



**INDUSTRY  
SCIENCE  
RESOURCES**

## **EXECUTIVE MINUTE**

on

### **JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT No. 369**

#### **AUSTRALIAN GOVERNMENT PROCUREMENT**

This Whole-of-Government response has been prepared by the Department of Industry, Science and Resources as one of the agencies identified in Recommendation 9 of the Committee's Report. The response has been prepared following consultation with the Department of Finance and Administration, and the Department of Employment, Workplace Relations and Small Business.

#### **General Comments**

Agencies support the promotion and adoption of good purchasing management practices throughout the Commonwealth Government sector. They note that the devolution of authority and responsibility for purchasing to individual agencies is allowing these organisations to tailor their purchasing functions more flexibly, and to meet more appropriately the needs of their suppliers and clients.

The introduction of the *Financial Management and Accountability Act 1997* and the implementation of an accrual budgeting and reporting framework has placed greater accountability on all agencies to manage their purchasing functions as a key component of the price of their outputs. Improvements in the measurement and reporting of financial performance information following the introduction of accrual budgeting will assist agencies to develop better management tools and more accountable processes in relation to the management of purchasing.

#### **Response to Recommendation 9 of the Joint Committee of Public Accounts and Audit Report**

The response to Recommendation 9, presented below, follows the extract of the Recommendation from the JCPAA Report.

**Recommendation 9 (paragraph 4.93)**

**That the Office of Small Business and the Department of Industry Science and Resources conduct research into Commonwealth Government buying trends and their implications for Australian New Zealand small and medium enterprises.**

**Noted.**

The Department of Industry, Science and Resources (DISR) and the Office of Small Business (OSB) note the recommendation and, in consultation with key stakeholders including the Department of Finance and Administration, will investigate the reporting capacity of the existing Gazette Publishing System to provide information on trends in the purchasing arrangements of Commonwealth Government agencies.



Russell Higgins  
Secretary

24 December 1999