

Government Procurement Survey 2024

What is your experience?

March 2024

SURVEY
RESULTS

Introduction

Government SME Procurement Survey 2024.

The aim of this Government SME Procurement Survey was to demonstrate through data the experience of Australian small and medium-sized technology companies in selling to government.

The survey was conducted via the SurveyMonkey platform, attracting 81 respondents during the period between February 19 and March 8, 2024.

The survey focuses on the experience of tech SMEs selling to the federal government, and we hope that the results might help inform changes to Commonwealth procurement practices that improve outcomes for Australian companies.

Two of the Albanese government's signature policies relate to procurement: The Buy Australia Plan and the Future Made in Australia Office (FMiAO). These policies have now been in place for more than 18 months.

This survey seeks to understand whether the Buy Australia Plan or the FMiAO have made a material difference to the experience of Australian tech SMEs selling to government.

The survey does not claim to have produced a definitive data set. But the sample size is large enough that it provides a good indicator of how local tech SMEs have experienced federal procurement processes.

We deliberately gave respondents many opportunities to leave comments, and this is where the most interesting insights can be found.

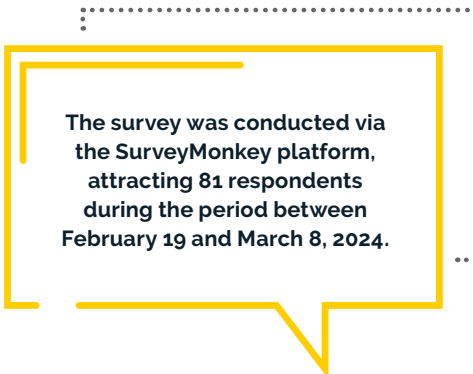
The survey results are anonymised. But the sentiments they reveal are real.

The Government SME Procurement Survey 2024 is intended as a positive contribution to policy discussions around procurement and industry development.

Corrie McLeod

Publisher

InnovationAus.com



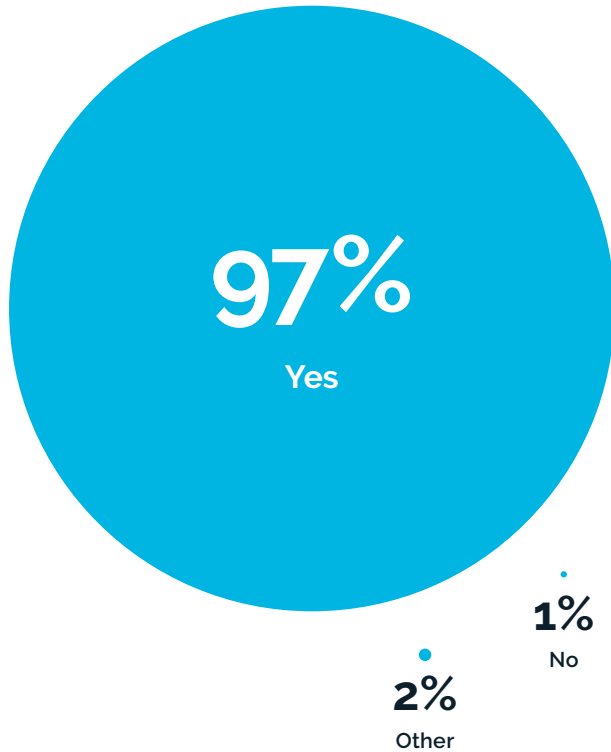
The survey was conducted via the SurveyMonkey platform, attracting 81 respondents during the period between February 19 and March 8, 2024.

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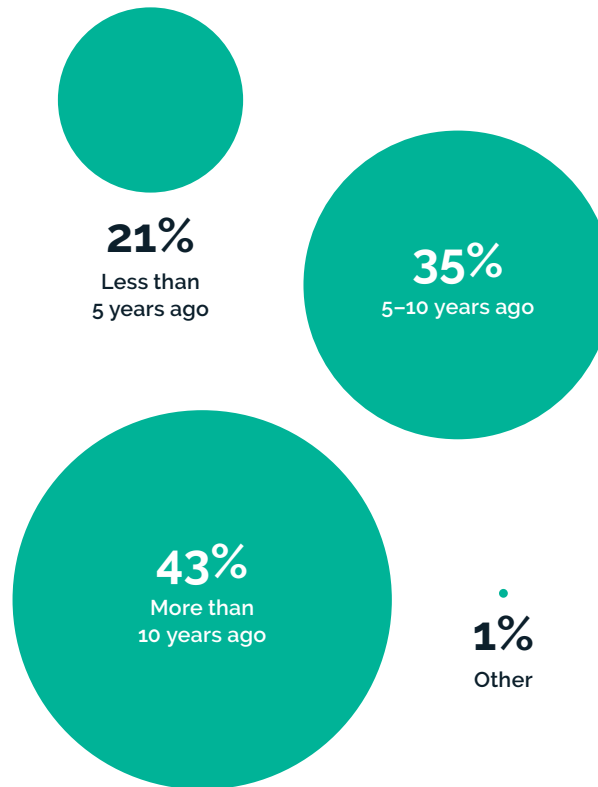
Q1

Is the company headquartered in Australia for tax purposes?



Q2

When was the company established?

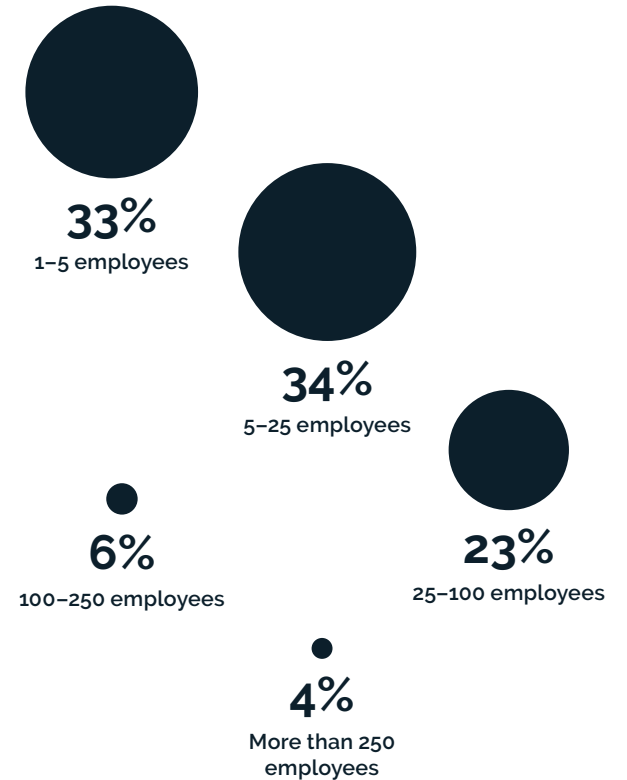


OTHER

1. More than 25 years ago

Q3

How many people are there in your organisation?

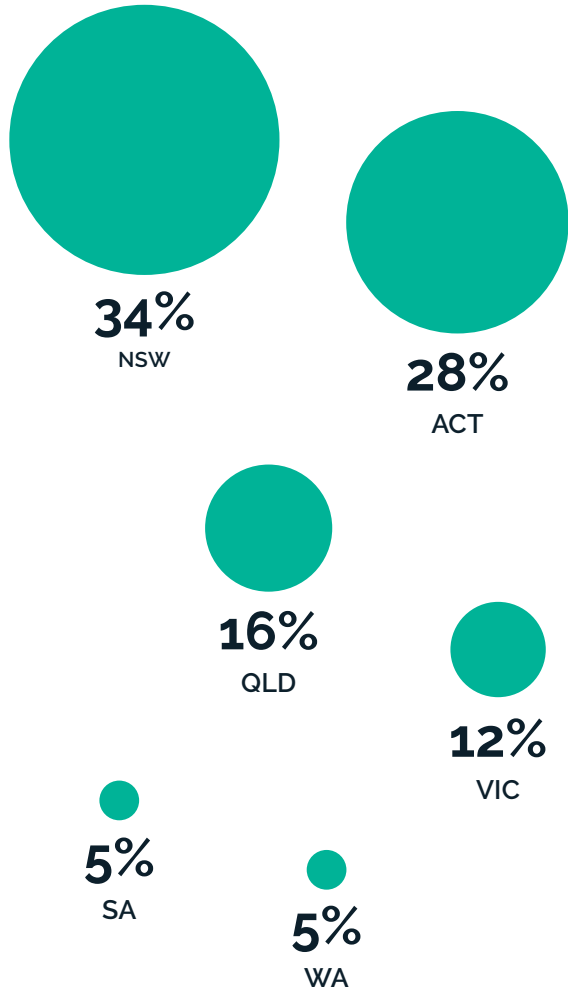


OTHER

1. Contracted from 15 in last 12 months
2. Globally more than 250 - locally less than 5

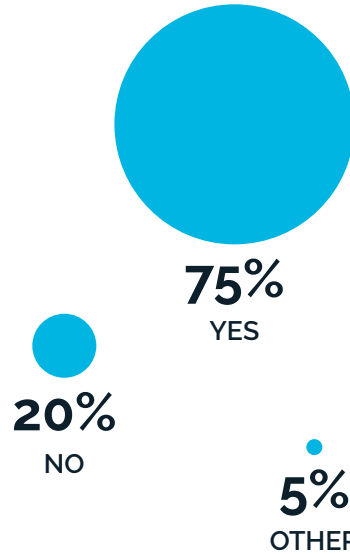
Q4

What state are you headquartered in?



Q5

Does your business own the intellectual property of the product/service you deliver?

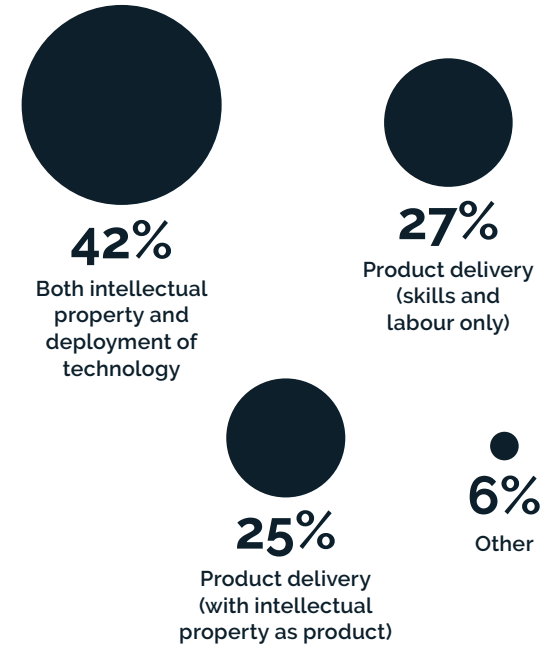


OTHER

1. Dependent on project. Generally, yes.
2. In some cases, however standard government contracts lean towards not being able to effectively retain IP as an SME
3. Sometimes - depends on the project
4. Kind of - it's a new service aiming to solve a global market gap regarding digital accessibility. We're working on some components we intend to patent
5. Sometimes - it depends on the contract

Q6

How would you describe what you deliver?

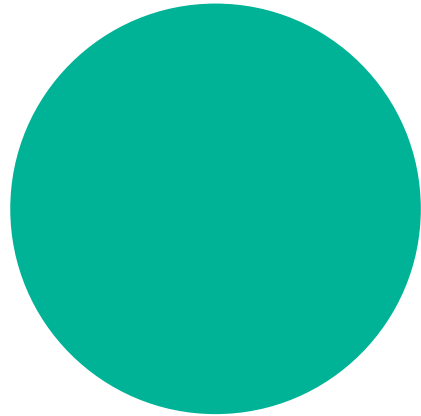


OTHER

1. Consulting services
2. Hardware plus software & secure cloud-based data storage.
3. SaaS
4. Business consulting and administration skills and services.
5. Services - I train people in tech-related topics (mostly user experience design and accessibility)

Q7

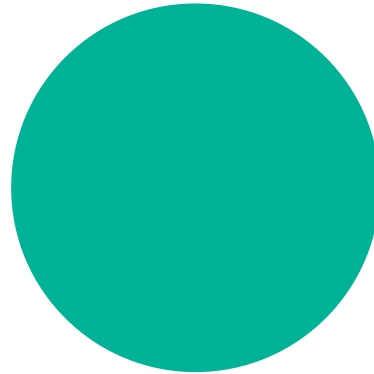
Which areas are your business in?



