



Australian Government
Digital Transformation Agency



Strategic review of the whole of Australian Government single seller arrangements

Final report

Version 1.2

Digital Transformation Agency



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SolsticeIT acknowledges the traditional custodians of the Country where we live and work. We pay our respects to Elders of past, present and emerging and acknowledge the connections and contribution to land, sea and community.

Document Control

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Executive Summary

The Digital Transformation Agency (DTA) engaged SolsticeIT to conduct a strategic review of the Australian Government's Single Seller Arrangements (SSAs).

The review collected insights from government agencies, SSA sellers, industry bodies, and both domestic and international representatives through interviews, written submissions and surveys. The objective was to determine if SSAs remain fit-for-purpose, continue to deliver value, and support the government's digital transformation agenda.

Summary of findings

The SSAs are pre-negotiated, whole of Australian Government technology agreements with specified sellers, established to leverage the government's collective buying power and ensure consistency with legal terms and conditions.

SSAs remain vital to enable the Australian Government to enhance its bargaining power with major technology companies. Stakeholders^{1,2} overwhelmingly support the retention of the SSAs, with other governments nationally and internationally also expressing interest in similar arrangements. There is, therefore, a clear ongoing role for the SSAs within the Australian Government's digital ecosystem and in supporting the digital transformation agenda.

The SSAs continue to deliver significant value. Between 2019 and 2024, the SSAs achieved \$1.6 billion in discounts, enabling the government to instead invest in other core services like education, health care, and agriculture. Further, a range of examples were identified of additional value provided by the SSA sellers to Australia, such as:

- The employment of more than 10,000 Australians³ by the SSA sellers.
- Investment in local infrastructure, such as data centres throughout the country.
- Contributing to workforce capability through skills development and training initiatives.

**SSAs achieved over
\$1.6 billion in
discounts between
2019 to 2024**

¹ Both internal and external stakeholders, including from the single sellers. Refer to *Appendix H: Stakeholders consulted* for a full list of those consulted.

² 99% of 72 respondents agreed the SSAs should exist either in their current format or with some changes. Refer to *Appendix D: Survey results* for further details.

³ Refer to Appendix A for employment figures as provided by the SSA sellers. Note, this employment is not as a direct result of the SSAs, rather it is the overall employment of Australians by the seller.

The review also found SSAs have typically been established with sellers already holding significant technology presence and spend within the Australian Government ecosystem. In this way, the technology selection precedes the SSA, rather than being driven by it. The review concluded that SSAs are intended to be used as a contracting framework – not a procurement pathway – allowing agencies to retain autonomy and responsibility for procuring value for money technology, whilst also enabling the government to secure better holistic deals.

Nonetheless, there are opportunities for the DTA as the steward of Australian Government digital capability to ensure the SSAs:

99%² of surveyed buyers want to retain the SSAs and other nations want similar arrangements

- Are strengthened and optimised in the way they are negotiated and managed to ensure continued alignment with government priorities.
- Deliver maximum value for agencies and continue to enable digital transformation.
- Support the ongoing delivery of essential services.
- Deliver greater economic value to Australia, in alignment with Australian industry participation policy and the Buy Australian Plan.
- Foster a genuine strategic partnership with the SSA sellers, which does not yet exist across all of the SSA sellers.

The detailed findings were determined through the exploration of four key topic areas.

1 - Do the SSAs support alignment with government policy?

SSAs are broadly aligned with the Australian Government's digital transformation agenda and technology security objectives. However, while procurement policy obligations, such as Commonwealth Australian Industry Participation Plans (CAIP Plans), are included in the SSAs, their practical implementation is often left to agencies - resulting in either inconsistent application or absence altogether. As the policy environment evolves (e.g. with the introduction of Supplier Environmental Sustainability Plans), SSAs must be actively monitored and updated to remain current and effective.

Key opportunities to refine the policy settings include:

- Extending on the broad security clauses within SSAs, define data and digital sovereignty, with consideration of localisation requirements and existing policy (e.g. the Hosting Certification Framework), and work across government to determine the most suitable means to implement associated protections.

- Distinguishing within the Commonwealth Procurement Rules (CPRs) whole of Australian Government digital contracts from Coordinated Procurements to address the risk of SSAs being utilised as a procurement pathway.

2 - Do the benefits of having SSAs outweigh the costs and risks?

Stakeholders consistently identified three key benefits of SSAs:

- **Volume discounts across all buyers** - \$1.6b in discounts were conservatively estimated over 2019-2024, which for smaller agencies are substantially greater than they would otherwise have access to in particular.
- **Greater efficiency in contracting** – with 4 out of 5 of the buyer’s surveys identifying this as a benefit⁴.
- **Consistent contractual terms and conditions** – which is achieved through having a single head agreement for each SSA seller respectively, and stakeholders interviewed consistently echoed this as a benefit.

Other benefits identified were enhancing growth of the Australian technology industry, improving the ability to maintain critical technology and leveraging centralised digital procurement expertise for benefit of all Australian Government agencies.

Some concerns were raised about inconsistent seller behaviour - such as offering better discounts outside the SSAs whilst simultaneously removing other negotiated terms and conditions - which risks undermining their value.

The DTAs average cost to establish an SSA is \$1.6 million and ongoing management is \$1 million annually.

The review also considered the key risks associated with the SSAs, assessing these to present a low to medium risk. Of note, the risk of buyers being locked into sellers as a result of an SSA was assessed to be low, as it is more likely the nature of technology and the costs to exit are driving challenges experienced with switching sellers. The review noted this is true of most technologies. In essence, by the time a seller has met the thresholds for entering an SSA, technology reliance is likely already present.

Nevertheless, the benefits were widely viewed as outweighing the costs and risks.

⁴ Refer to *Appendix D: Survey results* and "Figure 31 - Survey response: Which of these non-monetary benefits has your agency received from SSAs?" which states 67% of respondents identified "Simplified / streamlined procurement" and a further 13% stated "All of the above".

3 - What insights can we obtain from other jurisdictions?

Other governments confirmed the value of centralised agreements with major technology providers. Jurisdictions lacking this model (e.g. the U.S.) struggle to achieve the benefits identified by the review, especially for smaller agencies. Strong central coordination, tailored flexibility and accessible information are essential for driving meaningful usage. Fragmented procurement was repeatedly identified as a disadvantage for buyers.

Within Australia, inclusion of States and Territories introduces additional compliance complexities (e.g. privacy) but also increases negotiation leverage if managed well.

4 - Optimising the future value of the SSAs

Although internal guidance exists, to improve transparency a public-facing framework for assessing seller suitability should be implemented for both retaining / retiring existing SSAs and for determining new SSA opportunities. This will also support proactive management of the sellers which have an SSA as the market and technology landscape shifts over time. Following this, to further maximise future value, the DTA should expand, where appropriate, the use of SSAs while ensuring they remain flexible to better support technology choice and capability uplift across the public service (e.g. through the provision of training credits in predominant technologies by the SSA sellers). To improve engagement, maximise the value of the SSAs and ensure ongoing appropriate use, the DTA and SSA sellers must invest in education and guidance for agencies.

Recommendations

The DTA is well-positioned to leverage its relationships with SSA sellers to support the Australian Government's digital priorities and generate opportunities for Australian businesses. This report supports the continued use of SSAs as a whole of Australian Government contracting framework, with five recommendations made to strengthen their transparency and ongoing value throughout the life of the SSA:

Strengthen the SSA model by refining policy settings, specifying stronger cyber and sovereignty requirements, and simplifying the funding model

Publish an SSA suitability assessment framework and then expand the use of the SSAs

Proactively leverage the SSAs to support the growth of the Australian technology sector

Enhance transparency and information availability by publishing SSA expenditure and correcting public facing content

Leverage existing DTA capability to establish an end-to-end SSA management approach

A series of key actions to implement these recommendations, representing the insights from this report, are provided in *Chapter 7 Recommendations and actions*.

SolsticeIT thanks all the sellers, industry bodies, Commonwealth agencies, State and Territory agencies, international jurisdictions, Australian industry more broadly and the DTA for their contributions to the findings in this report⁵.

⁵ A full list of stakeholders consulted can be found at *Appendix H: Stakeholders consulted*.

Strategic review at a glance

Why undertake the review?

- ∂ To assess whether SSAs remain fit-for-purpose, deliver value and support the Australian Government's digital transformation agenda
- ∂ To consider the ongoing suitability of the SSAs and opportunities to make improvements
- ∂ To consider impacts on the broader ecosystem and competition

What did we find?

- ∂ The SSAs continue to deliver significant value, for example, through discounts to the Australian Government and the broader employment of over 10,000 Australians
- ∂ Whilst the arrangements are mostly fit-for-purpose, there are opportunities for refinement (e.g. rules underpinning sovereignty)
- ∂ As global technology giants, the SSA sellers play a vital role in supporting the Australian Government's digital transformation agenda, yet a genuine strategic partnership does not exist across all of the SSA sellers

What did we do?

- ∂ Interviewed over 100 stakeholders from public service agencies, peak bodies, other jurisdictions, the SSA sellers and the DTA
- ∂ Undertook two surveys: one of public servant users and another of the general public
- ∂ Considered alignment to Australian Government policies or key legislative provisions
- ∂ Conducted a wide range of research

Looking ahead, what do we recommend?

- ∂ Strengthen the SSA model by refining policy settings, specifying stronger cyber and sovereignty requirements and simplifying the funding model
- ∂ Publish an SSA suitability assessment framework and then expand the use of the SSAs
- ∂ Proactively leverage the SSAs to support the growth of the Australian technology sector
- ∂ Enhance transparency and information availability by publishing SSA expenditure and correcting public facing content
- ∂ Leverage existing DTA capability to establish an end-to-end SSA management approach

Key insights

99% of public servants surveyed want to retain the SSAs, and other nations either want or have similar arrangements in place

Over \$1.6 billion in discounts achieved between 2019-2024, enabling the Australian Government to reinvest this elsewhere in Australia

Whilst buyers almost unanimously want discounts, consistency with terms and conditions, and contracting efficiency, there are other value points which warrant consideration to optimise the total cost of ownership

CHAPTER ONE

Introduction

An outline of the purpose of this report and background on the SSAs.

Purpose

- 1.1 The Digital Transformation Agency (DTA) engaged SolsticeIT to conduct an independent strategic review of the Australian Government's Single Seller Arrangements (SSAs) to assess whether they are likely to remain fit-for-purpose, deliver ongoing value and continue to support the Australian Government's digital transformation agenda.
- 1.2 The findings highlight opportunities for the DTA, as the steward of the SSAs and the government's digital marketplaces and panels, to:
- Strengthen how SSAs are negotiated and managed to ensure continued alignment with government priorities.
 - Deliver maximum value for agencies.
 - Enhance security provisions aligned to data and digital sovereignty requirements.
 - Enable digital transformation of the Australian Government.
 - Support the ongoing delivery of essential services.
 - Deliver greater economic value to Australia.
- 1.3 Further details about the scope of this report can be found in *Appendix L: Scope*.

How to read this report

- 1.4 This report has been written with seven chapters.

Chapter One: Introduction – *An outline of the purpose of this report and background on the SSAs.*

Chapter Two: Alignment to policy, strategy and legislation – *An assessment of whether the SSAs are aligned and supportive of government strategy.*

Chapter Three: Benefits, costs and risks of the SSAs – *Analysis of whether the benefits realised by the SSAs outweigh any of the associated costs and risks.*

Chapter Four: Jurisdictional comparison – *Exploration of how other comparable arrangements are being managed.*

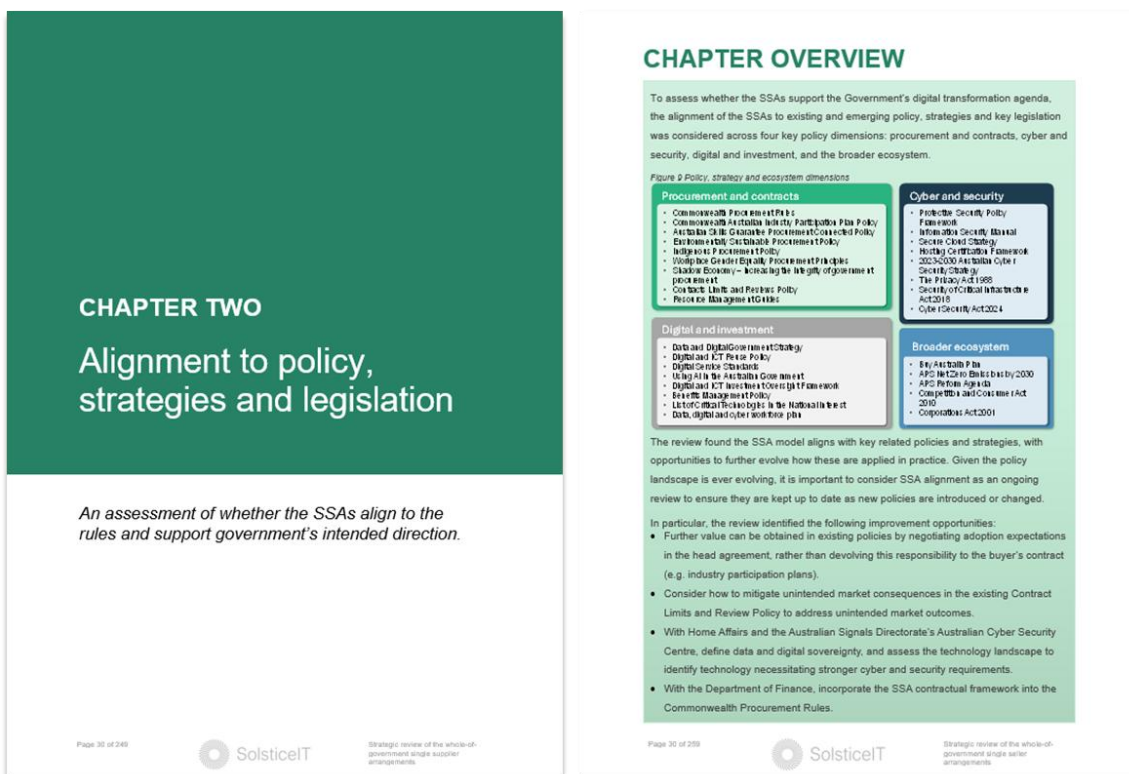
Chapter Five: Optimising the SSAs for the future – *How to get the most from these arrangements moving forward.*

Chapter Six: Other opportunities – *Other areas for improvement identified by the review.*

Chapter Seven: Recommendations and actions – *What should the DTA do to improve the SSAs.*

- 1.5 At the start of each chapter there is an overview page that summarises the key insights and findings.

Figure 1 - Chapter and overview pages



- 1.6 The scope of the review is outlined in *Appendix L: Scope.*
- 1.7 Throughout the report, key actions are identified in **bold** and as ‘should’ statements. A consolidated list of these can be found within *Chapter 7 Recommendations and actions* within this report.

Background

Brief history of SSAs

- 1.8 The Australian Government has progressively developed coordinated ICT procurement since the early 1990s to streamline procurement processes, reduce duplication, and secure better value for money in technology engagements.
- 1.9 The introduction of the General Information Technology Conditions in the 1990s established standardised contractual terms for technology procurement across government agencies. These conditions reduced legal complexity and supported more consistent supplier relationships, but procurement processes remained largely decentralised. In addition, until its abolishment in 1997, the Department of Administrative Services established a series of arrangements similar to those currently in place on BuyICT⁶.
- 1.10 During the early 2000s, agencies commonly negotiated individual contracts with major sellers, often resulting in inconsistent pricing and fragmented contract terms. The Australian Government recognised the inefficiencies of this approach and began pursuing a more coordinated procurement strategy.
- 1.11 In 2008, the Gershon Review⁷ called for the Australian Government to improve coordination of ICT procurement and manage suppliers more strategically. The review recommended the Australian Government adopt whole-of-government approaches to reduce duplication and improve cost-effectiveness. In 2009, the Australian Government implemented this by establishing the first whole-of-government technology contract with Microsoft. This was the first SSA, known as 'Volume Sourcing Agreement 1' or VSA1 for short.
- 1.12 At this time, commercialised cloud storage and computing services emerged, transitioning the traditional on-premises, perpetual license model to the 'as-a-service', subscription-based licensing model that is now common across the modern technology landscape.

⁶ https://www.buyict.gov.au/sp?id=buy_home

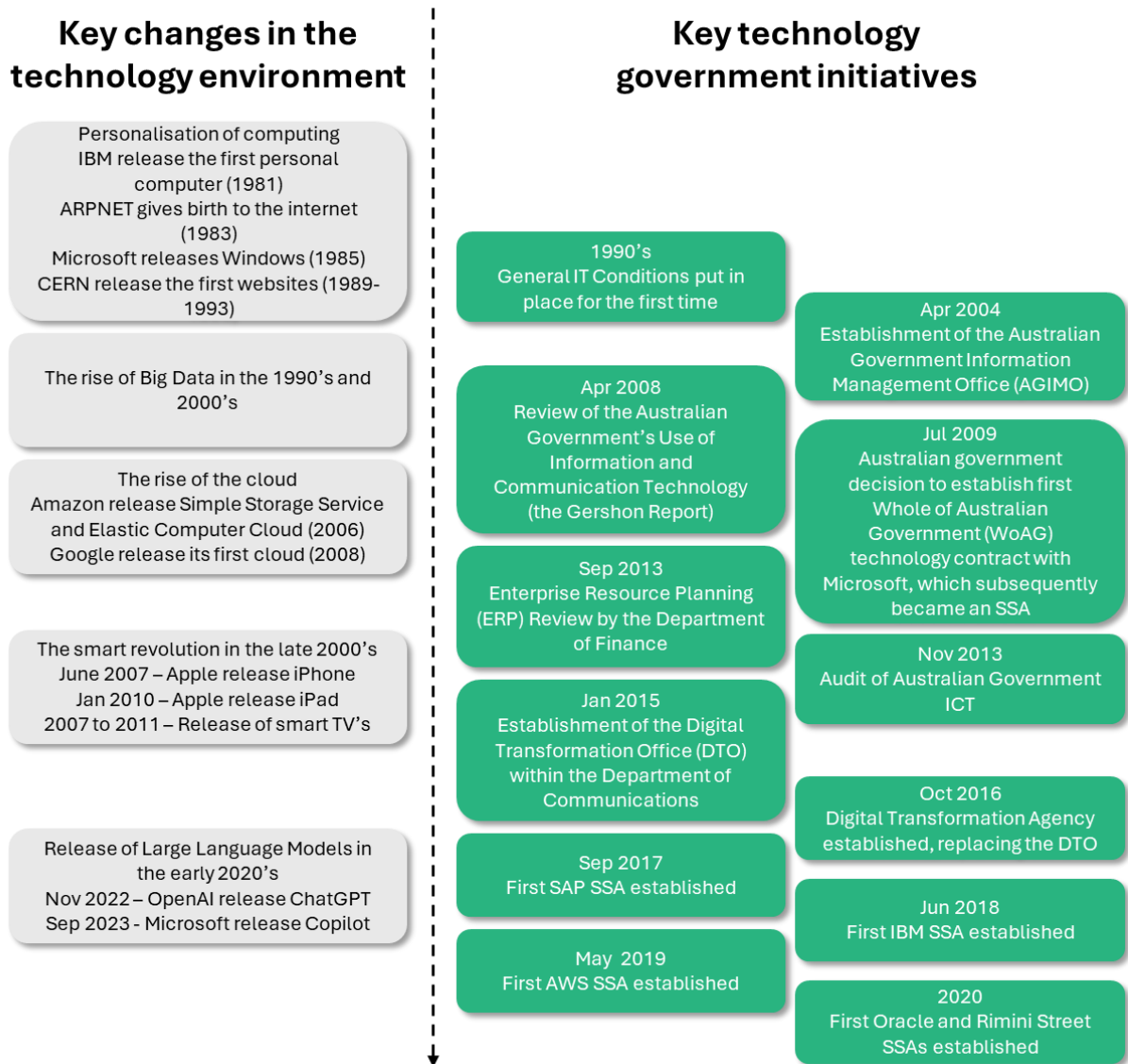
⁷ <https://webarchive.nla.gov.au/awa/20081201221931/http://pandora.nla.gov.au/pan/91441/20081202-0857/www.finance.gov.au/publications/ICT-Review/index.html>

- 1.13 The Australian Government updated its engagement model with Microsoft by signing its second SSA in 2013, VSA2, reflecting lessons learned from the first iteration and creating a unified contracting framework for all Commonwealth agencies. The Australian Government then expanded the SSAs to other major sellers (SAP, IBM, AWS, Oracle and Rimini Street), supported by growing institutional capability in digital procurement policy.
- 1.14 The November 2013 audit of technology procurement by the Australian National Audit Office⁸ further highlighted the importance of coordination. The audit identified shortcomings in fragmented contracting practices and supported stronger central oversight and consolidated procurement models.
- 1.15 The establishment of central agencies to lead digital transformation further shaped the SSA environment:
- In 2015, the Digital Transformation Office was established within the Department of Communications to drive whole of Australian Government digital service reform.
 - In the 2015-16 Budget⁹, the Australian Government agreed the Department of Finance (Finance) would complete a scoping study on expanding whole of Australian Government Coordinated Procurement Arrangements for technology products and services. In April 2016, the Australian Government agreed to the scoping study recommendations and provided funding to establish the associated SSAs.
 - Concurrently, in 2016, the Digital Transformation Office became the Digital Transformation Agency (DTA), with a broader mandate to lead digital policy, capability, and coordinated technology procurement. The DTA assumed responsibility for managing strategic seller relationships and overseeing whole of Australian Government technology agreements, which included the transfer of administration of SSAs to the DTA through a machinery-of-government change which took effect from May 2017.
- 1.16 The figure below summarises this history.

⁸ https://www.anao.gov.au/sites/default/files/AuditReport_2013-2014_54.pdf

⁹ See page 94 (pdf page 110) of 2015-16 Budget Paper 2. Available here: https://archive.budget.gov.au/2015-16/bp2/BP2_consolidated.pdf

Figure 2 Timeline of key government technology initiatives over the past five decades



1.17 The Australian digital sector continues to attract interest, including recent reports by the Australian Government on the ‘influence of international digital platforms’¹⁰ and ‘supporting the development of sovereign capability in the Australian technology sector’¹¹. Further, Australian companies are keenly interested in the success of the technology sector within Australia¹².

¹⁰ Senate Standing Committees on Economics, November 2023. Available at: https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Digitalplatforms/Report

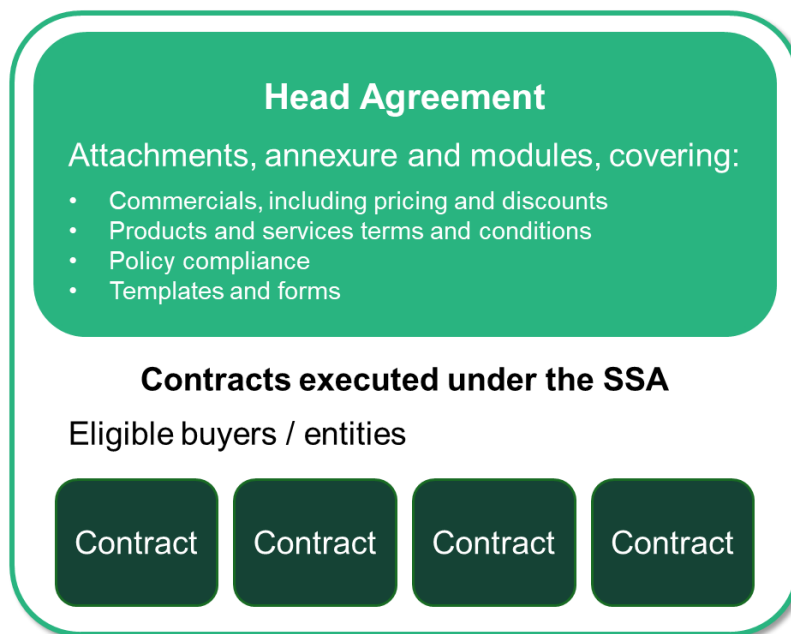
¹¹ Senate Standing Committees on Finance and Public Administration, June 2024. Available at: https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/Supporting_Aust_tech47/Report

¹² For example, Technology1’s report on ‘Improving evaluation of economic impact in ICT procurement’. Available at: https://www.technology1.com/_data/assets/pdf_file/0007/267658/TechOne_Improving-economic-impact-evaluation-in-ICT-procurement_Final-Report_18-October-2024_Final.pdf

Overview of the current SSAs

- 1.18 The SSAs are pre-negotiated, whole of Australian Government technology agreements with specified sellers, established to leverage the governments collective buying power and ensure consistency with legal terms and conditions.
- 1.19 The Australian Government has SSAs with six sellers: AWS, IBM, Microsoft, Oracle, Rimini Street and SAP. At a high level, the graphic below summarises the structure of SSAs:

Figure 3 High-level structure of SSAs



- 1.20 Each SSA includes the following core components:
 - An overarching arrangement that establishes the pricing, product and services offered, terms and conditions¹³.
 - A contract execution mechanism that enables eligible buyers to utilise the SSA.
- 1.21 There are significant differences in how these components are incorporated into each SSA, reflecting the distinct evolution paths each SSA has undertaken. More recently, the DTA has been working with the SSA sellers to more consistently align the terms and conditions across the SSAs. This has required some of the arrangements to transition from terms and conditions which were initially based on

¹³ Including alignment to government policy requirements.

the sellers' terms and conditions, to a format that better meets Commonwealth needs. Consequently, each SSA exhibits key differences in:

- Agreement structures and mechanisms, and the execution of contracts under the SSA.
- The documentation of all terms and conditions applicable to a specific contract.
- The way in which pricing is presented.
- Obligations placed on the seller, buyer and the DTA.
- Eligibility, as some arrangements exclude certain government entities, and the process for an eligible agency or entity to join an SSA.
- Payment structures for contracts executed under the terms of an SSA.
- Fees charged by the DTA to buyers purchasing through SSA, which provides the core funding for the DTA to administer the SSAs.

1.22 A summary of the key establishment dates for the SSAs are outlined in brief below.

AWS

1.23 The AWS SSA was first established on 1 May 2019, and is now in its third iteration, which commenced on 1 April 2025 for a three-year term that expires 31 March 2028.

IBM

1.24 The IBM SSA was first established in June 2018, and is now in its second iteration, which commenced 15 December 2022 and will expire 15 December 2027.

Microsoft

1.25 The first SSA with Microsoft was established in July 2009¹⁴. This SSA is now in its fifth iteration which was signed on 1 July 2022 has been extended through to 30 June 2026. The current iteration of the SSA provided for an initial term of 3 years, to which there was a subsequent contract renegotiation to extend the contract further for one year.

¹⁴ This agreement was signed in February 2009, however, began operating from July 2009.

1.26 Products and services are procured from Microsoft’s incumbent Licensed Solution Provider, Data#3, through a reseller arrangement under the Software and ERP Marketplace Panel¹⁵ (SON3490955).

Oracle

1.27 The Oracle SSA was established on 25 November 2020 for an initial period of three years. Options have been exercised, and the SSA now expires 24 November 2025.

Rimini Street

1.28 The Rimini Street SSA was established on 28 January 2020 for an initial period of four years, with options having been exercised under the contract such that the SSA now expires 28 January 2026.

SAP

1.29 The SAP SSA was first established on 29 June 2017 and is now in its second iteration, which commenced on 29 June 2024 for a three-year term that expires 28 June 2027.

Products and services available under each SSA

1.30 The table below provides a high-level overview of the products and services offered under the existing arrangements.

Table 1 Current SSAs products and services

Seller	Standing Order Number (SON)	Products and services
AWS	SON4124095	<ul style="list-style-type: none"> • Cloud Services • Professional Services • Training and Certification
IBM	SON3933978	<ul style="list-style-type: none"> • Hardware • Hardware leasing • Professional services • Software • Cloud services
Microsoft	SON3615953	All Microsoft products and services, including: <ul style="list-style-type: none"> • Azure • Dynamics • Office Suite • SharePoint

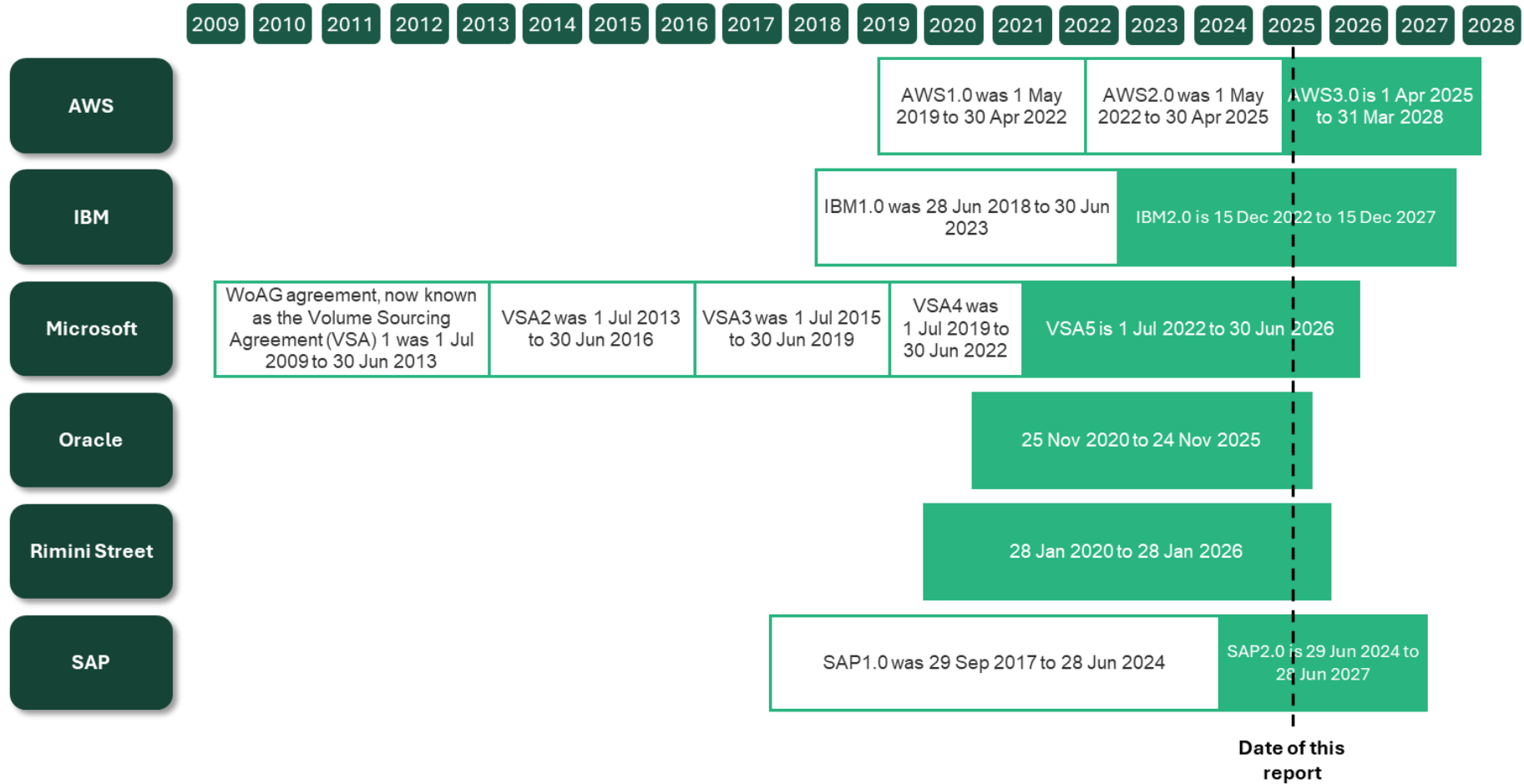
¹⁵ Available at: <https://www.tenders.gov.au/Son/Show/90C61F3B-BE27-3313-BCD6-93DB777921C7>

Seller	Standing Order Number (SON)	Products and services
		<ul style="list-style-type: none"> • Windows
Oracle	SON3726074	All Oracle products and services, including: <ul style="list-style-type: none"> • Software licensing and support • Hardware acquisition • Hardware support • Professional Services • Cloud services
Rimini Street	SON3660909	<ul style="list-style-type: none"> • Support services for select Oracle and SAP software products and infrastructure • Proprietary support developed by Rimini Street • Professional Services
SAP	SON4059115	<ul style="list-style-type: none"> • Software licenses support • Cloud Subscription Products and Services • Digital Business Services (e.g. consulting services, Premium Engagement Services, Training) • Custom development services

1.31 Further information about the sellers can be found in *Appendix A: Overview of SSA sellers* and *Appendix E: Commercially sensitive analysis*.

