

Commonwealth Procurement Rules Explanatory Statement

The Commonwealth Procurement Rules are issued by the Minister for Finance under s105B(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). As per s105B(2) of the PGPA Act, the instrument is not subject to section 42 (disallowance) of the *Legislative Instruments Act 2003*. This instrument commences on 14 December 2020 and repeals the previous Commonwealth Procurement Rules (F2019L00536).

The Commonwealth Procurement Rules incorporate the requirements of Australia's international trade obligations and government policy in procurement into a set of rules, which apply to Commonwealth procurement. The Commonwealth Procurement Rules apply to procurement conducted by non-corporate Commonwealth entities and certain procurements conducted by prescribed corporate Commonwealth entities as listed in section 30 of the PGPA Rule.

The updated Commonwealth Procurement Rules reflect the Australian Government's commitment to sustainable procurement practices; emphasise the importance of paying suppliers on time, particularly small businesses; and includes a new Appendix A exemption that allows for the direct engagement of a Small and Medium Enterprise for procurements up to \$200,000.

This update also includes a number of minor amendments comprising:

- aligning the application of the Commonwealth Procurement Rules in relation to the Commonwealth Superannuation Corporation with the text in the *Public Governance, Performance and Accountability (PGPA) Rule 2014*;
- clarification on the application of the Commonwealth Procurement Rules for arrangements between non-corporate Commonwealth entities;
- an editorial change to the paragraphs relating to Small and Medium Enterprise targets;
- a reminder to officials to use the Australian Government's Commonwealth Contracting Suite;
- acknowledgment of the Australian Governments reporting obligations under the *Modern Slavery Act 2018*; and
- text directing officials to consider cyber security risk when considering and managing their procurement.

The Commonwealth Procurement Rules are supported by guidance available at <http://www.finance.gov.au/procurement/>.

Consultation

The Minister for Finance approved the amendments to the Commonwealth Procurement Rules.