49%

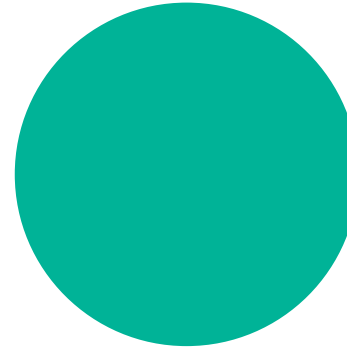
OTHER

SEE COMMENTS NEXT PAGE



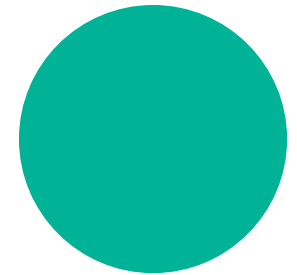
44%

DIGITAL SERVICE
DELIVERY



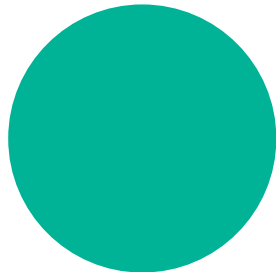
41%

SOFTWARE
APPLICATION(S)



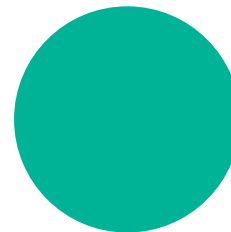
32%

DATA ANALYTICS



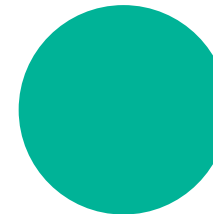
32%

ARTIFICIAL
INTELLIGENCE



27%

INFRASTRUCTURE
SERVICE/SUPPORT



25%

CYBERSECURITY

Which areas are your business in?

OTHER (COMMENTS)

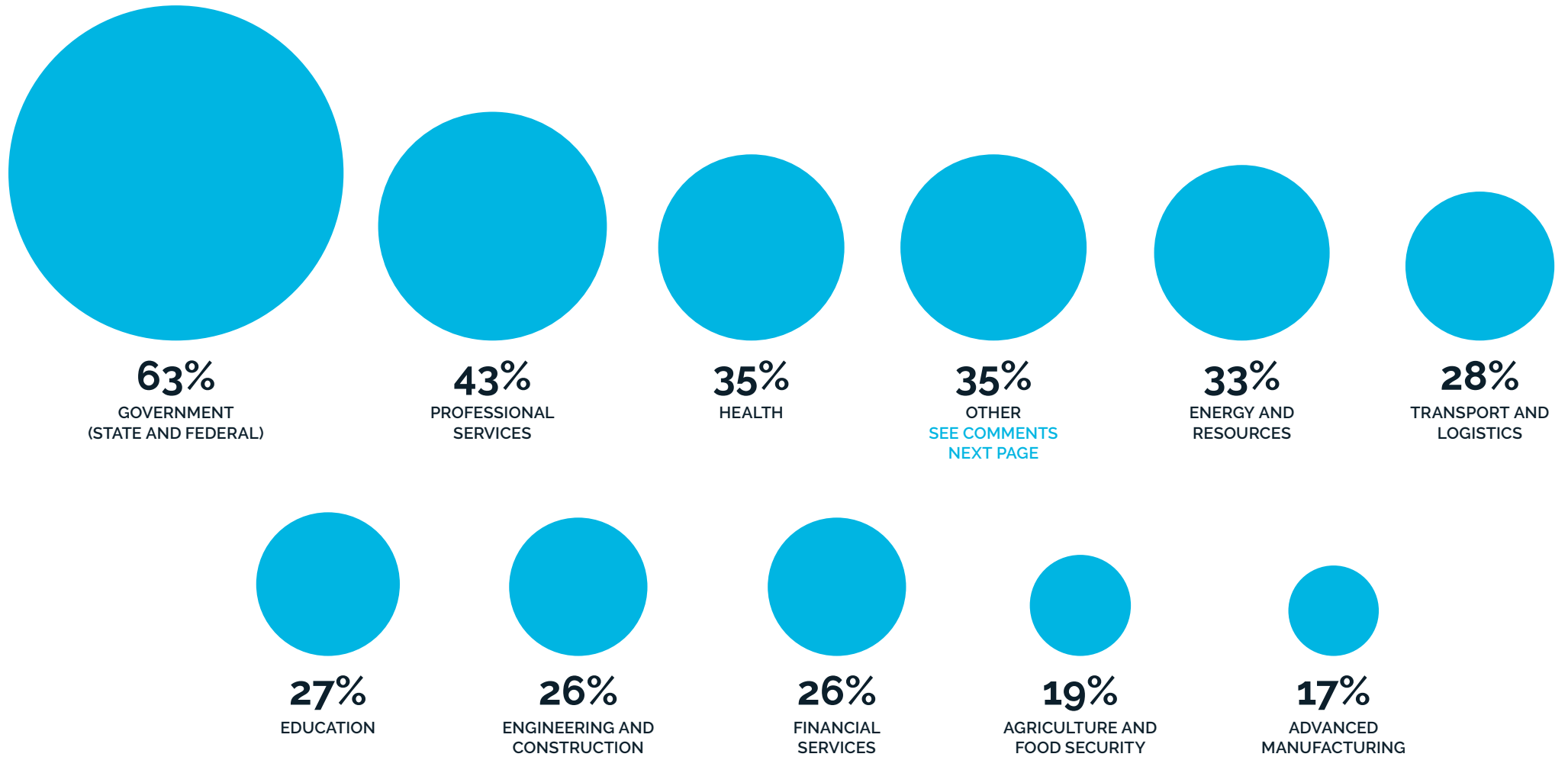
1. Genomics/DNA services
2. Autonomy software and edge computing systems. Sensors. Digital twin simulation software for ML/AI training.
3. We provide professional labour, recruitment services and managed services to Government and Private Clients nationally.
4. Intellectual property / commercialisation services and advice
5. Range of Portfolio, Program and Project Management Services
6. Digital and technology strategy
7. Change Consulting
8. Procurement
9. Space technology
10. Innovation Research and Analysis
11. Defence, engineering, contractor support.
12. Project Management + Consultancy
13. Reducing electrical energy consumption within a HVAC system, out technology is vendor neutral.

14. Finance Tender delivery
15. Consulting services and support services to other SMEs
16. Strategy and Program Delivery and Assurance capabilities
17. Bespoke hardware and software development.
18. High Performance Computing
19. Commercialisation
20. Commercialisation and marketing
21. Communications
22. Environmental analysis, reporting and advice.
23. Consulting services for government agencies
24. Cybersecurity awareness training, executive leadership and coaching, business case development and management
25. Physics-Informed Predictive AI as opposed to GenAI.
26. Research, Strategy and Design of Digital Products and Services
27. Digital strategy
28. Customer and Strategic Design
29. Semiconductor integrated circuits
30. Optical fibre sensors and sensing

31. Battery Electric Vehicles
32. Data entry, data management
33. Digital accessibility insights - a marketplace (with associated algorithms) to connect organisations with curated panels of people who are blind, low-vision, neurodivergent, non-English speaking, older than 70, deaf and autistic to user test their services. Part of our product records their experience and derives insights. Further ML runs over aggregated recordings to publish best practice consumable components (on the experience from people who use assistive tech)
34. Strategic advisory and general management consultancy. Specialist advice in defence and security.
35. Training
36. AgriTech
37. Governance and Compliance
38. Capability development toward enterprise transformation
39. Online learning and collaboration support
40. Taxonomy Development, Autoclassification, Auto appraisal, Records Management

Q8

How would you describe the sectors your business sells to?



How would you describe the sectors your business sells to?

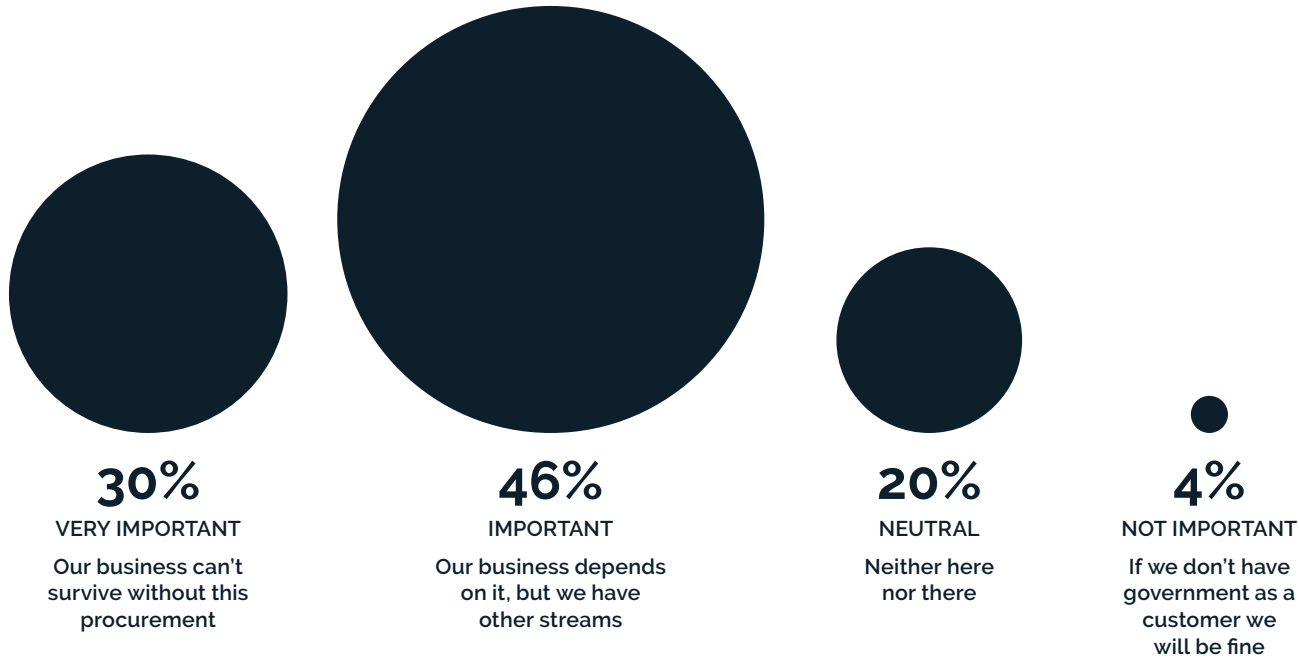
OTHER (COMMENTS)

1. Ecology
2. Commerce, Social Service & Private industry
3. Retail, Telco, Pharma
4. Space companies
5. Media
6. Data Centre across APAC & India
7. Enterprise businesses - insurance, utilities, ecommerce etc.
8. Nonprofit
9. Utilities
10. Police, Security applications
11. Education, local government, infrastructure developers and operators
12. Entertainment
13. Critical Infrastructure
14. Defence
15. Aerospace, Defence
16. Technology

17. Startups, Regulated Industries
18. Entrepreneurs, startups
19. Not-for-profits
20. Social Impact Industry
21. Law
22. Non Profits
23. Legal
24. ICT
25. Local Government, Multilateral agencies
26. Defence force
27. IT, Security
28. Hospitality

Q9

How important is the Australian federal government as customer for your business?