1.32 The timeframes relevant to each of the existing SSAs is provided below.

Figure 4 Timeframes of the SSAs^{16, 17}



¹⁶ Where option periods exist, these are not included on the below timeframes as this information is commercially sensitive.

¹⁷ Microsoft's VSA dates reflect the end dates

- 1.33 *Appendix B: SSAs representation on the DTA panels* provides further information on the representation of the SSAs on BuyICT with respect to the DTA's marketplaces and panels.
- 1.34 SSAs primarily support the requirements of Non-corporate Commonwealth Entities (NCEs)¹⁸, and their use as head agreements¹⁹ is mandatory for these agencies. However, they can also be utilised in other contexts²⁰, which are:
- Corporate Commonwealth Entities (CCEs) and government-owned businesses including Commonwealth Companies and State-Owned Corporations.
 - States and Territories.
 - Local Councils.
 - Public higher education institutions.
 - Some other public sector entities and companies fully controlled by the Australian Government or international entities.
- 1.35 *Appendix E: Commercially sensitive analysis* outlines the availability for use of these arrangements across these entities.

¹⁸ As defined by the Public Governance, Performance and Accountability (PGPA) Flipchart maintained by Finance available here: <https://www.finance.gov.au/government/managing-commonwealth-resources/structure-australian-government-public-sector/pgpa-act-flipchart-and-list>

¹⁹ Whilst their use as head agreements is mandatory, this does not compel the selection of any particular products or services from the SSA seller.

²⁰ In some instances, the SSA seller or DTA must approve this.

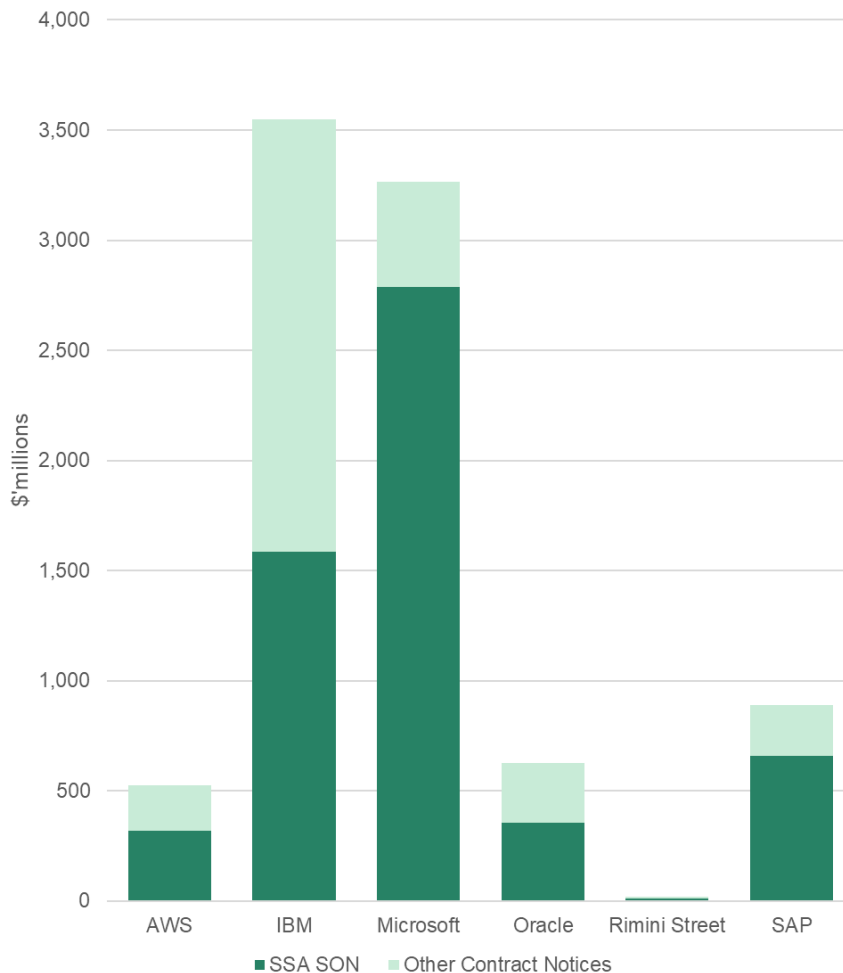
SSA spend profile

1.36 The amount the Australian Government spends on the SSAs is reported on AusTender²¹.

1.37 The figures below provide an overview of the total value of the reported spend on AusTender for each of the SSA sellers for the period 2019-2024. In respect of these figures, the full value of a contract is included where the start date fell between 1 July 2019 and 30 June 2024, and are split out in to:

- **Standing Order Number (SON):** all contracts reported against the SSA SON for the seller.
- **Contract notices:** all other contracts reported against the SSA seller.

Figure 5 Australian Government buy profiles from SSA sellers for 2019 to 2024 as per Contract Notices²²

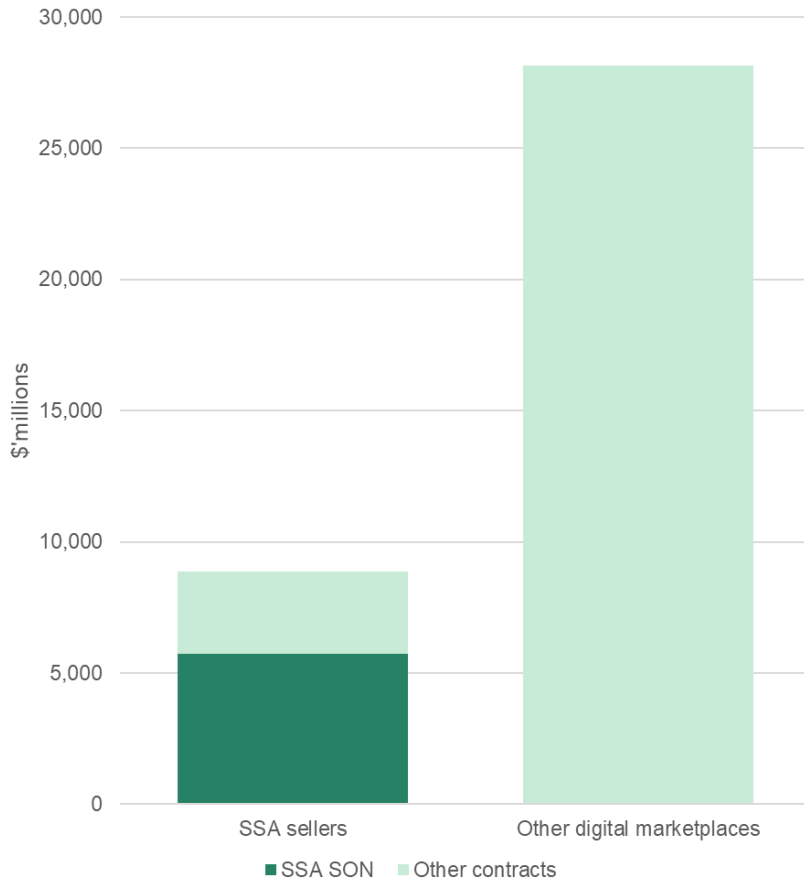


²¹ The reporting portal for all Australian Government contracts over \$10,000. Available at: <https://www.tenders.gov.au/>

²² Data sourced from AusTender. The total spend for Microsoft includes values reported through Data#3 for Microsoft products and services.

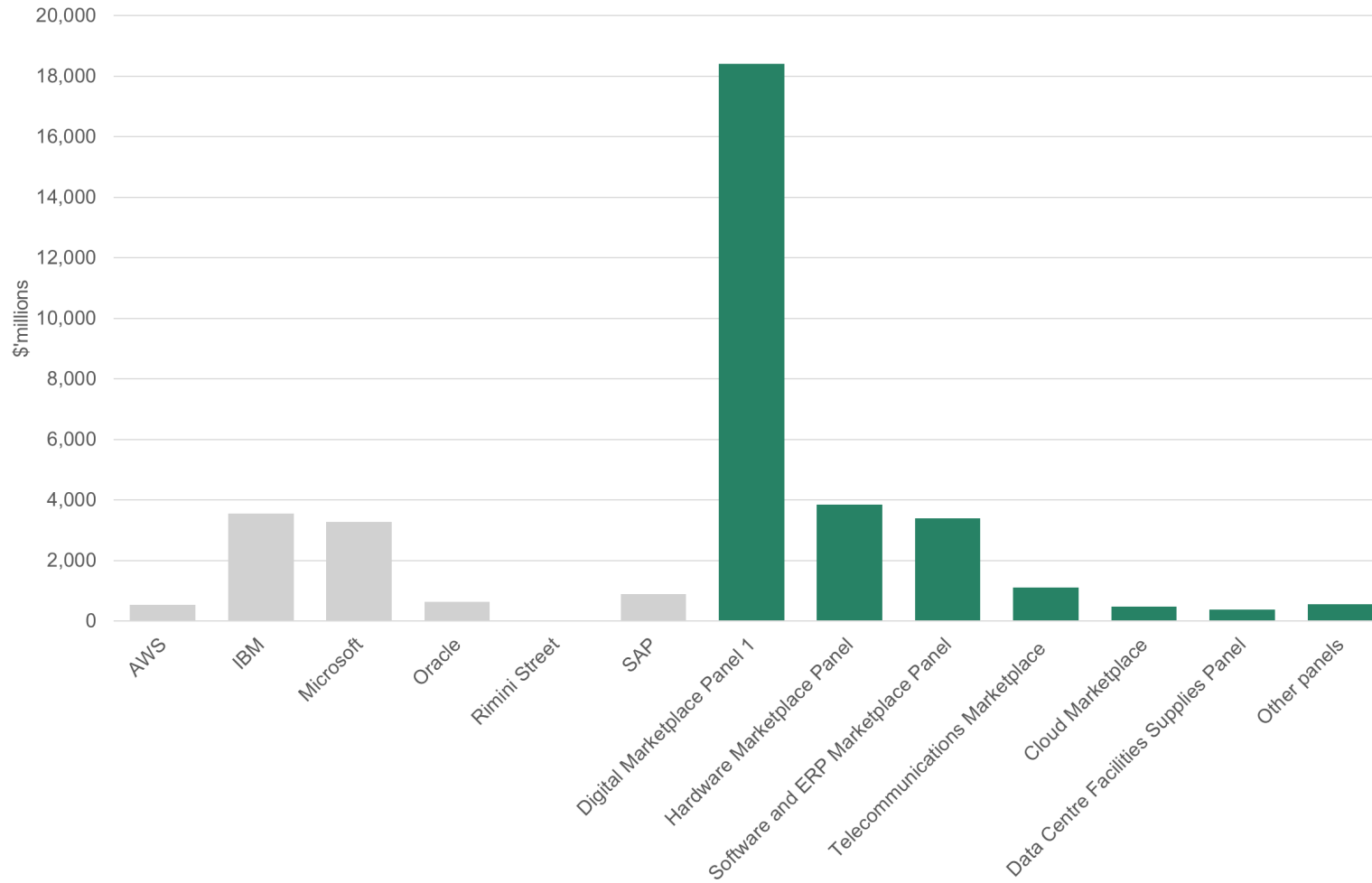
1.38 This spend profile was also considered against other digital marketplaces and panels which the DTA have established. The below two figures compare the SSAs with these other arrangements:

Figure 6 Australian Government spend profile for the SSA sellers collectively and other established digital marketplaces and panels collectively for 2019 to 2024 as per Contract Notices²³



²³ "Other digital marketplaces" is a combination of: Digital Marketplace Panel 1.0 (SON3413842), Cloud Services Panel (SON2914302), Cloud Marketplace (SON3668352), Telecommunications Marketplace Panel (SON3713272), Telecommunications Services Panel (SON3386916), Hardware Marketplace Panel (SON3541738), Major Office Machines Panel (SON3390763), The Mobile Panel (SON2589631), Data Centre Panel 3 (SON3945937), Data Centre Facilities Supplies Panel (Panel 2) (SON2402841), Software and ERP Marketplace Panel (SON3490955).

Figure 7 Australian Government buy profiles from SSA sellers and other established digital marketplaces and panels for 2019 to 2024 as per Contract Notices^{24,25}



²⁴ “Other panels” is a combination of: Cloud Services Panel (SON2914302), Telecommunications Services Panel (SON3386916), Major Office Machines Panel (SON3390763), The Mobile Panel (SON2589631) and the Data Centre Panel 3 (SON3945937).

²⁵ Note, Digital Marketplace Panel 2 is not included as it commenced from 28 October 2024.

1.39 The figures above show that buyers across the Australian Government do not solely rely upon SSA sellers, with approximately 76% of the spend profile going through the other digital marketplaces and panels.

1.40 In respect of these figures, the review noted the values published on AusTender do not align to the actual spend under the SSAs for the following key reasons:

- Per *Procurement Publishing and Reporting Obligations (RMG 423)*, AusTender values are reported as the potential maximum value of the contract over its initial term, including all options which may be exercised. In practice, this does not provide an acquittal of the actual spend under the contract or reflect the timing of that expenditure.
- AusTender is a Commonwealth procurement reporting tool and does not include any contracts under the SSA established by State and Territory Governments or other non-government organisations.
- Under the Commonwealth Procurement Rules, AusTender reporting is only mandatory for 65% of agencies, comprising 102 Non-corporate Commonwealth Entities as per the PGPA Flipchart²⁶ and 25 Prescribed corporate Commonwealth entities as per section 30 of the PGPA Rule²⁷.
- Respective buyers undertake reporting on AusTender, which can result in contracts not being reported against the SSA SON, including:
 - Agencies may include report against the SON for the marketplace (e.g. Hardware Marketplace) used in the procurement process, rather than the SON relevant to the SSA.
 - Some contracts for IBM with Defence, the ATO, Services Australia and Home Affairs are reported as separate contracts in AusTender, rather than under the SSA SON.
 - The structure of the Microsoft SSA involves providing products and services through Microsoft's reseller arrangement with Data#3, which are reported on AusTender under Data#3 contract notices rather than against the Microsoft SON reference.

²⁶ Available at: <https://www.finance.gov.au/government/managing-commonwealth-resources/structure-australian-government-public-sector/pgpa-act-flipchart-and-list>

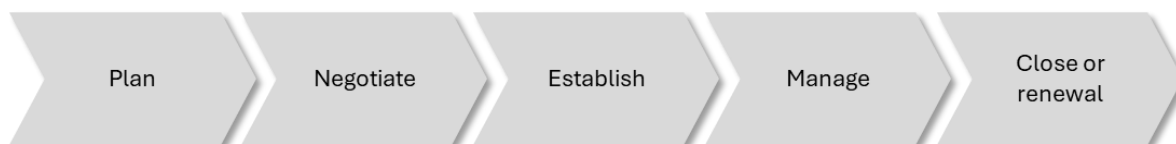
²⁷ Available at: <https://www.legislation.gov.au/F2014L00911/latest/text>

- 1.41 Further, some sellers expressly constrain the DTA from publishing information, including SSA spends, unless it is already in the public domain. Noting this, however, engagement with the SSA sellers through the review indicates willingness from the SSA sellers to support transparency common in government procurement globally.
- 1.42 To address the constraints above and to enhance the transparency of the Australian Governments spending on the SSA sellers, **the DTA should, in collaboration with the SSA sellers, publish the full value of expenditure under the SSAs for each respective SSA seller.**

How SSAs are established

- 1.43 The DTA has internal guidance for assessing whether an SSA be established.
- 1.44 When a potential new SSA has been identified, the DTA seeks approval from the relevant portfolio and Australian Government for policy authority to establish the new mandated arrangements and to resource negotiations, which are conducted directly with the seller on behalf of the Australian Government. The DTA then continues to manage the arrangements, including renegotiation of renewals²⁸.
- 1.45 The below figure outlines the process the DTA follows:

Figure 8 High level process for how DTA manages SSAs



- 1.46 The following briefly outlines each of these steps:
- **Plan** – gather information, monitor market trends and competition, engage with buyers and the seller. The DTA works with agencies across the Commonwealth to understand the intricacies of the pre-existing contracts and value of these, using this as a basis to determine the Commonwealth’s bargaining position.
 - **Negotiate** – work with the seller to achieve a mutually-beneficial arrangement, agreeing the contractual structure and specific clauses. By all accounts, this phase comes with significant complexity and effort by both parties.
 - **Establish** – execute and implement the head agreements as standing offers and any contracts²⁹ with the seller and manage the transition of buyers and their contracts to the arrangement, as appropriate.
 - **Manage** – manage the contract, supporting the seller and buyers in its use across the life of the individual buyer contract, and undertake reporting (e.g. from the sellers to the DTA on usage and invoices, or internal to the DTA to monitor the realisation of benefits).

²⁸ Finance Minister approval is not obtained to renegotiate renewals of the SSAs.

²⁹ Including those contracts centrally managed by the DTA

- **Close or renewal** – preparing for the end of the arrangement by either renegotiating (and returning to the Plan stage above) or assisting buyers to transition off the SSA, finalise any financial obligations, and document lessons learnt.

1.47 Details on the operational costs of this work for DTA are outlined in *Costs* section.

How the SSAs are funded

1.48 The DTA is funded to establish and maintain the SSAs through two means:

- Core funding is appropriated for the administration of the SSAs.
- The DTA's additional costs associated with establishing and maintaining certain SSAs are recovered through a Central Administration Fee (CAF), which is established separately for each relevant arrangement. The fees are reviewed twice annually to ensure the DTA achieves a cost-neutral position³⁰.

1.49 Separately, in certain circumstances, buyers must pay a savings fee which is calculated based on the total contract value. Monies collected in the form of savings fees are temporarily stored in a special account and returned to the Consolidated Revenue Fund (CRF) in the following financial year³¹. These monies cannot be used to fund activities of the DTA.

1.50 Of note, buyers pay either the CAF or the savings fee, not both.

1.51 The CAF and CRF savings fee are paid to the ICT Coordinated Procurement Special Account 2017³² which is limited appropriation that allocates funds for specific purposes. The balance of the special account determines the amount available for expenditure, subject to strict rules around the use of the funds³³. The Australian National Audit Office audits this account annually.

³⁰ A cost-neutral position means that the net costs to the DTA of running the SSAs (total costs of running the SSAs, less Departmental funding provisioned by government) equals the total CAF collected by the DTA. In essence, the costs are equal to the CAF and Departmental funding.

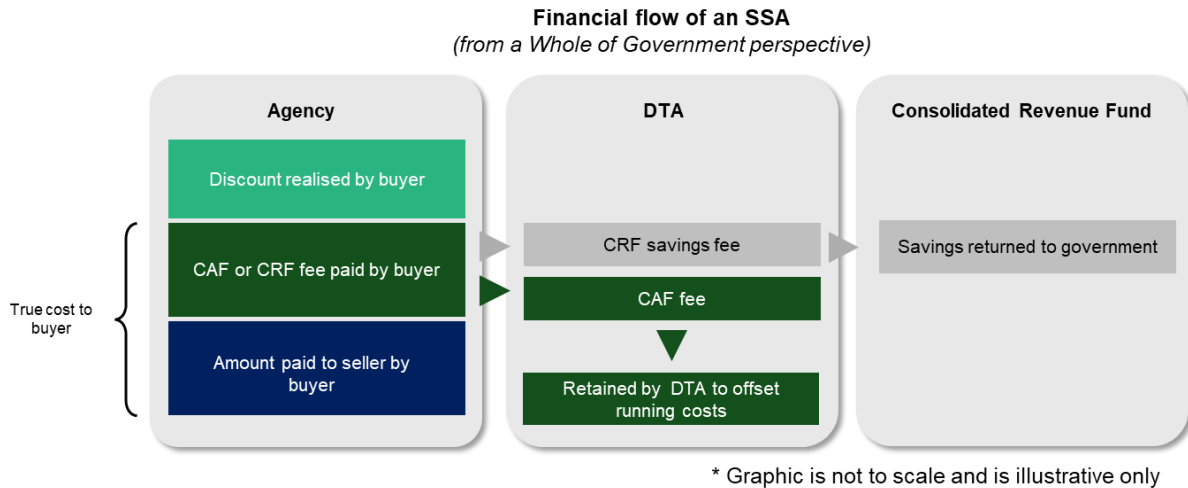
³¹ The CRF savings fee is extended to additional arrangements as agreed by the Finance Minister.

³² PGPA Act Determination (ICT Coordinated Procurement Special Account 2017). Available at: <https://www.legislation.gov.au/F2017L00650/asmade/text>

³³ Appropriate expenditure includes: Administration of the SSAs, pass-through costs, compliance and reporting, development of procurement technology and tools, user research, technical advisory, and staffing costs.

1.52 The following graphic illustrates³⁴ the interaction between the amount paid to a seller, the CAF or CRF savings fee paid by the buyer and the discount realised.

Figure 9 Depiction of how the savings and fees payable by agencies are allocated



1.53 The table below summarises the CAF and CRF fees payable.

Table 2 CAF and CRF fees

Arrangement	Fee type	Amount ³⁵
AWS	Either CAF <u>or</u> CRF fee	0% to 2.5% ³⁶ of agency spend
IBM	CRF fee (and one non-Commonwealth entity pays a CAF)	1.25% to 2.5% ³⁶ of agency spend
Microsoft	CAF only	\$3.00 per E3 licence
Oracle	CRF fee only	2.5% of agency spend
Rimini Street	CAF fee only	2.5% of agency spend
SAP	CRF fee only	0.5% to 5% of agency spend

1.54 Further details can be found in the Funding model section of this report.

³⁴ The relative size of the box is not indicative of the costs, discounts made available or CAF / CRF fees.

³⁵ For most arrangements, a true-up process exists to reconcile the commitment amount with the actual usage.

³⁶ Depending on the specific part of the SSA used

Differences between SSAs and other contracting mechanisms

1.55 The review noted the SSAs are only one of several contracting mechanisms used by the Australian Government. The list and table below provide a high-level comparison:

- **Seller standard terms and Conditions**³⁷: a contract between the specific agency and seller, often using the seller's preferred contractual mechanisms.
- **Standard contract**: a contract directly between the specific Commonwealth entity and the seller.
- **'Piggy-back' contract**: a contract with a provision that allows for other agencies to engage the seller on the same basis as the lead agency that established the contract.
- **Model contracts**: a set of negotiated terms and conditions (can include pricing) between a seller and the Commonwealth, of which the purpose is to create standard contracts and repeatable processes to allow agencies to more efficiently and effectively³⁸ source products and services.
- **Panel and marketplaces**³⁹: establishes a common head agreement between the Commonwealth and sellers on the panel (e.g. marketplaces listed on BuyICT), typically with set pricing maximums and common terms and conditions, with specific products / services entered as a contract under the head agreement. The panel and marketplace may include a form of contract which agencies are required to use or a model contract.
- **SSA**: establishes a head agreement between the Commonwealth and the seller, incorporating agreed discounts and pricing, and negotiated terms and conditions, and legal protections. Following an approach to market where an SSA is successful at tender, the buyer purchases the products and services via a contract placed under the head agreement.

³⁷ This can be in the form of End User License Agreements (EULAs).

³⁸ "More" in this context is relative to seller standard terms and conditions, standard contracts or 'piggy-back' contracts.

³⁹ EULA's can also be applicable and may replace aspects of the SSA clauses.

Table 3 Key differences between differing contracting mechanisms

Element	Seller standard T&Cs ⁴⁰	Standard contract	Piggy-back contract	Model contracts	Panel and marketplace	SSA
Pricing	As per proposal or quote, or as otherwise negotiated by the agency	As per proposal or quote, or as otherwise negotiated by the agency	As agreed between head agency and seller, with any discounts negotiated into contracts	As agreed between the buyer and seller	Standard panel rates, with any discounts negotiated into contracts	Negotiated discount pricing
Terms and conditions (T&Cs)	Sellers T&Cs, subject to any amendments negotiated by the agency	Australian Government common T&Cs, subject to any amendments negotiated by the Seller	Australian Government T&Cs, subject to any amendments negotiated by the Seller	Australian Government T&Cs, with some model contracts allowing for amendments	Australian Government T&Cs, with tailorable clauses	Negotiated T&Cs, with the ability to specify additional options or terms in the contract
Typical engagement model	Seller contract	Australian Government contract	Australian Government contract	Australian Government head agreement, with contracts / work orders	Australian Government head agreement, with contracts / work orders	Australian Government head agreement, with contracts / work orders
Scope and timeframes	Agreed between seller and Australian Government agency	Agreed between seller and Australian Government agency	Agreed between seller and lead Australian Government agency, and separately with any subsequent agency	Head agency agree with seller common scope or timeframes, with contracts / work orders containing deliverable specifics	Head agency agree with seller common scope or timeframes, with contracts / work orders containing deliverable specifics	Head agency agree with seller common scope or timeframes, with contracts / work orders containing deliverable specifics

⁴⁰ Also known as End User License Agreements (EULAs). This is allowable under *Resource Management Guide (RMG) 420 Mandatory use of the Commonwealth Contracting Suite for procurement under \$200,000*.

SSAs' place in the procurement lifecycle

1.56 Undertaking a competitive and compliant procurement process prior to purchasing any new technology products and services is critical to ensuring value for money is achieved and that the procurement aligns with Commonwealth policy requirements. For this reason, the SSAs are designed to fit into the standard procurement lifecycle undertaken by buyers, which is depicted in the figure below.

Figure 10 Procurement lifecycle and how buyers typically engage with the SSA



- 1.57 NCEs must use the SSA contracting framework when buying from an SSA seller. For any other entity, the SSAs are not mandatory.
- 1.58 The selection of sellers (SSA sellers and non-SSA sellers) to include on the market approach is made by the buyer. The review noted that buyers can utilise Limited Tender provisions in accordance with the CPRs, and this is further discussed in the *Procurement and contracts* section of this report. In this regard, buyers may approach a limited number of sellers or direct source from an SSA seller. Critically, the review noted the CPRs enable this, as buyers can utilise the Limited Tender provisions irrespective of an SSA being in place.
- 1.59 The above is distinct from the process the DTA follow to establish an SSA, which is discussed in previous sections.

CHAPTER TWO

Alignment to policy, strategies and legislation

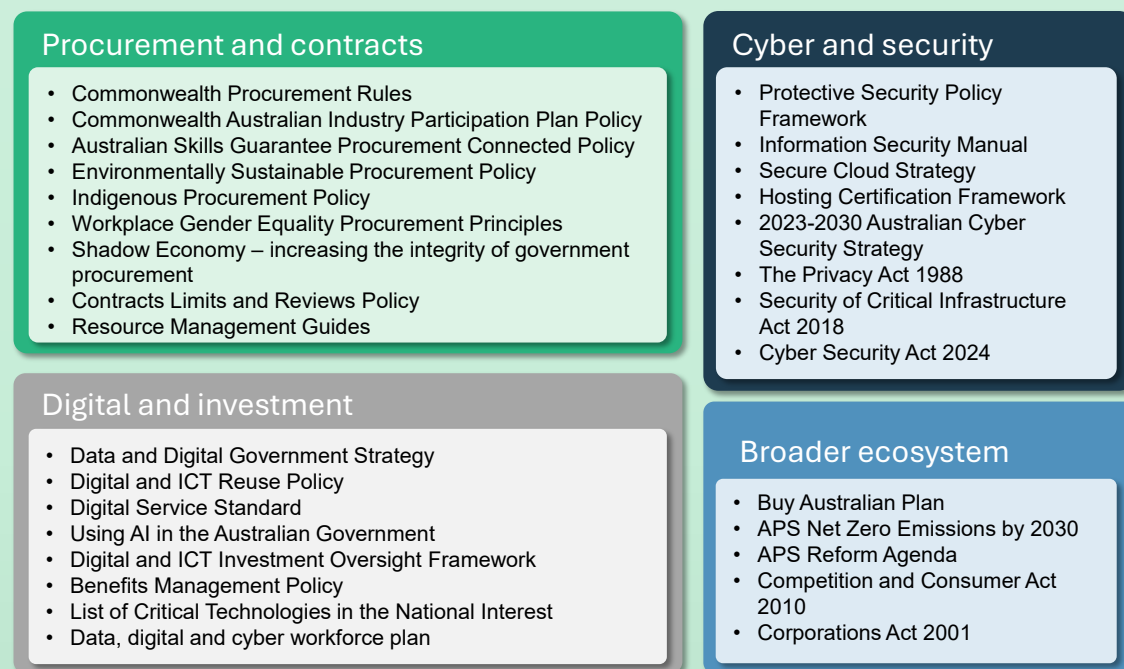
An assessment of whether the SSAs align to the rules and support government's intended direction.

CHAPTER OVERVIEW

The review found the SSA model aligns with key related policies and strategies, with opportunities to further evolve how these are applied in practice. Given the ever-evolving policy landscape, it is important to consider SSA alignment as an ongoing activity to ensure they are kept up to date as new policies are introduced or changed.

The alignment of the SSAs to existing and emerging policy, strategies and key legislation was considered across four key policy dimensions: procurement and contracts, cyber and security, digital and investment, and the broader ecosystem.

