

Commonwealth Procurement Rules 1 July 2022 (No. 2) 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 1 July 2022 and repeals the previous Commonwealth Procurement Rules F2020L01519 and F2022L00409.

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 improving the competitive capability of small and medium enterprises when participating in Commonwealth procurement, leading to better participation and outcomes for both Government and industry.

This update includes the following revisions:

- new text to include climate change impacts in relevant financial and non-financial value for money considerations;
- amended text to increase the Australian Government's commitment to procuring from SMEs from 10 per cent to 20 per cent; and
- new text advising officials that to maximise competition, multiple suppliers should be approached on a standing offer.

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.

Note: The name of this instrument was amended on registration as the instrument as lodged did not have a unique name (see subsection 10(2), *Legislation Rule 2016*).