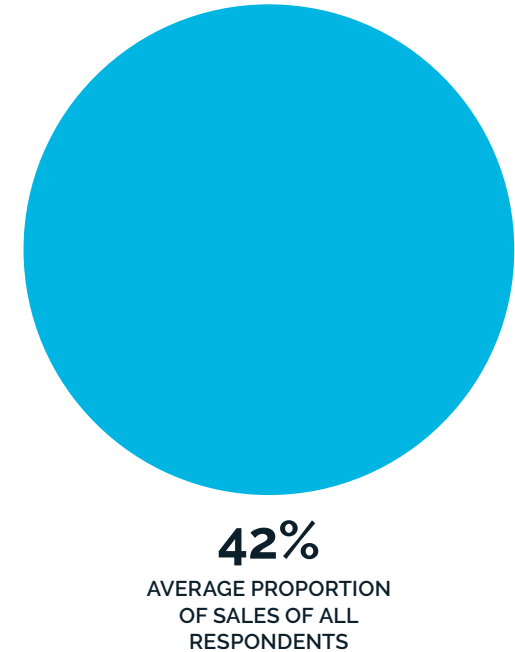


COMMENTS

1. Our technology would help lower KWh consumption within each federal government facility. All projects to date have been outside of Australia as the barriers for a SME are prohibitive & time consuming.
2. The federal govt is not currently a client, but it would be a big boost to our survival and growth
3. Unpredictable private markets would be more sustainable if there was more consistent (even lower revenue) government customers (NOT "rent seeking" but getting access to procurement!)
4. It is virtually impossible to get the Australian federal government as a customer. The door is locked.

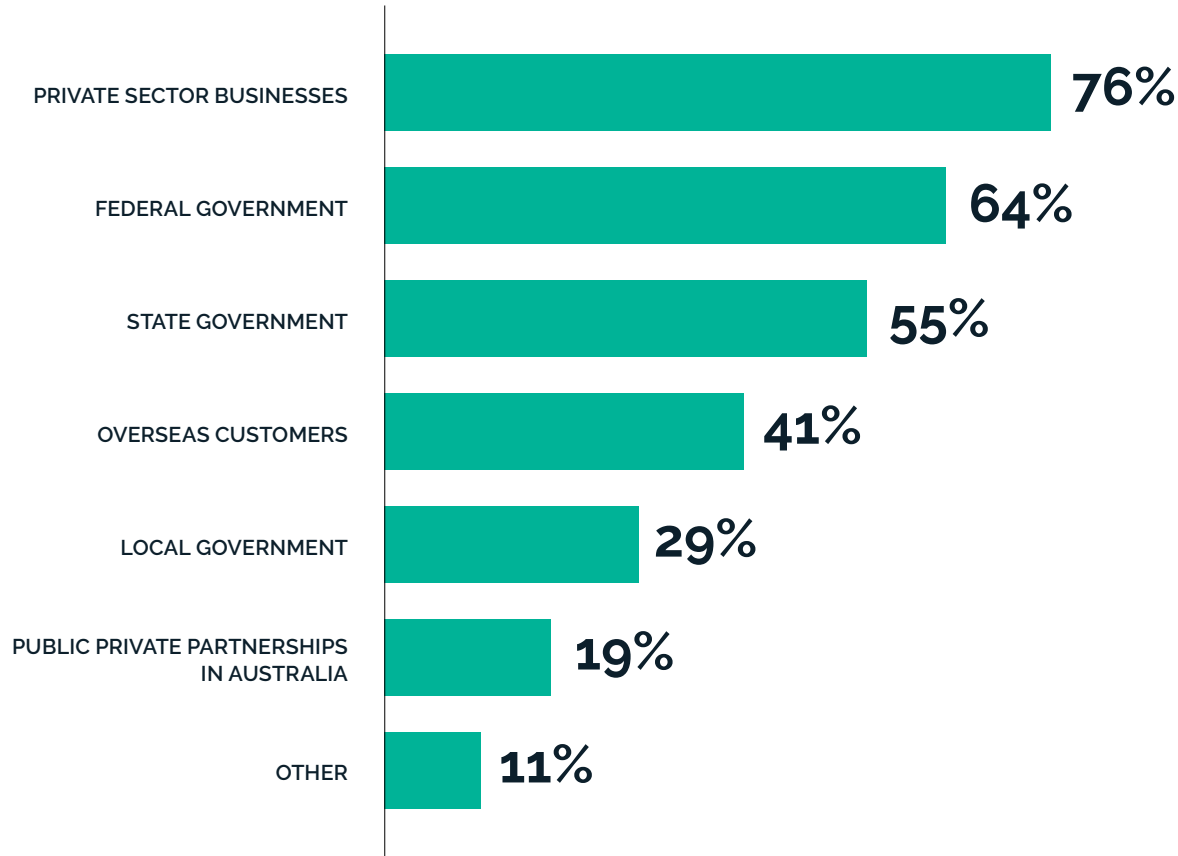
Q10

What proportion of sales are to Australian government customers?



Q11

Which areas best describe your customer base?

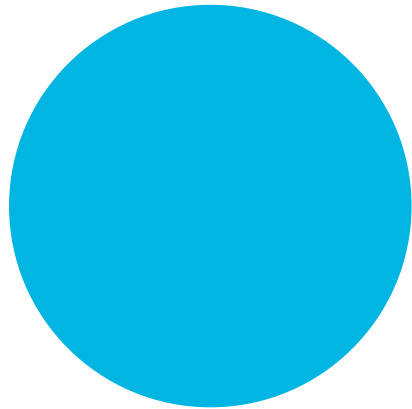


OTHER

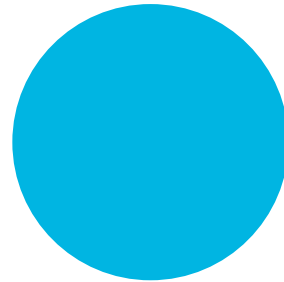
1. Queensland government is funding POC throughout the state. This is the best way to understand if a technology works & meeting operations demands.
2. Private education, NFPs
3. Research organisations
4. Natural Resources, AEC
5. Domestic customers
6. Government contractors
7. Community sector
8. Not-for-profit sector
9. Defence force

Q12

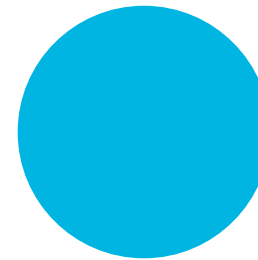
In reference to the product/service that you have sold or attempted to sell to the federal government, what best defines it?



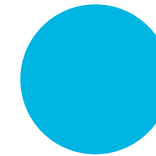
51%
DIGITAL AND
TECHNOLOGY SERVICE
DELIVERY



35%
SOFTWARE



32%
OTHER



19%
DIGITAL AND
TECHNOLOGY SERVICE
LABOUR HIRE (PEOPLE)



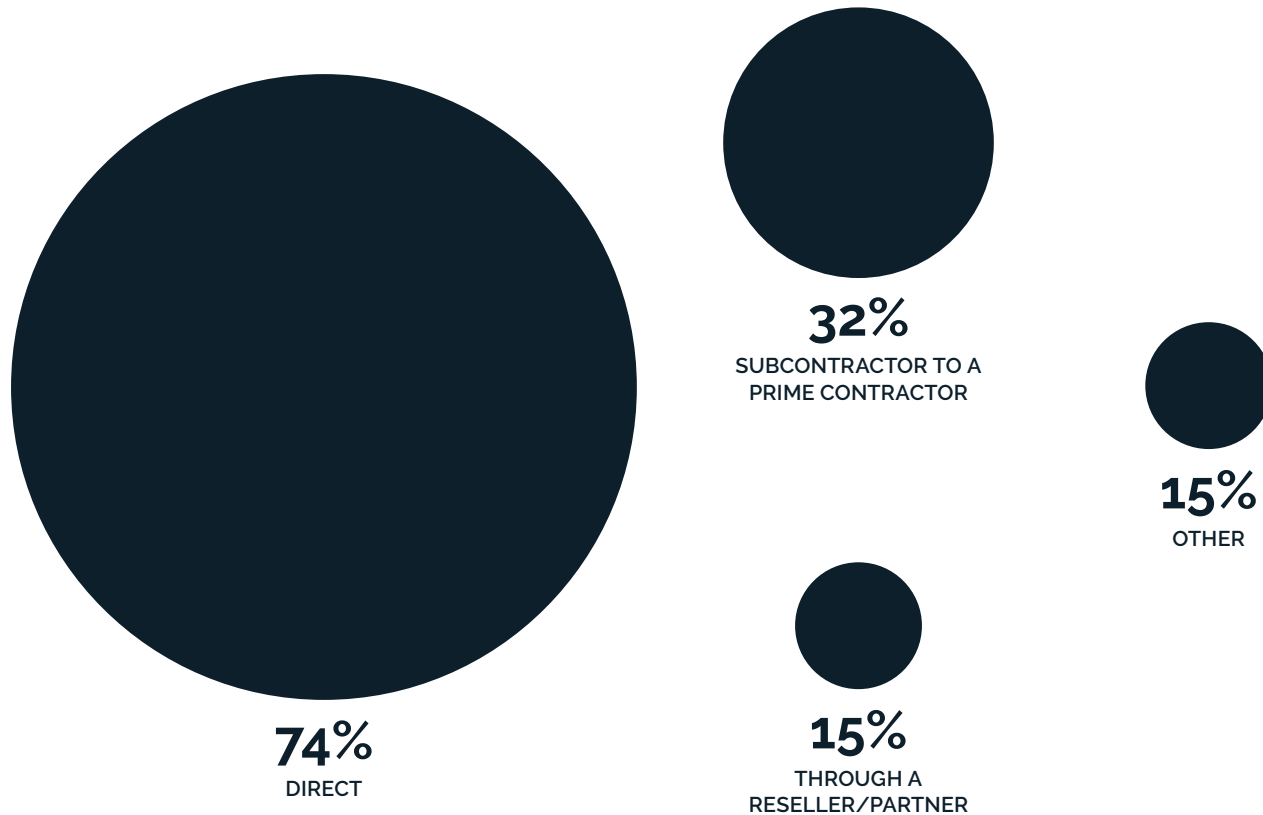
12%
NONE OF THESE

OTHER

- | | | |
|---|---|---|
| <ol style="list-style-type: none"> 1. Professional services 2. SaaS with a core AI in the service. Voice Gen AI 3. Commercial and professional services 4. Space technology 5. Engineering and technical contractor support 6. "EDD-RT" External Digital Demand Response Technology for facility HVAC systems, EPS has combined AI with IIoT to reduce kWh consumption & prove the savings generated. 7. Sourcing services procurement | <ol style="list-style-type: none"> 8. Payment Platform 9. Bespoke hardware and software development and provision of delivery teams that are suited to wrapping around a project or capability. 10. SaaS data and workflow management 11. Consultancy 12. Public Transport Data Analytics and Operational Platform 13. High Performance Computing 14. Communications 15. Infrastructure platforms 16. ERP applications | <ol style="list-style-type: none"> 17. Above the line consultation 18. Electronic hardware prototypes 19. Autonomous industrial electric vehicles for defence 20. Strategic advisory 21. Training services 22. Software as a Service and consulting services 23. Security Accreditation Software 24. Platform as a service 25. Hardware and software for national security, physical security and cyber security |
|---|---|---|

Q13

How do you sell to the federal government?