Figure 11 Policy, strategy and ecosystem dimensions



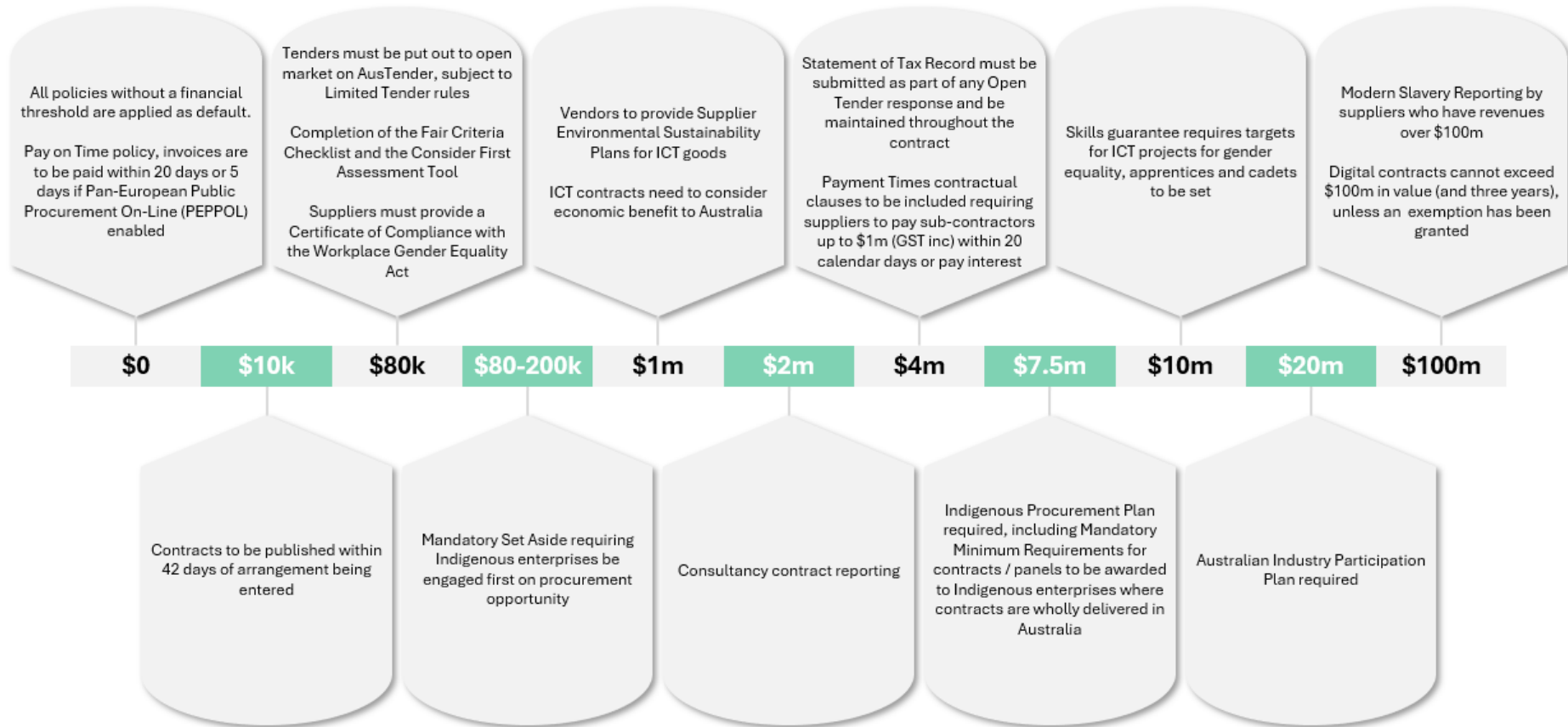
In particular, the review identified the following improvement opportunities:

- Further value can be obtained in existing policies by negotiating adoption expectations in the head agreement, rather than devolving this responsibility to the buyer’s contract (e.g. CAIP Plans).
- Consider how to mitigate unintended market consequences in the existing Contract Limits and Review Policy to address unintended market outcomes.
- Define data and digital sovereignty with consideration of localisation requirements, and assess the technology landscape to identify technology necessitating stronger cyber and security requirements.
- Distinguish more clearly whole of Australian Government digital contracts from Coordinated Procurements within the Commonwealth Procurement Rules (CPRs).

Procurement and contracts

- 2.1 SSAs are pre-negotiated, whole of Australian Government technology agreements with specified sellers, established to leverage the government's collective buying power and ensure consistency with legal terms and conditions. They are not a procurement pathway.
- 2.2 The policy and legislative environment is constantly changing. Similar to other long term contractual arrangements (e.g. Digital Marketplace Panel 2), an SSA may become out of step with policy changes over the life of the contract. For example, the recent introduction of the Supplier Code of Conduct on 1 July 2024 required updates to be made to the SSAs. This necessitates the periodic review of the SSAs throughout their life to ensure ongoing alignment to the policy and legislative environment as it changes.
- 2.3 To manage this, the DTA routinely undertakes procurement policy compliance assessments for the SSAs. Further, the SSAs include clauses that allow updates to be made to the SSAs as policy and legislative environment changes.
- 2.4 When undertaking any procurement activity, there are a range of policies any digital procurement needs to consider, as depicted in the chapter overview above. Some policies have specific values that trigger different requirements for digital procurements are triggered, which is depicted in the figure below.

Figure 12 Policy thresholds.



Further details about these thresholds and the relevant policies can be found in *Appendix C: Procurement policy environment*.

Establishment and use of an SSA

- 2.5 A procurement process includes steps that precede an agency preparing, negotiating or entering into a contract, with requirements set out in the CPRs.
- 2.6 This necessitates consideration of the mechanism to appoint an SSA seller against two core components:
- The head agreement, which does not include any liability to the DTA or any Commonwealth agency. This is established by the DTA as a standing offer^{41, 42}.
 - The contract, which sits under the head agreement, and includes the products and services to be purchased. This buyer signs this contract. In some cases, the DTA enters into these contracts, under the relevant head agreement, for a coordinated purchase on behalf of the Commonwealth.
- 2.7 There has been a long-standing pattern of predictable usage of all but one⁴³ of the sellers who have an SSA. The establishment of the SSAs provided the opportunity to leverage the collective buying power of agencies by consolidating sourcing arrangements into one contracting framework. Recognising this, the DTA has implemented SSAs in a manner consistent with the Limited Tender provisions under Division 2, paragraph 10.3 of the CPRs which states:



A relevant entity must only conduct a procurement at or above the relevant procurement threshold through limited tender in the following circumstances:

...

d. when the goods and services can be supplied only by a particular business and there is no reasonable alternative or substitute for one of the following reasons

...

ii. to protect patents, copyrights, or other exclusive rights, or proprietary information, or

iii. due to an absence of competition for technical reasons; or

e. for additional deliveries of goods and services by the original supplier or authorised representative that are intended either as replacement parts, extensions, or continuing services for existing equipment, software, services, or installations, when a change of supplier would compel the relevant entity to procure goods and services that do not meet requirements for compatibility with existing equipment or services⁴⁴.



⁴¹ Under Appendix B: Definitions within the CPRs a “Contract” is defined to include a standing offer (and a panel) as relevant money may become payable under the standing offer.

⁴² Understanding panel arrangements: <https://sellingtogo.gov.au/faq/understand-panel-arrangements>

⁴³ Refer to the SSA spend profile and Appendix A: Overview of SSA sellers sections of this report.

⁴⁴ Commonwealth Procurement Rules, paragraph 10.3. Available at: https://www.finance.gov.au/sites/default/files/2024-06/Commonwealth_Procurement_Rules-1-July-2024.pdf

2.8 The establishment of the head agreement is consistent with these Limited Tender provisions.

2.9 When established, the SSA is listed as a Coordinated Procurement on Finance's website⁴⁵. Consistent with the CPRs, where buyers select an SSA seller as part of a procurement process (refer to *SSAs' place in the procurement lifecycle*):

- NCEs must⁴⁶ contract the SSA seller under the SSA per the Coordinated Procurement^{47,48} provisions.
- All other entities which have signed up to the SSA may contract the SSA seller using the SSA at their discretion.

"We want to win based on the merits of our technologies and expertise and we strongly encourage our customers to run competitive procurement processes"
*Nicholas Flood, Managing Director
IBM Australia & New Zealand, April
2025*

2.10 Of note, the DTA is actively working with buyers to encourage them to undertake market scans and competitive procurement processes, rather than solely relying on SSA Coordinated Procurement. Further, buyers engaged by the review commonly cited conducting such market scans and competitive assessments independently, stressing the SSAs are 'a contracting framework, not a procurement pathway'.

2.11 As part of negotiating the SSAs, the DTA may agree to pre-commit to purchasing products and services from the SSA seller. This pre-commitment reflects the existing and projected usage patterns with the SSA seller, which is consistent with the Limited Tender provisions under the CPRs.

2.12 Consideration is also required of the use of the SSAs for products and services. The findings of this assessment at a high level were:

- **Products**⁴⁹ are mostly protected by patents, copyrights, or other exclusive rights, or are proprietary information. Where these protections are in place,

⁴⁵ Available at: <https://www.finance.gov.au/government/procurement/whole-australian-government-procurement>

⁴⁶ Mandatory use is required for Non-corporate Commonwealth Entities (NCEs) under paragraph 4.12 of the CPRs.

⁴⁷ Paragraphs 4.11 and 4.12 of the CPRs.

⁴⁸ Available at: <https://www.finance.gov.au/government/procurement/whole-australian-government-procurement>

⁴⁹ For example, M365 by Microsoft or ECC6 by SAP for enterprise resource planning.

buyers' continuity of the use of these products necessitates purchase from the SSA seller⁵⁰.

- **Services** can, in limited circumstances, also meet the requirements around proprietary information (e.g. intellectual property) or the provision of services which are not available from others due to compatibility requirements. However, the review found there is a dynamic technology services market⁵¹ that can also meet buyer requirements, which necessitate competitive procurement processes to be run for services.

2.13 The applicability of SSAs to products and services can be summarised broadly as:

Table 4 Products and services and SSA justification

<p>Product only</p> <p>Although not the only consideration⁵², when a product is exclusively available from a single seller, it reinforces the justification for an SSA.</p>	<p>Service only</p> <p>Establishing an SSA solely for services is unlikely to be justifiable, as expertise exists widely⁵¹ and professionals with deep technical knowledge are often mobile.</p>
<p>Product in principle, services in addition</p> <p>If the primary driver for an SSA is the product, the agreement is justified. Adding services where they are intrinsically linked to specific products can be a logical approach.</p>	<p>Services in principle, products in addition</p> <p>Where services are the key rationale for an SSA, numerous providers exist. Any minor products offered by the seller are unlikely to be sufficiently utilised by the Australian Government to warrant an SSA.</p>

2.14 The Australian National Audit Office reviewed the use of the Limited Tender provisions through an audit in 2020 entitled “*Establishment and Use of ICT Related Procurement Panels and Arrangements*”⁵³ that sought to “assess the extent to which entities’ establishment and use of ICT related procurement panels and arrangements supported the achievement of value for money outcomes”. Regarding the IBM SSA specifically, the Australian National Audit Office concluded:

⁵⁰ Or an authorised reseller commercially established by the SSA seller (e.g. Data#3 is the incumbent Microsoft reseller to the Australian Government).

⁵¹ Such as the Australia partner networks which the SSAs have established and the DTAs BuyICT Marketplaces.

⁵² Refer to *Defining conditions that warrant an SSA* section of this report for further information.

⁵³ <https://www.anao.gov.au/work/performance-audit/establishment-and-use-ict-related-procurement-panels-and-arrangements>



DTA's planning and approach to market for the establishment of the IBM Arrangement complied with the CPRs and demonstrated adoption of key sound practices identified in Finance guidance. DTA documented clear objectives for establishing the arrangement and approached IBM via a limited tender as part of a coordinated approach to expand the number of whole of Australian Government arrangements in place.



- 2.15 There is an observed tension between entering the SSA as a Limited Tender and the Australian Government's intention to use the SSAs as a contracting framework that buyers utilise following a competitive market assessment. This is further conflated by the way the SSAs are positioned publicly as discussed in the *Updating key websites and branding* section in this report.
- 2.16 Discussions with Finance indicated there is an opportunity to consider amending the CPRs to address this observed tension, and the other findings of this report. The amendment could be similar to the articulation of Coordinated Procurement or Cooperative Procurement to distinguish the SSAs and address risks identified in *Seller lock-out*. This amendment would have two key benefits:
- Enable a mechanism to compel mandatory usage of the contracts across the Australian Government, without requiring the use of Coordinated Procurement which effectively establishes the SSA sellers as a panel of one.
 - Make clear buyers must follow a competitive market assessment.
- 2.17 Finance noted, however, a glass house rule⁵⁴ would need to be applied to consider how the amendment may apply to other sectors of the Australian economy.
- 2.18 **The DTA should engage with Finance to distinguish within the CPRs whole of Australian Government digital contracts from Coordinated Procurements to address the risk of SSAs being utilised as a procurement pathway.**

⁵⁴ Assessing whether the addition of such an exception for the SSAs would create any other issues for other sectors of the economy (e.g. construction).

Digital Sourcing Contract Limits and Reviews Policy⁵⁵

2.19 The *Digital Sourcing Contract Limits and Reviews Policy* supports agencies to structure contracts to reduce risk, drive competitive outcomes and increase flexibility⁵⁶. Concerns were, however, raised by both agencies and sellers about the policy's thresholds, which imposes:

- A \$100 million cap on contract values⁵⁷.
- A three-year maximum duration for the initial contract term length, plus a three-year maximum for any subsequent option period.

2.20 The policy provides for a Joint-Ministerial Exemption where any digital contract exceeds the relevant thresholds, which states:



An exemption from this policy can be granted jointly by the requesting NCEs⁵⁸ portfolio minister and the Minister responsible for the DTA.

The requesting NCE must demonstrate a special need for an alternative arrangement and their exemption request must be premised on a genuine intent to meet the policy requirements. They must also include evidence to support any claims⁵⁹.



2.21 Applying for the exemption was noted to add administrative burden to agencies contemplating entering digital contracts that exceeded these thresholds. The SSAs⁶⁰ however are automatically exempt from these limits as they are listed as a mandatory category on the digital whole of Australian Government panel⁶¹, which, in addition to the SSAs, include:

- Data Centre Panel 3.

⁵⁵ This policy is only applicable to Non-Corporate Commonwealth Entity's.

⁵⁶ Digital Sourcing Contract Limits and Reviews Policy. Available at: https://www.buyict.gov.au/sp?id=resources_and_policies&kb=KB0010638 or linked to from <https://architecture.digital.gov.au/policy/digital-sourcing-contract-limits-and-reviews-policy>

⁵⁷ First established in 2016 and revised in 2020, buyers and sellers noted this threshold has not kept pace with inflation or the relative cost of technology.

⁵⁸ Non-Corporate Commonwealth Entity.

⁵⁹ Digital Sourcing Contract Limits and Reviews Policy. Available at: https://www.buyict.gov.au/sp?id=resources_and_policies&kb=KB0010638

⁶⁰ Some digital panels are also exempt, including: Data Centre Panel 3, Hardware Marketplace, Software Marketplace, Telecommunications Marketplace. Full list available here: https://www.buyict.gov.au/sp?id=resources_and_policies&kb=KB0010682&kb_parent=KB0010686

⁶¹ Refer to automatic exemption number 1 within the Digital Sourcing Contract Limits and Reviews Policy here: https://www.buyict.gov.au/sp?id=resources_and_policies&kb=KB0010638

- Hardware Marketplace.
- Software Marketplace.
- Telecommunications Marketplace.

2.22 The SSAs can offer better pricing due to the automatic exemption under the policy, by:

- Enabling a longer contractual timeframe, which allows SSA seller proposals and contracting costs to be amortised over a longer period.
- Entering contracts over \$100m, which allows the SSA sellers to amortise their costs over a broader base of revenues.

2.23 The factors reduce the commercial risk profile of the SSA sellers when providing their pricing, enabling them to compete more effectively than other sellers in the market.

2.24 This unintended consequence of improving the competitive position of the SSA sellers, in particular the three-year contract limit, also appears inconsistent with the Australian Government's policy stance on encouraging procurement opportunities for Small and Medium Enterprises⁶², and Indigenous entities⁶³.

2.25 **The DTA should review the existing Contracts Limits and Review Policy to ensure competitive neutrality between sellers.**

Commonwealth Australian Industry Participation (CAIP) Plans

2.26 The CAIP Plans policy for Australian Government funded projects has been established by the Department of Industry, Science and Resources (DISR) to ensure Australian industry have:

- Full, fair and reasonable opportunity to bid to supply key good and services for the project.
- The opportunity to show their capabilities when the company purchases or subcontracts these goods and services.

⁶² For example, per the Buy Australian Plan.

⁶³ For example, per the Indigenous Procurement Policy.

- 2.27 Whilst CAIP Plans are not mandatory, contracts under the SSA head agreements often exceed the \$20m threshold for development of a CAIP Plan⁶⁴. Further, when considering the collective spend on SSA sellers, the threshold is exceeded for all SSA sellers except Rimini Street.
- 2.28 Underlying this issue is the nature of how CAIP Plan requirements are managed, which devolves responsibility for agreeing the details of the plan to buyer agencies. Although this approach is consistent with the policy intent of “Government entities that fund their projects are responsible for applying this policy”, the review heard that buyers generally do not implement CAIP Plans at a contract level. This means the Commonwealth is not getting the full industry participation outcome sought from this policy in relation to the SSAs.
- 2.29 The establishment of CAIP Plans for each SSA seller at a head agreement level is further discussed in the *Enhancing growth of the Australian technology sector* section of this report.
- 2.30 When determining what can reasonably be expected of the sellers with SSAs, it is acknowledged that most of the sellers provide platforms, upon which others build specific solutions. The solutions are commonly built by members of the sellers’ Australian partner network. With this in mind, the CAIP Plans could target a range of opportunities for Australian industry inclusion, including:
- Commercial partnerships with, or sub-contracting to, Australian companies for Australian Government work.
 - Direct investment in Australia (e.g. building sovereign data centres) necessitating Australian companies in the supply chain.
 - Innovation and investment programs.
 - Seller investment in skilling initiatives within educational institutions (e.g. school, TAFE, universities).
 - Training and certification programs to uplift capability in Australian industry.
 - Global network initiatives to incorporate Australian businesses into the SSA global supply chain.

⁶⁴ More than 40 contracts were entered into by buyers over the past five years which exceeded the \$20 million threshold.

2.31 Further, as discussed in *Broader ecosystem*, the priorities outlined in the *Buy Australian Plan* align well with the use and implementation of the CAIP Plans.

Australian Skills Guarantee

2.32 The *Australian Skills Guarantee* is a policy designed to use government investment in major technology projects⁶⁵ to help train the next generation of skilled workers. It applies to procurements with an estimated individual value of over \$10m⁶⁶. However, buyers have the discretion to determine if it is reasonable to apply the targets.

2.33 Of course, the SSAs are not technology projects, rather they are a contracting framework. Therefore, in practice, buyers are unlikely to implement or manage the targets within the construct of the SSA and associated agency-level contracts, as relevant to agency technology projects. This was confirmed during agency consultations.

2.34 Recognising this outcome, it is important to establish meaningful Skills Guarantee targets with SSA sellers at a head agreement level.

2.35 Further discussion of benefits associated with training and education provisions within the SSAs is provided in the section “Secondary Benefits”.

Indigenous Procurement Policy

2.36 The *Indigenous Procurement Policy* aims to stimulate Indigenous entrepreneurship, business and economic development, providing Indigenous Australians with more opportunities to participate in the economy.

2.37 The *Indigenous Procurement Policy* sets two levels at which Indigenous procurement outcomes are managed:

- **Mandatory set-aside** – applicable to remote procurements and all other procurements wholly delivered in Australia between \$80k to \$200k⁶⁷.
- **Mandatory Minimum Requirements (MMR)** – applicable to high value contracts wholly delivered in Australia valued at \$7.5 million or more⁶⁸.

⁶⁵ Limited to Non-Corporate Commonwealth Entities, and Prescribed Corporate Commonwealth Entities under the *Public Governance, Performance and Accountability Act 2013*. Note too, this policy also applied to construction contracts, but this was not within scope of this review.

⁶⁶ Value is including GST. Further, this value applies to the United Nations Standard Products and Services Codes (UNSPSC) specified in Appendix D of the policy.

⁶⁷ GST inclusive

⁶⁸ Inclusive of GST.

- 2.38 In aggregate, the Australian Government's total spend exceeds the mandatory set-aside threshold at a whole-of-government level and will typically exceed this threshold at an individual contract level⁶⁹.
- 2.39 Many SSA contracts will meet the MMR threshold of \$7.5m and the refined "wholly delivered in Australia"⁷⁰ requirement introduced in July 2025. As such, buyers need to ensure the 3-4% target under the MMR is met for any SSA contracts, including acquittal of whether the SSA seller was compliant at the end of the contract.
- 2.40 It was noted by the review the targets for Indigenous Procurement, which are managed at a Portfolio level⁷¹, were substantially exceeded in the most recently reported financial year⁷². Further, most of the SSAs include clauses which provide for Indigenous Participation Plans to be set by agencies, where agency contracts exceed the relevant threshold, and IBM has an active MMR IPP in place⁷³.

Other policies

- 2.41 The *Supplier Code of Conduct*⁷⁴ came into effect 1 July 2024 and outlines minimum expectations of suppliers and their subcontractors while under contract with the Australian Government. Paragraph 6.12 of the CPRs mandates this code, stating all *relevant entities* must incorporate the Code into all forms of Commonwealth contracts. Provisions for this code of conduct have not yet been incorporated into all the SSAs.
- 2.42 DTA advised that the Certificate of Compliance⁷⁵ required as per the *Workplace Gender Equality Procurement Connected Policy* was obtained where relevant for

⁶⁹ The Indigenous Procurement Policy applies to specific contracts, rather than the overall spend with a seller.

⁷⁰ Section 4.2 *Application* states the MMR does not apply to "contracts delivered overseas in whole or in part", however, a new definition within the Glossary on page 5 was introduced July 2025 which states "*Wholly delivered in Australia refers to where the services or goods under the contract is being delivered rather than the source of the services or goods*". Further buyers can consider voluntarily applying the MMR.

Pre-July 2025 version available at: https://www.niaa.gov.au/sites/default/files/documents/publications/ipp-guide_0.pdf

Current version available at: <https://www.niaa.gov.au/sites/default/files/documents/2025-06/Indigenous-Procurement-Policy-2025-6-30.pdf>

⁷¹ For the DTA the portfolio lead agency is the Department of Finance

⁷² For 2022-23 the target set was \$8.4m and the value of contracts entered were \$102.1m, which is over 12 times the target as per reporting by the National Indigenous Australians Agency available at: <https://www.niaa.gov.au/our-work/employment-and-economic-development/indigenous-procurement-policy-ipp>

⁷³ As at September 2023, available here: <https://www.niaa.gov.au/resource-centre/ipp-companies-active-mmr-contracts>

⁷⁴ Came into effect 1 July 2024. Available at: <https://www.finance.gov.au/government/procurement/ethical-conduct-suppliers/commonwealth-supplier-code-conduct-overview>

⁷⁵ Required as per the Workplace Gender Equality Procurement Connected Policy available at: <https://www.wgea.gov.au/what-we-do/compliance-reporting/wgea-procurement-principles>

each of the SSAs, with no issues noted. Further, Microsoft⁷⁶ has submitted the Workplace Gender Equality optional statement⁷⁷.

- 2.43 Each of the SSA sellers have published a Modern Slavery Statement⁷⁸ as required under the *Modern Slavery Act 2018*.
- 2.44 The updated direction of the Australian Government regarding “*The new APS ERP approach*”⁷⁹ encourages autonomy and choice, testing the market and support for smaller entities. The review considered this new approach to be consistent with the intent for the SSAs to be utilised as a contracting framework, and noted agencies are no longer obligated to utilise GovERP as required previously under the moratorium in place. Supporting this position is:



*The new approach does not prevent entities from seeking or continuing to receive transactional services from existing transactional processing providers.*⁷⁹



Emerging changes

- 2.45 There are also key emerging changes, which include:
- *Procurement and Sourcing Policy* – the DTA is consulting on whether this policy replace the Digital Sourcing Consider First and Fair Criteria policies⁸⁰.
 - *Environmentally Sustainable Procurement Policy* – this policy has recently come into force from 1 July 2025 for ICT goods (e.g. hardware, computers, servers) and requires the establishment of a new Supplier Environmental Sustainability Plan for any contracts over \$1m⁸¹ which will require 6-monthly reporting to the buyer, and from the buyer to DCCEEW^{82, 83}.

⁷⁶ Available at: <https://news.microsoft.com/en-au/2025/03/03/microsoft-australia-gender-pay-statement-2024/>

⁷⁷ As published by the Workplace Gender Equality Agency here: <https://www.wgea.gov.au/Data-Explorer/Employer>

⁷⁸ Available at: <https://modernslaveryregister.gov.au/>

⁷⁹ Department of Finance. Available at: <https://www.finance.gov.au/government/new-aps-erp-approach>

⁸⁰ As per the Australian Government Architecture website here: <https://architecture.digital.gov.au/policy/procurement-and-sourcing>

⁸¹ Including GST

⁸² Department of Climate Change, Environment, Energy and Water

⁸³ The Sustainable Procurement Guide released by DCCEEW on 1 April 2024 provides guidance to agency applying the policy for procurement initiatives.

Digital and Investment

Data and Digital Government Strategy

2.46 The SSAs align well with the *Data and Digital Government Strategy*, which sets a clear expectation that the Australian Public Service (APS) will strengthen partnerships:



*The Government spends on average around \$70 billion each year on procurement activities, helping to drive economic, social and sustainability outcomes for Australia. This includes procuring a significant range of data and digital products, services and support from industry – everything from software and hardware, corporate systems, analytics tools and cloud services. **This represents an opportunity to partner with industry, through the Commonwealth Procurement Framework, to identify the best solutions to deliver government services.** The Framework also helps Government to take advantage of industry innovations, and seek industry’s support to solve emerging problems, through mechanisms like requests for information⁸⁴.*



2.47 Notwithstanding the Strategy’s concurrent expectation to reduce the reliance of the Australian Government on those external to the APS as “in 2021, almost half of its digital and ICT workforce were contractors, service providers and consultants”⁸⁵, there is a clear recognition that partnering with industry is key to identifying the best solution to deliver government services.

List of Critical Technologies in the National Interest

2.48 The SSA sellers products align well with several of the technologies listed by the Department of Industry, Science and Resources on the ‘*List of Critical Technologies in the National Interest*’, including:

- **Advanced manufacturing and materials technologies**, such as IBM Maximo enables predictive maintenance, smart factory operations, and asset optimisation.

⁸⁴ <https://www.dataanddigital.gov.au/strategy/missions/delivering-for-all-people-and-business>

⁸⁵ Data and Digital Government Strategy, Current State

- **AI technologies**, such as SAP Business AI, Microsoft Copilot, and Amazon Q and Oracle Generative AI/machine learning⁸⁶, IBM Watson.
- **Advanced information and communication technologies**, such as Microsoft Teams, Amazon EMR (Elastic MapReduce), Oracle’s Distributed Cloud Solutions⁸⁷ and Roving Edge⁸⁸, and IBM Voice Gateway and Hybrid Cloud with Red Hat OpenShift.
- **Quantum technologies**, such as Microsoft’s Majorana 1 chip, IBM’s Quantum System Two and Amazon Braket.
- **Biotechnologies**, such as IBM research which contributes to computational biology through AI-driven drug discovery and bioinformatics platforms.
- **Clean energy generation and storage technologies**, such as IBM Maximo which supports energy efficiency, emissions tracking, and intelligent asset management for renewable energy systems.

Digital and ICT Reuse Policy

2.49 The consolidated contracting of the SSAs is in clear alignment with the intent of the *Digital and ICT Reuse Policy* to “Reuse wherever possible”⁸⁹ and “Enable reuse by others”⁸⁹. Further the Reuse Standard⁹⁰ published on the *Australian Government Architecture*, also notes the desire for reuse:



In the Australian Government context, the term 'reuse' means using an existing component within the process of realising a new digital or ICT solution, as grouped into the following categories:

...

- Procurement
 - Commercial, legal, and licensing agreements
 - Whole of Government procurement resources
 - Procurement processes⁹⁰



⁸⁶ Including: [Machine Learning](#), [Large Language Models](#) and [AI Agent Studio](#)

⁸⁷ <https://www.oracle.com/au/cloud/distributed-cloud/solutions/>

⁸⁸ <https://www.oracle.com/au/cloud/roving-edge-infrastructure/#solutions>

⁸⁹ <https://architecture.digital.gov.au/digital-and-ict-reuse-policy>

⁹⁰ <https://architecture.digital.gov.au/reuse-standard>

2.50 SSAs, however, require the relevant buyer and the seller to agree on the application of any intellectual property rights, transfer rights and pricing metrics.

Digital Service Standard

2.51 The SSAs broadly align with the Digital Service Standard in the following areas:

- **Connect services** – The policy expectation is to 'design for interoperability' and 'join up services'. This is easier to achieve in a stable technology environment, as dynamic technology environments require reintegration or rearchitecting for interoperability. Nonetheless, the SSAs encourage contracts to address interoperability and integration requirements, although these requirements may change over the products lifecycle.
- **Don't reinvent the wheel** - Applying lessons from predecessors is easier to do with comparable technology platforms / products. The SSAs deal with technology change and evolution.
- **Innovate with purpose** - SSAs ease the uptake of innovations and emerging technologies as they become available through the established contractual mechanisms. The SSAs facilitate access to product and service improvements.

2.52 No other key points of note were identified for:

- Using AI in the Australian Government.
- Digital and ICT Investment Oversight Framework.
- Benefits Management Policy (except as per the Improving reporting and transparency section in this report).
- Data, digital and cyber workforce plan.

Cyber and security

2.53 A range of cyber security and related legislation, policies and frameworks are applicable to the SSA ecosystem, and government procurement and contracting more generally. As the technology and cyber security sector continues to rapidly evolve and responds to new and emerging threats and vulnerabilities, the Australian Government and sellers must continually adapt.

- 2.54 The SSAs generally support these legislative and policy settings by facilitating buyers' alignment with the requirements through head agreements and underlying contracts, and through enabling government agencies to meet the requirements, for example through providing products that are or can be assessed against the *Information Security Manual (ISM)* requirements.
- 2.55 However, the SSAs generally contain lower levels of base protections specific to cloud services contracts. The SSAs offer opportunities to include improved protections in contracts, but these need to be negotiated with the sellers. Therefore, when considering the cyber and security legislative and policy ecosystem, there remains opportunities for the government to introduce greater consistency in representing cyber and security requirements. The SSA terms and conditions related to cyber and security are represented in various forms and structures throughout the SSA head agreements, with varying levels of detail and various references to specific legislation and policy.

Protective Security Policy Framework (PSPF) and Information Security Manual (ISM)

- 2.56 Central to the Australian Government cyber security policy landscape is the PSPF which, across six security domains, prescribes what applicable government entities must do to protect their people, information and resources, both domestically and internationally. The relevance to SSAs is evident through this PSPF statement:



Non-government organisations and third-party service providers may be required to implement aspects or parts of the PSPF. This will be detailed in relevant deeds or agreements between the Australian Government and the non-government organisations or third-party service providers⁹¹.



- 2.57 SSA head agreements contain provisions related to compliance with the PSPF and ISM requirements. In some cases, the responsibility for including these provisions in contracts between government agencies and SSA sellers is devolved to the buyer. The is represented in various ways, for example:

⁹¹ Australian Government Protective Security Policy Framework Release 2024

- Compliance with the requirements of the PSPF, ISM and Privacy Act (either in accordance with the head agreement, or as specified in a contract with a government entity).
- Compliance with other specified security requirements.
- Developing a Commonwealth Data Protection Plan for Customer Data, which must be consistent with the requirements of the *Privacy Act 1998*, PSPF and ISM requirements.

2.58 While devolving responsibility is considered appropriate, as it allows agencies to consider their risk context in negotiating these terms, this introduces challenges relating to:

- Consistency in the application of the minimum PSPF and ISM requirements and standardisation of the terms and conditions.
- Ensuring the contract adequately covers security requirements specific to an agency.
- Maintaining relevant expertise within procurement and contract management teams to ensure the provisions are appropriate in the context of the agency.

2.59 The SSAs also generally reference seller or other security standards. While alternative or additional standards may be appropriate, agencies must have the capability to assess these alternative standards and be aware of their obligations to report compliance with these standards in their protective security reporting. This approach risks introducing inconsistencies in the application of Australian Government cyber security standards.

2.60 While the SSAs contain general provisions relating to cyber security, stakeholders identified the need to establish a minimum or standardised set of cyber and security clauses for inclusion in SSAs that cannot be overridden. Consultation with the Department of Home Affairs (Home Affairs) and ASD will be essential to identify and define these requirements.

