotiation
- Contract Development and Management

These skills uniquely describe the procurement occupation and its body of knowledge and operates as part of a single integrated framework to support the Procurement Function.

At the appropriate proficiency level, these specialist skills encompass the ability to competently perform the tasks associated with being a procurement professional. For example, these skills are

part of an integrated system because contract management requirements (including tailored clauses and mechanisms designed to maximise delivered value), need to be identified and developed during the planning and sourcing phases. Similarly, risk management principles need to be applied to every aspect of a procurement activity.

Procurement professionals use a range of computer-based equipment, especially as procurement is increasingly reliant on new technology; and works with a range of abstract materials, from industry sector analyses, contractual documents, processes to approach the market, to contract management activities which might last for many decades. Procurement outcomes often relate to significant goods, services and capital works being delivered to support increased organisational capability and value.

The Procurement Standard also acknowledges a range of necessary generic business skills (or employability skills), which are not solely applicable to the Procurement Function. These include: data literacy, decision making, digital literacy, financial management, grants management, leadership, managing innovation, policy development and implementation, workforce management, project management, working with government, working with people, intra-personal and inter-personal skills.

Note: further detail on these specialist and employability skills can be found within the Procurement Standard itself.

While there are many different titles that might be given to someone working in procurement, including purchasing officer, buyer or seller, contracts or contracting officer, sourcing officer, contract manager, etc, these roles all operate within a common procurement domain.

Further, there are also many related occupations, such as supply chain and distribution managers, program and project administrators, and supply logistics clerks, which may include staff who predominately perform a procurement role, who would be better supported if they were appropriately categorised as procurement.

As such, the APCC is seeking that procurement be recognised as a standalone ANZSCO occupation. This proposal is endorsed by government agencies and industry bodies as listed in the [“Supporters”](#) section below.

Why Procurement should be a Standalone Occupation?

Background

The Procurement Function has been evolving over many decades from a primarily transactional role (reflected in terminology such as purchasing), to one which is much more a strategic enabler for organisations to deliver value (hence the collective term procurement).

Currently there is disparate terminology being used within ANZ sectors and organisations, which often does not reflect the specialist capabilities a procurement professional requires.

This then impacts on how procurement positions are structured (often decentralised without a senior procurement officer to properly manage the function), and their job descriptions (low level responsibilities linked more to finance or logistics than specialist procurement outcomes). This can then result in those without sufficient knowledge, skills or experience being engaged, and the position not delivering its potential value.

Further, skill levels have also increased. With procurement officers often working on significant projects, for example multi-billion-dollar major capital works or Defence projects, the range and

complexity of what they are doing needs to be properly recognised, encompassing cognitive and creative skills, specialist skills and employability skills.

As the Procurement Function has become more complex, development expectations have also moved from predominantly training on-the-job or vocational qualifications, to one more suited to an undergraduate or postgraduate qualification. There is therefore a need to update the occupational skill level for those dealing with complex requirements (noting that vocational qualifications are still appropriate for entry level positions and lower skill level tasks).

While training organisations and professional bodies provide a range of valuable short courses and international certifications, the fragmented nature of the current ANZ procurement profession has not delivered appropriate educational offerings, such as specialist undergraduate qualifications in procurement, as the basis for other complex learning.

The Procurement Capability Framework, in addition to identifying specialist procurement skills, has also recognised a four-level proficiency approach, based on AQF standards, comprising the levels of: awareness, foundation (vocational), practitioner (undergraduate) and expert (postgraduate).

While not everyone in the procurement occupation would need to be a practitioner or expert, increasingly the core workforce would require these proficiencies, particularly as complex tasks would require practitioner skills and where technology continues to automate many lower-level tasks.

Further, while many people enter the procurement profession through related disciplines, such as law or management, it is critical that any procurement capability gaps be filled to ensure that the full range of task responsibilities are being properly supported.

A Standalone Procurement Occupation

A single, more coherent, procurement occupation would therefore better meet current and future labour market requirements.

It would encourage interested individuals to seek a career in procurement, and support matching jobseekers with job vacancies, help shape educational pathways by providing an undergraduate feeder stream into the profession, and help identify ANZ skill gaps to support awareness, increased investment, appropriate workforce strategies and possible skilled migration or skills prioritisation activities.