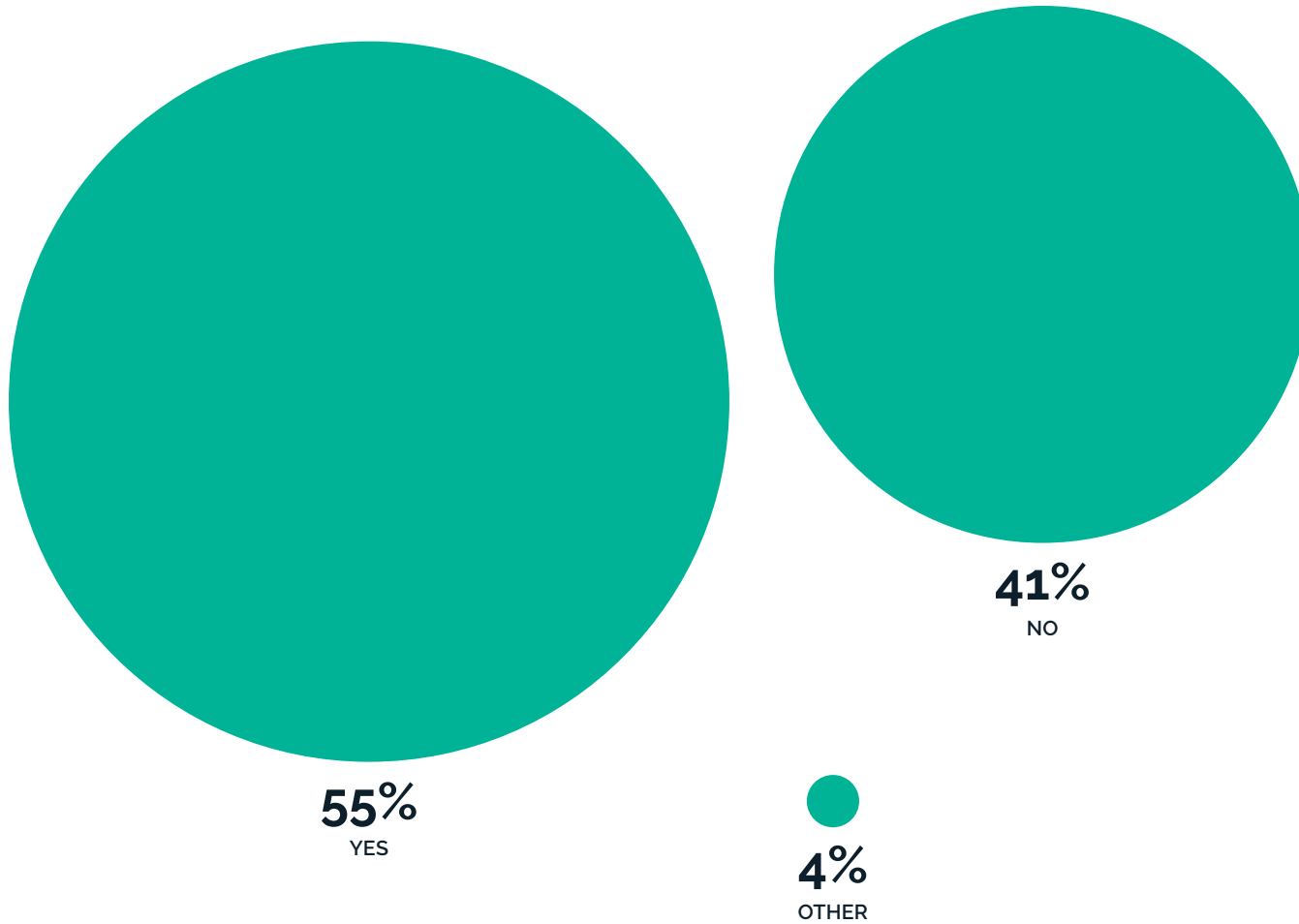


OTHER

1. Do not sell now, trying to get support from R&D programs
2. Tendering
3. Do not currently sell to federal government
4. Had direct contracts taken off us and forced through Big 4 Major Service Providers
5. We do not sell to the federal government
6. N/A not yet selling to Gov but based on conversations to-date most likely direct
7. Don't sell now
8. Through various panels, mainly DTA/BuyICT panel
9. Via Government funded projects
10. Apply for government contracts directly
11. Without much luck!
12. We cant sell to it direct

Q14

Has your business successfully sold a product or service to government in the past 12 months?

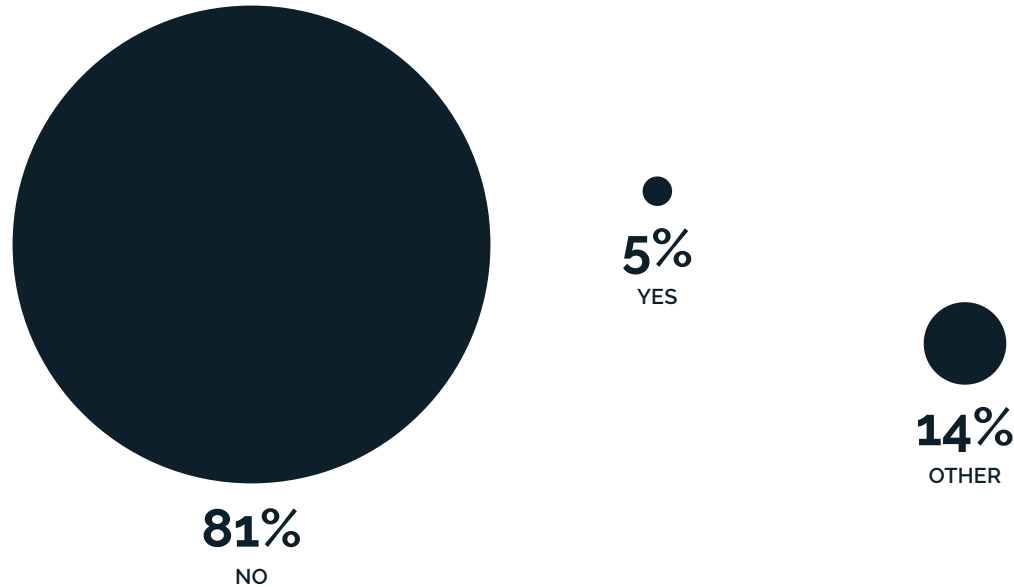


OTHER

1. Renewed contracts and forced through Major Service Providers
2. Queensland government POC
3. About to sign our first contract but have lost many - even when agencies want to buy our service, we're advised that engaging a new small startup isn't worth the procurement pain [for them].

Q15

This question is for Australian companies. The federal Labor government has implemented a Buy Australia Plan and a Future Made In Australia Office. Have these programs made it easier for your company to sell to government?

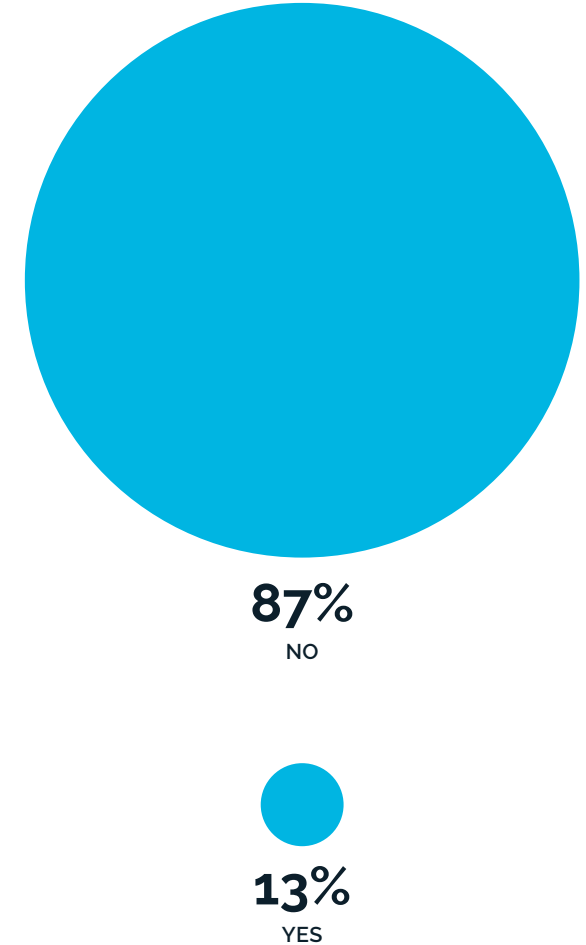


OTHER

- | | |
|--|---|
| 1. Don't know | 5. Was not aware of this |
| 2. ALP war on contractors has meant SME are closing their doors and no new work is being obtained. | 6. No. The buy Australia Plan is name only. There is no measure or incentive or KPIs for government to abide by it. |
| 3. Helps the conversation but yet to see tangible benefits for our business | 7. We have not heard of these programs |
| 4. Didn't know it existed | 8. Not yet |
| | 9. Nothing noticeably different |
| | 10. No noticeable difference |

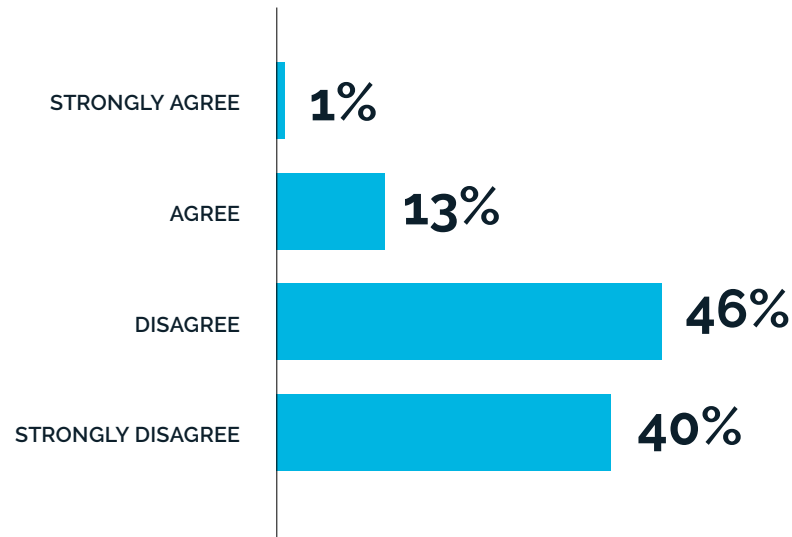
Q16

Have you had any direct communication from/with government in relation to the Buy Australia Plan or officials from the Future Made In Australia Office?



Q17

The procurement focus of the current Albanese government has made it easier for Australian SME tech companies to sell to federal government customers.



OTHER

1. Dealing with ASCA in particular is an uphill struggle.
2. Most of the work goes to multinational companies and SMEs have to engage with them to be a sub-supplier. There is no preference given to Australian companies, paying Australian taxes, employing Australians, and investing in Australia. This is even the case for smaller contracts released through panel and standing offers. There is sometimes 100s or in some cases 1000s of companies on these panels competing for the same piece of work that is largely unpaid.
3. What is being said is exciting, but no positive actions have yet been taken. Additionally many small firms were thrown out along with the big consultancies, and small firms find it harder to restart
4. Procurement requirements, while saying they want to engage with SMEs, often have requirements buried in the terms that specifically prohibit SMEs from responding, for example, headcount, size of organisation, office locations, insurance
5. Token efforts around SMEs but we still go head to head against big players and they score higher due to experience & perceived risk - smaller companies considered more risky

The procurement focus of the current Albanese government has made it easier for Australian SME tech companies to sell to federal government customers.

- even if cheaper. The big consultancies & tech players also shape government buying and tender specs so that smaller product vendors like us are disadvantaged from the start with requirements written by or for the big players.
-
6. Panel and MSP arrangement are strangling small business. Procurement behaviours dont support small business.

 7. It was bad before and is still bad

 8. If anything we have seen government agencies give even more of their business to foreign companies. and in our conversations with senior officials (not MP's) they have all said they have no mandate or incentive to buy australian

 9. Large companies dominate the supplier panels

 10. Albanese policies of forcing everyone back into APS, and destroying Above the Line Contracting market has decimated Defence Industry to the point it may never recover. Veteran-owned businesses are exiting industry and closing their doors and all the experience, crippling capability for the foreseeable future. The Albanese government has destroyed an entire industry in favour of the Big 4 Major Service Providers.