2.61 Further, stakeholders identified the need to define digital and data sovereignty and localisation requirements as they relate to critical products and capabilities in the technology sector. Once agreed, there is an opportunity for the Australian Government to undertake analysis of the types of capabilities and data that warrant being subject to sovereignty requirements.

- 2.62 To achieve the above, **Home Affairs, ASD and the DTA together should:**
- **Establish the minimum set of cyber and security clauses within SSAs which cannot be overridden by seller terms when a buyer enters a contract.**
 - **Define data and digital sovereignty, with consideration of localisation requirements and existing policy (e.g. the Hosting Certification Framework).**
 - **Undertake an assessment of the existing Australian Government technology landscape⁹² to identify the specific technology and capability that should be subject to data and digital sovereignty requirements.**
 - **Determine the appropriate mechanism to enforce the requirements (e.g. Protective Security Policy Framework directives).**
- 2.63 The approach to implementing additional provisions in SSAs will require consideration due to the additional requirements this will place on both buyers and sellers. For example, to reduce the burden, the following could be considered:
- Head agreements with SSA sellers could include specific provisions for digital and data sovereignty related to the capabilities they provide, enabling the buyer to include any additional requirements in their contracts by exception.
 - PSPF Directives could require Accountable Authorities to implement measures to achieve compliance with digital and data sovereignty, placing the onus on buyers to negotiate and manage these requirements with SSA sellers.

Secure Cloud

- 2.64 Section 15 of the PSPF includes direction on cyber security programs, including:
- The *Secure Cloud Strategy* that emphasises the advantages to be gained from moving from on-premises, owned and operated infrastructure to cloud computing, while recognising the challenges in adoption including lack of knowledge, outdated operating models, and difficulties in gaining business support for the transition.
 - To assist with adopting secure cloud (as described by the Secure Cloud Strategy), agencies are required to use Cloud Service Providers that have

⁹² The Digital Investment Plans could be used to support this activity.

completed an Infosec Registered Assessors Program (IRAP) assessment for their cloud services. The sellers with an SSA offering cloud-based services support this requirement with a range of cloud-based services having undergone IRAP assessment that can be consumed by government entities.

- Due to the evolving nature of the products and services offered under the SSA arrangements, it is imperative that agencies maintain awareness of which specific products and services are IRAP assessed when establishing arrangements with the SSA sellers and ensuring that emerging products are assessed on an as required basis.
- The *Hosting Certification Framework* (HCF) assists the Australian Government agencies to identify and source hosting services aligned to their risk profile, classification and sensitivity of their data, and internal risk assessment. The HCF applies to Data Centre Providers and Cloud Service Providers, and enables certification at three levels⁹³: In collaboration with the SSA sellers, the DTA could maintain a centralised list for reference by buyers.
 - **Strategic:** represents the highest level of assurance and is only available to Service Providers that allow government to specify ownership and control conditions. A Certified Strategic Service Provider offers additional protections to government compared with a Certified Assured Service Provider. These include increased security controls. Due to these additional protections, government customers with a high-risk profile or those seeking additional protections for their data may require the services of a Certified Strategic Service Provider.
 - **Assured:** provides safeguards against change of ownership or control through financial penalties that are aimed at minimising the transition costs borne by the Commonwealth if a Service Provider alters their profile. Government customers with a low-risk profile and sensitive data, which has been deemed by the government customer to not need additional security protections, may seek the services of a Certified Assured Service Provider.
 - **Uncertified:** offers minimal protections to government. Government customers may use the services of an Uncertified Service Provider to host

⁹³ <https://www.hostingcertification.gov.au/framework>

non-sensitive data or where their internal risk assessment determines it appropriate to do so.

- The SSAs support the intent of the HCF through various means:
 - Several SSA sellers provide certified cloud services, including Certified Strategic.
 - SSA sellers provide solutions that leverage certified cloud services.
 - SSA sellers provide solutions that do not require the use of certified cloud services, for example, a SaaS product hosted in a non-certified data centre where the use case involves non-sensitive data and acceptance through a risk assessment.

2.65 For both IRAP assessed and HCF certified cloud services, government entities must maintain awareness and visibility of the scope and currency of the assessments. This is particularly important as only a subset of the offerings (within the broad ecosystem of products and solutions) from the SSA sellers (and sellers more generally) are IRAP assessed or HCF certified.

Cyber Security Act 2024 (Cyber Security Act)

2.66 The Cyber Security Act includes measures to⁹⁴:

- Mandate minimum cyber security standards for smart devices.
- Introduce a mandatory ransomware and cyber extortion reporting obligation for certain businesses to report ransom payments.
- Introduce a Limited Use obligation for the National Cyber Security Coordinator to encourage industry engagement with the government following cyber incidents.
- Establish a Cyber Incident Review Board to conduct reviews of significant cyber incidents and share lessons learned.

2.67 Legislation, in the form of Rules, supports the measures under the Cyber Security Act. The initial rules took effect on 30 May 2025 (Ransomware Payment Reporting Rules and the Cyber Incident Review Board Rules) and further rules will come into effect 4 March 2026 (Security Standards for Smart Devices Rules).

⁹⁴ <https://www.homeaffairs.gov.au/cyber-security-subsite/Pages/cyber-security-act.aspx>

2.68 The Cyber Security Act and Rules are applicable to the SSA sellers where they meet the definition of a ‘*reporting business entity*⁹⁵. The review identified that the head agreements do not reference the Cyber Security Act, largely attributable to the Act coming into effect in late 2024.

Security of Critical Infrastructure Act 2018 (SOCI Act)

2.69 The SOCI Act establishes the legal obligations for entities that own, operate, or have direct interests in critical infrastructure assets. The *2023 Critical Infrastructure Resilience Strategy* defines critical infrastructure as:



*those physical facilities, supply chains, information technologies and communication networks, which if destroyed, degraded or rendered unavailable for an extended period, would significantly impact the social or economic wellbeing of the nation, or affect Australia’s ability to conduct national defence and ensure national security*⁹⁶.



2.70 The SOCI Act defines each class of critical infrastructure asset and applies to SSA sellers where they meet the definition of a “*responsible entity*⁹⁷” in the SOCI Act.

2.71 The review notes that while the above arrangements are positive, the head agreements with the SSA sellers inconsistently reference or include provisions specific to the SOCI Act. For example, head agreements contain:

- Consultation provisions relevant to the SOCI Act.
- Clauses specific to incident reporting.
- In some cases, no specific reference to the SOCI Act.

2023-2030 Australian Cyber Security Strategy (ACS Strategy)

2.72 The ACS Strategy outlines a range of initiatives aligned to six ‘cyber shields’ that will help Australia become a world leader in cyber security by 2030, with the intention of working with industry to reinforce the shields and build cyber resilience. It can be

⁹⁵ <https://www.legislation.gov.au/C2024A00098/latest/text>

⁹⁶ <https://www.cisc.gov.au/resources-subsite/Documents/critical-infrastructure-resilience-strategy-2023.pdf>

⁹⁷ <https://www.legislation.gov.au/C2018A00029/latest/text>

reasonably expected that emerging regulation, policies, frameworks and amendments will need to be reflected in any current and future SSAs.

Privacy Act 1988 (Privacy Act)

2.73 Head agreements for the SSAs contain specific provisions related to the Privacy Act, requiring SSA sellers to ensure compliance.

Broader ecosystem

2.74 Among other priorities, the *Buy Australian Plan* sets out an intention to leverage Commonwealth procurement, such as the SSAs, to:

Table 5 Key strategies of the Buy Australian Plan relevant to SSAs

Key provision	Discussion
Open the door to more government work for more small and medium businesses by decoding and simplifying procurement processes	Finance have established initiatives outlined in the <i>Buy Australian Plan</i> to support decoding and simplifying procurement processes. Establishing CAIP Plans will support this initiative.
Establish a <i>Secure Australian Jobs Code</i> to prioritise secure work in government contracts and ensure that government purchasing power is being used to support businesses that engage in fair, equitable, ethical and sustainable practices	This Code is not yet in force, however, will need to be considered in the future when implemented.
Provide more opportunities for First Nations businesses with a view to maximise skills transfer so that we can get more First Nations workers into long-term skilled work	The SSAs include <i>Indigenous Procurement Policy</i> provisions that align with achieving this policy intent.

Key provision	Discussion
Use government spending power to take action on climate change and support energy projects	No inconsistencies were identified with Australia’s long-term emissions reduction plan ⁹⁸ as required under <i>Net Zero Emissions by 2030</i> .

2.75 Further to the requirements associated with encouraging competition under the CPRs, the *Competition and Consumer Act 2010*⁹⁹ makes provisions for four key aspects relevant to the SSAs:

Table 6 Key provisions of the *Competition and Consumer Act 2010*

Key provision	Relevance to the SSAs
Contracts, arrangements or understandings that restrict dealings or affect competition (section 45)	Sellers must not enter contracts, arrangements or understandings which substantially lessen competition.
Prohibition of contracts, arrangements or understandings affecting the supply or acquisition of goods or services (section 45E)	Sellers must not prevent or hinder the supply or acquisition of goods or services it has agreed to provide.
Misuse of market power (section 46)	Sellers with substantial market power must not engage in conduct that substantially lessens competition in the marketplace
Exclusive Dealing (section 47)	Sellers must not enter arrangements to the exclusion of all others ¹⁰⁰ .

2.76 Further to the above, established international trade agreements shape procurement obligations, promoting transparency, non-discrimination and open competition in government procurement.

2.77 Whilst most of the SSA sellers are leaders in their respective markets globally and compliance with the *Competition and Consumer Act 2010* is a matter for the Australian Competition and Consumer Commission (ACCC) as the regulator, no evidence of breaches relevant specifically to the SSAs of the above provisions were

⁹⁸ DCCEEW [Australia’s Long-Term Emissions Reduction Plan - DCCEEW](#)

⁹⁹ Volume 1, Part IV – Restrictive trade practices, Division 2 – Other Provisions

¹⁰⁰ Section 45(5A) enables the entering of contracts to the exclusion of all others, such as the SSAs.

submitted to the review. The review acknowledges the recent report by the ACCC entitled *'Digital platform services inquiry'*¹⁰¹.

- 2.78 Further engagement with the Department of the Treasury (Treasury), who oversee the application of the *Competition and Consumer Act 2010*, indicated there are no concerns with the establishment or use of the SSAs. Ongoing monitoring by the DTA of the work being undertaken by Treasury regarding the *'Digital platforms – a proposed new digital competition regime'*¹⁰² is required as this may introduce new obligations regarding the competitive landscape relevant to the SSAs.
- 2.79 Further discussion on broader competition considerations are outlined within the *Seller lock-out, Buyer locked into seller and Enhancing growth of the Australian technology sector* sections of this report.
- 2.80 Notably new sustainability reporting requirements have come into force under Chapter 2M of the *Corporations Act 2001* for financial years beginning on or after 1 January 2025.
- 2.81 No other key points of note were identified for:
- APS Net Zero Emissions by 2030.
 - APS Reform Agenda.

Overall alignment

- 2.82 The SSAs meet most of the policies applicable¹⁰³, however, gaps exist in the inclusion of some policies in all of the SSAs (e.g. Supplier Code of Conduct is not included in all SSAs) and the policies' implementation effectiveness (e.g. CAIP Plans and Skills Guarantees targets are not actively in place).
- 2.83 This necessitates improvement in some areas identified:
- As the policy and technology environment changes over time, the SSAs can become out of step, resulting in gaps in meeting the current policy environment that will need resolution. In particular, this relates to the value of many of the

¹⁰¹ Available at: <https://www.accc.gov.au/system/files/Digital%20platform%20services%20inquiry%20-%20September%202022%20interim%20report.pdf>

¹⁰² Available at: <https://treasury.gov.au/consultation/c2024-547447>

¹⁰³ To the extent that SSA policy provisions automatically apply to all contracts placed under head agreements, or to the extent that buyers can negotiate the options included in SSAs relating to policy provisions into their contracts

contracts established under the SSAs substantially exceeding the thresholds for CAIP Plans and the *Skills Guarantee*¹⁰⁴. Compliance with these policies has been deferred to buyers when establishing contracts under the head agreement, and the review anecdotally confirmed that buyers have not implemented these policy requirements.

- The automatic exemptions under the DTA *Contract Limits and Reviews Policy* create an advantage for some SSA sellers, as the SSAs sellers can provide pricing reflective of a larger contract value (i.e. greater than \$100m) and over a longer period of time (i.e. more than 3 years) than would otherwise be allowed. Some SSA sellers also shared their preference for longer arrangements, indicating this would enable them to provide improved pricing through greater discounts.
- While the agreements contain provisions allowing inclusion of legislation and policy as they evolve, consideration is required of the minimum cyber and security requirements applicable to the products and services provided by SSA sellers (and which cannot be excluded in contracts). Consultation will be required with Home Affairs¹⁰⁵ and ASD¹⁰⁶ to identify and define these requirements where warranted.
- Stakeholders identified the need to define digital and data sovereignty¹⁰⁷ and localisation requirements as they relate to the products, services and solutions in the technology sector. Until there is common agreement and understanding of these concepts, the Commonwealth's ability to undertake an analysis of the types of data, information, products and services requiring stronger cyber and security (and other) provisions is diminished.

2.84 Further, ongoing monitoring by the DTA is required of the upcoming changes, including:

¹⁰⁴ The review notes this only recently became applicable.

¹⁰⁵ Responsible for the PSPF and Directives issued under the PSPF.

¹⁰⁶ Responsible for the Australian Cyber Security Centre.

¹⁰⁷ Refer to further discussion of sovereign capability presented in "Inquiry into supporting the development of sovereign capability in the Australian tech sector" https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/Supporting_Aust_tech47/Report

- The new sustainability reporting requirements introduced under Chapter 2M of the *Corporations Act 2001* for financial years beginning on or after 1 January 2025.
- The *Environmentally Sustainable Procurement Policy* which came into force from 1 July 2025 for ICT goods, requiring establishment of new Supplier Environmental Sustainability Plan. This is particularly relevant for physical IT products (e.g. hardware).
- The implementation of the *Secure Australia Jobs Code* as indicated by the *Buy Australian Plan*¹⁰⁸.
- The outcome of the DTAs consultations on the *Procurement and Sourcing Policy* and related standards.

¹⁰⁸ Available at: <https://www.finance.gov.au/business/buyaustralianplan>

CHAPTER THREE

Benefits, costs and risks of the SSAs

Analysis of whether the benefits realised by the SSAs outweigh any of the associated costs and risks.

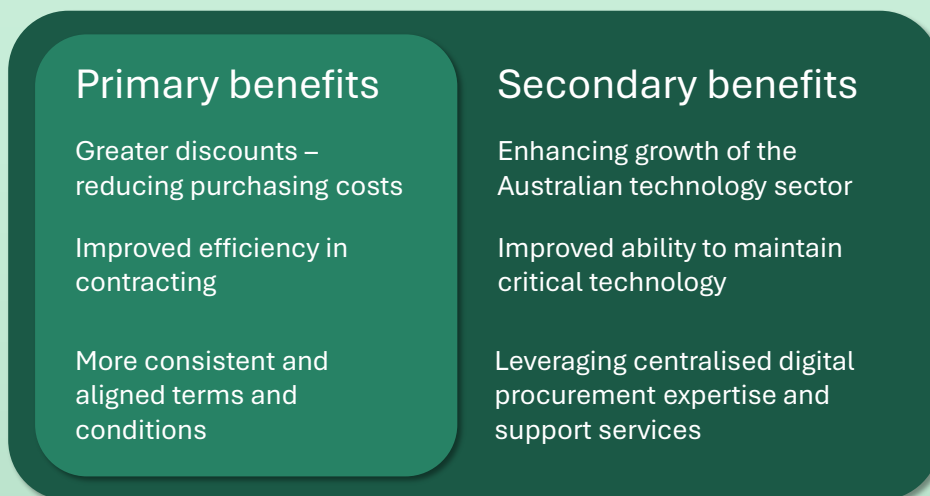
CHAPTER OVERVIEW

The review identified that, overall, the SSAs enhance the digital procurement capability of the Australian Government and deliver significant value. Specifically, SSAs directly support the realisation of three primary benefits:

- **Greater discounts** reducing purchasing costs, including price stability and predictability.
- **Improved efficiency in contracting** through pre-negotiated arrangements, lowering overheads and reducing contracting costs.
- **More consistent and aligned terms and conditions** which are pre-negotiated, improving contract compliance and risk management.

The review also identified a set of secondary benefits that further contribute to improving value for money outcomes. The primary and secondary benefits are depicted below.

Figure 13 Summary of benefits delivered through existing SSA model



The review also considered the costs and key risks associated with the SSAs. Establishing an SSA costs the DTA \$1.6m, and managing the SSA ongoing costs \$1m annually. Key risks of the SSAs were assessed overall to be low to medium, including risks associated with buyers being locked into technologies and other sellers being locked out of government.

From a cost-benefit and risk perspective, the review concluded that the benefits of the SSAs far exceed the costs and are well worth the associated risks.

The use of SSAs should continue.

Primary benefits

- 3.1 Stakeholders reported seeing benefits from the SSAs, particularly through:
- Greater discounts reducing purchasing costs, including price stability and predictability, for all buyers regardless of size or respective buying power.
 - Improved efficiency in contracting through pre-negotiated arrangements, led by the DTA, lowering overheads and reducing contracting costs for consuming agencies.
 - Consistent and aligned terms and conditions that are pre-negotiated, improving contract compliance and risk management and often result in more favourable outcomes for buyers.
- 3.2 These elements all contribute to improved value for money, as consistently recognised by all stakeholder groups, and are further detailed below.

Greater discounts - reduction in purchasing costs

- 3.3 The SSAs aggregate demand across government, enabling the Commonwealth to negotiate better prices for some technologies.
- 3.4 Although the specific value of these discounts for each of the SSA sellers is commercially sensitive¹⁰⁹, analysis conducted with the DTA indicated the total value of these discounts was at least \$1.6 billion¹¹⁰ to the Commonwealth over the period from July 2019 to June 2024¹¹¹.
- 3.5 While the biggest buyers within the Commonwealth (e.g. Defence, Services Australia) often have sufficient buying power to negotiate suitable contracts, smaller buyers lack the same leverage. Without the SSAs, the review heard these smaller buyers would face significant potential implications, particularly in securing

¹⁰⁹ Some sellers require the signing of Non-Disclosure Agreements and Deed Polls which place limits on the Commonwealth discussing or publishing key aspects of the deals (e.g. discounts made available).

¹¹⁰ For the avoidance of doubt, this is not a “saving” as per Finance nomenclature, rather it is a cost avoidance.

¹¹¹ This amount is a conservative estimate based on the available information reported to DTA. The methodology to calculate this for each SSA varied depending on the nature of the contractual arrangement. No discount value was included where amounts could not be reasonably substantiated, and lesser values were utilised wherever there was ambiguity in the discount amount which would have been realised under the contract.

discounts and negotiating terms and conditions consistent with the Australian Government's policy positions. Without the collective buying power of the SSAs, these agencies are likely to face reduced leverage in procurement negotiations, resulting in higher costs for technology products and services.

- 3.6 Supporting the perspective that the SSAs reduce purchasing costs, 88%¹¹² of survey respondents strongly agreed that discounts are a key monetary benefit of the SSAs.

Improved efficiency in contracting

- 3.7 Buyers positively view the ability to leverage pre-negotiated arrangements, which reduces their spending on arrangement design, negotiation and management of large, complex head agreements. Commonly avoided costs include significant legal fees, administrative and procurement resource costs, and those costs associated with executive input and oversight. Survey respondents also identified lower procurement overheads (61% of respondents) and reduced contract management costs (59% of respondents) as benefits of the SSAs. Further details on the costs saved can be found the *Costs* section within this report.
- 3.8 This sentiment epitomises why the SSAs improve contracting efficiency. Smaller agencies benefit because they lack the capacity and resources to navigate complex technology contract negotiations. Of those surveyed, 80% identified simplified / streamlined procurement as a key benefit.
- 3.9 The SSAs also centralise key aspects of administration with the DTA (e.g. reporting, agreement management, updating the arrangements for changes in the policy environment). This centralisation allows buyers to benefit from a unified service delivery model, reducing the inefficiencies that arise from disparate agreements. The review revealed, however, that buyers' management of the contracts at an agency-level still requires a significant amount of work.
- 3.10 To get the most out of the SSAs, buyers also reported they would benefit from improved clarity of the responsibilities for specific contracting aspects. For example,

*"I like not having to start from the start."
A buyer from a large Government agency*

¹¹² Refer to *Appendix D: Survey results*.

CAIP Plans, data and security management, and the management of the delivery of statements of work.

- 3.11 several stakeholders also suggested more can be done to extract further value from the SSA design and negotiation processes. Involving a representative group¹¹³ of buyers at the negotiation table was identified as a key mechanism to potentially improve the outcomes of SSA negotiations. This is discussed further in *the Get the 'right' people at the negotiation table* section of this report.
- 3.12 An unintended consequence of the SSAs is that SSA sellers may not always be able to participate in competitive processes on equal footing with other panellists. This typically occurs when a buyer seeks multiple providers via established panels, intending to contract all sellers under the same terms and conditions. An SSA seller competing for this work will have its existing SSA terms and conditions, making it an outlier in the process and adding additional administrative burden for both the buyer and the seller.
- 3.13 Similarly, the use of contractual 'piggy-back' clauses were considered as an option which offers similar potential efficiencies in contracting as the SSAs do. Several buyers stated, however, that in practice the contracts with 'piggy-back' clauses often require substantial renegotiation, as they were not primarily established for the purpose of use by others.

More consistent and aligned terms and conditions

- 3.14 The SSAs offer a major advantage through negotiating terms and conditions that offer a base level of consistency across the Australian Government.
- 3.15 The central negotiation of the terms and conditions within SSAs promotes alignment with established government policies, enabling compliance across buyers and mitigating legal risks. Reflecting this, 89% of survey respondents identified that pre-negotiated terms and conditions are the primary non-monetary benefit of the SSAs.
- 3.16 SSAs also provide the opportunity to agree on terms and conditions that align to key operational requirements and priorities of buyers. By reducing variability and promoting a structured approach, buyers - particularly smaller ones - can operate

¹¹³ A group which represents the viewpoint of small, medium and large buyers, those with the most complex requirements, and those with appropriate technical expertise.

with greater confidence, knowing that the SSAs are tailored to their functional needs. This consistency fosters efficiency, allowing buyers to focus on service delivery rather than navigating inconsistencies within terms and conditions.

- 3.17 The standard terms and conditions applied globally by the SSA sellers do not always align to the Australian Government policy requirements (e.g. requirements regarding security obligations). This creates tension with the SSA sellers, who aim to balance the needs of their global customer base in a consistent manner. Without focused attention and leverage, stakeholders shared that convincing SSA sellers to change their global policy stance would be challenging, if not near impossible. Nonetheless, it is reasonable for the Australian Government to expect its suppliers to implement their policy intent. The SSAs effectively provide the Australian Government and buyers leverage to achieve this outcome.
- 3.18 The SSA agreements also provide the Australian branches within the SSA sellers with a unique platform to balance their commercial requirements with the needs and expectations of the Australian Government. Several SSA sellers noted they have adapted their policies and approaches based on customer feedback, ensuring alignment with evolving standards and requirements.
- 3.19 Furthermore, SSAs support Australia's competitive standing in global markets, such as Europe and the USA, by enabling effective policy adaptation within large-scale sellers. Through SSAs, Australia can assert its geopolitical presence and ensure its requirements are prioritised alongside those of other influential markets. Without SSAs, major sellers may deprioritise Australian standards, potentially limiting the nation's ability to compete effectively on the global stage.
- 3.20 Additionally, some agencies have extracted additional value by using the contracts as a base, further tailoring services and negotiating amendments to the terms and conditions specific to them or additional discounts at the contract level. This is enabled in part because buyers are not having to negotiate from scratch.
- 3.21 Without the SSAs, the review heard smaller buyers in particular face greater potential exposure to substandard services and non-compliance with government policies (e.g. managing foreign ownership risks under the PSPF and adhering to the controls required under the ISM).

Secondary benefits

3.22 The review identified a range of other benefits of the SSAs as secondary benefits. While these benefits are more difficult to quantify, they are important when assessing the overall value and relevance of the SSA model.

Enhancing growth of the Australian technology sector

3.23 The review acknowledges the substantial contribution the SSA sellers make to Australia by employing a local workforce, establishing partnering arrangements with Australian companies and sponsoring a range of initiatives to foster innovation.

3.24 Further, the review obtained a range of examples outlining the economic contributions the SSA sellers have made to Australia, including:

- The SSA sellers employ over 10,000 Australians. See *Appendix A: Overview of SSA sellers* for more information.
- Direct investment by the SSAs in Australia, including: Microsoft's data centres established in Canberra, Melbourne and Sydney¹¹⁴, the AWS data centres established in Sydney and Melbourne^{115, 116}, and the IBM Technology Park data centre in Ballarat, Victoria, operated since 1995¹¹⁷, and the Oracle Data Centres in Sydney and Melbourne and Oracle Cloud in Canberra¹¹⁸.

¹¹⁴ <https://news.microsoft.com/en-au/features/microsoft-announces-a5-billion-investment-in-computing-capacity-and-capability-to-help-australia-seize-the-ai-era/?msockid=2cbaf60647e567d7167ee38646236670>

¹¹⁵ <https://aws.amazon.com/local/australia/>

¹¹⁶ <https://anz-resources.awscloud.com/melbourne-region-launch/aws-economic-impact-study-aws-investment-in-victoria>

¹¹⁷ Ballarat Technology Park Economic Impact report, November 2020. Available here: https://internal.federation.edu.au/_data/assets/pdf_file/0004/579523/FINAL-Ballarat-Technology-Economic-Impact-26.11.2020.pdf

¹¹⁸ <https://www.oracle.com/au/news/announcement/oracle-strengthens-australias-digital-economy-with-a-new-government-cloud-2023-08-07/>.

- Supporting the growth of Australian companies through partner networks, with AWS, IBM and Microsoft estimating 6,000 companies, 1,400 companies and 9,000 companies in their respective Australian partner networks. See *Appendix A: Overview of SSA sellers* for more information.
- Fostering technical capability, such as Microsoft extending its skills program to 300,000 Australians and investment in TAFE NSW Datacentre Academy¹¹⁹ and Innovation Hub in Sydney¹²⁰, and IBM's Australia Development Lab¹²¹ with branches across Sydney, Canberra, Brisbane and Perth and a Security Lab in Bundall, Queensland.
- Investing in Australia's digital skill development, such as IBM's partnership with Soldier On¹²² and Specialisterne¹²³, which has enabled over 1,200 current and former Australian Defence Force personnel and those with neurodivergence to develop digital skills in cyber, AI and leadership through SkillsBuild.
- Enabling critical infrastructure, such as the AWS Top Secret cloud enhancing Australia's defence and intelligence capabilities¹²⁴.
- Provision of training and education discounts, credits or initiatives under the SSAs, available to agencies utilising the agreements.

"In Australia, we have over 9,000 partners. Seventy per cent of those are Australian small and medium-sized businesses"
Microsoft submission, page 5
Economic Reference Committee
– Influence of international digital platforms

3.25 Collectively, these initiatives create a broad multiplier affect across the Australian economy.

3.26 Nonetheless, the review consistently heard from both SSA sellers and buyers that there is scope to use the SSAs to improve fostering local industry participation. While CAIP and Skills Guarantee Plans are not a mandatory requirement, their

¹¹⁹ <https://international.austrade.gov.au/en/news-and-analysis/success-stories/microsofts-a5billion-investment-to-boost-australias-digital-capability>

¹²⁰ <https://international.austrade.gov.au/en/news-and-analysis/news/microsoft-opens-new-innovation-hub-in-australia>

¹²¹ https://itwire.com/images/stories/tony_podcasts/IBM_Australia_Development_Lab_Brochure.pdf

¹²² <https://soldieron.org.au/>

¹²³ <https://www.specialisterne.com.au/>

¹²⁴ <https://www.aboutamazon.com.au/news/company-news/partnering-with-the-australian-government-to-deliver-cloud-innovation-in-national-security-defence>

absence represents a significant missed opportunity to harness substantial economic benefits within Australia. Stakeholders see an opportunity to:

- More clearly shape CAIP and skilling expectations of SSA sellers, such as by requiring seller reinvestment initiatives and/or training and upskilling as a key criteria for SSA eligibility.
- Improve the time allocation and of SSA review/design to ensure adequate time is allocated to strategic co-planning of such opportunities.
- Define meaningful targets for Australian industry participation within the SSA – for example a define percentage (e.g. 10% to 20%) of the contract value – and requiring periodic reporting (e.g. quarterly) against these targets to support active management by the Australian Government.

- 3.27 Implementing a CAIP Plan (which can cover the Skill Guarantee components) by the SSA sellers will demonstrate a commitment to supporting local industries and ensuring the benefits of these agreements flow back into the Australian economy. Sellers who proactively implement such plans signal their alignment with national objectives and their dedication to maximising the broader economic impacts of their engagements – this, in turn, can be regarded as a key success factor to a strategic partnership with the Australian Government. Whilst not exhaustive, the strategies for inclusion in these plans was discussed in the *Procurement and contracts* section of this report.
- 3.28 Of course, any additional effort to create a more balanced approach needs to be considered against unintended consequences of new requirements, policy or legislation to ensure these do not bring added complexity or overheads to sellers.
- 3.29 An example of the demonstrated effectiveness of similar arrangements can be found in the Department of Defence’s Joint Strike Fighter (JSF) Program, which successfully established Australian companies in the global supply chain. The collaboration of the Australian companies with the international commercial leads, Lockheed Martin and Pratt & Whitney, resulted in over AU\$5 billion¹²⁵ in advanced manufacturing contracts. This in turn helped de-risk the sustainment of these jet fighters.

¹²⁵ Australian industry achieves major milestone in F-35 Program, securing over \$5 billion on contracts, 11 April 2025. Available at: <https://www.defence.gov.au/news-events/releases/2025-04-11/australian-industry-achieves-major-milestone-f-35-program-securing-over-5-billion-contracts>

Case Study: Driving Australian industry growth through the Joint Strike Fighter (JSF) Program

The Joint Strike Fighter (JSF) Program has demonstrated the profound economic impact that major government contracts can have on national industries. By leveraging key strategies, such as Australian Industry Participation Plans and targeted grant initiatives, the Australian Department of Defence has facilitated significant benefits for the local economy. This success offers valuable lessons for other initiatives, such as the potential of SSAs, to similarly bolster Australian industry.

Since its inception in 2002¹²⁶, the JSF Program has included Australian Industry Participation Plans with Lockheed Martin and Pratt & Whitney. These arrangements have ensured that Australian businesses play a crucial role in delivering components, sustainment services, and spare parts for the F-35 Lightning II. To date, over 75 Australian companies have benefited, securing contracts worth more than AUD \$5 billion.

This multi-generational initiative, projected to span 94 years¹²⁷, underscores the critical importance of long-term planning and strategic partnerships. Australia's involvement has been central to this global endeavour, and the benefits to Australian industry are undeniable.

A critical component of this strategy has been the New Air Combat Capability - Industry Support Program, established in 2010¹²⁸. Designed to support Australian companies and research organisations in developing new or improved capabilities, the grant program has enabled local firms to win production and sustainment work. These ongoing grants have helped businesses enhance their capacity to participate in the program's later phases, including sustainment and follow-on development¹²⁹.