Even within the ANZ public sector, there is disparity in the way in which workforces are categorised. For example, while some jurisdictions or agencies use a procurement and contracting job family model, to identify those doing similar activities, others do not. Collectively, this leads to a lack of recognition and common understanding of the role of the Procurement Function and leads to inconsistencies in measuring the actual size of the procurement workforce.

And even when agencies do have a job family structure (or similar), they do not necessarily capture all those who are doing specialist procurement activities (due to a lack of appropriate coding). This is particularly the case in relation to whether procurement activities are being done full time or part time, regardless of the position's title.

This ultimately leads to a lack of accurate workforce data for those doing procurement activities, which then makes it difficult to forecast workforce demand, identify whether the existing labour market can supply this demand, and impacts other human relations activities such as job analysis, recruitment,

development, performance management, compensation, etc, where potential scales of economy are lost because there is not a sufficient recognition of the size of the workforce.

Further, without accurate categorisation, it is much more difficult to attain meaningful ANZ labour market statistics to support analysis of wages, availability of skills, transitions, education requirements, areas of growth, unemployment and underemployment, as well as barriers to entry.

Currently the ABS identifies Procurement across multiple occupations. These include:

- Supply, Distribution and Procurement Managers;
- Contract, Program and Project Administrators; and
- Purchasing and Supply Logistics Clerks.

Procurement would benefit from having a single standalone occupation and occupational coding. This, in turn, would support the gathering of current and emerging labour force trend information to assist with workforce planning, mobility, educational pathways, and public policy imperatives to deal with skill shortages. Given the estimated ANZ procurement expenditure, the value of even a marginal increase in productivity, arising from improved categorisation, would result in significantly improved value for the ANZ economy.

Conclusion

Currently ANZ stakeholders are struggling with the Procurement Function being fragmented and lacking a single occupational structure.

This fragmentation flows down into workforce structures, like public sector job families, where procurement and its necessary specialist skills are not appropriately identified, and as a result some procurement projects may not be as successful as they could be because they are not managed by appropriately skilled personnel.

The APCC would therefore like to work with the ABS to update the ANZSCO Framework to develop a standalone procurement occupation to better reflect contemporary practice and requirements, and to provide the necessary data to ensure the occupation is appropriately supported.

Based on this above submission, find attached in [Attachment A](#), a response to the Review of ANZSCO questions.

Thank you for your consideration. We are available to meet to discuss our submission and to better understand how we can progress our objectives.

If you would like to discuss this initiative, please contact me at tscott@apcc.gov.au.

Yours sincerely,

Teresa Scott
Executive Director, APCC

Supporters

Government Agencies



Australian Government
Department of Finance



Government of Western Australia
Department of Finance



Treasury



Government of South Australia
Department of Treasury and Finance



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI



Industry Bodies



Attachment A

Submission Questions

Proposal 1:	Undertake more frequent reviews of ANZSCO's Occupations
Proposal 2:	Ensure all occupations in ANZSCO contain a unique set of tasks and improve consistency of language
Proposal 3:	Explore solutions to directly link between each occupation in ANZSCO and its Australian Skills Classification (ASC) skills.
Proposal 4:	Enable customised views of occupations in ANZSCO to support 'Job Pathway Analysis'
Proposal 5:	Clarify the existing treatment of Employability Skills within ANZSCO
Proposal 6:	Use alternate terms for 'Skill Level' and 'Skill Specialisation'

4.1 SKILLS IN ANZSCO

1. **Do you agree implementation of the six options will provide a contemporary representation of skill within ANZSCO?**
 - **Are there other areas of concern or proposed options you believe should be considered?**
 - **Should any of the six proposed options be modified or removed?**

The APCC supports the proposed approach, as it will provide more frequent reviews to maximise the ANZSCO framework being 'fit for purpose' and hopefully enable greater functionality in how to use the data.

The discussion of a standalone procurement profession has been considered across the ANZ public sector for close to two decades, and often the response has been that organisations would wait until procurement was recognised in the base coding of occupations before taking appropriate action. For example, in many organisations, procurement is considered a subset of Finance, even though the skillset requirements are markedly different.