 11. Cuts to the use of consultants have impacted on SMEs far too much

 12. No view

 13. First I've heard

 14. I think it's raised the profile of the issue but will take time to see real impact

 15. As an SME providing products and services to the Department of Defence, the DSR and other white papers have created inertia. Other models like the Major Service Provider model is anti competitive and does not promote sovereign SMEs that are capable of turn-key delivery and innovation. It may meet SME targets, but that is focussed on labour hire companies that deliver little long lasting capability.

 16. Didn't even know of it

 17. While the government speaks of this, we cannot get in to see any public servants to explain our service offering. They stick with the same suppliers they have used and do not attempt to engage with SMEs

 18. It is impossible to break into a government procurement channel. Example 1 recently we discovered that Dept of Health went out to tender for a panel of IT service suppliers "by invitation only". We were not invited, yet we are registered suppliers for IT Service Delivery on the BuyICT Digital Marketplace and we satisfy all requirements as far as we know. Why were we not invited ? It is impossible for us to answer that question, it is impossible for us to do anything about it and it is impossible for us to be invited. We remain excluded.

 19. Just more complexity added so far

 20. My business and most of our peers are actively prevented from supplying by restrictive, onerous and ponderous process and policy that simply favours incumbents and effectively kills innovation or cost optimisation

 21. Procurement process is usually pretty prescriptive and now includes criteria about local employment and sourcing

 22. The messaging from the top is helping but there has been no material change from buyers.

 23. We have had no transparency of this program

 24. It's not real

 25. While not an SME, we can anecdotally that awareness of the government's expectations is slowly reaching procurement teams in agencies.

 26. Has not been visible in the marketplace

 27. No particular view as I don't have insight into who else is applying.

 28. We are not a tech company and it has been extremely difficult, we have not been successful with any of our proposals and rarely invited to put forward a proposal. Most of the opportunities on BuyICT panel are only for

The procurement focus of the current Albanese government has made it easier for Australian SME tech companies to sell to federal government customers.

invited vendors and emails (unsolicited) as they put it to request an invite will not be responded to.

29. No experience as yet

30. It might be but its made no difference to our engagement - the Buy ICT Marketplace and Portal is barely fit for purpose

31. Have not seen any change in selling into government. We do not sell to Tier 1 Agencies such as Defence and Services Australia, as they are too hard to get through procurement, and still very focused on large multinationals in our space.

32. We've seen less opportunities

33. Have not seen anything different

34. It has had no impact on our business

35. It is well set for large business but minimal opportunity for small business without engaging with a specialist consultant

36. The federal government continues to introduce policies that make it even more difficult for SME's win business. This includes engaging procurement advisors that are forcing Agencies to exclude companies under a particular size or revenue, which has no alignment to the

specific project size or scope. The Department of Finance is driving behaviour that makes it hard for industry to secure business, closing the gap on available funding, leaving it to large (well resourced with sales team) companies to secure.

37. Procurement is a deep seated problem, primarily a cultural issue where public servants fear retribution if they don't follow process (regardless of value). Government procurement often favours large consultancies, leading to reduced value due to entrenched processes, conflicting internal advice, and excessive bureaucracy. The culture of fear of retribution within the public sector makes it challenging for public servants to collaborate with innovative startups, hindering the potential for fresh ideas and solutions to be incorporated into government initiatives. I genuinely think that procurement rules, that aim to ensure public funds are not misused, create more waste by favouring big business or introducing handoffs and bureaucracy. The best thing government can do is to cultivate a culture of empowering teams to engage with SMEs. Secretaries to be measured by the proportion and number of SME they use for external expenditure to then filter down within their departments.

38. When applying for State and Federal government procurements and contracts; It asks in the application the question "are you an indigenous owned businesses". so basically no other disadvantaged group such as disability owned businesses get included.

39. Govt has encouraged overseas firms and large primes for the vast majority of spend

40. My business provides a service that aligns, exactly to federal government's stated goals around capability building in 'digital'. Despite this, I face wall-to-wall barriers, and the only time I can deliver my services is by bypassing federal government procurement processes entirely. I'm a small business, I don't have the time or expertise to submit to panels. Nor do I operate at a scale where a panel (or RFQ) is useful or necessary - I offer cost effective, high impact, short form training services, not major projects. There is a government agency, 'the APS academy', that exists exclusively to act as a marketplace for exactly the services I sell. In three years of trying, I've never even been able to get a response from them as to how to get added to the platform. The services I offer are just small enough to bypass procurement - if procurement gets involved, I give up

The procurement focus of the current Albanese government has made it easier for Australian SME tech companies to sell to federal government customers.

immediately. I've never got past a federal government procurement process.

-
41. We have not seen any changes to our business based on this focus.
-
42. Defence told us that the only way they deal with SMEs is if we give our IP and a % of our rate to a foreign prime or a "trusted supplier" like KPMG. DTA has only advertised two cyber gigs openly in twelve months - the rest are closed invites or labour hire. Other than press releases, or those who have contacts, there is no evidence the govt wants to work with SMEs.
-
43. Haven't noticed a difference...Its almost impossible to get a meeting with the relevant people, and when we do no one wants to make a commitment.
-
44. No change - more mysterious than anything - all talk no action.
-

45. The DTA has delayed renewal of the BuyICT panel refresh therefore we are unable to apply for the Labour Hire component and this jeopardises current contracts, which end before the new panel is deployed. In addition although qualified for DISP there has been over 14 month delay in official approval. We can't get Defence work without this. A considerable amount of time, energy and expense has been involved in this.

46. The procurement process within Federal Government can be gamed to secure the outcome the delegate is after. There is also a sneaky activity going on where a department puts out a Request for Information and then goes into "Competitive Dialogue" with vendors it is interested in. Post that declares a direct requisition with that vendor. Prime example is ServiceNow in Defence DDG.

47. There has been no consideration of local efforts when comparing the risk profile of multinational platforms

48. Their words are irrelevant. Over 90 percent of advertisements on the Digital marketplace are restricted to nominated tenderers (closed tenders). No amount of effort will get departments and agencies to add our name to the list. There is no use of the "market test" or "approach to market" because there is no engagement with the market at all. The Digital Marketplace is farce and a waste of time and effort.

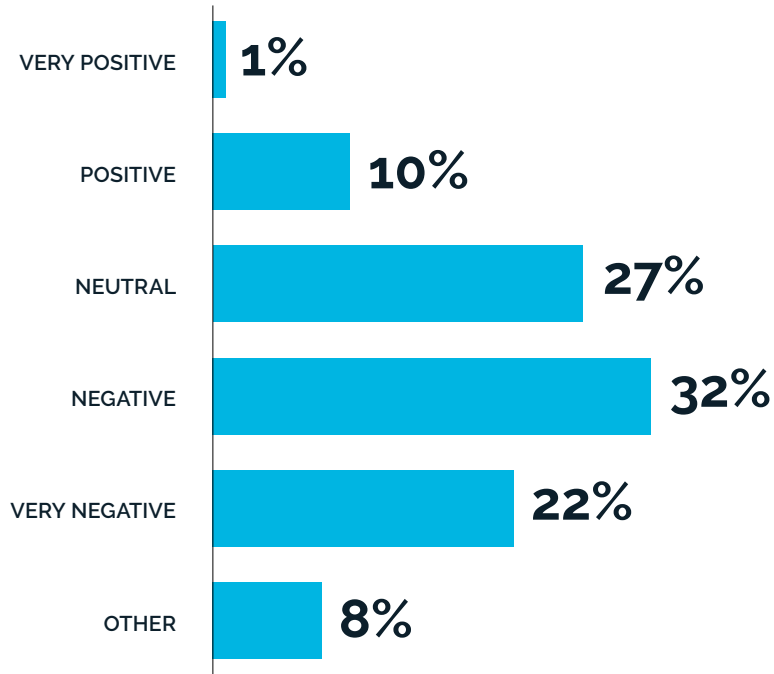
49. Nothing proactive except at a principle level - process is still too onerous

50. No opportunities have arisen in our space despite there being a documented need for our services.

51. I have seen no difference in the past 2 years

Q18

How would you rate your experience in selling products and services to government?

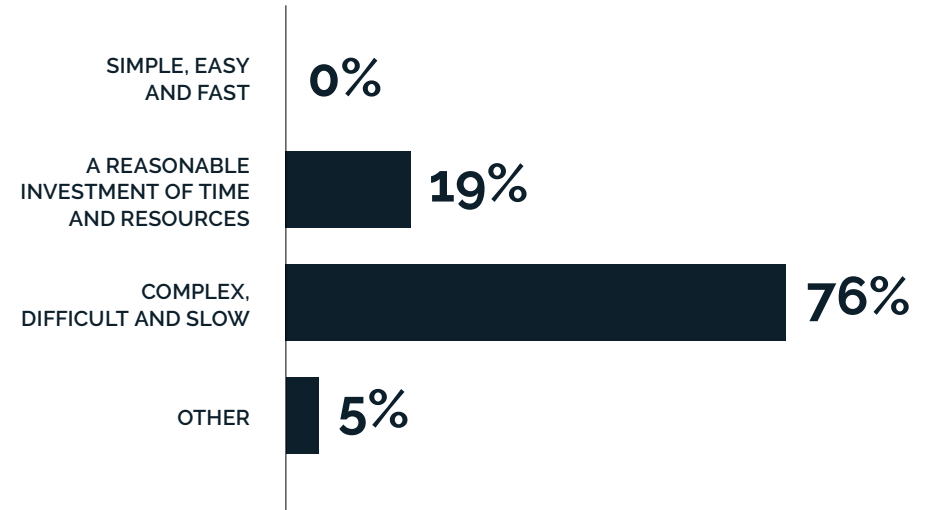


OTHER

1. Going downhill
2. Difficult. Our offering is unique but government always want a tender
3. This depends on the agency, some are easy others are overly complex, and too hard to even do the procurement exercise with (Defence is a classic example of making it hard for SMEs to even respond to tenders).
4. My federal government clients are excellent. The procurement process is not.

Q19

The process of selling to government is:

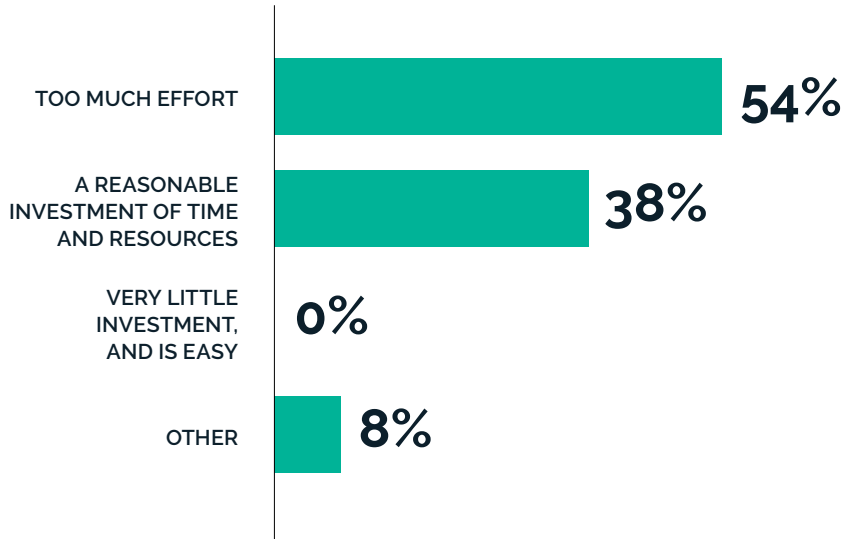


OTHER

1. Depends. Some arrangements are easy others are more complex
2. Very up and down. Hard to get continuity.
3. There is no "process of selling to government". Fill in their forms, submit more material and never hear from them again. It is not a "process". It is a black hole from which nothing emerges.