However, the grant program alone would not have been sufficient to drive the observed growth. The combination of targeted grants and industry participation requirements ensured Australian businesses could compete on the global stage. This dual approach offers a potential blueprint for future initiatives, such as the SSAs, which could similarly unlock opportunities for Australian businesses and catalyse industry growth.

Of course, not all SSA sellers are manufacturing entities. Nonetheless, several SSAs expressed interest in exploring Australian industry participation in a manner consistent with the technology industry.

The success of the JSF Program highlights the power of major government contracts, coupled with a multi-pronged strategy to foster economic development. By enabling Australian businesses to participate in global supply chains, Australia has demonstrated the potential to cultivate a sustainable and competitive industrial base. The lessons learned from the JSF Program's economic impact can serve as inspiration for other government-driven efforts to support and develop Australian industry.

- 3.30 Further to these examples, a range of stakeholders engaged by the review indicated a willingness to engage in the identification and development of Australian industry-born ideas and products. Building on the CAIP Plans, and recognising the SSA sellers as leaders in the global technology marketplace, the DTA could co-

¹²⁶ Chapter 6 Joint Strike Fighter, Review of the Defence Annual Report 2010-2011, Joint Standing Committee on Foreign Affairs, Defence and Trade, 17 September 2012, available at: https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Completed_Inquiries/ifadt/defenceannualreport_2010_2011/report

¹²⁷ Tariffs, Trust, and the F-35: Can Global Volatility Upend the JSF?, 18 April 2025. Available at: <https://dsm.forecastinternational.com/2025/04/18/tariffs-trust-and-the-f-35-can-global-volatility-upend-the-jsf/>

¹²⁸ <https://www.defence.gov.au/business-industry/industry-capability-programs/air-combat-capability-industry-support-program>

¹²⁹ Joint Strike Fighter Industry Support Program Sustainment Grants, available at: <https://business.gov.au/grants-and-programs/joint-strike-fighter-industry-support-program-sustainment-grants>

design and establish a Technology Collaboration Centre¹³⁰ with the SSA sellers. This centre will enable the SSA sellers to come together and collaborate with Australian industry, in the interest of the Commonwealth, to support:

- Identifying and further developing emerging technologies, including proofs of concept and prototypes.
- Integrating and ensuring interoperability with the SSA seller's product suite.
- Developing sovereign data and digital capabilities.
- Engaging of Australian industry in SSA seller global supply chains, and associated opportunities.
- Creating engagement opportunities for Australian industry to connect with Australian Government buyers.

3.31 **The DTA should enable broader outcomes for Australian industry by:**

- **Working with DISR and buyers to implement CAIP Plans and Skills Guarantee targets with SSA sellers.**
- **Working with the SSA sellers to implement a Technology Collaboration Centre, bringing SSA sellers, buyers and Australian industry together to identify and progress opportunities domestically and within global supply chains.**

Improved ability to maintain critical technology

3.32 The SSAs make it easier for buyers to secure and maintain critical technologies essential to delivering government services to Australians by providing an established contractual means which can be leveraged by buyers to engage with the major technology sellers. In this way, the SSAs play an important role in ensuring continuity and resilience in government service delivery to the standards set by the Australian Government.

3.33 Examples of these critical technologies the review heard are:

¹³⁰ The review acknowledges Microsoft's recently established Innovation Hub in Sydney, which could complement this initiative.

- Day-to-day operations of the Australian Government underpinned by Microsoft (M365 E5 suite), including Word, Excel, PowerPoint, Outlook, EntraID, etc.
- Whole of Australian Government payment utility provided through a combination of SAP (S/4 HANA) and IBM's Power10 Platform, which distributes the majority of Centrelink based payments, including Families, Parenting, and Pensions¹³¹.
- The ATOs Standard Business Reporting as the Business-to-Government (B2G) reporting gateway where employers submit accounting records.
- Defence payroll for service personnel.
- The Australian-based Top Secret Cloud, which AWS is developing for the Australian Government¹³².

3.34 The SSAs help provide stability of the core technologies underpinning government service delivery in a rapidly evolving technological landscape, reducing the risks associated with service disruptions, cyber threats, or system failures. By securing reliable access to these critical technologies on behalf of all agencies, the Australian Government can uphold national security, safeguard sensitive data and maintain seamless interactions between buyers, sellers and Australians.

3.35 Several of the SSAs also include training for APS staff in these technologies. This supports the Australian Government in upskilling its staff, reducing reliance on external contractor support and enhancing staff mobility across the Commonwealth, as these skills are transferrable from place to place given the commonality of the technology.

¹³¹ <https://architecture.digital.gov.au/payment-utility>

¹³² Australian Government partners with Amazon Web Services to bolster national defence and security, 4 July 2024. Available at: <https://www.minister.defence.gov.au/media-releases/2024-07-04/australian-government-partners-amazon-web-services-bolster-national-defence-security>

3.36 Further, the SSA sellers collectively invest a substantial amount globally in research and development, and emerging technologies¹³³, independent of the SSAs. The Australian Government can indirectly leverage this global investment in innovation by the SSA sellers, helping to keep pace with changes in the global technology sector.

Leveraging centralised digital procurement expertise and support services

3.37 Government agencies can leverage centralised digital procurement expertise within the DTA and access a range of support services as part of the centralised SSA model. It is important, however, this does not replace the capability and responsibility for ongoing contract and delivery management by the buyer. In addition, the DTA is not funded to provide bespoke advisory support.

3.38 As the *Alignment to policy, strategies and legislation* section of this report shows, the digital procurement environment is complex and includes a substantial number of legislative, policy and technology considerations. Although some of the largest buyers (e.g. ATO, Defence) have in-house technology procurement teams, this expertise is not commonplace in smaller buyers. The DTA's centralised expertise and support helps buyers to understand their obligations, the way in which the larger technology vendors engage with the Australian Government commercially and the solutions which might best suit their requirements. This contributes to achieving the optimum value for money outcomes for the Australian Government.

3.39 Buyers also receive assistance in contract negotiations under the head agreement. This helps ensure buyers, particularly those with limited experience in complex negotiations, have access to expertise and reduce the likelihood of unfavourable

¹³³ For example:

- <https://www.forbes.com/sites/drektadang/2024/10/29/microsofts-30-billion-infrastructure-fund-is-driving-vertical-integration-of-ai/>
- <https://newsroom.ibm.com/2025-06-02-ibm-unveils-watsonx-ai-labs-the-ultimate-accelerator-for-ai-builders,-startups-and-enterprises-in-new-york-city>
- <https://news.sap.com/sea/2024/10/sap-invests-s12-million-in-its-digital-innovation-accelerator-to-boost-adoption-of-business-ai-in-singapore/>
- <https://www.aboutamazon.com/news/aws/aws-investment-north-carolina-ai-cloud-infrastructure>
- <https://www.mida.gov.my/mida-news/oracle-us6-5-bil-investment-in-malaysia-more-than-a-data-centre/>

terms. The DTA facilitates the use of the SSAs, manages overall compliance where there is a whole of Australian Government requirement and manages a limited number of central contracts under the SSAs, which are:

- DTA's contract under the AWS SSA.
- Central enrolments under the Microsoft SSA¹³⁴.
- The DTA enterprise licensing agreement under the IBM SSA.
- The Initial Software Contract under the SAP SSA.
- The Oracle Java contract.

3.40 Centralised ongoing management of the head agreements strengthens the process by ensuring consistent monitoring of compliance, performance and pricing through centralised account management. This offers buyers a dedicated point of contact for resolving issues, providing updates, and maintaining oversight, which is especially valuable to the buyer in managing the contracts under the SSAs. Further, the centralised approach to data collection and reporting, supports adhering to policy obligations, maintaining accountability for contractual obligations on both sides and enables informed decision-making across the lifecycle of the SSAs.

3.41 Disputes are common in any complex contractual arrangement. While the DTA understandably does not provide legal advice to buyers regarding the SSAs¹³⁵, the SSA model offers a centralised point of contact for practical support with dispute resolution if required, and monitor seller performance, helping to:

- Ensure potential conflicts are managed effectively and professionally.
- Foster continuity of knowledge and a stable and constructive environment for all parties involved.
- Address issues promptly, reducing the likelihood of prolonged conflicts that could delay project timelines or escalate costs.
- Achieve consistency and transparency across the Australian Government.

¹³⁴ Referred to as the Common Cloud Commitment (CCC) and Enhanced Cloud Commitment (ECC), and are licensing arrangements established under the Volume Sourcing Agreement (VSA).

¹³⁵ Legal advice or support can be provided by the external lawyers engaged by the DTA. Given DTAs familiarity with the SSAs, the DTA will support the navigation of clauses and explanation of the potential applicability to a limited extent.

- 3.42 The presence of such support builds trust and confidence among stakeholders, enhancing the overall effectiveness of the SSAs.

Costs

- 3.43 Separate from the SSA spend profile, the review considered the cost of the DTA entering into and administering an SSA.
- 3.44 As it is core business, the DTA tracks the internal cost of implementing and managing each SSA. Whilst each contract negotiation has its unique attributes and timeframes, the table below outlines the average costs for the SSAs:

Table 7 Average costs in establishing and managing an SSA¹³⁶

Item	Average cost per SSA
Establishment / renewal of an SSA (for each SSA)	\$1.6m
Ongoing management of an SSA (annually for each SSA)	\$1.0m

- 3.45 The DTA funds approximately 50% of these costs through annual appropriations¹³⁷ and recovers the remaining 50%¹³⁸ via the CAF.
- 3.46 The costs above include the legal fees for contractual legal advice and the APS staff costs to support negotiation (including financial analysis, technical advice, administration and governance).
- 3.47 It is acknowledged, however, since the DTA is negotiating on behalf of all buyers, SSA negotiations are more complex. This means the cost of the DTA negotiating an SSA are likely higher than the costs of each buyer respectively negotiating an individual contract, but substantially less than the collective total of all buyers incurring negotiation costs separately.
- 3.48 The ongoing costs of managing the contracts under the SSAs, which are entered into by buyers, are likely to be reasonably similar to not having the SSAs in place

¹³⁶ Cost analysis was provided by the DTAs internal finance team.

¹³⁷ Funding for the DTA is provided as Departmental funding which is appropriated by the Australian Government through the annual budget cycle, and is contained within the Portfolio Budget Statements. For example, when first implemented, the 2015-16 Budgeted included a line item for this funding, refer to page 94, available here: https://archive.budget.gov.au/2015-16/bp2/BP2_consolidated.pdf

¹³⁸ Recovery of costs is used in the general sense of the phrase and conveys an intention not to generate a surplus. Note, SSA cost recovery is not subject to the *Australian Government Cost Recovery Policy* per paragraph 6 which omits charges between Commonwealth entities.

and managing bespoke contracts. This would, however, typically be subsumed into existing procurement functions within buyer agencies.

3.49 Whilst the SSAs are a contracting framework, the table below contextualises the costs in relation to the procurement lifecycle and identifies where buyers and sellers realise efficiencies:

Table 8 Typical costs in the procurement lifecycle

Stage	Costs to the seller	Costs to government entities as the buyer
Pre-procurement	Generally sellers undertake a range of pre-sales and marketing activities, including the establishment of pursuit teams and budgets	<ul style="list-style-type: none"> • Market scans / research • Business case development • Development of procurement planning documentation • Drafting request for quote and requirements • Legal fees (e.g. contract development, probity advice, identification legal risks)
Procurement	<ul style="list-style-type: none"> • Costs for a team to develop and write the proposal for RFQ¹³⁹ • Legal advice (e.g. contractual departures, compliance) • Attendance at any pre-contract activities (e.g. interviews, presentations) 	<ul style="list-style-type: none"> • Due diligence • Evaluation of tender responses, including interviews and reference checks • Legal fees (e.g. review of RFQ, probity advice, evaluation of contractual non-compliances) • Administrative costs (e.g. processing contract, updating seller records)
Contract negotiation¹⁴⁰ SSA realises efficiencies here	<ul style="list-style-type: none"> • Legal fees • Time to negotiate specific clauses • Commercial and financial analysis 	<ul style="list-style-type: none"> • Legal fees • Time to negotiate specific clauses • Commercial and financial analysis
Work order specification	<ul style="list-style-type: none"> • Legal fees • Time for negotiation of any specific delivery requirements or additional bespoke clauses required (e.g. reflecting 	<ul style="list-style-type: none"> • Legal fees • Time for negotiation of any specific delivery requirements or additional bespoke clauses required (e.g. reflecting business

¹³⁹ Including support provided by commercial and finance teams to analyse usage and licencing arrangements. Some SSAs can take several months to negotiate.

¹⁴⁰ Contract negotiations typically take months and require several rounds of discussions to achieve agreement. This results in significant legal fees, in particular, being incurred.

Stage	Costs to the seller	Costs to government entities as the buyer
	business requirements not covered in the head agreement)	requirements not covered in the head agreement, or options available under the head agreement)
Delivery and management	<ul style="list-style-type: none"> • Onboarding fees (e.g. security clearances, police checks) • Delivery team costs • Contract management (e.g. status reports, management meetings) • Legal costs in undertaking any change requests • After-sales support • Other costs (e.g. laptops, travel) 	<ul style="list-style-type: none"> • Onboarding fees (e.g. laptops, licences) • Contract management • Legal costs in undertaking any change requests • Assurance activities • Security (e.g. IRAP¹⁴¹, penetration testing) • Technical advice (e.g. subject matter experts) • Hardware, licences and storage • Other costs (e.g. training, travel, decommissioning at end of life)

3.50 As shown above, irrespective of the SSAs being in place, buyers and sellers still incur additional costs associated with pre-procurement, procurement, work order specification, and delivery and management.

¹⁴¹ Infosec Register Assessors Program (IRAP)

Risks

- 3.51 The review considered the key risks of having the SSAs, the potential for unintended consequences, and how to manage or further mitigate these risks.
- 3.52 The below table lists these key risks and the assessed risk rating. Overall, the review found the key risks identified were low to medium, and either already effectively managed or with some opportunity for improvement which are reflected within *Chapter 7 Recommendations and actions*.

Table 9 Key risks associated with the current SSA model

Risk title	Risk rating
Seller lock-out	Medium
Buyer locked into seller	Low
Single seller vulnerability	Medium
Insufficient flexibility	Medium
Increased administrative burden	Medium
Misalignment with technology, policy or legislation	Medium
Unrealised value for money	Low

- 3.53 The following sub-sections contain a description of each risk using a simplified risk statement (sub-section title), followed by a rating of that risk, then a fuller discussion of that risk. Risk ratings were assessed in alignment with *Appendix I: Risk matrix*.
- 3.54 Note, additional risks are identified by sellers and buyers at contractual levels relevant to key aspects of discovery, design, implementation or sustainment of the products and services offered under the SSAs. Rightfully, these risks are best considered ahead of agreeing the relevant contract. These include risks associated with data privacy, security, architecture and delivery.

Seller lock-out

Assessed risk rating

Likelihood	Impact	Risk rating
Possible	Moderate	Medium

Description

- 3.55 Seller lock-out relates to the prevention of other sellers from competing to provide the same products, services and solutions as the SSA sellers. The review found the risk of seller lock-out is medium.
- 3.56 The review summarised a high-level competitive analysis, which can be found in *Appendix G: Competitive* . This showed that there is strong competitive tension amongst the SSAs themselves within common product or service groupings, a dynamic that helps offset some of the seller lock-out risk. Nonetheless, decisions by buyers that result in the potential exclusion of alternative providers may lead to over-reliance on a limited pool of large sellers, which possibly diminishes the Australian Government's bargaining power over time and a concentration of specific capabilities. Proper procurement by buyers is essential to help the Commonwealth to mitigate these risks while supporting buyers to access reliable technologies.
- 3.57 As a contracting framework, the SSAs are most appropriately aligned with instances where specified products, locked down by intellectual property rights, are not available through alternative providers. These circumstances allow the Australian Government to leverage its buying power while ensuring access to essential technologies that are critical for operational continuity. By focusing on such uniquely positioned products, SSAs can serve to protect government interests while capitalising on the proprietary expertise of the seller.
- 3.58 Conversely, the use of SSAs for services is less compelling, especially given the establishment of numerous services panels (e.g. Digital Marketplace Panel 2, Management Advisory Services Panel, People Panel). These panels demonstrate the availability of diverse service providers capable of meeting government requirements. Furthermore, many of the SSA sellers maintain extensive Australian partner networks comprising thousands of local companies, indicating that the domestic services market is both strong and diverse.

3.59 Many of the agencies interviewed confirmed they do not utilise the SSAs as a procurement pathway, rather only as a contracting framework. Nonetheless, a commonly cited means through which the use of the Coordinated Procurement provisions within the CPRs can create a competitive advantage for SSA sellers is by lowering contracting costs and simplifying engagement processes. How this can happen is depicted below.

Figure 14 Coordinated procurement pathway as related to SSAs



3.60 It is noted this is an inherent risk of all Coordinated Procurements (e.g. panels), and the DTA is actively working with buyers to manage this risk. In particular, the DTA is actively encouraging buyers to use established marketplaces as a mechanism to efficiently and effectively obtain competitive quotes from the market.

3.61 Another example is that the SSAs are automatically exempted from the upper limits imposed by the Contracts Limits and Reviews Policy.

3.62 The combination of greater contracting efficiencies, and longer term and larger contracts, means the SSAs can extend more competitive pricing (i.e. better discounts) than non-SSA sellers. Further, the desire for longer contracts was echoed by the SSA sellers, who noted that enabling this extended time enabled them to further improve discounts or other benefits. This can result in the SSA sellers' ability to be more competitive in procurement processes.

3.63 From the perspective of transparency, there is room to make clearer how SSA sellers are being engaged. The review noted that it is not a requirement that all purchases under the SSAs must go through BuyICT, which limits the availability of data on the use of the arrangements.

3.64 The issues described above need to be balanced with the reality that the proliferation of the SSA sellers' technologies stems from their proven reliability and efficacy. These sellers have invested extensively in the development, support, and refinement of systems that underpin critical government operations. This track record of performance has positioned them as the logical choice of technology for governments and businesses globally.

Key mitigations

3.65 The below key mitigations were identified:

- Strengthen DTA education efforts regarding the most appropriate use of SSA sellers as a Coordinated Procurement.
- Maintain competitive tension during buyers' procurement activities, inviting multiple sellers.
- Establish CAIP Plans to support the growth of sovereign Australian industry technological capability.
- Implementation of the framework outlined in the *Clarity through a framework* section of this report will support setting clear expectations for seller qualification for SSAs.
- Distinguish within the CPRs whole of Australian Government digital contracts from Coordinated Procurements to address the risk of SSAs being utilised as a procurement pathway.
- Review the existing Contracts Limits and Review Policy to ensure competitive neutrality between sellers.

Buyer locked into seller

Assessed risk rating

Likelihood	Impact	Risk rating
Unlikely	Moderate	Low

Description

- 3.66 Buyers are locked into a seller when the buyer is prevented from being able to switch to another seller if they choose to.
- 3.67 The review found the risk the SSAs lock a buyer into a seller is low. SSAs themselves do not drive dependency on a specific seller. Rather, the nature of technology and the costs to exit drive lock-in and challenges with switching providers. SSAs have historically reflected pre-existing buyer needs and prior competitive technology decisions. In essence, by the time a seller has an SSA, technology reliance had already occurred.
- 3.68 SSAs simply increase the benefits of engaging major sellers of technologies already chosen by a large portion of government agencies.
- 3.69 The reality for many organisations including government agencies is, it is the technology choice, not the length or size of the contract, that creates the lock-in. Once a technology choice is made, what follows is a series of decisions that create mutual dependencies in architectural alignment, integration and interoperability with other systems, data sharing, as well as a range of organisational and operational design choices made to ensure the system works. All of these can make it difficult and expensive to move away from any technology choice, regardless of the contractual mechanism in place.
- 3.70 In addition, policy settings of the Australian Government more broadly can have the unintended consequence of lock-in. For example, the Australian Government's Corporate Services Investment Moratorium (issued June 2016) halted investment by agencies in ERP platforms except for GovERP¹⁴², a SAP solution, thereby locking in agencies to their ERP platform. This moratorium was subsequently lifted

¹⁴² <https://www.digital.gov.au/initiatives/enterprise-resource-planning>

in late-2023¹⁴³. In February 2020 SAP announced the end of life of ECC6¹⁴⁴, aligned with a commercial strategic decision to move to a cloud-based model of delivery recognising the organisational benefits for customers in modernising their systems. This established a timeframe by which agencies using SAP will be required to transition from ECC6 by 2030, which could be either a SAP or other ERP product. Rather than the SSA creating lock-in, it was the 2016 decision of the Australian Government to implement the moratorium which created the lock-in between 2016 and 2023.

- 3.71 Further, technology often forms the foundation of operations and management of organisations. This makes significant changes or removal of technology complex, challenging, risky and costly, all of which are often prohibitive. As such, any choice of technology creates some level of lock-in, to both the product being used and the seller supplying the product.
- 3.72 Another factor raised as contributing to lock-in is the inadequate consideration of transition requirements and associated costs at the conclusion of a contract (or SSA more broadly). Sellers are sometimes seen as discouraging easy migration from their technology, rather than relying on the quality of their product to maintain market position and relevance. To not do so will provide opportunities for new products to outperform and replace the SSA seller. Furthermore, as strategic partners, they have a responsibility to exhibit good corporate behaviour by prioritising the interests of their customer base.
- 3.73 For instance, egress charges - specifically fees applied for removing data from instances - can create resistance to change due to their financial implications. The European Union has prohibited such charges to ease data movement between sellers¹⁴⁵, highlighting the need for similar protections within the Australian context. Whilst beyond the scope of this review, if an SSA was not willing to voluntarily extend the European requirements to Australian buyers, the DTA could consider engaging with the Treasury and the ACCC to determine if it is appropriate to implement similar legislative protections in Australia.

¹⁴³ <https://ministers.finance.gov.au/financeminister/media-release/2023/11/28/new-approach-back-office-functions-australian-public-service>

¹⁴⁴ <https://news.sap.com/2020/02/sap-s4hana-maintenance-2040-clarity-choice-sap-business-suite-7/>

¹⁴⁵ AWS Waives Egress Fees for Customers Exiting the Cloud. InfoQ released 16 Mar 2024. Available at: <https://www.infoq.com/news/2024/03/aws-egress-fees/#:~:text=AWS%20has%20recently%20announced%20free,or%20on%2Dpremises%20data%20centers>

3.74 Further, while buyers benefit from free trials of innovative technology and other ‘value-adding’ services, sellers broadly use a range of tactics to secure additional market position, thereby further entrenching themselves, such as:

- Offering heavy discounts to deploy products, which then enables price adjustments to be made later once the buyer has already architecturally committed.
- Running pilots and proofs of concept to demonstrate ‘must have’ capability.
- Bundling products together, making it more difficult or more costly to purchase the respective products desired by the seller, and can make it difficult to remove unwanted products.

3.75 The choice of technology introduces an additional risk associated with lock-in, by creating a dependency such that it weakens the Australian Government’s bargaining position. By opting for a specific technology *en masse*, the Australian Government forfeits much of its negotiating leverage as the associated technology becomes integral to government operations. This is particularly relevant where the technology is critical infrastructure, and cannot be easily replaced competitively. This dependence not only reduces the Australian Government’s ability to seek alternative providers but also places it at a disadvantage in future contract negotiations, potentially leading to price gouging, inflated costs or reduced flexibility. Careful consideration must be given to balancing the benefits of an SSA with the strategic risks posed to the Commonwealth’s long-term autonomy and negotiating power.

Key mitigations

3.76 The below key mitigations were identified:

- Maintain competitive tension during buyers’ procurement activities, inviting multiple sellers.
- Contractually exclude egress charges, or similar, to support data transitions and flexibility.
- Include exit and transition requirements in contracts, with clear provisions to address changes initiated by sellers as discussed in the *Building in an exit plan* section of this report.

- Enable contractual and usage flexibility as discussed in the *Ensuring flexibility* section of this report.
- Where technology is critical infrastructure, and cannot be easily replaced competitively, implement multi-year rolling contracts and negotiate annually the next out-year (e.g. in a 5-year contract, the 6th year is negotiated annually).

Single seller vulnerability

Assessed risk rating

Likelihood	Impact	Risk rating
Rare	Catastrophic	Medium

Description

- 3.77 The *Buyer locked into seller* risk section of this report considered the risk of the Australian Government being locked into a seller through the SSA. In examining that risk, the review identified that the extensive use of one or a few single sellers for critical technology across the Commonwealth poses a risk to maintaining critical services if one of these sellers fail.
- 3.78 Although rare, large global product and service sellers can fail, with potentially catastrophic impacts without viable alternatives, especially given the barriers to shifting technologies. Diversity within the SSA portfolio and ongoing access to broader market players can help mitigate this risk.
- 3.79 No seller is immune to global forces, which can result in large, multi-national corporate collapse^{146,147,148,149,150}. For example, as an outcome of Defence's efforts to consolidate their technology environment, Defence signed a 10-year lease agreement with GlobalSwitch for data centre services. However, in 2016, its parent company, London-based Aldersgate Investments, accepted \$4 billion for a 49% stake from the Chinese consortium Jiangsu Shagang Group. This was increased to almost full ownership in 2019. Due to this ownership change, Defence and other Australian Government agencies had to re-evaluate their data centre strategies, incurring significant costs as a result.

¹⁴⁶ Enron, 2001, <https://www.bbc.com/news/business-58026162>

¹⁴⁷ Lehman Brothers, 2008, <https://www.bankofengland.co.uk/news/2018/september/the-financial-crisis-ten-years-on>

¹⁴⁸ Nortel Networks, 2009, <https://www.cbc.ca/news/business/nortel-fraud-trial-begins-for-former-executives-1.1152693>

¹⁴⁹ Carillion, 2018, <https://www.independent.co.uk/news/business/news/carillion-collapse-timeline-construction-debt-profit-warning-hs2-contract-nhs-a8160256.html>

¹⁵⁰ Wirecard, 2020, <https://www.reuters.com/article/technology/timeline-the-rise-and-fall-of-wirecard-a-german-tech-champion-idUSKBN2B811J/>

- 3.80 Vulnerability can also be experienced at a product level. A recent example of this is CrowdStrike's global IT outage¹⁵¹ in 2024, which caused major disruption to key infrastructure worldwide, including to several of Microsoft's products.
- 3.81 Although these examples demonstrate that over-exposure to a single, large multi-national risks catastrophically affecting the capability to deliver core government services, there are commercial realities to consider (e.g. intellectual property rights and copyright). The Australian Government cannot simply carve up ownership of these products to address this risk. Given this, Australian Government agencies can limit their exposure by pursuing diverse, strong market relationships wherever realistic.
- 3.82 There is also a role for the DTA in identifying and understanding seller and product concentration risk across the Australian Government, and supporting buyers with determining appropriate strategies to mitigate this risk, without infringing buyers' autonomy of choice or limiting capability.

Key mitigations

- 3.83 The below key mitigations were identified:
- Work with buyers to identify areas of concentration risk with specific SSA sellers to determine potential exposure.
 - Maintain competitive tension during buyers' procurement activities, inviting multiple sellers.
 - Continue to mandate transparency regarding changes in company structure or ownership, alongside mechanisms to protect buyer operations during such transitions.

¹⁵¹ CrowdStrike, 2024, <https://www.abc.net.au/news/2024-07-20/what-happened-crowdstrike-global-outage-explainer/104122582>

Insufficient flexibility

Assessed risk rating

Likelihood	Impact	Risk rating
Likely	Moderate	Medium

Description

3.84 There is a medium level risk that SSAs, due to their scale, become too standardised and hinder full utilisation of products, services and value-adds (e.g. discounts, investments). In other words, there is a risk that SSAs lack flexibility to cater for everyone’s needs - this was echoed by buyers of all sizes.

3.85 The effectiveness of SSAs is limited where buyers cannot utilise the products or services on offer. The common barriers to using what was purchased cited by buyers were:

- Contractual commitments made by the DTA did not reflect respective buyers strategic technology or business intent.
- Contractual complexity making understanding what is available, and for what price, challenging.
- Insufficient training or a lack of awareness regarding how to access and deploy available features constrains agencies from realising the full value of the arrangement.
- SSAs which include bundling of products, of which some products were not required by buyers.
- SSAs can be restrictive and fail to adequately align with the specific operational requirements of agencies¹⁵², particularly in relation to their unique environments.

“Half the time agencies miss out on things they are entitled to”
Agency buyer

¹⁵² A particular SSA requires agencies to commit to a minimum buy over three years. The review acknowledges this reflects commercial reality for the seller (i.e. the discount price was offered because of the commitment to buy).

- 3.86 These limitations can further hinder agencies' ability to fully leverage the agreements benefits, raising concerns about the SSAs' effectiveness and flexibility in meeting diverse needs across government.
- 3.87 Feedback from several agencies indicates SSAs could deliver greater value if there was flexibility to amend contractual clauses, remove provisions unnecessary for the specific engagement and to clearly specify requirements (e.g. warranties). In particular, some larger agencies stated they have been able to negotiate more favourable outcomes directly with SSA sellers by committing to large, well-defined purchases. In some cases, buyers and SSA sellers negotiated separate contracts to better address the situation. This highlights the importance of tailored contract design in achieving cost efficiencies and meeting agency objectives, but also instances where the actions of SSA sellers could be regarded as less strategic and more opportunistic in nature.
- 3.88 Although the ability to amend the agreements to tailor them for the specific agency requirements is valuable, appropriate governance over such amendments is necessary, including DTA's authority to approve changes given its role as the central owner of the SSAs.
- 3.89 States and Territories echoed the requirement to further tailor SSAs. For example, the South Australia Government could not use one of the SSAs it considered of interest because it does not comply with the State's privacy requirements, appropriate Service Level Agreements cannot be incorporated and insufficient remedies for breach of warranty.
- 3.90 Another key factor cited by buyers regarding flexibility was the inability to adjusting (e.g. true up or true down) purchase quantities, especially where changes have occurred beyond their control (e.g. Machinery of Government changes). The review noted the shift to cloud and 'as a service' models have enabled more dynamic adjustments to be made to purchase quantities (e.g. daily or monthly subscription models).

Key mitigations

- 3.91 The below key mitigations were identified:
- Engage key buyers to determine strategic technology plans.
 - Include a select group of buyers at the negotiating table to actively support the DTA in achieving the best possible outcome.

- Include mechanisms to enable flexible product reallocations across buyers, treating the Australian Government as a single buying entity.
- Ensure any contract entered which has the effect of modifying a head agreement is subject to DTA approval to ensure the impact on protections included in the head agreement are not circumvented inadvertently.
- Deliver training and education to support buyers in understanding the arrangements.
- ‘Bolt on’ addendums to alter the head agreement or contracts for specific agency or State and Territory needs, similar to the AWS agreement.

Increased administrative burden

Assessed risk rating

Likelihood	Impact	Risk rating
Possible	Moderate	Medium

Description

- 3.92 Another risk that relates to the SSAs is the risk or complexity in the head agreement. Many buyers, including States and Territories as well as Commonwealth agencies, reflected on the complex nature of some of the arrangements and the administrative burden required to negotiate individual agency contracts under the SSA, and manage and track use of the arrangements.
- 3.93 Efforts to maximise value frequently result in the inclusion of bespoke contract elements, tailored to address specific needs or circumstances. In the Australian Government context, examples of these include requirements associated with privacy, Indigenous or Australian industry procurement preferences, data sovereignty, and cyber and security. While beneficial, these customisations often introduce significant complexity into contract management processes. This added complexity can dilute potential efficiencies, undermining the advantages the arrangement is intended to deliver.
- 3.94 Buyers also noted that some inefficiencies they experience are due to how the clauses have been administratively designed. For example, the visibility of reporting

credits available for use and processes for tracking usage of these could be streamlined. These inefficiencies are most heavily felt by large agencies. Defence, for example, manages hundreds of technology contracts, and requiring education across all of them is challenging at scale.