As part of supporting a standalone procurement profession, the APCC has established a public sector Procurement Standard (which was also consulted on with ANZ industry to provide a de facto private sector standard). While acknowledging a range of employability skills (which we refer to as business skills), this Procurement Standard includes a unique set of integrated capabilities (which align with procurement related tasks) that make up procurement skills.

The APCC supports the gathering of ABS data to support 'Job Pathway Analysis'. This is partly because procurement professionals often do not use consistent terminology, and it would be valuable to identify and capture all position titles doing core procurement activities; as well as provide feeder streams from other professions into procurement where broad skillsets align, such as having a background in Business Law.

The APCC uses 'proficiency' in place of 'skill level' or 'skill specialisation', which is aligned to the AQF level of information complexity, notably awareness, foundation (vocational), practitioner (undergraduate) and expert (postgraduate). But ultimately, the APCC supports agreed defined terms that provide certainty to everyone.

2. Do you have any suggestions regarding how to include micro-credentials and other training outside the AQF within ANZSCO? (Refer Section 3.2 of Skills in ANZSCO options paper)

- **What, if any, implications will implementation of the six proposed options create for your organisation?**

The APCC has identified a range of specialist procurement skills as part of an integrated capability framework.

Micro-credentials and non-AQF training can be particularly valuable, especially once an individual or organisation has identified a skill gap and has an immediate focus on acquiring them.

Further, the APCC works closely with a number of professional bodies, which have their own international certification standards, which we would want to embrace as part of a range of existing offerings and long term professional development.

Ultimately, once procurement is recognised as a standalone profession, we are fully supportive of working with any organisation delivering AQF or non-AQF training and educational support to help upskill the profession.

3. Do you agree with the prioritisation of the six proposed options outlined in this paper? (Refer Section 4 of Skills in ANZSCO options paper)

- **If “no”, please rank the six proposed options from most to least important and describe the criteria used for this ranking.**

The APCC is broadly supportive of the current priority list of proposals, notably that a review of ANZSCO occupations should be held which identifies procurement as an occupation and references the unique set of capabilities which have been identified.

4. Do you consider implementation of any of the six proposed options more urgent?

- **If “yes”, please rank the six proposed options from most to least urgent and describe the criteria used for this ranking.**

As noted above, establishing a standalone procurement occupation is the APCC’s priority.

4.2 MAINTAINING ANZSCO

1. Do you have any concerns about the consultation process outlined in the ANZSCO Maintenance Strategy information paper, for example, with the frequency, mode or duration?

- **If yes, please outline your concerns.**

There is a degree of difficulty with endorsing any consultation process without understanding what is actually required to achieve agreement on a new approach. The APCC is less concerned by a particular frequency, as much as achieving the aim of having a better more contemporary ANZSCO, and one which recognises procurement.

2. Does the ANZSCO update model strike the right balance between timely updates to reflect the contemporary labour market and consistency over time to preserve time series data?

- **If not, please provide an explanation as to why and suggest an alternative model and its strengths.**

As noted above, the APCC is less interested in a fixed consultation period, as much as moving ahead with appropriate recognition of a procurement occupation. Other than this, the APCC is happy to support the ABS's approach.

3. Are there any significant factors missing from the prioritisation framework?

- **If yes, please provide details about the proposed additional factor(s) along with a justification for their inclusion in the framework.**

As noted above.

4. Considering the frequency of minor and major updates described by the model, please describe any potential negative impacts:

- **Minor changes annually (including the creation of 6-digit occupations)**
- **Major changes every fifth year (including structural and classification-wide changes).**

Nothing further to add.

5. The ANZSCO Maintenance Strategy information paper proposes annual releases of updates to ANZSCO in the first quarter of every calendar year. Does this release timetable meet your needs regarding implementation of updates?

- **If not, please provide an explanation of why not and propose an alternative.**

APCC is supportive of such an approach.

6. Are there any other components of the strategy on which you wish to provide feedback?

- **If yes, please summarise your additional comments.**

Nothing further to what we have already included.