

# ASBFEO launches inquiry into Commonwealth tendering and SMEs

## **BUSINESS**

*The review will identify the effectiveness of AusTender and the ability of small businesses to compete for government contracts.*

By [Josh Needs](#) • 30 March 2023 • 5 minute read

The Australian Small Business and Family Ombudsman (ASBFEO) Bruce Billson has launched an inquiry to examine the Commonwealth procurement rules on small businesses.

Mr Billson said the inquiry was referred to him by the Minister of Finance Katy Gallagher and would look to examine the ability of small firms to acquire Commonwealth contracts after it was revealed SMEs were awarded 30 per cent of procurement contracts in 2021–22.

“It’s great to see the Australian government’s commitment to be a bigger customer for small businesses,” said Mr Billson.

“But for many small and family businesses, identifying and securing Commonwealth procurement contracts can be complex, costly, confusing and time-consuming.”

“Supporting the opportunity for small and family businesses to compete for and fully participate in supplying the goods and services the Australian government needs helps ensure full value for money, vitality in the economy, support for local business to scale and can enable innovation.”

Mr Billson said it was necessary to examine how the system worked for the small businesses and where improvements could be made to better support their participation in the procurement process.

“We want to identify those departments and agencies who are exemplars in providing procurement opportunities to small businesses and celebrate this success and help others to emulate it,” he said.

“Similarly, we seek to shine a light on those whose dealings with small business are poor.”

ASBFEO said it would release an issues paper on the matter and invited written submissions from small businesses and other interested parties by 1 July 2023, with the final report due to be given to the government in December.

Mr Billson said the review would also look at the effectiveness of AusTender, the Commonwealth contracting suite and other measures to enable small businesses to join together to bid for larger multi-faceted contracts.

A concern frequently raised by small businesses which Mr Billson revealed was the confusion around how to tender for government contracts.

“We want to look at what support is given to small businesses to navigate what can be a complicated procurement process,” he said.

“In some cases, small businesses are deterred by a feeling there is a closed shop while in other cases they simply don’t know about the opportunities available, or the size of the contract can be simply too big.”

Mr Billson also said he was keen to determine whether capacity-building contracts – which would enable smaller firms to benefit from the contracts to grow their business – had been offered.