Key mitigations

3.95 The below key mitigations were identified:

- Clarify responsibilities across buyers, sellers and the DTA, for example through a Responsible, Accountable, Consult and Inform (RACI) model, for SSAs to identify where administrative activities exist.
- Where possible, drive contractual consistency to create commonality and support administrative efficiency.
- Include a select group of buyers at the negotiating table to actively support the DTA in achieving the best possible outcome.
- Deliver training and education to support buyers in understanding the arrangements.

Misalignment with technology, policy or legislation

Assessed risk rating

Likelihood	Impact	Risk rating
Almost certain	Minor	Medium

Description

- 3.96 The risk that SSAs do not remain aligned to evolving technology, policy or changes in legislation is rated medium. The review found evidence, as discussed earlier, of areas for improvement in how the SSAs apply policy in practice. However, the DTA have adopted review processes to ensure compliance on behalf of the Australian Government.
- 3.97 Over the past two decades there has been a significant shift within the Australian Government from an on-premises technology environment to cloud and ‘as a service’ models (e.g. Software as a Service, Platform as a Service, Infrastructure as a Service). In particular, this has seen a shift in the licence model from upfront purchase of software (e.g. buying and installing Windows Vista) to on-demand subscription models (e.g. month-to-month subscription for M365). Despite these changes, an overarching agreement (i.e. the SSA) is required so as to align to the specific policy the Australian Government has implemented.
- 3.98 Ongoing policy and legislative change inevitably affect long-term contractual arrangements. Despite this, long-term contracts are a key point of leverage in the Australia Government’s bargaining strategy. Therefore, whilst longer term SSAs will require updates to be periodically made as the policy and legislative environment changes, the DTA ought to continue to ensure appropriate mechanisms are in place to keep up with the changes. It is noted, all six of the SSA head agreements have clauses that allow for updates in response to legislative or policy shifts.
- 3.99 Responding to changes within the technology environment can be more challenging. Broadly, most of the SSAs provide for flexibility, however, there have been some successes and some challenges in responding to technological change. For example, the whole of Australian Government Microsoft Copilot trial and

subsequent roll-out across Commonwealth agencies¹⁵³ demonstrates how SSAs have been used to adapt to technological change.

- 3.100 Whilst the emergence of some technologies can be predicted with greater clarity (e.g. quantum), the exact timing of these changes cannot be easily foreseen. As such, mid-contract or periodic reviews are critical to address evolving requirements without conflating these reviews with exit provisions or option periods.
- 3.101 Given changes in these environments happen dynamically, there is not an optimal contractual length which could be agreed upon by stakeholders. Rather, implementing review points throughout the SSA's life will support addressing this challenge.

Key mitigations

- 3.102 The below key mitigations were identified:
- Retain clauses that enable alignment to policy and legislative changes.
 - Establish periodic reviews, independent of provisions for contract termination.
 - Enable the addition of emergent technologies to be negotiated into contracts following the completion of any procurement process (e.g. establishment of a new whole of Australian Government panel or an agency having identified a new technology it wants to procure).

¹⁵³ The Australian Government recently completed a trial of Microsoft 365 Copilot that provided Australian Public Servants an opportunity to experiment with a generative AI tool. Available at: <https://www.digital.gov.au/initiatives/copilot-trial>

Unrealised value for money

Assessed risk rating

Likelihood	Impact	Risk rating
Possible	Minor	Low

Description

- 3.103 The risk that the SSAs do not deliver value for money is low. Notwithstanding the importance of ensuring competition in procurement processes, buyers consistently stated the SSAs provide a useful mechanism to contribute to the achievement of value for money for the Commonwealth, including through non-financial benefits. In saying that, some raised the variability of these benefits at the individual agency level as an area for improvement.
- 3.104 As described in more detail in the *Funding model* section of this report, the current funding model is complex. While the Central Administration Fee (CAF) recovers the costs of administering the SSAs centrally, the Consolidated Revenue Fund (CRF) savings fee, collected and returned to the CRF, does not contribute to the administration of the SSAs. In a value for money assessment and comparison between an SSA seller and a non-SSA seller, an agency may find that financially it is more expensive (to the agency as opposed to the Commonwealth) to select the SSA seller, given the additional CAF or CRF savings fee it needs to pay.
- 3.105 Some larger agencies stated they could negotiate the same or even better discounts or terms and conditions for themselves, relative to those in the SSAs. This is indicative of the value of leveraging the large agencies at the negotiating table to maximise the value able to be derived for the benefit of all agencies across the Australian Government.
- 3.106 Some smaller agencies stated that specific thresholds for triggering certain discounts were not always aligned to their buy profile, and bundling can result in the provision of certain unnecessary products and services.
- 3.107 Another example is discounts being tied to a certain volumes of licenses, with limited ability to subsequently true down to reflect the actual usage over time at either a buyer or whole of Australian Government level (e.g. such as during times of machinery of government changes or reducing the APS workforce, and the resulting

lesser need for licenses). This results in agencies sometimes paying for more than they require. Insufficient flexibility in this regard undermines whole of Australian Government value for money outcomes.

Key mitigations

3.108 The below key mitigations were identified:

- Engage buyers to understand strategic technology plans, buy profiles and respective requirements.
- Include a select group of buyers at the negotiating table to actively support the DTA in achieving the best possible outcome.
- Enable contractual and usage flexibility as discussed in the *Ensuring flexibility* section of this report.
- Reconsider the funding model with particular focus on minimising unintended consequences from the CRF savings fee.

Benefits relative to the costs and risks

- 3.109 When considering the costs versus the benefits, there is a clear net benefit to the Australian Government in having the SSAs in place. This is evident from the benefits (e.g. discounts) far exceeding the total cost of the DTA's management of the arrangements.
- 3.110 It is acknowledged that the costs of the buyers are not factored into the cost of DTA's management of the arrangements. Whilst interviews indicated the SSAs can require some additional work by buyers to ensure alignment between their requirements and the terms in the SSA head agreements, there was near unanimous agreement that having the SSAs is a net benefit for the buyers.
- 3.111 Further, when considering the risks of having the SSAs, the risk profile is considered LOW to MEDIUM, which is reasonable.
- 3.112 Further to the *Alignment to policy, strategies and legislation* section of this report, **the DTA should, as appropriate, expand the use of SSAs as a contracting framework for the Australian Government. With reference to the *What should be prioritised* section of this report, key focus should be placed on:**
- **Fostering strategic partnerships.**
 - **Consideration of the holistic value proposition on offer.**
 - **Being realistic about future needs of buyers.**
 - **Keeping the arrangements simple.**
 - **Ensuring flexibility.**
 - **Building in an exit plan.**

CHAPTER FOUR

Jurisdictional comparison

Exploration of how other comparable arrangements are being managed.

CHAPTER OVERVIEW

Whilst nations across the world have a wide range of models to engage technology sellers, Australia is not unique in seeking benefits through scale. Representatives from Canada, New Zealand, the USA and the UK unanimously agreed that whole-of-government contracts are sensible, and some have similar arrangements in place.

Even in Australia, States and Territories commonly have their own whole-of-government arrangements. Additionally, some also leverage the Commonwealth's arrangements, although there are mixed views as to whether the benefits outweigh the overhead resulting from misalignment with State and Territory policy and technology requirements.

Overall, learnings from other jurisdictions and nations, included:

- The benefit of a central authority (like the DTA) in stewarding and fostering effective relationships with the major technology sellers, and supported by a clear mandate, legislative frameworks and financial control.
- The importance of driving flexibility in the arrangements to address diverse buyer needs and risk profiles, balancing this with administrative burden and complexity.
- Robust reporting processes drive improved transparency, helping governments identify trends, optimise investments and strengthen negotiations.
- Where other nations find themselves in a position of dependency or with high switching costs, contracts can be moved to negotiating a rolling contractual window basis (e.g. 5 years), negotiating one out-year at a time.
- Some use mechanisms, such as online IT Service Catalogues, to help with ease of access to clear information, which helps buyers navigate complexity inherent in these arrangements, and supporting them in maximising their value.

The review noted that without whole-of-government contracts, pricing disparities were commonly cited as a key issue across agencies within other nations. A fragmented approach typically favours sellers.

Whilst globally there is no definitive way to best design and deliver whole-of-government agreements, retaining the SSAs is supported by comparisons with other similar jurisdictions globally.

Whole of Government technology arrangements

- 4.1 The SSAs are available for use by the States and Territories, with approval from the SSA seller, except for the Microsoft agreement. States and Territories that use the SSAs pay the CAF to the DTA.
- 4.2 Queensland, New South Wales and Victoria use the SSAs the most. NSW¹⁵⁴ and WA¹⁵⁵ Governments make the greatest use of the AWS SSA, and this was cited as a useful mechanism to get access to better pricing and discounts.
- 4.3 Separate from the SSAs, it is common that States and Territories have their own whole-of-government arrangements with these technology sellers. The table below summarises this landscape.

Table 10 State and Territory based whole of government agreements with technology sellers

State / Territory	AWS	IBM	Microsoft	Oracle	Rimini Street ¹⁵⁶	SAP
ACT	Nil	Nil	Yes	Nil	Nil	Nil
NSW	Nil	Yes	Yes	Yes	Nil	Yes
NT	Nil	Yes	Yes	Nil	Nil	Nil
QLD	Yes	Nil	Yes	Yes	Nil	Yes
SA	Nil	Nil	Yes	In progress	Nil	Nil
TAS	Nil	Nil	Yes	Nil	Nil	Nil
VIC	Yes	Nil	Yes	Yes	Nil	Yes
WA	Nil	Nil	Yes	Yes	Nil	Nil

- 4.4 Microsoft and Oracle have the most State or Territory whole-of-government agreements in place.

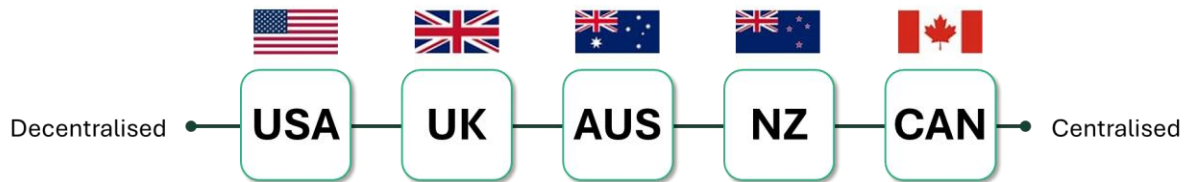
¹⁵⁴ Contract with the NSW Department of Customer Service

¹⁵⁵ Contract with the WA Department of Finance. Approximately 20 entities use the SSAs.

¹⁵⁶ The SSA is designed so that Commonwealth, State and Local government buyers can utilise it. The panel arrangements in Victoria and NSW are based on adopting the default contracting structures mandated for each such panel (i.e. ['eServices Register Contract' for Victoria](#) and the ['ICT Agreement' for NSW](#)).





- 4.5 Other major technology sellers (e.g. Google, Salesforce, Adobe) also have significant arrangements with State and Territory governments.
- 4.6 The review engaged with representatives from the United States of America (USA), United Kingdom (UK), Canada (CAN) and New Zealand (NZ) to compare Australia's (AUS) approach to contracting with large technology sellers.
- 4.7 Although nations worldwide have a wide range of models to engage technology sellers, Australia is not unique in seeking the benefits through scale. The figure below provides an overview of where key comparative nations fall on a continuum from decentralised to centralised in managing major technology sellers.

Figure 15 Continuum of nations



- 4.8 The figure below further outlines the comparison between the respective nations.

Figure 16 High level comparison of nations

NATIONS	FACTS	FEATURES	COMMONALITIES
 USA	<ul style="list-style-type: none"> Lead is Federal CIO in White House Approximately 438 agencies No SSAs or shared services IT Operating Plan Governed by a CIO council Funds for ICT modernisation 	<ul style="list-style-type: none"> Limited authority Multiple lead agencies with different roles No mandating legislation Documented strategies & principles Limited budgetary incentives 	<p>Common benefits sought:</p> <ul style="list-style-type: none"> Discounts Better, more accountable use of money Better services for citizens including use once access Interoperability of systems Information sharing among systems Better leveraging of modern technologies (e.g. cloud, AI) <p>Common challenges</p> <ul style="list-style-type: none"> Cyber security Sufficiency of government ICT workforce / skills to assess proposals Lack of specialist technology understanding in government - public service & political Unwillingness to upgrade or abandon legacy ICT Limited interest by private sector to increase transparency of Government spending
 UK	<ul style="list-style-type: none"> Lead is Chief Digital and Data Office in the Cabinet Office Approximately 465 agencies Some SSAs and shared services Blueprint for Modern Digital Government Governed by Digital and Data Board 	<ul style="list-style-type: none"> Some authority Multiple lead agencies with different roles Some mandatory legislation Documented strategies & principles Limited budgetary control 	
 NZ	<ul style="list-style-type: none"> Lead is Government Chief Digital Officer Approximately 32 agencies SSAs and shared services are used Common ICT Capability Program Governed by the Digital Executive Board 	<ul style="list-style-type: none"> Authority in several agencies Broad mandate in legislation Detailed mandate in policy Documented strategy Active programmes Limited budgetary control 	
 CAN	<ul style="list-style-type: none"> Lead is Shared Services Canada (SSC) Approximately 213 agencies Mandate in legislation Procurement for email, data centres and networks all done by SSC 	<ul style="list-style-type: none"> Single authority in a statutory agency Detailed mandate in legislation, however, there are some limited exceptions to this mandate 	

4.9 Further information on the key commonalities and points of difference with other jurisdictions is provided below.

Key commonalities and differences

- 4.10 The key themes from discussions with the USA, UK, Canada, New Zealand, and Australian States and Territories about SSA-like contracts are outlined below.
- 4.11 Further details about other nations can be found in *Appendix F: International comparisons*.

Whole of government contracts are desired

- 4.12 Australian State and Territory stakeholders generally agreed that leveraging the Commonwealth's SSAs makes sense to contribute to scale, access volume-discounts and support a national architecture. In practice, however, many said the current SSA arrangements require additional administrative effort given they are not designed for State and Territory policy and technology requirements. Given this, some said the benefits do not always outweigh the costs of adopting future Commonwealth SSAs, so States and Territories must assess each SSA on a case-by-case basis. Nonetheless, State and Territory stakeholders indicated that they would be interested in the SSAs as long as the arrangements offer better pricing.
- 4.13 In other nations, representatives from Canada, New Zealand, the USA and the UK unanimously agreed that whole of government contracts are sensible. Canada and New Zealand already have similar arrangements in place¹⁵⁷.
- 4.14 It was echoed that smaller agencies consistently find it challenging to access the negotiation capacity and expertise required to secure favourable terms. This disparity disadvantages them compared to larger entities that can leverage their scale and resources. The lack of centralised support exacerbates these challenges, making it harder for smaller agencies to navigate complex and evolving technology procurement landscapes.

¹⁵⁷ For example with Microsoft, SAP, AWS and Google.

- 4.15 In supporting the implementation of these whole of government arrangements, Canada, the UK and New Zealand all have legislative frameworks similar to Australia that set requirements for government technology procurement. However, these tend to be enabling powers rather than rigid legislative constraints.

Similar benefits sought

- 4.16 There were a range of benefits nations were seeking from whole of government contracts, including:
- Discounts on purchase prices.
 - Better, more accountable use of money.
 - Better services for citizens including use once access.
 - Interoperability of systems.
 - Information sharing among systems.
 - Better leveraging of modern technologies (e.g. cloud, AI).
- 4.17 While SSAs have the potential to deliver long-term efficiencies and improved services to Australians, they require investment, prioritisation and a coordinated approach. Nevertheless, engagement with Shared Services Canada (SSC) indicated that, over time, these arrangements can deliver cost savings, cost avoidance, and enhanced negotiating power through economies of scale, providing a valuable framework for managing technology procurement.
- 4.18 Across jurisdictions, efforts to standardise pricing and terms through panel agreements or whole-of-government agreements are evident, including partnerships with major sellers. These initiatives aim to provide consistent and equitable procurement frameworks or mechanisms, enabling agencies of varying sizes to benefit from uniform terms and pricing structures. While these efforts mark progress, further refinement is needed if the Australian Government intends to scale its SSAs to a national model. Model clauses for aligning to State and Territory policy differences (e.g. privacy, procurement, indigenous participation) will support this move.

Whole of government arrangements are not without challenges

- 4.19 Establishing effective whole-of-government contracts remains a complex challenge for nations, facing barriers such as cultural resistance, governance issues, and difficulties in balancing control and competition. Additionally, challenges related to security, interoperability, and resilience further complicate efforts to implement such contracts. These factors collectively impede the successful standardisation of contracting processes and hinder the broader adoption of unified systems across agencies.
- 4.20 Strategic planning approaches often do not support an effective forward-looking view of technology requirements. Government technology budgets partly hinder this by not being aligned to the evolving technology market. With the shift from capital expenditure (CAPEX) purchasing hardware and on-premises solutions to operating expenditure (OPEX) purchasing cloud, software as a service and platform as a service solutions, nations have faced challenges in ensuring government budget mechanisms adapt. For example, in New Zealand, government technology budgets have become predominantly OPEX-based, while Treasury's fiscal management has remained constrained by CAPEX-focused rules. This is similar to the Australian context whereby, for the agency Chief Information Officer (CIO) and Chief Finance Officer (CFO) who are planning the strategic technology investment profile, these constraints represent a real challenge in the annual budget management cycle. This has led to a degradation of the long-term financial planning for technology.
- 4.21 Further, all jurisdictions shared challenges with obtaining the right technology skills to support negotiation with large technology sellers. Identifying that governments encounter difficulties in recruiting top-tier technology talent is not a new insight. However, this review notes this is a critical input to ensure the right arrangements are negotiated.

Equitable support for smaller agencies is a strength

- 4.22 Targeted support for smaller agencies ensures equitable access to procurement capabilities, addressing disparities that often arise in fragmented landscapes. Canada and New Zealand have implemented initiatives that assist small agencies, enabling them to participate in centralised agreements on equal footing with larger agencies. These programs foster inclusivity and ensure fair distribution of benefits across all government bodies. The UK has also implemented shared services for key corporate functions, which partly supports addressing this challenge.
- 4.23 Such support mechanisms are critical in empowering smaller agencies to navigate complex procurement processes and secure favourable outcomes. By providing tailored assistance, governments can mitigate the risks of inequities and ensure that even the smallest entities can contribute to and benefit from shared technology strategies.
- 4.24 Conversely, the USA has no such supports and continues to observe significant pricing differences offered across their agencies. The USA's decentralised approach relies heavily on the influence and force of individual departments, such as the Department of Defense and Department of the Treasury. This results in inequities in the way small versus large agencies access discounts and benefits. Further, the USA's model presents significant challenges in negotiating and managing long-term contracts with major technology sellers. The absence of a unified strategy means smaller organisations struggle to compete for comparable procurement and contractual outcomes, creating a fragmented system that disproportionately impacts smaller players.

Relative bargaining position

- 4.25 Countries with more centralised models, such as Canada and New Zealand, have demonstrated greater capacity for leveraging scale across government.
- 4.26 For much larger countries, however, such as the USA and UK (encompassing approximately 438 and 465 agencies respectively), the coordination and interoperability within these nations is a challenging and complex endeavour.

- 4.27 Other nations identified the market leading position of the large technology sellers and the potential emergence of monopolistic conditions within the market as key risks. Canada's approach provides a key pragmatic solution to address this while still acknowledging the important role these sellers have in delivery to citizens. Canada negotiates the out-years of contracts with technology sellers it regards as critical and where viable alternatives are few or non-existent (e.g. in a five-year contract window, negotiating the sixth out-year on an ongoing/rolling basis). Whilst this approach does not directly address the emergence of such conditions in the market, it does enable a shifting of the contractual negotiating position.
- 4.28 To further enhance its bargaining position, Canada has proactively driven business process standardisation and organisational clustering under the direction of the Controller General. This is similar to New Zealand's All of Government Common Process Model for "back office" processes (Finance, Human Resources, Enterprise Asset Management, Information Technology Service Management, Procurement, Work Health and Safety) and the UK's implementation of shared services for corporate functions. Australia has tried to implement similar process standardisation through the GovERP initiative, but this was not successful¹⁵⁸. Nonetheless, anecdotes from other nations indicate standardised processes, data architectures and integrations help drive interoperability, reduce the dependency on specific technology, create the right competitive environment and balance the relative bargaining power.

Learnings Australia can take from other jurisdictions

Importance of central coordination

- 4.29 It is beneficial to have a central authority, such as the DTA, stewarding and fostering effective relationships with the major technology sellers – supported by a clear mandate, legislative frameworks and financial control.

¹⁵⁸ GovERP Reuse Assessment, DTA, 28 June 2024. Available at: <https://www.digital.gov.au/initiatives/enterprise-resource-planning>

- 4.30 Shared Services Canada (SSC) and New Zealand's Government Chief Digital Officer (GCDO) demonstrate that centralised leadership ensures the coordination and governance required to streamline procurement and enhance service delivery. Such structures empower agencies to implement cohesive and standardised approaches across technology initiatives.
- 4.31 Central control maximises negotiating power, enabling governments to secure more favourable terms. By consolidating purchasing power, central authorities can leverage scale to secure improved pricing and deliver value-for-money outcomes for agencies, an approach that particularly benefits those with smaller resource profiles.
- 4.32 Further, the New Zealand GCDO is considering the implementation of a budget prioritisation mechanism for digital investments, similar to the model the DTA has with the *Investment Oversight Framework* and the *Digital Investment Plans*.
- 4.33 The SSC's Centre of Expertise in Agile and Innovative Procurement¹⁵⁹ was also established in 2019. It focuses on supporting government procurement teams and removing barriers to entry for smaller business with respect to complex government tender processes.
- 4.34 At approximately the same time, in Australia in March 2019, Finance established the Commonwealth's Centre of Procurement Excellence¹⁶⁰ (CoPE). CoPE provides advice, training and support the broad procurement capability uplift across the Commonwealth, however, it does not specialise in technology. It is important to note there are substantial complexities in the procurement of technology platforms, with specialist knowledge of the technological solutions often required to support procurement activities. Further, through engagement activities, this review is aware of several specialist technology procurement functions which exist in pockets throughout the Commonwealth (e.g. PM&C, DEWR, Defence), and that could be complemented by a model similar to that of Canada. In other words, Australia could benefit from having a DTA-led technology procurement specialist capability.
- 4.35 Further to the above, when comparing to arrangements the SSA sellers have with other government agencies globally, the value of central coordination by the DTA was also echoed by several of the SSA sellers.

¹⁵⁹ Shared Services Canada launches Centre of Expertise in Agile and Innovative Procurement, February 2019. Available at: <https://www.canada.ca/en/shared-services/campaigns/stories/agile-innovative-procurement.html>

¹⁶⁰ Available at: <https://www.finance.gov.au/government/procurement/centre-procurement-excellence>

Enable tailoring and flexibility

- 4.36 Other nations and Australian States and Territories interviewed all shared similar views about the importance of ensuring whole of government arrangements remain fit-for-purpose by tailoring and driving flexibility to address diverse agency needs and risk profiles, and adapt to technological changes over time.
- 4.37 Canada's experience in respect of managing the diverse risks and priorities which differ significantly between agencies highlights the importance of enabling flexibility and tailoring. Shared Services Canada needs to accommodate variations across 213 agencies, from Mountain Rangers in remote regions to administrative specialists in urban locations, to ensure the effectiveness of their centralised agreements. This diverseness can be likened to Australia's, with technology needing to be able to cater for Australians and the Australian Government across an equally diverse range.
- 4.38 Flexibility within centralised arrangements also ensures that whole of government arrangements can adapt to changing operational demands and technological advancements. By integrating mechanisms that reflect the unique challenges and objectives of individual agencies, governments can foster resilience and alignment ensuring continued relevance and efficiency in service delivery.

Consolidated reporting means better decision-making

- 4.39 Accurate and centralised data collection is fundamental to making informed decisions about technology contracts and investments. Improved transparency through robust reporting processes helps governments identify trends, optimise investments and strengthen negotiations.
- 4.40 One of the challenges facing the USA is the absence of meaningful aggregated data on technology spending. Current reporting mechanisms rely on self-reported information from personnel who may lack the requisite expertise, limiting the reliability and comprehensiveness of the data collected. To address this, in January 2024 the US Government Accountability Office called for a series of improvements

in technology reporting, releasing a report with two primary recommendations¹⁶¹ across major US agencies, including:

- Track software licenses that are currently in use for its widely used licenses.
- Compare the inventories of software licenses that are currently in use with information on purchased licenses to identify opportunities to reduce costs and better inform investment decision-making for its widely used licenses on a regular basis.

4.41 Action on these recommendations was subsequently implemented¹⁶².

4.42 Whilst progress on reporting transparency in the USA has been limited, nations like Canada and New Zealand demonstrate the benefits of improved data collection and transparency in enabling informed decision-making and strategic planning across government ICT portfolios. Canada, for example, has achieved notable cost visibility through detailed comparative analyses, metrics and explicit unit cost reductions for services such as connectivity. Challenges were noted by New Zealand in respect of opaque investment visibility, which is partly underpinned by insufficient or inconsistent reporting mechanisms, hampering decision-making around technology investment.

4.43 Whilst there is an administrative overhead introduced through any new reporting requirement, the lesson Australia can draw from other nations is the significant value that can be achieved from better informed decision-making as related to ICT investment and buy.

Balancing dependency and stability with competition and monopoly risks

4.44 There is an ongoing tension between:

- Driving consistency and stability.
- Making technology choices which create dependencies.

¹⁶¹ Federal Software Licenses: Agencies Need to Take Action to Achieve Additional Savings, US Government Accountability Office, 29/01/2024. Available at: <https://www.gao.gov/products/gao-24-105717>

¹⁶² Federal CIO calls for agencies to inventory licenses with 'top 5 software vendors', 26/03/2025. Available at: <https://fedscoop.com/top-5-software-license-inventory-federal-cio-greg-barbaccia/>

- Preserving competitive procurement processes to drive value for money.
- 4.45 There is no one permanent solution, and all jurisdictions reported needing to constantly consider this balance.
- 4.46 Maintaining competitive tension wherever practicable is essential to managing the risks of monopolistic supplier arrangements. This is a principle enshrined within the CPRs and is observed throughout procurement activities within the Australian Government.
- 4.47 Canada and New Zealand's efforts to avoid over-reliance on single sellers demonstrates the importance of preserving bargaining power and fostering value-for-money outcomes. An example comes from the Enterprise Resource Planning (ERP) capability where both nations have sought to engage a diverse range of ERP providers, for example SAP, Workday and TechnologyOne.
- 4.48 Where other nations find themselves in a position of dependency or with high switching costs, contracts can be moved to negotiating a rolling contractual window basis (e.g. 5 years), negotiating one out-year at a time. Although 5 years is not a significant window to replace entrenched, critical technology, this allows a sufficient approach for the nation to plan and execute a transition from existing technology, if required.

Large technology sellers benefit from fragmentation

- 4.49 Other nations noted anecdotally that large technology sellers frequently exploit fragmented procurement landscapes, leveraging the lack of transparency and unified agreements to maintain advantageous commercial positions. As such, fragmented procurement and contracting can increase monopolistic risk.
- 4.50 Further, other nations noted that the large technology sellers often show little interest in promoting change or enhancing transparency, as the status quo enables them to maximise their influence and profitability.
- 4.51 To counteract this dynamic, governments must coordinate efforts to negotiate more equitable arrangements. Establishing unified contracts and increasing transparency diminishes fragmentation while fostering a more competitive and fair procurement environment that benefits all stakeholders.

Access to information is critical

- 4.52 Whole of government arrangements were commonly cited by other nations as large and complex. As a consequence, it is difficult for the users of these arrangements to stay informed, and to know how to extract full value. This was echoed by the State and Territory users of the SSAs.
- 4.53 A key mechanism utilised by Canada was the establishment of an online IT Service Catalogue for government agencies to obtain information about, and to order, enterprise services (e.g. email, mobile technology, workplace technology devices). The introduction of this catalogue supported Canadian agencies to better deliver programs and services by making the information about the arrangements more readily available.
- 4.54 While the Australian Government already has in place BuyICT¹⁶³, the value of this as a mechanism to enable ease of information access was echoed by New Zealand. What is evident in comparing digital.govt.nz and BuyICT.gov.au, the information commonly included is:
- Arrangements need to be listed on the public access site, including how to access this and validity periods. This information is available on BuyICT.
 - Specific information on the products and services available under each arrangement is included for ease of reference. More specificity could be included on BuyICT¹⁶⁴ in this regard to enable potential buyers to understand more about what the SSAs cover.
 - The extent to which agreements can be customised or be flexible is summarised at a high level. This information is not available on BuyICT.
- 4.55 Further, to the extent possible, the preference is for information to not be protected behind a credential wall (i.e. requiring a log in) to make access as simple as

¹⁶³ Several States and Territory's have similar websites, such as <https://buy.nsw.gov.au/>. Links to each of these are available at: <https://help.tenders.gov.au/state-and-territory-opportunities/>

¹⁶⁴ There are buyer profiles included on BuyICT, which the SSA sellers can update at their own discretion. These profiles provide a high level overview of the seller, and no profiles are available for Rimini Street or Microsoft. Direct links to the profiles are provided below:

- [AWS](#)
- [IBM](#)
- [Oracle](#)
- [SAP Australia](#) and [SAP Concur](#)
- [Data#3](#) (Microsoft's reseller for the Australian Government)

possible. A key exception to this is any commercial in-confidence materials (e.g. discount pricing offered by a seller).

CHAPTER FIVE

Optimising the SSAs for the future

How to get the most from these arrangements moving forward.

CHAPTER OVERVIEW

While the review considers SSAs remain fit-for-purpose for supporting the Australian Government's digital transformation agenda, the review identified numerous ways to extract further value by strengthening their design, management and impact.

In terms of engaging with the market, there is opportunity to:

- Better leverage existing whole of Australian Government planning processes, such as the Australian Government digital investment planning process, to inform emerging large-scale technology and sourcing requirements.
- Publish a framework articulating the SSA model, its life cycle and expectations, to drive transparency of who the Australian Government want SSAs with.

In terms of maximising negotiation outcomes:

- Simplify head agreements, to be achieved in part by consistently adopting the Australian Government's terms and conditions as the basis for negotiation, rather than as is currently the case, sometimes adopting the seller's terms as that basis. This in turn, makes it easier for both the buyers and sellers, as contracts are entered with many agencies across the Australian Government.
- In order to deliver the value that buyers want, ensure SSAs continue to deliver great discounts, terms and conditions that align to policy, and meet the buyers' requirements. Failure to do so will undermine the usage of the SSAs.
- To optimise outcomes for the Australian Government, prioritise flexibility across products and services, keeping the arrangements simple and agreeing an exit plan to enable buyers' freedom of technology choice into the future.
- Further strengthen the DTA's centralised negotiation capability by incorporating the well-established technology procurement capability of the biggest buying agencies; this is also seen an opportunity to further help align deals with needs.

