

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2014-15

Finance Portfolio

Department/Agency: Finance

Outcome/Program: 2/2.1

Topic: Representation of content in Australian produced goods

Senator: Madigan

Question reference number: F25

Type of question: Hansard, F&PA Committee, Page 80, 28 May 2014

Date set by the committee for the return of answer: Friday, 11 July 2014

Number of pages: 2

Question:

Senator MADIGAN: Minister, do you think it would be fair to have an accurate representation of the actual Australian content in purchasing decisions so that people in the public have a clear indication of what is actually produced in Australia that the government procures?

Senator Cormann: In principle, yes; in practice, I would have to appreciate what that actually would mean in terms of what our current processes are and what the cost implications are ... I will see whether I can give you a more scientific and more considered an answer on notice.

Answer:

Each year the Department of Finance (Finance) undertakes analysis of AusTender data to ascertain, among other things, the level of contracts being awarded to Australian suppliers compared with overseas suppliers.

Deeper analysis of 'Australian made or delivered' content is not currently practical as AusTender supplier identification data (ABN, if available, and business address) is insufficient for this purpose.

In order to increase the accuracy of Australian content statistics, Finance would need to impose additional onerous reporting requirements on suppliers in relation to the content of the goods and services being supplied under each contract. This would introduce a significant amount of additional red tape for suppliers.

A consensus definition of what is 'Australian' is also difficult to achieve as, for example, goods may be made up of components from various sources.

Based on the information currently available, Australian suppliers are competitive in Commonwealth Government procurement. In 2012-13, the Commonwealth Government

reported over 67,000 contracts together worth in excess of \$39 billion on AusTender. Over 82% (\$32 billion) of Commonwealth Government contracts reported in 2012-13 were Australian sourced or delivered. The overall percentage of goods supplied by Australian suppliers increases significantly if Defence contracts for large military items such as aircraft and weaponry that are not produced by Australian suppliers are excluded.