Q20

Preparing and submitting bids for government takes:

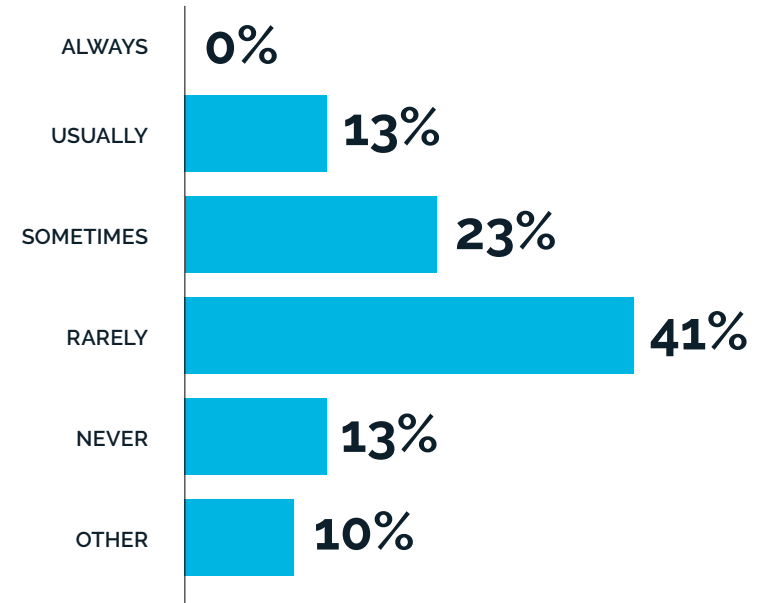


OTHER

1. Have not bid
2. Lots of pointless exercises about marking off hundreds of very specific criteria that the client rarely even needs or can be solved in more innovative ways
3. For a small team - a massive effort for no return
4. So much effort that I just can't do it
5. Resources and time that produce no Return on Effort

Q21

How often are RFTs / RFIs prepared in a manner suitable for SMEs to bid on?

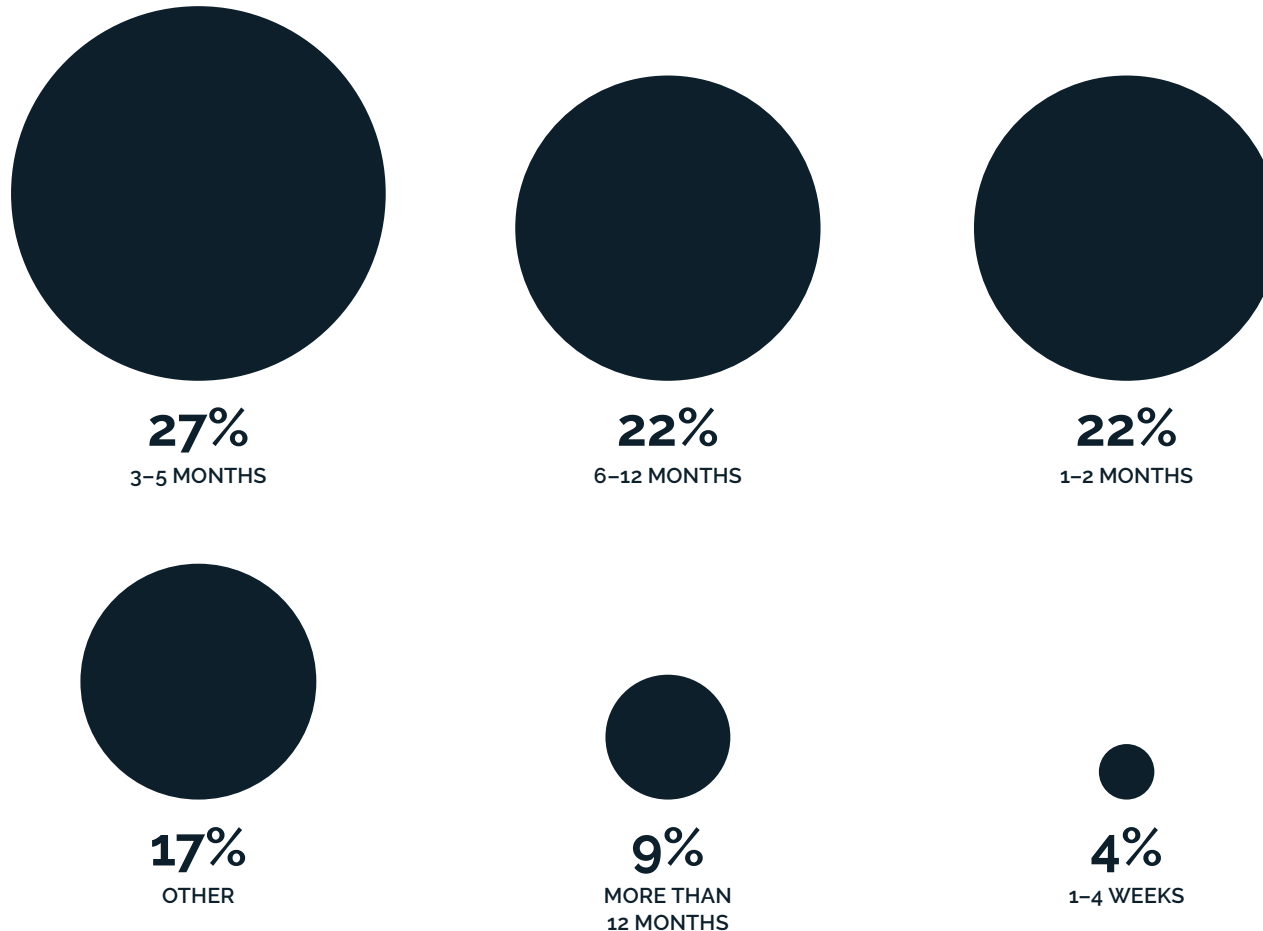


OTHER

1. Have not responded to RFTs / RFI
2. Probably suitable if you are able or eligible to respond
3. Again this is very dependent on agency - some have simple processes others, overly complex and complicated.
4. Tender documents are vague, lofty and overly restrictive when offering 'solutions' to problems. Invariably PS engagements are still working out problem definitions after the procurement process has been completed!
5. Those who are not invited cannot bid. Those not invited cannot obtain invitations. No innovation succeeds.
6. Don't bid

Q22

Typically how long does it take between submitting a bid and learning about the results?

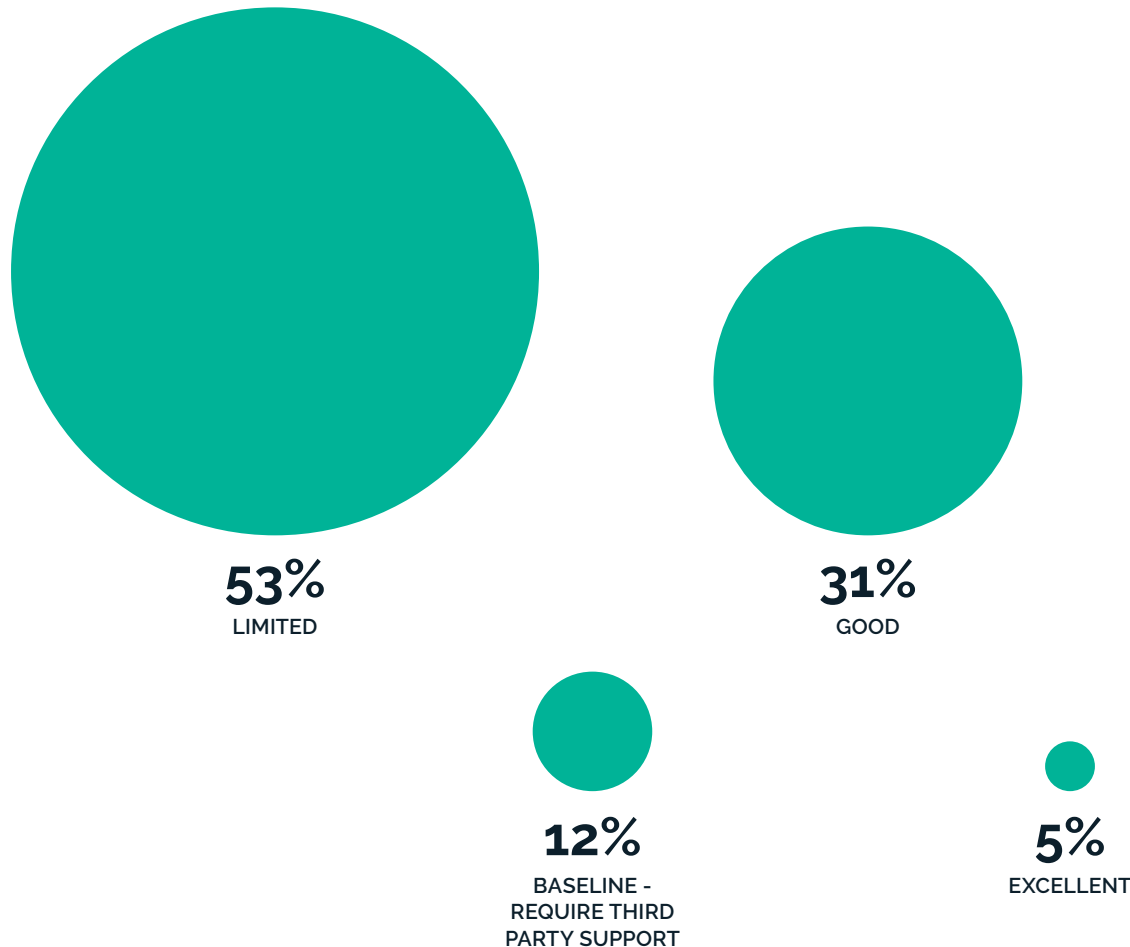


OTHER

1. Depends. Normally 2-3 months however Commonwealth customers most often don't even bother to tell you that you weren't successful. They let the RFT hang in the system. I have some bids that are over 1 yr old that haven't yet been closed.
2. N/A as we do not bid as we have not Australian based competitors.
3. Larger procurements for ERP often take 2 years or more. Single product procurement usually less than 12 months
4. Depends on the agency - sometimes you don't even hear back at all, which is rude considering the effort that has gone into responding.
5. In most cases, we are not getting invited as the DTA marketplace is being used anti-competitively. When we do get a chance to respond to an RFI we receive no feedback, SMEs are cut out, and next procurement stages are closed to bigger firms (often not Australia).
6. Between 1 and 5 months
7. Please don't expect to ever learn the result. You will wait forever. You must submit your bid and forget about it.
8. Don't bid

Q23

The capabilities within government to adopt and integrate my service/product are:



COMMENTS

1. A lot of talk about autonomous systems, but they don't really seem to want it any time soon.
2. Any large capability usually has to be backed by a multi-national to get a look in. But now they are on the nose all hiring and programs has stopped, and SME are being punished for the multinationals' indiscretions.
3. No direct experience to understand or assess our service offering, nor to use it effectively. Govt ends up going with who they know and have used before even if it is an inferior offering that may not be fit for purpose.
4. We continue to offer cleared and qualified personnel to Defence but they refuse to take them, take 5 months to decide in which case the candidate moves on, or ignore the SME and give the roles to an MSP.
5. The government regularly buys satellite based services from foreign companies and gives contracts for buying satellites and launches to foreign companies. none of this larger contracts goes to Australian companies
6. Bureaucrats resist change. My service and product make tendering faster, easier to administration after and is transparent in value for money. Govt procurement people see as threat to their jobs as they see as diminishing

The capabilities within government to adopt and integrate my service/product are:

- need for their expertise instead of value to organisation and citizens. I have 20+ years experience in Australian procurement in gov and commercial enterprise.
-
7. Capability there but awareness of new payment innovations is low

 8. Often government will describe one of two models, labour hire (Time & Materials) or large complex (designed for large, typically international companies). There is a void in between where there exists a number of SMEs that have the skills and expertise to deliver ingenuity and high value. Yes, it may be deemed as a riskier option by departments, but that should serve as an incentive to create value in Australian industry via SMEs.