Other observations include the need to: set clearer expectations for what constitutes a strategic partnership with the Australian Government to further enhance the national digital agenda; uplift information, education and reporting; and review existing SSAs to ensure they remain fit-for-purpose and strategically aligned.

Getting the most out of the market

- 5.1 The Australian Government has an opportunity to generate further value from whole of Australian Government arrangements like SSAs, by investing in their future.
- 5.2 Australian Government agencies are reliant on these technologies and will typically engage these sellers regardless of whether SSAs exist. As such, consolidating these needs and arrangements under a single head agreement makes sense, particularly when complemented by a clear framework for selection, management and removal of sellers.
- 5.3 In the same spirit, while there is broad support to retain SSAs in some form due to the proven benefits to the Australian Government, the review identified numerous ways in which further value can be extracted. For example, implementation of CAIP Plans and raising expectations through the establishment of an SSA seller led Technology Collaboration Centre as outlined in the *Enhancing growth of the Australian technology sector* section of this report.
- 5.4 The other most commonly supported strategic opportunities with regards to the market are discussed below.

Integrated strategic planning

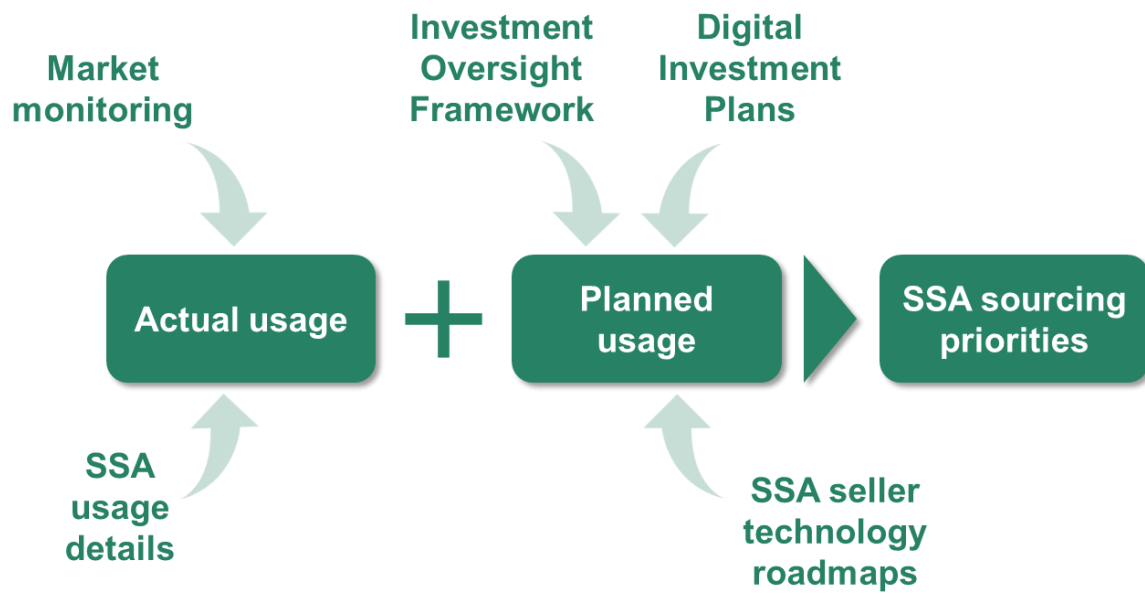
- 5.5 While some technology and digital long-term planning processes are in place across the Australian Government¹⁶⁵, better leverage of these for whole of Australian Government strategic sourcing purposes will be useful. Meaningfully understanding the technology choices being made by agencies in their strategic plans is a valuable input to determining what emerging needs are, relevant to SSAs.
- 5.6 The transition from on-premise technology to cloud services over the past decades has introduced major changes to the technology landscape within the Australian

¹⁶⁵ For example, the Data and Digital Government Strategy

Government, including a pronounced disconnect in digital planning across agencies, making identification and establishment of new SSAs challenging¹⁶⁶.

- 5.7 A range of existing information sources is available to the DTA to inform the strategic sourcing priorities relevant to the SSAs, as illustrated in the figure below.

Figure 17 Strategic sourcing information model



- 5.8 The collective intention of these activities is for the DTA to have a clear view on what is being utilised specifically by agencies, and any planned technology changes as relevant to the SSAs, to enable the formulation of a clear set of products and services in which the Australian Government optimise the SSAs for.
- 5.9 Each of these dimensions are further explored in the below sections.

Market monitoring

- 5.10 Implementing market monitoring activities to support the identification of new SSA sellers is critical in maintaining currency with the technology market as it evolves over time.
- 5.11 Active monitoring of the market is critical to the identification of the ‘right’ sellers who could potentially qualify for having an SSA. In considering this, stratifying the

¹⁶⁶ Traditionally, long-term technology financial planning was embedded within 10-year Capital Management Plans, encompassing extensive planned outlays for upcoming technological investments. However, the transition to cloud services, coupled with the shift from capital expenditure (CAPEX) to operational expenditure (OPEX), has undermined the completeness of these plans. The inherently short-term nature of OPEX spending complicates the projection of long-term financial needs, thereby degrading the strategic foresight embedded within the Capital Management Plans.

market will serve as an important first step to group sellers against a common hierarchy, which could consist of four cohorts:

- **Active SSAs** – Microsoft, Amazon Web Services, Rimini Street, IBM, Oracle and SAP.
- **Potential SSAs** – sellers which have either a significant volume of business or are deemed critical to government service delivery and represent the next cohort for consideration in becoming an SSA.
- **Emerging** – sellers which have presence in the Australia Government, however, do not yet have a sufficient volume of business.
- **All other sellers** – any other sellers.

5.12 The DTA could utilise a range of sources to develop a list of potential SSAs, which may warrant moving to the Active SSAs category, including:

- The newly implemented Digital Investment Plans.
- Submission through the Investment Oversight Framework, in particular the Procurement Plans submitted as part of the business cases.
- Market scans and spend profiles (e.g. AusTender, Gartner).
- Feedback from buyers regarding potential sellers warranting an SSA.

5.13 **The DTA should implement continuous market monitoring to identify potential SSAs, including leveraging the newly implemented Digital Investment Plans.**

SSA usage details

5.14 Knowing what is being used is a critical input to knowing where the value needs to be optimised for the SSAs.

5.15 Greater visibility through additional reporting of product and service usage levels across the Australian Government¹⁶⁷ as relevant to the SSAs is required, including:

- Products being used by agencies, and estimated number of licences or subscriptions issued.
- Services being consumed, and the total spend value on these.

¹⁶⁷ To reduce an administrative burden,

- 5.16 To the extent possible, this information could be obtained from sellers, complementing the invoices issued by the sellers.
- 5.17 Whilst this information is critical to ensuring an understanding of the points of value that can be optimised, it is important to keep the reporting request as simple as possible so as to not administratively over-burden agencies or sellers.
- 5.18 **The DTA should generate a list of products and services, and estimated quantities (refer to the *Get timely, accurate data* section of this report), actively used by buyers under the SSAs to support future negotiations.**

Investment Oversight Framework (IOF)

- 5.19 The DTA's *Investment Oversight Framework* (IOF) is another source for strengthening data to support technology demand and sourcing requirements across the Commonwealth.
- 5.20 The IOF typically requires the submission of two key artefacts as part of the two-pass business case process:
- Solution designs which provide the architectural plans relevant to the business case, and commonly identify the capabilities and technologies required.
 - Procurement Plans which can provide specific insight into the intentions of agencies and often reflect the outcomes of an initial approach to market (e.g. Request for Information).
- 5.21 Where sellers or technology choices are specifically identified within the business case, these can be consolidated into the technology architectural landscape for the Australian Government¹⁶⁸.
- 5.22 In respect of the SSAs, it is noted that the IOF is primarily focused on New Policy Proposals. While this framework provides robust oversight for investments in technology over \$10m, including the sustainment of the solutions typically over the forward estimates (a five-year window), it commonly excludes consideration of expenditure that is essential for maintaining and upgrading existing digital capabilities, or any agency internally funded technology projects.

"DTA are going into [SSA] negotiations not fully understanding what agencies' roadmaps are." Buyer stakeholder

¹⁶⁸ The review acknowledges there are Government security provisions which apply to New Policy Proposals.

Digital Investment Plans (DIPs)

- 5.23 The establishment of this planning represents a key data and information gathering opportunity, to identify emerging large-scale product and service requirements, which in turn may support SSA opportunity identification. The Digital Investment Plans can capture:
- Both Capital (CAPEX) and Operational (OPEX) spending plans.
 - Inputs from the Investment Oversight Framework, especially in relation to Procurement Plans outlining proposed technology choices.
 - Operational enhancements or upgrades, where they meet relevant thresholds.
 - The planned technology architecture landscape within agencies, aligned to the Australian Government Architecture wherever relevant.
- 5.24 As relevant, this can be supplemented by engagement activities to understand technology roadmaps or strategies as relevant to the SSAs.

Seller technology plans

- 5.25 Sellers commonly make available their technology plans, including upgrade plans and end of life intentions. These are critical inputs to the long-term planned use of technologies, in particular cloud services.
- 5.26 The DTA could overlay the actual usage, IOF and DIPs with these seller plans as part of determining key areas of focus for negotiations and determining emerging whole of Australian Government technology risks which could be addressed through the SSA.

Contracting model

- 5.27 In considering whether the SSAs be retained, the review came from a first principles perspective, weighing the relative strengths and weaknesses available as contracting models.
- 5.28 A range of models are available to the Australian Government when contracting with technology sellers, which include:
- **Strengthened SSA contracting framework** (proposed model) - The updated SSA model with proposed recommendations from this report implemented.

- **Limited Tender SSA model** (current model) – The existing Limited Tender model with no changes made (i.e. recommendations from this report are not implemented).
- **Panel model** – The DTA run an Open Tender to establish a panel (similar to those already on BuyICT), or subsume the SSA sellers into existing panels.
- **Individual agency contracts** – Encompassing any contractual mechanism whereby the relevant agency contracts directly with the seller.
- **Model contracts** – Example contract clauses are designed (similar to the Commonwealth Contracting Suite) and agencies leverage these as part of contracting activities.

5.29 The strengths and weaknesses impacting each of these models is outlined in the table below.

Table 11 Relative strengths or weaknesses impacting alternative models (with X marks where they impact)

Strength / Weakness	Description	SSA Contracting Framework (including proposed changes)	Limited Tender SSA model (current model)	Panel model	Individual agency contracts	Model contracts
Strengths	Maximised leverage for negotiation, especially for mid-size / small agencies	X	X	Larger agencies may be able to compel similar commercial offers	Larger agencies may be able to compel similar commercial offers	Larger agencies may be able to compel similar commercial offers
	Consistent terms and conditions	X	X	X	Nil	X
	Improved contracting efficiency (relative to individual agency contracting)	X Also, reflective of anticipated buy profile	X Also, reflective of anticipated buy profile	X	Nil	Nil
	Maximises competitive tension	Expansion of SSAs will encourage greater competition amongst those holding SSAs ¹⁶⁹	Nil	X	X	X
	Leverage of specialist technology procurement expertise in DTA	X	X	X	Nil	Nil
	Improved transparency through AusTender reporting	X ¹⁷⁰	Nil	X	X	X
	Centralised management	X	X	X	Nil	Nil
	Highly tailored to agency requirements	Nil	Nil	Nil	X	X

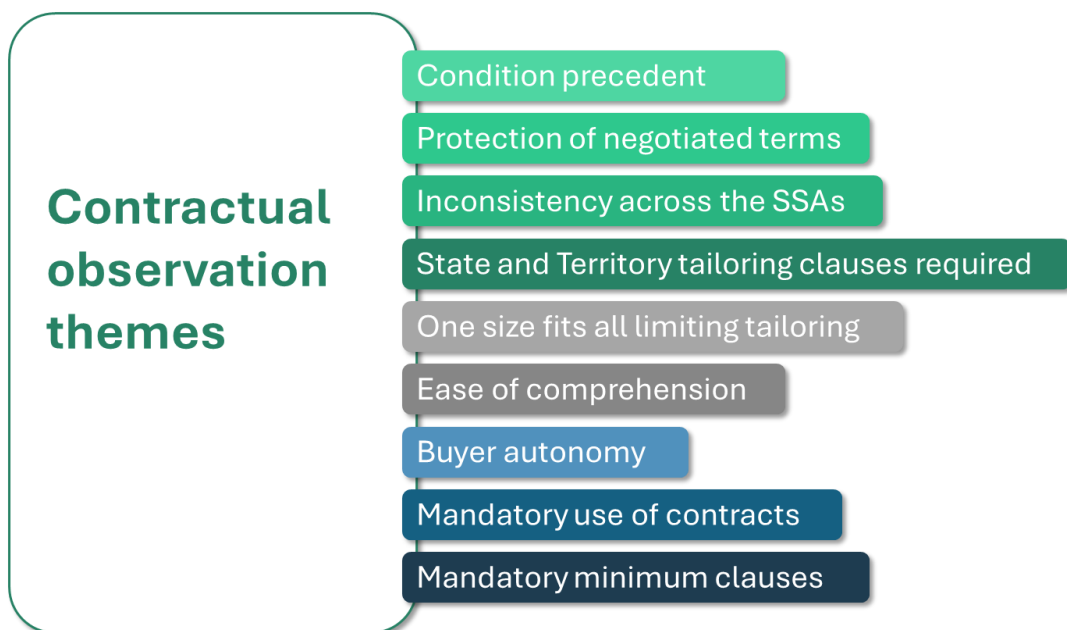
¹⁶⁹ Assuming the implementation of a framework outlined in the *Clarity through a framework* section of this report.

¹⁷⁰ Assuming the implementation of amendments to the AusTender reporting mechanisms outlined in the *Improving reporting and transparency* section of this report.

Strength / Weakness	Description	SSA Contracting Framework (including proposed changes)	Limited Tender SSA model (current model)	Panel model	Individual agency contracts	Model contracts
Weaknesses	Not specifically tailored to agency requirements, necessitating further detail be included within work orders (contracts)	X	X	X	Nil	Nil
	AusTender reporting complexity, limiting transparency	Nil	X	Nil	Nil	Nil
	Limited specialist technology procurement expertise outside of very large agencies	Nil	Nil	X	X	X
	The terms and conditions within panels don't align to those within the SSA	X	X	Nil	Nil	Nil
	Inconsistency in pricing, and terms and conditions across agencies	Nil	Nil	X	X	X
	Limited realisation of contracting efficiencies	Nil	Nil	X	X	X

- 5.30 Further to the above, and as already noted within this report, the SSAs are complex. Given that both the SSA seller and the Australian Government have to be satisfied with the contract negotiation outcome, there will always be an element of difference between each of the SSAs respectively and any panels in place, reflective of the outcome of the negotiations.
- 5.31 While the precise structure and format of the head agreement and contracts are to be developed and implemented by the respective legal teams of the DTA and SSA sellers, the following observations were made.

Figure 18 Contractual observation themes



- 5.32 In respect of these elements, the following is provided:
- **Condition precedent** – These can be utilised as a key means through which specific targets, and outcomes for achieving those targets, can be incorporated within the SSAs. Importantly, an escalation of targets, rather than a single trigger point, can help reflect potential growth or shrinkage in the usage requirements of the Australian Government throughout the life of the SSA.
 - **Protection of negotiated terms** – It is critical to preserve negotiated terms and conditions through ‘Order of Precedence’ so that these are not overridden by the SSA sellers’ global terms and conditions which are regularly updated,

and which can give rise to unintentional risks to buyers (e.g. through seller terms overriding SSA provisions or adding new risks)¹⁷¹.

- **Inconsistency of the SSAs** - Usage of the SSA sellers' terms and conditions as the basis of the SSAs (or the basis for some of the components of the SSAs) is a key contributor to the difference in contractual layouts. This makes it harder for buyers to comprehend and utilise the SSA, as each SSA is different and some are markedly different from both the layout and standard set of terms and conditions the Australian Government utilises¹⁷². Use of the Australian Government's terms and conditions as the basis is a key mechanism to drive consistency.
- **State and Territory tailoring clauses** – As noted earlier in this report, a mechanism required to enable States and Territories to utilise the SSAs is for specific clauses or addendums to be included to enable alignment with State and Territory laws and policy. Failure to do so means States and Territories cannot sign onto the SSA, noting this also has to be agreed to by both the DTA and the seller.
- **One size fits all** – There is little stratification of the relevance of clauses to differing sized entities within the Australian Government. Whilst there is a bare minimum set of clauses required for policy, some clauses (e.g. governance, liquidated damages) could be adjustable based on an agency's buy profile. Further, buyers reported having limited ability for agencies to turn off and on clauses that are not applicable to them under the head agreement, which would aid in providing greater flexibility.
- **Ease of comprehension** – The contractual language and layout was reported by several buyers as being difficult to understand. Whilst the review acknowledges the documents are designed with specific legal language in mind, wherever terminology and layout can be simplified will assist in buyers and sellers being able to interpret the head agreement in subsequent discussions with SSA sellers (e.g. negotiating contracts or in delivery).
- **Buyer autonomy** – Buyer autonomy is provided for through the contracts under the SSA head agreements. This approach enables buyers to define their

¹⁷¹ Any update SSA sellers want to make to key terms and conditions (e.g. those associated with sovereignty) could be undertaken through the periodic reviews of the contracts.

¹⁷² For example, the contract structures provisioned under the established DTA Marketplaces.

own specific requirements, whilst leveraging the terms and conditions contained in the SSA. Further, the experience from GovERP was that autonomy in technology architecture is critical to ensuring fit-for-purpose, efficient technology solutions in government. This was echoed by buyer representatives.

- **Mandatory use** – Mandatory use of the SSAs needs to be retained, given the substantial effort both parties have undertaken to negotiate them and the alignment with government policy which is achieved through the SSAs. This is particularly important given the mandatory nature of the SSAs is a key bargaining chip¹⁷³.
- **Mandatory minimum clauses** - The establishment of a mandatory clause minimum within the head agreements sets a key governance mechanism to safeguard any override of certain critical clauses (e.g. security and data sovereignty provisions), which cannot occur without the express approval from the DTA. This strengthens the bargaining position of buyers when interacting with sellers and agreeing relevant contractual amendments under the SSA. Exceptions will always need to exist to these mandatory clauses, especially as the technology environment changes, such that the DTA needs a means to assess exceptions.

5.33 The review also heard from a range of buyers that:

- The terms and conditions within the SSAs were sometimes out of alignment with the scope and intent of the project being run by the buyer.
- Anecdotally, there is evidence that SSA sellers are undermining the use of the mandatory agreements in some instances.
- Agencies continue to report that where an SSA isn't in place they are seeing variability in pricing / rates across the Australian Government.

Clarity through a framework

5.34 In the context of the SSA model being identified as the preferred model, there is opportunity to strengthen the DTA's ability to identify, manage and close SSAs by

¹⁷³ In absence of the mandatory requirements, the review heard larger agencies in particular may walk away from the bargaining table undermining negotiation leverage.

formally implementing a framework. This will also enable transparency for other sellers seeking such an arrangement with the Commonwealth.

- 5.35 The review found a lack of clarity amongst stakeholders regarding the conditions that govern the Australian Government's decision to establish an SSA, and the basis on which to assess sellers. While the DTA draws on internal documentation that outlines how SSAs are appointed and managed, this information is not publicly available.
- 5.36 Stakeholders broadly agreed that contracts of this magnitude and impact to the Australian Government and economy, need to be assessed on the basis of agreed upon and widely known rules, or criteria.
- 5.37 A framework will drive transparency and understanding of the SSA life cycle by:
- Determining the strategic planning processes, data and information sources for identifying emerging SSA opportunities.
 - Providing the basis on which to invite a seller to enter into an SSA.
 - Testing and evaluating current SSAs.
 - Informing and educating all stakeholders.
- 5.38 Proposed elements of the framework are outlined below. Other elements requiring inclusion are: the purpose and objective of the framework, governance, roles and responsibilities, risk management, and the continuous improvement model.
- 5.39 **The DTA should publish a framework that supports clear and transparent assessment of the suitability of existing and potential SSA sellers, and reassess the incumbent SSAs against the new framework to determine ongoing eligibility.**

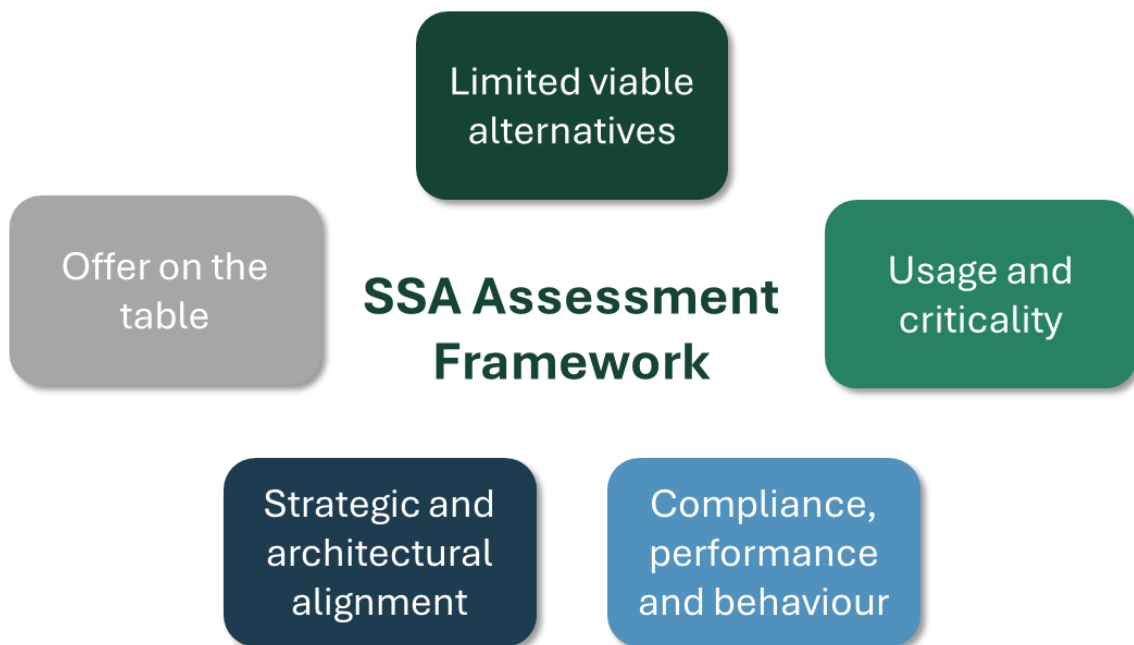
Defining conditions that warrant an SSA

- 5.40 The DTA has internal guidance that can be utilised to assess whether a seller meets a range of criteria for consideration in being an SSA. This includes consideration of:
- The seller's annual spend across the government.
 - A comparative market assessment of the products and services offered.
 - Whether there is a competitive market for the relevant products or services.

- Strategic alignment supporting key objectives of government.
- The deal which was put on the table, including willingness to agree to terms and conditions favourable for the government.
- Whether the SSA is considered ethical and low risk.
- The desire for multiple buyers to have a long term, strategic arrangement.

5.41 In considering the internal guidance, stakeholder feedback and insights from this review, a set of principles were developed that could underpin the choice of an SSA as part of a published framework.

Figure 19 Indicative Principles



5.42 Under these principles, an SSA could be established where, on balance, the principles are met. Meeting any one of these principles by itself may not indicate that an SSA be established. Conversely, failure to meet a principle in isolation may not cause a seller to be disqualified from the SSA.

5.43 Given the importance of SSAs to the Australian Government, the DTA must retain discretion in making a decision to enter an SSA, based on the evidence obtained and the extent to which a seller satisfies these five dimensions.

5.44 A brief discussion surrounding these principles is provided below.

Limited viable alternatives

- 5.45 SSAs make sense to be considered when similar suitable products or services are not readily available in the market.
- 5.46 Evaluating alternatives requires a robust understanding of market dynamics so as not to undermine the principles of transparency, fairness, and accountability relevant to the CPRs. In the technology market, whilst the SSAs are an example of limited viable alternatives existing in some instances, this criterion will be rarely met by any other seller to be considered for an SSA. For example, *Appendix G: Competitive* provides examples of products that compete with the existing SSAs.
- 5.47 Factors that may contribute to the availability of viable alternatives include:
- Compliance with data, cyber and security obligations.
 - Copyright and intellectual property restrictions.
 - Willingness to adhere to Australian Government terms and conditions.
 - Geopolitical considerations.
- 5.48 Nonetheless, the consideration of the availability of alternatives is a critical factor in assessing whether an SSA may be required.

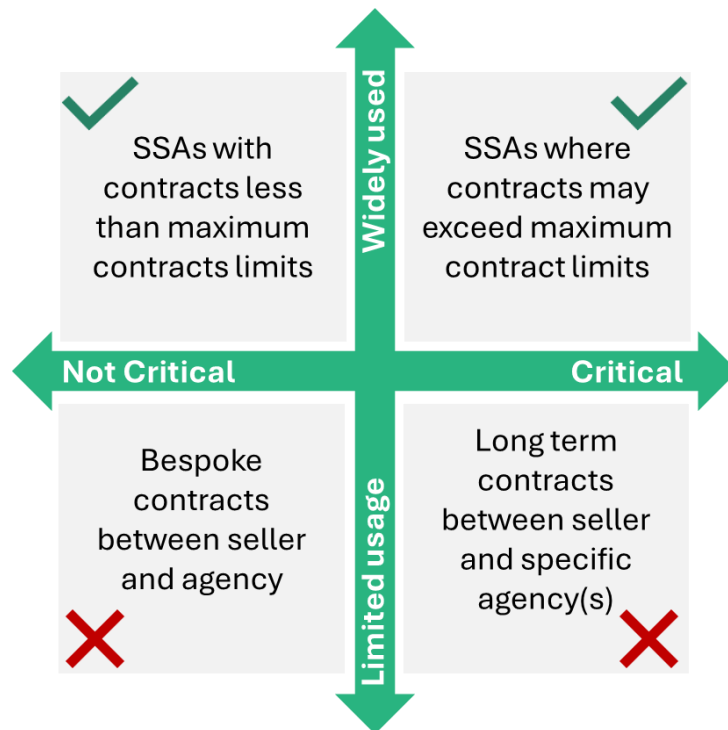
Usage and criticality

- 5.49 The extent to which a product or service is used, in combination with its criticality, is an important consideration, given the benefits tied to volume, and continuity and reliability of core technology. Where usage of a technology product or service is low, negotiating an SSA is unlikely to yield sufficient return on investment to justify the effort and resources required.
- 5.50 In consideration of usage, there needs to be consideration of:
- The total amount of Australian Government spending with the SSA.
 - The total number of agencies utilising the seller¹⁷⁴.
 - The ‘*Offer on the table*’ (discussed below).

¹⁷⁴ Where there are a lot of agencies (e.g. 20+), this supports the establishment of an SSA. Where there are few agencies, it would be more appropriate for bespoke contracts to be established by the respective agency.

- 5.51 The combination of these factors represents the return on investment to the Australian Government, when the expenditure required by the DTA to establish the SSA is also considered (refer to the *Costs* section of this report).
- 5.52 Separately, there may be instances where the criticality of the SSA seller to the Australian Government’s technology landscape warrants an SSA being established despite the return on investment. To maintain competitive tension in the market, the circumstances that warrant an SSA solely for criticality reasons will be rare.
- 5.53 Assessment could be undertaken through the utilisation of a quad chart as depicted in the graphic below:

Figure 20 Example assessment against usability and criticality¹⁷⁵



Compliance, performance and behaviour

- 5.54 Compliance and seller behaviour form a foundation of trust. Products and services under consideration must align with established government policies and standards to ensure adherence to regulatory requirements and strategic objectives. Proven seller behaviour, including adherence to ethical practices and a commitment to delivering on promises, is vital in fostering long-term, strategic partnerships.

¹⁷⁵ This quad chart assumes no changes are made to the *Contract Limits and Reviews Policy*.

- 5.55 Leadership and engagement in fostering genuine strategic technology partnerships is necessary to elevate shared goals rather than short-term transactional engagements. Sellers demonstrating poor compliance, underperformance, unethical behaviour, or actions that conflict with the values of the APS will not align with government's expectations. Such sellers risk eroding trust and the collaborative spirit essential for SSAs. Further, behavioural evaluations can be extended to assessing sellers' contributions to enhancing public-sector capabilities.
- 5.56 Performance of the SSA seller is another factor to be considered by the Australian Government, as outlined in the *Improving reporting and transparency* section of this report. Performance can be considered at both the establishment of a new SSA, as well as throughout the life of the SSA to inform any decision to renew the SSA.
- 5.57 By prioritising sellers with a demonstrated commitment to the right compliance and behavioural practices, the Australian Government can establish SSAs that uphold public values while addressing critical needs. Where breaches are identified by agencies or the DTA, the DTA need to hold the SSA to account under the established contractual mechanisms, including the potential dissolution of the SSA where warranted.

Strategic and architectural alignment

- 5.58 The extent to which the SSA seller and its technology aligns with the various strategies across the Australian Government is an important factor to ensure these strategies are able to be achieved. Strategic alignment can be drawn from across the Australian Government, including:
- List of Critical Technologies in the National Interest
 - Data and Digital Government Strategy
 - 2023-2030 Australian Cyber Security Strategy
 - Buy Australian Plan
 - APS Net Zero Emissions by 2030
 - APS Reform Agenda
 - PSPF Directives
 - Alignment to other Australian Government policy settings.

- 5.59 Architectural alignment to the Australian Government architecture is a further consideration in this area. Products or services must integrate or interoperate seamlessly with existing systems while adhering to common standards and fostering data-sharing capabilities. This is important to optimise resource allocation within agencies and improve digital service experience for Australians.
- 5.60 Stability must be balanced with flexibility - where significant architectural differences exist, the costs of integration and interoperability may outweigh the benefits, rendering an SSA impractical.

Offer on the table

- 5.61 The value of the offer is an important determinant of whether an SSA be pursued.
- 5.62 Whilst discounts are key, greater value can be sought by considering the holistic value proposition by the seller. This is particularly relevant as it relates to improving the total cost of ownership over the life of the SSA, and sustainability beyond that point. This is further discussed in the *Considering the holistic value proposition* section of this report.
- 5.63 Further, given the risks outlined in this report, the value of the offer needs to substantially exceed the costs to the DTA outlined in the *Costs* section of this report. Whilst specific contract value thresholds could be implemented (e.g. a minimum of \$100m must be spent on the seller prior to an SSA being implemented), sellers and the DTA are better to consider the return on investment, whereby the benefits are weighed against the costs and risks.
- 5.64 Where the offer is materially the same as the retail price available, there is little real cost avoidance available to the Australian Government beyond what can be obtained from panels. Such instances will not support the establishment of an SSA.

Testing the assessment process

- 5.65 In considering the sufficiency of the criteria outlined above, the review tested the assessment process against a sector that does not currently have an SSA in place: the cyber security sector.
- 5.66 The review considered specifically the relevant products and services to assess at a high level whether there is an emerging government cyber security requirement against the proposed SSA framework principles.

Case Study: The case for SSAs in the cyber security ecosystem

Identifying one or more sellers in the cyber security sector that meet at least some of the indicative criteria is premature for the following key reasons:

Limited Viable Alternatives - LOW

- The cyber security ecosystem is broad and includes a wide range of products, solutions and services (herein referred to as 'capabilities') designed to protect data, networks, systems, and users from cyber threats. Across the ecosystem, a consistent definition of cyber 'capability' is somewhat vague, and not necessarily agreed.
- The capabilities typically fall into several major categories based on what they protect and how. There is a range of established and emerging Australian and international sellers that enables a competitive market for the capabilities with several viable alternatives across each category.
- The cyber security market continues to mature and evolve in response to emerging cyber security threats, and as a result, innovative solutions which can involve multiple sellers and/or capabilities continue to emerge.

