

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Industry, Tourism and Resources Portfolio  
Budget Estimates 2005-2006, 30-31 May 2005

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY, TOURISM AND RESOURCES  
**OUTCOME/OUTPUT:** Outcome 1, Output 1.2  
**TOPIC:** DATA ON SMALL TO MEDIUM ENTERPRISE ACCESS TO GOVERNMENT CONTRACTS  
**REFERENCE:** HANSARD 30/05/05, PAGE E60

**QUESTION No.127**  
(Hansard 30/05/05, p.E60)

**Senator Lundy** asked about:

Where are the figures on small to medium enterprise access to government contracts sourced from?

**ANSWER**

05/88

*The following response has been provided by the Department of Finance and Administration.*

The Department of Finance and Administration advises that the data that is used to undertake the SME participation analysis is taken from the underlying database within the AusTender information system. This database contains data relating to contracts awarded by agencies that are subject to the *Financial Management and Accountability Act 1997*, and by certain agencies subject to the *Commonwealth Authorities and Companies Act 1997*, to which the *Commonwealth Procurement Guidelines* apply. The system containing the database was known as the 'Gazette Publishing System' (GaPS) and became 'AusTender – Contracts Reported' when information system enhancements were implemented on 1 January 2005.

Data from this system is publicly available through the AusTender website at [www.tenders.gov.au](http://www.tenders.gov.au). The website also provides public access to publicly available government business opportunities, annual procurement plans and other information related to government procurement.

**QUESTION No.128**  
(Hansard 30/05/05, p.E60)

05/89

**Senator Lundy** asked about:

Can you provide the full methodology for this survey and also the results you have got on the system?

**ANSWER**

*The following response has been provided by the Department of Finance and Administration.*

To determine the percentage of all Australian Government contracts which are awarded to SMEs, a two-step analysis is undertaken of the AusTender contract award data. An external business intelligence provider reviews the suppliers in the contract data and identifies SME suppliers, according to the definition in the *Commonwealth Procurement Guidelines*, using information drawn from other SME data sources. The Department of Finance and

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Administration then totals the contract data for SMEs as a proportion of the entire contract data, to arrive at the SME participation percentages.

The external business intelligence provider was selected on the basis of a competitive approach to the market seeking a provider with appropriate qualifications and extensive expertise and aptitude in the area of such analysis. The analysis by the external provider is assisted by databases held by the Australian Taxation Office of Australian Business Numbers, as well as databases containing specific information regarding the size and number of employees in Australian businesses. This is a complex and comprehensive process to arrive at the best possible SME statistics.

Information on SME participation in government procurement is published on the Department of Finance and Administration's website. The participation analysis only includes contracts where the primary supplier is an SME (that is, where the contract is awarded directly to the SME), because the data only identifies the primary contract supplier. Because sub-contract data is not collected, it is not possible to derive participation information for work that is sub-contracted to SMEs.

The information currently published on the website is included in the table below.

**SME Participation in Gazetted Government Contracts**

	<b>SME % BY VALUE</b>	<b>SME % BY NUMBER</b>
2002-03	27.0	55.7
2001-02	25.1	61.3
2000-01	22.4	58.3
1999-00	27.6	58.2

Source:AusTender