 9. Varies. The inability to adopt are the same inabilities which prevent good choices in the procurement process itself.

 10. The work offered by the DTA marketplace should be more granular and more aligned to the modern government IT landscape that demands more agility of delivery, more responsiveness to changing requirements, more value-for-money and more equitable distribution of work among Australian-based and local SMEs. To achieve this, the work should be carefully scoped to be deliverables/ outcomes focused and should be smaller and more granular to a value of say less than \$80,000. For example, a 2-day, small team consultancy to undertake a quick, preliminary analysis and solution strategy; or to fill a temporary resourcing/ capability gap for a few weeks. In addition, for maximum efficacy, the work should be sufficiently autonomous and there should be policies and procedures in place to enable it to be performed offsite and out-of-hours whenever appropriate and possible. The current state of the DTA Digital Marketplace does not offer nor accommodate this type of work. The provision of this type of work, would lead to many long-term, structural benefits, across all levels, both to the Australian government agencies and across the whole of the Australian IT Industry.

 11. Tend to drive SMEs to labour only - hard to sell packaged/outcome based services and/or tech enabled solutions that integrate into the Gov environment

 12. The technology we build for government is predominantly around "public space utilisation" this has been difficult for gov to understand how they would best use the outcomes of the software to build better communities (generally this is a skill gap within gov).

 13. They don't even have enough people to go through submissions and farm them out to third parties.

 14. Where agencies attempt to implement our product independently, they typically struggle and do not gain best value for their investment. Procurement processes and vested interests make it difficult to deliver in the most efficient manner

 15. We don't tend to work within the government infrastructure

 16. Because we don't get the opportunity to put forward a proposal

 17. Our unique algorithm predicts catastrophic failure before it happens, where data is poor and hard to source. Examples include predicting bushfires, high pressure water and gas pipe burst, privacy breaches etc.

 18. Most agencies understand data, but have limited data maturity.

 19. Solutions are focused on Spatial information. Generally a specialised field in government

 20. Our products would be sold to prime contractors for integration into more complex systems

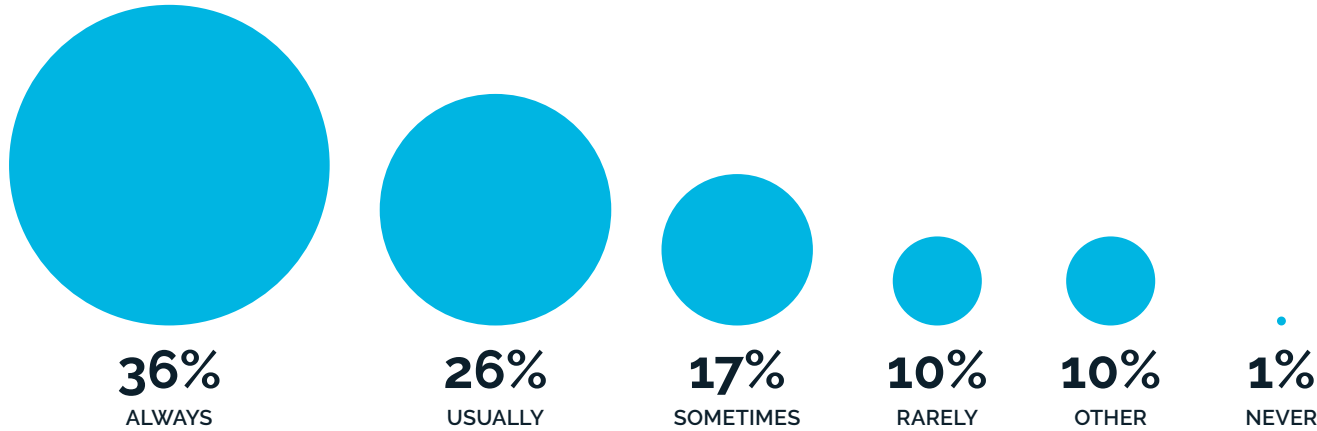
 21. My products are innovative and therefore do not always have an equivalent product in use. This makes it hard to sell new concepts.

The capabilities within government to adopt and integrate my service/product are:

22. Issued an RFI ... no other proposal submitted
Asked for a proposal No further communication waited for 12 months Asked for support from 5 SES band 3 or equivalent all of whom offered support One SES 3 intervention that led to advice a second tender would be issued
23. Government execs love the service I provide but it requires them to onboard an external vendor (panels are closed), write briefs for low cost sole source, diverting the few resources they have to something that's not a ministerial priority
24. Disability does not fit in to their "diversity and inclusion" quotas.
25. HR people, product people, and people in 'digital' understand short form training as an offering very well. If they're engaging me directly, there's no problem at all.
26. All want innovation, no one wants change or commitment to change.
27. BuyICT panel refresh delay has seriously affected our business. Current contracts are dependent on us being on the Labour Hire panel (and as we are not a recruiting agency it does not "fit" our circumstances). The new panel adoption is not expected until July 1 - when current contracts will have expired. Official DISP panel membership has been delayed for over 14 months, which precludes us for getting Defence work. I have reached out several times, including to politicians, and was told to be patient. We SMEs have been severely affected by the Big4 and no-one is helping us.
28. Most have IT departments or providers that can do the installation and support of the platform, we can support with professional services if required, but it is not our default.
29. Procurement officers have no idea (or interest) in what they are buying. They interdict the path to the source of the need, getting in the middle to ensure that supplier and customer cannot speak to each other. The low standard of the procurement class is a shock and requires (super) urgent attention. APS capability has been reduced to buying things (chequebook bureaucracy) and it is very poor at even this task. Calls for a procurement professional stream are simply words. Nothing changes over time.
30. Our product has a small footprint but there appears to be a dearth of capable staff in government who are able to install / implement software, and almost no staff available to build taxonomies and ontologies for classification of data and records.

Q24

Does having government as a customer provide credibility to your sales in other sectors?

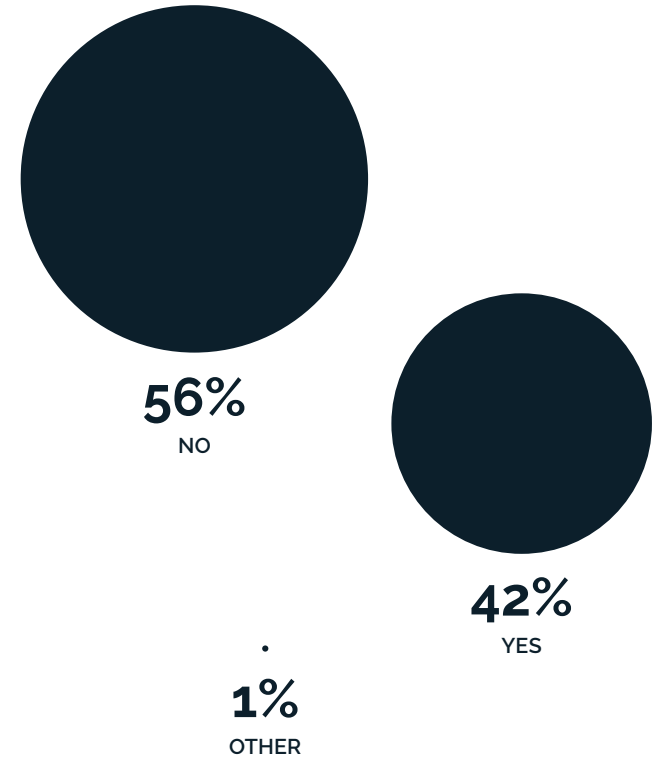


OTHER

1. Market impressions of Defence and federal government are very negative
2. Not a current customer
3. Government support would provide an opportunity to further grow our business locally & thereby providing a springboard into the future to capture international attention plus generating a positive flow of internal sales.
4. It should but it's improbable to win profitably winning business is
5. It depends. Being independent of government can increase our credibility for those who have worked closely with national cyber defenders in the
6. They are not a customer. past.
7. Non-government customers are unaware of the disaster that is government purchasing unless they have their own experience, in which case there is empathy.

Q25

Has your business ever received a government grant?



OTHER

1. We have applied for R&D Tax incentive this year

Q26

What would help you sell more to government?



What would help you sell more to government?

OTHER (COMMENTS)

1. We very very rarely get feedback from client organisations
2. Less consultants and their bias in tender process. More weighting towards SME & value for money in tender assessment rather than experience & financial risk (the big companies are much more likely to fail to deliver or run way over budget than small ones but risk assessments suggest the opposite)
3. Go direct to small businesses!
4. BUDGET. Educate the client on how to procure SME, remove internal attitude and roadblocks to using SME, remove addition to MSP/Big 4 consultants, educate client on Contract Law and Corporations Act and their liabilities.
5. Governments select platforms from multinationals not buy from SMEs
6. Visibility of tenders
7. Mandated buying from Australian companies for space and defence where a solution is available or will be soon

8. Government interest in compliance with its own privacy laws.
9. A willingness to choose a technology other than bloody Salesforce when there are other capable local solutions!!!
10. More access to public servants to expose them to the services we offer
11. Culture change in the procurement and decision making. The Canberra bubble is real. And the same mistakes are repeated time and again.
12. The work offered by the DTA marketplace should be more granular and more aligned to the modern Government IT landscape that demands more agility of delivery, more responsiveness to changing requirements, more value-for-money and more equitable distribution of work among Australian-based and local SMEs. To achieve this, the work should be carefully scoped to be deliverables/ outcomes focused and should be smaller and more granular to a value of say less than \$80,000. For example, a 2-day, small team consultancy to undertake a quick, preliminary analysis and solution strategy; or to fill a temporary resourcing/ capability gap for a few weeks. In addition, for maximum efficacy, the work should

be sufficiently autonomous and there should be policies and procedures in place to enable it to be performed offsite and out-of-hours whenever appropriate and possible. The current state of the DTA Digital Marketplace does not offer nor accommodate this type of work. The provision of this type of work, would lead to many long-term, structural benefits, across all levels, both to the Australian Government Agencies and across the whole of the Australian IT Industry.

13. Risk based minimum viable product purchasing
14. A policy that allows government to contract consultants
15. A willingness to buy from an Australian company
16. More acceptance of risk to build sovereign capability
17. Exclusion of Big 4 in RFX development and assessment
18. Greater openness toward innovation and recognition that project risk needs to be shared
19. Access to government grants and abilities understand the grant cycle and support for local businesses to take up opportunities.
20. Access to Government Senior Data Scientists

What would help you sell more to government?

21. Return of open market tenders versus closed / select tender processes via the DTA marketplace.

22. Opening digital marketplaces (always) for SME. Creating and incentivising a pathway for agencies to easily engage with innovative SME that provide value. I've observed one department try to onboard our service for 3 months. The leader seriously needs a PSM but many other agencies just don't have the capacity or will to jump so many hurdles.

23. Using the services of a disability owned business

24. Significantly improved skills in govt for procurement, commercial, business, technology

25. If more staff were empowered to make their own decisions about budget allocation for capability development, that would solve a lot of my hassles.

26. Invite local firms and stop restricting it to friends and primes.

27. Ability to join panels such as BuyICT outside the mandated refresh period

28. Basic manners and competence in the procurement class will help a lot. Ignorance and incompetence are barriers to success.

What haven't we asked you, that you would like to share?

