

7 August 2020

ICT and Digital Sovereign Procurement Taskforce, NSW Government
Level 11, McKell Building, 20-24 Rawson Place
Sydney NSW 200

To whom it may concern:

ABSIA's Response to ICT Sovereign Procurement Taskforce

The Australian Business Software Industry Association (ABSIA) welcomes the opportunity to make this submission on behalf of the business software industry. ABSIA is vitally interested in supporting SMEs and increasing their involvement in ICT procurement activities alongside improving relationships between the industry and government.

While ABSIA is nationally focused, almost 50% of our members operate in NSW and 4 of our 8 Board Directors are located in NSW.

This submission outlines a number of recommendations for the NSW Government, including that the NSW Government should:

- Define sovereign procurement as involving all Australian companies whether they are internationally owned or Australian owned and operated;
- Follow the SME procurement approach recently outlined by the Australian Small Business and Family Enterprise Ombudsman (ASBFEO);
- Outline the reasons why an SME was not chosen for a procurement contract;
- Publish reports on the amount of contracts awarded by business type and amount spent to assess the effectiveness of their approach;
- Review strategies and policies annually;
- Have a dedicated office for establishing and maintaining relationships with industry; and
- Improve internal information sharing and develop better relationships with professional and industry associations.

ABSIA would appreciate the opportunity to provide further feedback on this submission and participate in any further consultations. For further information, please contact info@absia.asn.au.

Yours faithfully,

Chris Howard
President & Director,
Australian Business Software Industry Association (ABSIA).

ABSIA's Response to ICT Sovereign Procurement Taskforce

Define sovereign procurement as involving all Australian companies

Sovereign procurement should involve all Australian companies, whether they are internationally owned or Australian owned and operated. Internationally owned companies, even if they are SMEs, are often excluded from sovereign procurement opportunities even though they employ staff in Australia and have an established presence in the Australian market. When looking to define sovereign procurement, this should be kept in mind.

In Australia there does not seem to be an agreed upon definition of what an SME is. ABSIA notes that it's generally between 5 and 50 employees and there is often a turnover threshold.

Follow the SME procurement approach recently outlined by ASBFEO

The Australian Small Business and Family Enterprise Ombudsman (ASBFEO), Kate Carnell, recently called for at least 30% SME participation in government procurement and for the establishment of a small business procurement panel to manage commonwealth contracts worth less than \$10 million¹. The NSW Government should take a similar approach to this suggestion from the ASBFEO. It sets expectations for how SMEs should be involved in government procurement. Notably the ASBFEO also suggested that if a contract is not awarded to an Australian SME, the relevant department should provide an explanation for why an SME was not chosen.

Outline the reasons why an SME was not chosen for a procurement contract

When there are barriers to achieving targets, the NSW Government (or relevant department) should provide an explanation for why an SME was not chosen. This is in line with the approach outlined by the ASBFEO mentioned above. This would allow the greater public, SMEs and the NSW Government itself to better understand the reasons why an SME was not chosen. This is particularly beneficial when assessing the effectiveness of the NSW Government's approach. It would also help SMEs understand what technology and services the NSW Government are searching for and allow them to better prepare.

Publish reports to assess the effectiveness of the chosen approach

The NSW Government should periodically publish reports on the amount of procurement contracts awarded by business type and amount spent to assess the effectiveness of their strategies and policies. This provides greater visibility of the NSW Government's procurement processes and therefore allows the effectiveness of their approach to be internally assessed.

¹ [Canberra Times article](#) and [InnovationAus article](#)

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Review strategies and policies annually

To measure the ongoing effectiveness of the NSW Government's approach, their strategies and policies should be reviewed annually. After an annual review, changes should then be made to reflect the new best practices.

Have a dedicated office for establishing and maintaining relationships with industry

The NSW Government should have a dedicated office responsible for establishing and maintaining relationships with the industry. This would allow the NSW Government to keep in touch with the industry, share procurement opportunities with a wider audience and allow for the NSW Government and industry to work together on common solutions.

In our experience, ABSIA and the business software industry have developed a close working relationship with the ATO and this is mostly possible due to their Digital Partnership Office (DPO). This has enabled ABSIA members and other business software providers to share information to the ATO and also co-design government programs enabling easier adoption by the industry.

Improve internal information sharing

The NSW Government should also improve information sharing internally between government departments and offices. This would enable departments to better understand the challenges of others and perhaps lead to better and more widely adopted solutions making it easier for businesses and individuals to interact with the NSW Government.

Developing relationships with professional and industry associations, like ABSIA, should also be a priority to enable information sharing between the NSW Government and these bodies. It would also allow the NSW Government to better understand what is happening in different industries as well as understanding the challenges and opportunities within these industries and professions.