

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation and Science Portfolio
2017 - 2018 Budget Estimates
31 May – 1 June 2017

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

TOPIC: Australian Industry participation plan

REFERENCE: Written Question – Senator Carr

QUESTION No.: BI-137

According to the Department's response to Question on Notice number AI-157 from the previous estimates, in 2015 there was a change to the requirement for all tenders to prepare an Australian Industry Participation (AIP) plan. In relation to this change of policy:

1. Who made the decision to change the previous policy requirement? Was it made by the Industry Minister or a different portfolio Minister?
2. On what date was this decision made and how was it enacted?
3. What advice was issued on the new requirements, both to other government departments and to external stakeholders?
4. Please table a copy of the advice provided to external stakeholders outlining the new requirements.

ANSWER

1. The 2015 clarification to the procedural guidance from 'tenderers' (general) to prepare and implement an Australian Industry Participation (AIP) plan was to clarify that only 'successful tenderers' must prepare and implement an AIP plan (although all tenderers can still be asked to prepare plans, clearly only successful tenderers can implement). This procedure remains within the scope of the current policy that AIP plans are 'prepared and implemented' for Government procurements per the 2009 Australian Government Procurement Statement. The procedural guidance relates to when in a tender process plans can be prepared, and is not considered a change in the policy. Flexibility in the timing of when a plan is required means that fewer unsuccessful tenderers face unnecessary regulatory burden of preparing plans when they are not awarded contracts.

The decision to make the clarification was made by the AIP Authority (a statutory position established under the *Australian Jobs Act 2013*). Under section 12 of the *Australian Jobs (Australian Industry Participation) Rule 2014*, the AIP Authority is charged with "providing advice on the preparation of draft AIP plans and AIP plan requirements for major Government procurements, loans and grants".

2. On 24 June 2015 in writing by the AIP Authority.
3. Advice was issued via:
 - a) the Department of Finance's (DoF) Procurement Bulletin. This publication has an audience of over 2,500 officers from Commonwealth Government entities (both Corporate and Non-Corporate Entities) and a small number of state agencies, all of whom have officers involved in procurement.

- b) the DoF website.
- c) the Department of Industry, Innovation and Science's (DIIS) website.
- d) departmental AIP staff who regularly advise stakeholders on the procedure through the AIP Inbox, hotline and other stakeholder interactions.

4. Advice to external stakeholders comprised the following:

- a) DoF Procurement Bulletin

Entity Notices

Australian Industry Participation Policy – A Procurement Connected Policy

Did you know?

- Did you know that Australian Industry Participation (AIP) policy applies to projects of \$20 million or more funded under Commonwealth procurement and grants? There may be a requirement for AIP plans to provide full, fair and reasonable opportunity for Australian industry to participate in these projects. AIP plans are only required from successful tenderers or grantees.

If your agency is planning such a project, please contact the AIP team in the Department of Industry, Innovation and Science to determine whether there may be an AIP plan requirement. If there is no benefit to be gained from the preparation of an AIP plan an exemption from the requirement will be granted. Seeking early advice from the department will provide clarity on any requirements in the grant or procurement process. The AIP team can be contacted on 02 6213 6404 or at aip@industry.gov.au.

- The intention of an AIP plan is to ensure that there is full, fair and reasonable opportunity for Australian suppliers. This is evidenced through the submission of an approved implementation report to the Department of Industry, Innovation and Science by the procuring agency. All successful tenderers or grantees with approved AIP plans are required to submit implementation reports to report against actions identified in the plan.

Implementation reports are generally required within 14 months of contract execution. If you have received and approved an implementation report or have any questions, please contact the AIP team. Alternatively, please forward reports by email to aip@industry.gov.au to facilitate the AIP Authority's annual reporting to Government.

Further information on AIP plan requirements in Commonwealth Government procurement is available at www.industry.gov.au/aip.

b) DoF website

Procurement Connected Policies - Australian Industry Participation

Policy / Guidance	Policy Description	Policy Department	Contact
Australian Industry Participation Plans for Government Procurement 	<p>The Australian Industry Participation (AIP) National Framework applies to major Commonwealth Government procurements (\$20 million and more).</p> <p>Successful tenderers for certain Commonwealth procurements are required to prepare and implement an AIP Plan.</p>	Department of Industry, Innovation and Science	Australian Industry Participation Policy Team aip@industry.gov.au 02 6213 6404

c) DIIS website (extract)

Australian Industry Participation Plans - Commonwealth Government Procurement

Successful tenderers may be required to prepare and implement an Australian Industry Participation (AIP) plan for Commonwealth procurements valued at \$20 million or more. These plans help companies familiarise themselves with the capabilities of Australian small and medium enterprises and identify suitable Australian suppliers.

AIP plan summaries which relate to current contracts for Government procurement are published on this [website](#).

Information for Commonwealth Government Agencies

Commonwealth Government agencies preparing a tender valued at \$20 million or more should contact the department on 02 6213 6404 or at aip@industry.gov.au to discuss whether an AIP plan should form part of the tender process.

Information for companies tendering for a Commonwealth procurement

Successful tenderers may be required to prepare an AIP plan for Commonwealth procurements.

1. Read the tender documents available from AusTender or the Commonwealth Government agency's website to determine if an AIP plan is required for the successful tenderer(s) or panellist(s).
2. Confirm with the Commonwealth Government agency the specific requirements of each tender.
3. If your company is successful in a tender with an AIP plan requirement, contact the Department of Industry, Innovation and Science on 02 6213 6404 or at aip@industry.gov.au for assistance in preparing an AIP plan.