

15 June 2018



Submission on “Increasing the Integrity of the Commonwealth Procurement Policies.”

Dear Officials,

Introduction

The Australia New Zealand Leadership Forum (ANZLF) is a business-led organisation that seeks to bring together business, political and community leaders to enhance trans-Tasman cooperation and the integration of our economies as a single economic market. The trans-Tasman government procurement market is an important one for many businesses on both sides of the Tasman and it is a particularly important one for many small and medium-sized enterprises. ANZLF welcomes the opportunity to comment on the consultation document “Increasing the Integrity of Commonwealth Procurement Policies” and would like to make the following observations.

The Single Procurement Market

We understand that the combined value of the single procurement market is approximately AUD\$160 billion per year, representing a significant proportion of GDP in each country. Australian and New Zealand businesses and tax payers benefit from access to the larger market created by the Australian New Zealand Government Procurement Agreement (ANZGPA). It maximises competitive opportunities for suppliers on both sides of the Tasman and helps to reduce costs of doing business for our governments. The government procurement market is a particularly important one for a wide range of small and medium-sized companies who are contributing to government a wide range supplies such as finished goods, consulting expertise and construction know-how.

Our Feedback

We support the Australian Federal Government’s efforts to implement the recommendations of the Black Economy Taskforce and ensure that the government’s supply chain is not being undermined by illegal activities, including failure meet tax obligations. We recommend that any new requirements for tendering companies are simple, straight-forward and do not unnecessarily add to the burden of obligations that must be met by companies seeking to apply for government contracts.

We note that the consultation document states that the proposed new requirements for Commonwealth Procurement Rules would be consistent with Australia’s international obligations. We welcome this commitment and seek assurances that the Treasury has also considered the specific obligations of the Australia New Zealand Government Procurement Agreement.

We would also be grateful if Treasury would provide greater clarity about the requirements that may be required for international suppliers, specifically New Zealand suppliers. The consultation document does not provide sufficient information for New Zealand suppliers to understand whether they will be required to provide tax certification and what information might be required. For example, it is not clear whether

New Zealand companies with no Australian tax history would instead be required to provide certification that they are meeting their tax obligations or a self-declaration. It is also not clear what might be expected of trans-Tasman businesses (which are headquartered in New Zealand) but do have some Australian tax history. It would be useful to know whether they are only required to seek certification for their Australian tax compliance or both.

In this regard, we request that the policy guidance on the treatment of international suppliers ensure that this policy requirement does not act as a barrier to international suppliers and that all procuring entities clearly understand what may be expected of overseas suppliers. It will also be important to ensure that the practical application of this policy does not lead to Government tendering portals establishing mandatory requirements for an Australian Tax Office certificate, if the provision of one is not mandatory for international providers.

Yours sincerely,



Ann Sherry AO
Co-Chair Australia
Executive Chairman, Carnival Australia



Adrian Littlewood
Co-Chair New Zealand
Chief Executive, Auckland International
Airport Ltd