COMMENTS

1. Nothing
2. How likely are you to focus your attention on overseas markets instead of targeting the ADF as a potential customer? Very!
3. The cost of public servants replacing contracted staff has to be costed with savings and productivity. If it is a one-to-one swap but productivity and delivery that effects capability has gone down what is being counted as success? Dollars only. I would also question if figures I have heard that 20K additional public servants have been employed by this government to replace 2000 contractors? If things also take longer to implement than this also has to be costed. Lastly there are no KPI on public servants or implications for not achieving targets/outcomes, where this is imposed on suppliers/vendors often with penalties. There has to be a commercial cost for this and outcomes based delivery.
4. Through the recession, you should comment on the effect of cuts on the govt supplier industry as a trend of the year (for us this is at state level)
5. 1. Government perception seems to consistently be that SMEs are higher risk - but big tech failures or huge cost blowouts are almost always at the feet of big players who just move on to next job without a care. SMEs need to get it right for their reputation & future - this doesn't seem to factor into risk assessment. 2. Government contracting templates are onerous & very one sided - forcing all risk onto seller and especially for SMEs. Easier for big players with high overheads & lawyers on staff to play hard ball on contracts & to accept these terms - but SMEs get bullied into one sided contracts.
6. It is surprising how different the experience is between state and federal government procurement. In our experience federal agencies are much more opaque, bureaucratic, slow, and in some cases borderline unethical, if not blatantly corrupt. (Services Australia in particular)
7. Tenders.gov.au should have much more transparency around awarded contracts so we can learn from what is working
8. Closed panels is a significant blocker for small business. The disencouragement of policies to use small business without a panel has been another barrier to the market.
9. Albanese government war on contractors has crippled the SME market. 300+ businesses have shut their doors so far. On one hand we see widespread condemnation of MSP/Big 4 for unconscionable behaviour, and on the other we see A/Sec level mandates saying no MSP will be affected by contractor cuts, implying it'll all come from SME. There is no guidance, no surety, no ability to scale, no education within defence or government on the real capability provided by SME, we can't clear people to prepare a workforce, there's no understanding of market forces or why things costs what they cost, no understanding of contract law, absolutely no accountability for wasteful financial practices etc. Why will they pay \$2.5k for someone through KPMG, but refuse to pay \$1700/day for the same person through an SME? This government appears to have an active strategy to push all SME out of the market and use only Big 4/MSP for all contracting. They have no realised other industries adn sectors pay better, and treat their people better, so the defence industry is losing critical experience and mass. If that is their intention then they should just come out and indicate it.
10. SME don't get view of opportunities
11. There has to be a mandate in defence and for space to buy Australian products and a much better understanding in the government of what australian companies can do
12. The govt should behave well and not poach SME staff

What haven't we asked you, that you would like to share?

-
13. We're also in business with Government agencies in Germany and New Zealand. Australian government is by far the most arrogant and ignorant.
-
14. Why is SME who is head down exporting Australian designed & made technologies throughout APAC & India unable to gain access to large scale opportunities within its own back yard? Response - Lack of access, provide access not as a grant, access through a The Federal Government Portal where new Technologies are presented. Each company must provide an ABN with a short company history & a short overview of the tech. Response must be within 30 days with a yes or a no. If yes then an opportunity to present in detail the tech to the evaluation team, online or face to face. If yes then how to prove the tech in the real world (POC). Some technologies do not have other Australian competitors so this would make the normal tendering process an issue, so each POC project must have an ROI of under 36 months & the tech must be supported for a min. of 10 years. I could add more details if required, however I feel it is all about engagement with Australian inventors then to assist with commercialising of the Australian based IP & the taking it to the world.
-
15. The Department of Defence need to address the anti competitiveness issue that has been created by the Major Service Provider model. Open up work packages for SMEs to respond to address the issue. They may be surprised by the results.
-
16. Even when you have the perfect-fit solution pre-built with glowing testimonials, proven capacity and the cheapest price, we still lose to Salesforce in the RFT/RFQ process... Why is this? Government (state and federal) need to support and invest in local, 100% Aussie IP products who are able to compete with Big IT. We can ensure more value and innovation. If Government won't invest/support home-grown tech, then who will?
-
17. The panel system that allows Government to buy quickly is flawed if you cannot even engage with the buyers of the panel.
-
18. Labour Hire Tenders have an additional, unique issue that also bears attention. Anecdotal evidence suggests that in some cases govt agencies may have already pre-decided the candidate(s) they want for a role(s), and that the tendering process is nothing more than a process and box to tick. Whilst being clearly un-ethical, this is also a huge waste of everyone's time and effort and an unnecessary burden on the IT industry. It is particularly damaging to SMEs who respond in good-faith to such tenders. As they operate on very limited resources and funds, they have the least capacity for such ongoing waste and over time will discourage them from active tendering – which is the opposite of what the DTA wants. Our Proposed Solution: It should be perfectly valid and acceptable for an Agency to have a pre-selected, preferred candidate if they have a valid reason- eg have unique skills or were proven previously doing the role etc. So let's acknowledge and accept that may be a good thing, and NOT hide it. Instead an Agency that is approaching the market should be encouraged to declare this and make it visible. For example, in these cases the ATM would declare that the Agency already have a "preferential" candidate = YES and declare the list of reasons why this candidate is preferred. For example;
1. PREVIOUS EFFECTIVE INCUMBANT OF THIS ROLE;
 2. PROVEN EXPERTISE IN THIS ROLE;
 3. HAVE UNIQUE/ RARE SKILL/ KNOWLEDGE etc.
- In this way, potential suppliers can make informed, risk-weighted decisions as to whether or not to compete for these clearly marked higher-risk opportunities.
-

What haven't we asked you, that you would like to share?

19. Technology dictating solution development is a big problem. It Results in problems not being properly defined nor addressed. Instead, some big global provider (like AWS for one) gets their tentacles in and all of a sudden everything built on top is dictated by that technology / ideology, which ultimately manifests in extra cost, complexity and it doesn't address the business needs.
20. Government procurement should be able to underwrite local commercialisation of IP and innovation using risk based policies such as minimum viable product, pilot and or trial usage, to aid commercialisation
21. I have directly engaged with the Made in Australia Office, and they are powerless. The government's procurement policy on engaging more small business is directly contradicted by their policy not to engage contractors or consultants. One does not work with the other.
22. The incumbency of foreign companies is huge >90%. Many procurements end up as contact variations and do not come to market.
23. Great survey, well done.
24. No one's career will be advanced by buying Australian products. Why would they take the risk? It looks much better on your resume that you delivered a deal with a large multinational. Government employees are incentivised to build their careers, not build Australian industry. There is no alignment.
25. The Department of Finance has proven itself incapable of properly managing technology procurement. The DTA is now part of Finance. This has been the single biggest mistake the government has made. Finance has overseen several of the biggest ICT failures in government and yet it continues to be responsible for policy and interferes in procurement processes by other agencies.
26. Government does not support nor help SMEs
27. The sheer number of procurement panels across all levels of government has exploded, rapidly increasing the cost of doing business with the public sector.
28. We are struggling.
29. As previously mentioned, there are definitely groups of agencies who are easier to sell into and are more adept to working with SMEs and those that just make the process to hard, that we don't even bother looking at responding.
30. The changes to, and uncertainty in, Defence funding has caused a great deal of stress for my company.
31. Request for an unsolicited offer was not followed up No explanation offered Senior officials unable to influence process in line with hybrid verbal support. Rhetoric and actions are diametrically opposite
32. Happy to help in any way I can. New policies and procurement pathways are important but cultivating the right culture from within is critically important
33. When applying for State and Federal government procurements and contracts; It asks in the application the question "are you an indigenous owned businesses". I would like the question "are you a disability owned business" to be asked - included in the application process as to give entrepreneurs with disabilities the chances and opportunities to participate and be included in State and Federal government procurements and contracts.

What haven't we asked you, that you would like to share?

34. Govt should invest in detailed supplier and supply chain mapping from existing providers (I am one) to provide them with more accurate insights down into the multiple tiers of govt procurements. Govt visibility is limited to those it contracts with directly, so govt is blind to how and where SME are actually engaged, and also blind to local primes offshoring substantial work that could/should be done locally. I would be happy to arrange a demo. There were no questions on whether govt does a good job of using economic analysis as part of tender evaluation rather than 'lowest price' which can favour low cost countries where no Aussie taxes are paid and no local investment or skills development is performed. There were no questions on criticality of local capabilities from a national security perspective - why not? Some procurements are extremely important to have sovereign capabilities. There were no questions on whether SMEs are seeing govt give preference to imports when local suppliers have competing products and services. There were no questions on how well govt manages and shares supplier performance - we see the same large firms fail over and over but still win new work
-
35. Thanks for running the survey! I'd like to add that "literally every" conversation I have with other SMEs in this space is complaining about procurement and the astonishing cost of preparing bids. Some of my peers have literally just given up on federal government as a client - it's just too expensive. It would be nice for disabled-owned businesses to get some priority. There's a lot of entrepreneurship in the disabled community, but as you'd expect, it's a bit harder for us to get on the ladder (especially me, I'm mobility impaired :))
-
36. Access to relevant stakeholders within governments makes new products hard to sell into government departments. Our product is something that anyone delivering social impact projects should investigate but its hard to get in front of the people that would be interested in a solution.
-
37. There is a lot of supportive evidence that shows that there is little interest in working with Australian SMEs. Announcements to fix it are like hearing announcements for a very fast train. They are not real.
-
38. Validation for new technologies is impossible with government and very difficult as an innovative startup. Easy access for startups / innovative companies to trial / pilot new technologies would be extremely helpful for validation. A single point of contact / department would make things far quicker and easier.
-
39. The current government (of which we supported) focus on reducing the reliance on external consultancies (of which we also support, within reason) has swept up all smaller companies into the basket, with the pain most being felt by those smaller companies. The APS has now closed doors to almost all smaller firms, only prepared to buy from larger firms as they believe the risk is less. Those larger firms are not truly Australian Sovereign, and there is no actual test for this in procurement (something the survey didn't ask about). We are able to get to the table somewhat only through existing relationships, but most of governments procurement is closed. The funding has been directed away from departments and agencies at the same time, with only areas of Defence allowed to procure cyber technologies, and they will not buy Sovereign, they are only acquiring global company tech. The way we are surviving this is to focus outside of the federal government space, which most firms we work with also doing. Just figured that might be useful here as well. Fund the departments and agencies, train and encourage them to research and collaborate with the market, find those smaller firms who can provide talent and Technologies and contract them in to assist. If the firms cannot deliver, the market force will correct that problem, the government and APS can survive that process. Those firms that can evolve and work with government will do so.
-

What haven't we asked you, that you would like to share?

40. Q: Why, when the state of procurement is sooo parlous, and the capability of the APS sooo deteriorated and reliant on external supplies, does the present government - ministers and bureaucrats all - continue the farce that government procurement is anything more than a distorted game for insiders? The big players understand the game. Be the only tenderer if possible - initial quote far too low - get the contract - increase your price in waves beyond scrutiny with no pricing controls and no re-tender - just charge what you like, nobody will challenge your unit prices. Write your own work orders. If possible process your own payments on behalf the department. Never mention this to anyone. Really, the whole thing is broken, but nobody can risk touching it. It's a cash cow for the big players. Any mention of SMEs is dishonest. If you mention any of the truth you will be ostracised forever.
-
41. Closing the BuyICT marketplaces is an absolute farce within the context of this survey - a government agency has approached our business, but is unable to use our services as access to the BuyICT marketplace is closed and unable to be modified
-
42. There is little appetite in government to build solid foundations, ie data catalogs, standardised taxonomies, etc despite all of the evidence that these instruments underpin successful artificial intelligence. The level of understanding is poor, bordering on sheer ignorance
-
43. The process required to register and then bid for govt work is ridiculously time consuming compared to private enterprise. The process is constipated with bureaucratic nonsense.
-

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