Usage and Criticality - MODERATE

- Usage of cyber capabilities across government is unintentionally obfuscated by delivery models and on selling structures, making the utilisation of technology from a contract expenditure and reporting perspective difficult to definitively identify.
- Stakeholders interviewed provided anecdotal views that products and solutions in the Security Incident and Event Management and Distributed Denial of Service solutions could potentially meet the usage and criticality threshold.

Compliance and Behaviour – CANNOT BE ASSESSED

- An assessment of seller compliance and behaviour would be required at a point in time where identified sellers were being considered for an SSA.

Offer on the Table – CANNOT BE ASSESSED

- An assessment of the offer on the table would be required at a point in time where identified sellers were being considered for an SSA.

Strategic Alignment – MODERATE to HIGH

- Many cyber security capabilities align to or can support government policies and strategies, including the List of Critical Technologies in the National Interest (that identifies protective cyber security technology) and requirements under the PSPF. Due to the range of capabilities in the market, further analysis is required to map the types of capabilities to critical requirements.

For context to this case study, the below provides a non-exhaustive overview of categories that demonstrate how vast the cyber security ecosystem is, noting that each category can be further broken down to specific sub-categories. Note, entities may provide or resell specific hardware or software, services and solutions, or a combination of these:

- Network Security
- Application Security
- Endpoint Security
- Cloud Security
- Identity and Access Management
- Security Information and Event Management, Security Orchestration, Automation, and Response, Security Operation Centre

- Threat Intelligence and Monitoring
- Vulnerability Scanning and Management
- Data Loss Prevention
- Encryption
- Backup and Recovery
- Governance, Risk, and Compliance.

Expanding on this, for example, the network security category can be further broken down to:

- Firewalls
- Network Detection and Response / Intrusion Detection Systems / Intrusion Prevention Systems
- Network Access Control
- Secure Gateway.

5.67 There is no singular seller in the cyber security market which will sufficiently meet the proposed principles of an SSA framework. The case study identifies that ongoing work is required to monitor the market to identify any emerging need to establish SSAs in the cyber security sector. An assessment of product, solution and service usage and criticality in the government context is key to understanding this.

5.68 Complemented by engagement with ASD, the review identified, however, there is potential value in establishing capability specific cyber security panels (like that of other panels on BuyICT).

Amend the rules

5.69 The Commonwealth utilises three key tiers of rules:

- **Legislation** - Provides the legal foundation that mandates obligations, offering enforceable protections that govern contractual relationships and set the minimum bar at which sellers must adhere to in order to operate within the country. Further, the Commonwealth's ability to set legislation effectively leverages the buying power of the entire nation. Exceptions to these rules are not possible, unless specifically provided for within the legislation. Examples of this include the *Public Governance, Performance and Accountability Act 2013* and the *Privacy Act 1988*.
- **Policy** – In contract negotiations, serves to project a specific position to sellers, communicating the clear expectations and outlining strategic priorities. Typically, exception to these policies is possible, however, this sometimes

requires senior government approval. Examples of this include the CPRs and the PSPF.

- **Guidelines** - This includes non-mandatory requirements, such as better practices, to set expectations.

5.70 The key opportunities to amend the rules that were identified within this report are:

- Defining sovereignty and how it relates to the Australian Government's technology sector, and determining the most appropriate mechanism to enforce this sovereignty. Refer to *Cyber and security* section of this report.
- Amending the CPRs to incorporate the SSAs as a recognised contracting framework. Refer to the *Procurement and contracts* section of this report.
- Reviewing the existing Contract Limits and Review Policy. Refer to the *Procurement and contracts* section of this report.

Getting the most out of the negotiation

Commercial realities of negotiation

5.71 For context, there are a range of commercial realities the DTA, buyers and sellers face when negotiating these arrangements. The below outlines a few of these from each of their perspectives, however, this is not an exhaustive list:

- **The technology is critical to deliver to Australians:** Although all technologies are not created equal, some of the technology provided by the SSA sellers is crucial for enabling services, infrastructure, and innovation that directly impact Australian individuals and businesses now and into the future.
- **Both need each other:** Large technology sellers and their buyers rely on each other to achieve mutual goals, whether delivering innovative solutions or maintaining a sustainable partnership.

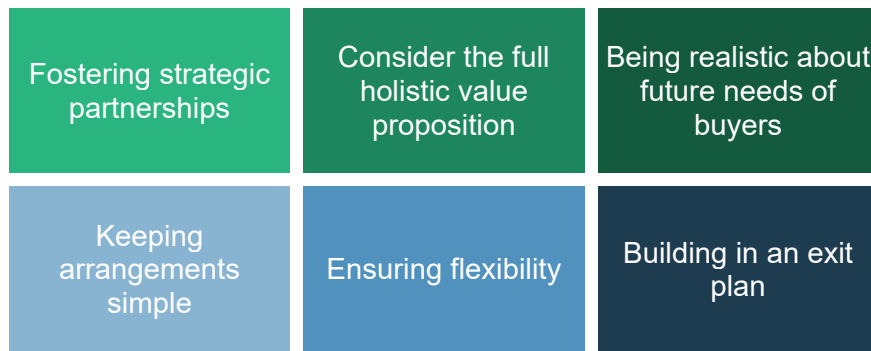
- **Both sides want the best for themselves:** Although both buyers and sellers want win-win outcomes, they also engage in negotiations seeking to optimise their own benefits, whether financial, operational, or strategic.
- **Australian Government is a valuable customer to the sellers:** The Australian Government is highly regarded by technology sellers as a significant buyer, given its strategic importance and purchasing power.
- **Negotiations are hard fought:** Contract discussions with major technology sellers are often intense, as both parties aim to secure favourable outcomes for their respective interests.
- **The SSA sellers are well experienced in negotiating with buyers globally:** These multinational technology companies bring extensive experience gained from managing contracts with a diverse range of customers worldwide, necessitating the Australian Government to ensure it has commensurate expertise within its negotiation teams.
- **Contracts and associated terms and conditions are complex:** Agreements with large technology sellers involve intricate terms and conditions that must address varying legal, regulatory, operational and management requirements across different jurisdictions.
- **High switching costs:** Opting to change / switch technology typically involves substantial costs (e.g. discovery and design, build / configuration of solutions, reintegration to existing systems, testing, deployment and managing the impact of the change) representing a fiscal barrier to changing technologies.
- **Sales cycles in technology sellers tend to drive particular behaviours:** Sellers typically focus their resources on securing sales, with service delivery and long-term support often managed separately post-contract.

5.72 In approaching the negotiations, it is acknowledged that the Australian Government SSA negotiators are cognisant of these realities. Within this context, what the DTA prioritises in the negotiations becomes critically important.

What should be prioritised

5.73 A range of key themes emerged, throughout the review, regarding the priorities in negotiating an SSA. These themes were:

Figure 21 Themes which emerged to prioritise as part of negotiations

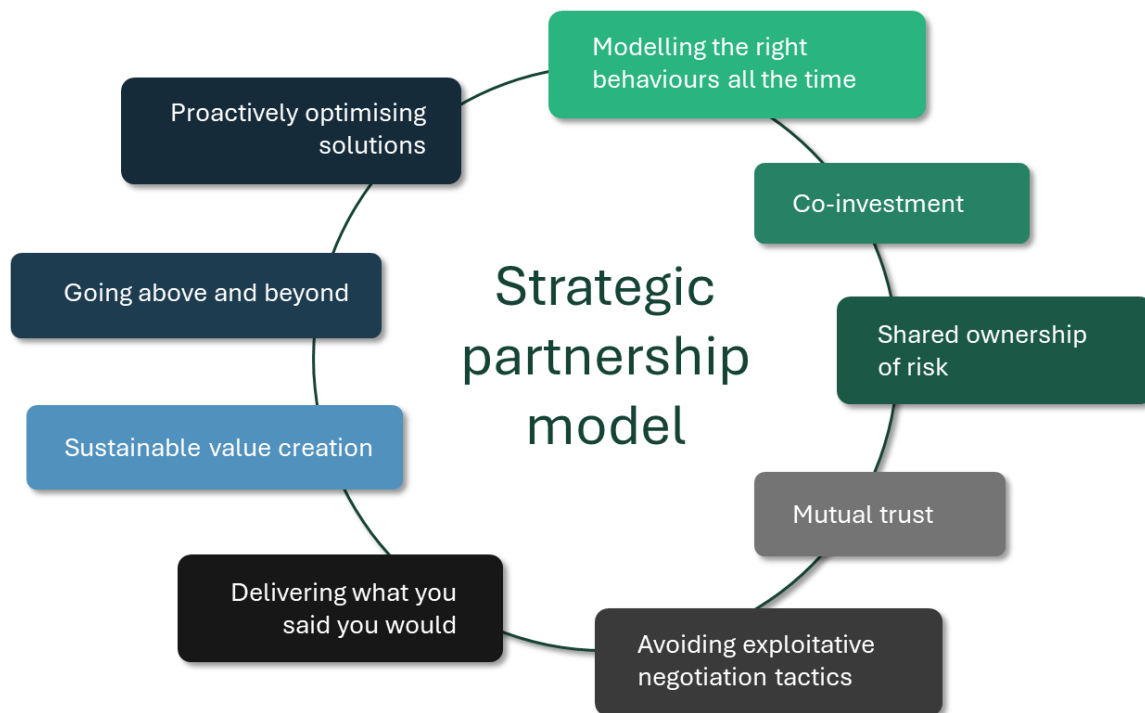


5.74 Each of these prioritisation themes are discussed below.

Fostering strategic partnerships

- 5.75 A strategic partnership between the Australian Government and the SSA seller is critical given the importance of the technology to ongoing service delivery to Australians and the dollar value of the SSAs.
- 5.76 Building a strategic partnership requires the DTA, the SSA sellers and buyers to focus on long-term collaboration, rather than transactional interactions. This fosters innovation, adaptability, and mutual trust, ensuring the Australian Government’s evolving technology needs are reliably met by its partners.
- 5.77 Partnerships, like relationships, cannot easily be codified or captured in a contract. It relies on the human beings on all sides involved, and can pivot from one single change in personnel. Therefore, the right mindset needs to be brought by all sides. Setting the expectations around this mindset is an important first step.
- 5.78 Critically, a point made by stakeholders was that a strategic partnership must be evident before the establishment of an SSA, rather than the establishment of the SSA leading to the creation of a strategic partnership. This necessitates any seller which does not have an SSA in place to demonstrate its commitment to strategic partnership as a key indicator of it being ready to be considered as an SSA.
- 5.79 With this in mind, the review acknowledges SSAs are coveted arrangements that demand a higher standard from both buyers and sellers. Across the spectrum of those engaged, a range of views about the behaviours to be modelled under the SSAs were highlighted. These have been formulated into the below strategic partnership model:

Figure 22 Strategic partnership model



5.80 In respect of each of the elements above, the review provides the below explanation:

- **Modelling the right behaviours all of the time** – Consistently demonstrating ethical, professional, and collaborative behaviours to foster a culture of integrity and reliability within the partnership.
- **Co-investment** – All parties contribute resources - whether financial, intellectual, or operational - towards shared goals, ensuring mutual benefit and commitment to long-term success.
- **Shared ownership of risk** – Acknowledging and equitably distributing risks strengthens resilience, fostering a partnership where both parties are accountable for challenges and solutions.
- **Mutual trust** – Trust is built through transparency, reliability, and shared values, enabling effective collaboration and aligned decision-making.
- **Avoiding exploitative negotiation tactics** – Engaging in negotiations in a manner which ensures agreements are mutually beneficial and respect the long-term intent to partner over maximising short-term gains.

- **Delivering on what you said you would** – Honouring commitments builds credibility and reinforces reliability, ensuring that expectations are met and trust is upheld.
- **Sustainable value creation** – Beyond immediate gains, focus on creating long-term value that benefits all stakeholders, driving ongoing innovation, efficiency, and success.
- **Going above and beyond** – Exceeding expectations in service, collaboration, or problem-solving enhances satisfaction.
- **Proactively optimising solutions** – Continuously seeking improvements across the product and service suite, including with other agencies to help maximise the uptake of technology better practices.

5.81 Feedback and examples of how the SSA sellers are living up to these expectations can play an important part to support the establishment or renewal of an SSA. Gathering such feedback can go as far as seeking input from the SSAs on their alignment with these elements as a means to strengthen the Australian Government's relationship with the sellers.

Considering the holistic value proposition

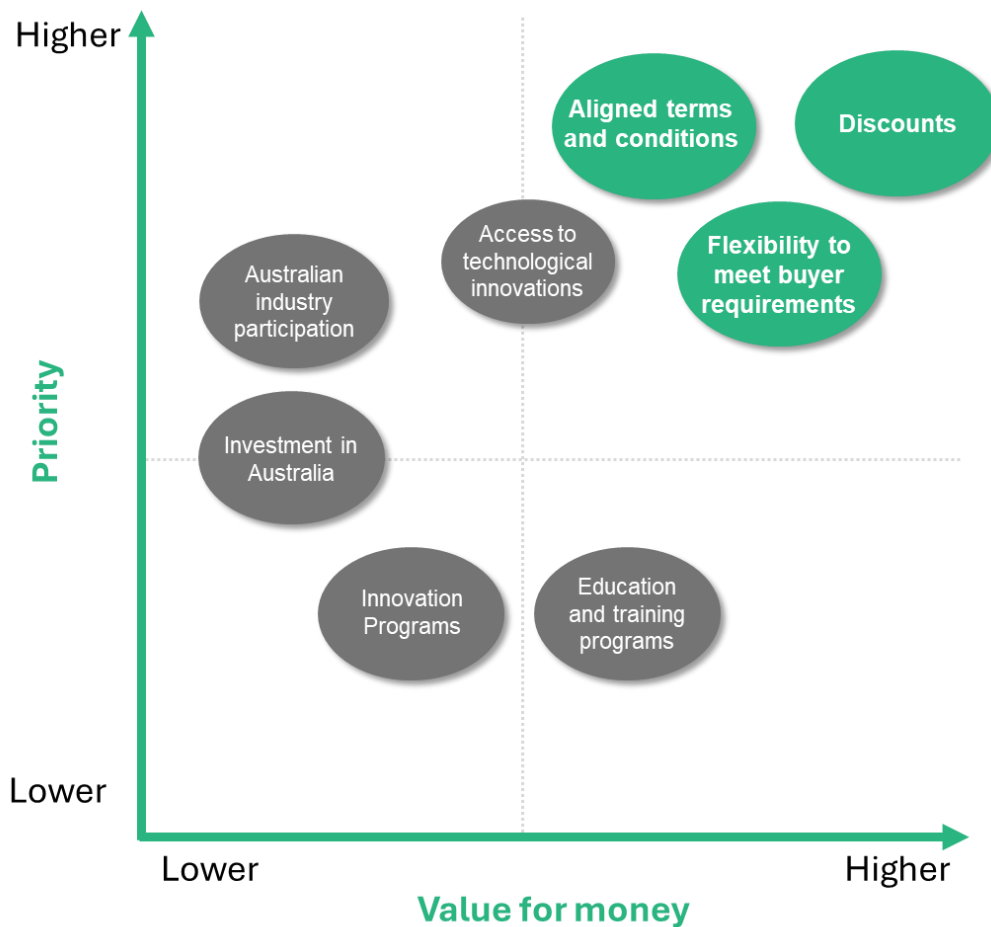
- 5.82 There is opportunity for contract negotiations to capture a broader spectrum of value, beyond simply pricing discounts. Precisely how this manifests is a matter for the negotiating table, however, there was broad agreement from across stakeholders encouraging the DTA to use a broader lens on what could constitute value.
- 5.83 It is noted, however, the introduction of this broader value offering typically comes with additional administrative burden (e.g. reporting), so must be approached with a focus on keeping the arrangements as simple as possible to avoid overcomplicating arrangements.
- 5.84 In considering value for buyers, there was also near unanimous agreement that the central focus remain on:
- Discounts.
 - A good set of terms and conditions which align to the government policy intent and the operational needs of buyers.

- Ensuring maximum efficiency in contracting.

5.85 Notwithstanding this, balancing this focus with the other priority themes (e.g. ensuring flexibility, being realistic about the future needs of buyers) is required to optimise the overall outcome for the Australian Government as a whole. The ‘right’ balance needs to be struck as part of the negotiation activities.

5.86 Indicatively, the following graphic demonstrates what buyers identified as beneficial for them. It is expected these will shift over time, reflecting changing priorities and implementation readiness across both buyers and sellers.

Figure 23 What buyers indicatively want



5.87 In the above:

- **Priority** reflects the suggested emphasis of the DTA in negotiating in these elements.
- **Value for money** reflects the benefit buyers see in the respective element.

5.88 Each of the above items is further expanded upon in the table below:

Table 12 What buyers indicatively want explained

Indicative item	Description
Discounts	Discounts are a reduction in the price of the product or service from what is available as a retail price.
Aligned terms and conditions	SSA terms and conditions align with government policies and operational requirements of buyers. In particular, the review heard that buyers value policy alignment at a head agreement level, as it reduces the effort required to incorporate these at the contract level. Further, seller obligations aligned to prevailing government policy in respect of security, data breaches, liability, warranty and intellectual property are also important.
Flexibility to meet buyer’s requirements	The SSAs are structured to enable tailoring to meet the specific operational and strategic needs of buyers, ensuring relevance and functionality.
Access to technological innovations	There are two aspects of access to technological innovation: <ul style="list-style-type: none"> • Early access and trial as a strategic partner, providing the opportunity to identify potential application opportunities. • Access following global release.
Australian industry participation	SSAs incorporate provisions supporting Australian industry participation, and meaningful plans are developed to leverage the Australian Government’s spend with the SSAs and support the pursuit of opportunities domestically or within global supply chains. This ought to represent growth beyond established partner networks.
Investment in Australia	Direct investment by the SSA into Australia. For example data centres established by Microsoft, AWS and Oracle. ^{176,177,178,179}
Innovation Programs	Structured programs that foster collaboration between government and sellers, in particular SMEs and Indigenous sellers in SSA partner networks, enabling discussions on emerging technologies, improvements, and future requirements.
Education and training programs	Investment in APS or industry education and training programs to upskill Australia. This is also consistent with the Australian Computer Society’s position paper on digital skills reform and research commercialisation to “leverage public procurement to stimulate innovation and support Australian businesses” ¹⁸⁰ .

5.89 In addition, some buyers and SSA sellers shared a view that they do not believe the SSAs take a whole of life view particularly well. It was suggested that contract

¹⁷⁶ <https://news.microsoft.com/en-au/features/microsoft-announces-a5-billion-investment-in-computing-capacity-and-capability-to-help-australia-seize-the-ai-era/?msocid=2cbaf60647e567d7167ee38646236670>

¹⁷⁷ <https://aws.amazon.com/local/australia/>

¹⁷⁸ <https://anz-resources.awscloud.com/melbourne-region-launch/aws-economic-impact-study-aws-investment-in-victoria>

¹⁷⁹ <https://www.oracle.com/au/news/announcement/oracle-strengthens-australias-digital-economy-with-a-new-government-cloud-2023-08-07/>

¹⁸⁰ Media Release: ACS calls on next government to unlock Australian productivity and innovation. Australian Computer Society, 15 April 2025. Available at: <https://www.acs.org.au/insightsandpublications/media-releases/Media-Release---ACS-calls-on-next-government-to-unlock-Australian-productivity-and-innovation.html>

negotiations address not just the immediate acquisition of technology, but its full lifecycle, including ongoing support, upgrades, and end-of-life considerations, as part of a total cost of ownership assessment. This holistic approach is consistent with the principles outlined in the *Investment Oversight Framework* and the CPRs¹⁸¹.

5.90 Further, sellers noted the SSAs allow for access to a pool of global experts (e.g. identity management, cyber security) and best practices which help shape technology roadmaps and drive improvement across buyers. Sellers also indicated the deals ensure they can invest in research and development of technology, like machine learning, artificial intelligence and quantum. The established relationships with the SSA sellers provide an opportunity for the Australian Government to have prompt access to these innovations, which further support the full value proposition on offer. This provides a key mechanism for the Australian Government to adapt to emerging technological advancements without compromising essential services for Australians.

Being realistic about future needs of buyers

5.91 Basing assessments of future technology needs on the intentions of buyers, as opposed to historical use in isolation, will improve the utilisation of the Australian Government's buying power in negotiations. This input needs to be well balanced with the impacts from fast changing technology strategies.

5.92 There are several mechanisms available to the DTA to manage this:

- Engaging with buyers to determine the amount of product and services likely required, and working with buyers to align this to the technology roadmap and investment strategy within the buyer. This could be done through existing SES sponsor groups or working groups.
- Led by the DTA, collaboration sessions with the SSA seller and buyers to co-create value-add opportunities, identification of what is working well, and resolving pain points or things that are not working well.
- Utilisation of the newly implemented Digital Investment Plans (DIPs), introduced under the Data and Digital Government Strategy, to obtain from

¹⁸¹ Paragraph 4.6 of the CPRs, available at: https://www.finance.gov.au/sites/default/files/2024-06/Commonwealth_Procurement_Rules-1-July-2024.pdf

buyers their long-term digital investment plans. This replaces the historically used Capital Management Plan (CMP) which has reduced in relevancy with the shift from capital expenditure-based technology (e.g. on-premises solutions) to operating expenditure-based technology solutions (e.g. cloud and software-as-a-solution).

- Obtaining insights from the Investment Oversight Framework, in particular submitted Procurement Plans as part of the two-pass business case process.
- For critical technology capabilities aligned with the Australian Government Architecture, the development of technology roadmaps, including the identification of the buyers which would utilise those technologies (e.g. myID and digital identity, myGov, payment platforms).

5.93 The use of these mechanisms can be determined as part of negotiation planning.

Keeping the arrangements simple

5.94 The SSAs are complex and not always well understood.

5.95 Some buyers noted the SSAs have to fit into a complex technology architecture which include a range of technology sellers, all of which have to be managed by that buyer. As a result, buyers can quickly run out of the skills, capacity and experience within their teams to properly avail themselves of the SSA. It is therefore critical the burden placed onto buyers by the SSAs is minimised to the extent possible.

5.96 Further, the review noted the complexity of the terms (including additional terms and supplemental / hyperlinked terms), the number of modules and interactions with End User Licence Agreements all contribute to the SSAs not improving efficiency. Further, in some instances, the order of precedence of contractual clauses is unclear, presenting challenges to buyers in comprehending the SSAs. It is important this complexity is actively reduced by the DTA to maximise the potential efficiency benefits which can be obtained by buyers through the SSA.

5.97 Maintaining simplicity in the SSAs will ensure ease of administration, compliance and leveraging of benefits. Clear, straightforward terms reduce the risk of misunderstandings and streamline operational processes, minimising administrative burden for both parties. This is particularly important when managing complex technology solutions within government.

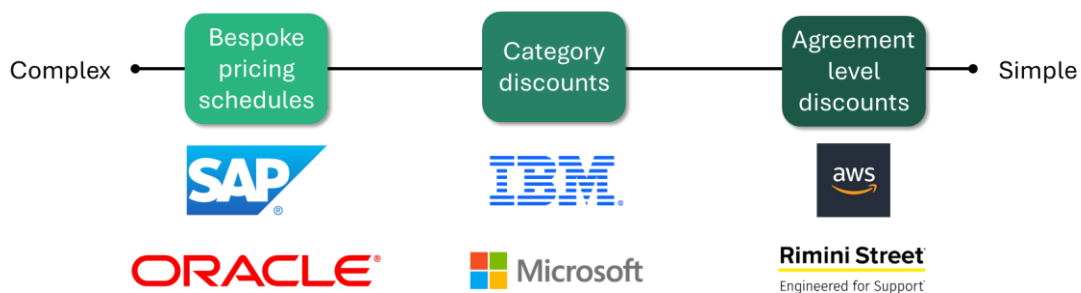
5.98 Separately, it is the prerogative of sellers to set their own prices and commercial terms. Nonetheless, the pricing structures of some of the SSAs create opaqueness. This opaqueness undermines simplicity, which makes it a challenge for buyers to assess whether the agreed deal is better than other deals being offered by other sellers for similar technologies. If the SSA seller believes they are offering a better deal than anyone else, it is in their best interest to keep it simple so the deal can be understood.

5.99 When considering the SSAs' relative complexity, in respect of understanding the discounts made available under the SSA specifically, the SSA sellers can be grouped into three broad categories:

- **Bespoke pricing schedules** – SSA sellers provide a detailed pricing schedule which reflects the discounts made available.
- **Category discounts** – SSA sellers provide a grouping of products or services provided (e.g. hardware, software, applications) and apply varying discounts for each category.
- **Agreement level discounts** – SSAs apply a single or tiered discount value across the entirety of the Australian Government spend.

5.100 The SSAs can then be plotted against a continuum as outlined below.

Figure 24 Discount model complexity continuum



5.101 Stakeholders consistently requested simplification of the arrangements to maximise the ease of use. Simplification can focus on the value-add aspects, such as:

- Discounts offered (e.g. a percentage amount off global retail prices, rather than a price list).
- Additional value adds (e.g. investment credits, access to training).
- Warranty periods.

- 5.102 In particular, the DTA preferably avoid detailed pricing schedules, as experience from buyers indicates that changes subsequently made by sellers to these pricing schedules do not always attract the same discounts.
- 5.103 Whilst a simple discount model is important, there are many other contractual clauses within the SSA arrangements which make up the overall complexity of the SSA. The review heard that many users of the SSAs find the SSAs difficult to comprehend and navigate.
- 5.104 The review also heard that buyers find it difficult to understand how to onboard and utilise the SSAs. This is made more complex with the application of any non-disclosure agreements, or similar. The DTA can respond to this by defining a clear and easy process for onboarding to an SSA and aligning this to the way in which the SSAs are intended to interact with BuyICT and the panels.
- 5.105 It is acknowledged there is a pragmatic limit to how simple and easy to comprehend the arrangements can be made.

Ensuring flexibility

- 5.106 Given the length of the contracts, the SSAs must allow for flexibility for both buyers and sellers to adjust to changes the technology, legislative or policy environments. This adaptability is essential to accommodate the dynamic needs of government operations and ensure optimal utilisation of resources and solutions.
- 5.107 The review identified that flexibility is made up of several key dimensions:
- **Treating the Australian Government as a whole** – where SSAs reflect a true, whole of Australian Government contract and views the Commonwealth as a single contracting entity. This can enable flexibility in licence, hardware, and software allocations, and result in more efficient resource management across agencies.
 - **Enabling shifts in technology choice** – Not being bound to the technology and enabling changes in the technology choices made, even to other sellers, such that policy and legislative alignment can be maintained, or the government can take advantage of technology innovations.
 - **Reflective of actual use** – Whilst negotiation reflect the planned intent, the ability to reconcile the intended use of products or services with the actual use

is critically important as usage changes over longer periods of time, and is especially relevant to any products or services provided as a service.

5.108 Whilst not an exhaustive list, the table below outlines the key mechanisms identified by the review to enable flexibility against the above dimensions.

Table 13 Enabling flexibility (with X marks where they impact)

Strategy	Treating the Australian Government as a whole	Enabling shifts in technology choice	Reflective of actual use
Contractual amendments, enabled by mutual agreement ¹⁸² to change any clause of an SSA	Nil	X	X
Periodic contractual review ¹⁸³ triggering formal reconsideration of the SSA at each review point	Nil	X	X
Embedded clauses requiring alignment to changing policy and legislative environment	X	X	Nil
Inclusion of investment credits, funds or offsets ¹⁸⁴	X	Nil	X
True up and true down activities to reconcile planned usage against actual usage	X	Nil	X
Licence mobility or reallocation	X	X	X
Enabling changes to head agreement clauses by agencies, subject to DTA approval ¹⁸⁵	Nil	X	X

Building in an exit plan

5.109 A well-defined exit plan protects buyers against technology dependency, service disruptions and ensures continuity in delivering critical services to Australians. The SSAs and associated contracts have some exit plans, however, these are mostly associated with transitioning between SSA contracts, rather than being able to transition out of the products or services entirely.

¹⁸² Mutual agreement requires the SSA seller, DTA and buyer agency to all agree.

¹⁸³ For example, annual or semi-annual.

¹⁸⁴ The administrative burden of these need to be considered closely.

¹⁸⁵ Agencies consistently expressed a need to refine the application of some contractual clauses to their intended use of the SSA, and the products and services.

- 5.110 Further, the SSAs are set-up in such a way that buyers are expected to negotiate in transition arrangements individually. Unfortunately, for some buyers, the need to do so may be overlooked, or simply rejected by the SSA seller when it comes to negotiating in the provisions.
- 5.111 In respect of an exit plan, the SSA contracts could at minimum include provisions for:
- End-of-life (EOL) support
 - Decommissioning
 - Transitioning to alternative solutions, including data migration support (such as egress)
 - Handover of relevant materials.
- 5.112 This approach also aligns with the importance of not treating SSAs as a "set-and-forget" arrangement. Whilst SSAs typically represent critical technologies, exit provisions may contemplate the replacement of technology that may come about, for example, from geopolitical shifts, ownership restructures, technology advancements, or changes in policy settings.
- 5.113 There are, however, limits to the pragmatics of the exit plan. The reality of being able to move away from certain technology choices may prevent the realistic application any exit plan. These provisions will, however, become more relevant if the Commonwealth chooses to expand the number of SSAs.

Opportunities to create leverage

Get the 'right' people at the negotiation table

- 5.114 Effective negotiations require engagement from knowledgeable representatives on both sides. The DTA engages specialist lawyers, expert contract negotiators, government contract managers with lived experience, and the decision-maker (i.e. financial delegate and budget owner) as part of their negotiation team. Further, the DTA convenes Senior Executive Service (SES) forums (e.g. a Sponsoring Group) and working groups to consult the buyers regarding what they want in the SSA.
- 5.115 Nonetheless, the biggest buyers (e.g. Defence, Services Australia, ATO, DEWR and Home Affairs) that represent the majority of the actual spend with these sellers, also

have established technology procurement capabilities. Although previously these buyers had been at the negotiation table, this was subsequently replaced by an SES Sponsoring Group which effectively removed these stakeholders from the negotiation table.

- 5.116 Reconsideration of including a select group of buyers at the negotiation table is warranted. This is supported by survey respondents identifying that their ability to influence and contribute to SSA negotiations is limited and results in the inability to negotiate specific requirements. Given the dynamic nature of negotiations, inclusion of mature buyers at the negotiating table could support:
- Conveying the strategic intent of the buyer.
 - Contemplating the potential delivery complexities and realities of using the SSA as it is being constructed.
 - Providing deep technical knowledge of the specific technology stack.
 - Outlining the requirements of the buyer.
- 5.117 The DTA's role in central coordination must continue to ensure there is a whole of Australian Government lens placed over the negotiations to safeguard the value to be derived for smaller agencies and the Commonwealth as a whole.
- 5.118 **The DTA should trial the inclusion of a select group of buyers (e.g. Defence, ATO) at the negotiating table.**
- 5.119 In addition, empowerment of decision-making vested centrally in the DTA, supported by buyers expressing tangible purchase quantities, is a crucial mechanism in optimising the outcome of contract negotiations¹⁸⁶. This approach prevents sellers from leveraging individual buyer needs against each other, ensuring consistency government-wide. Centralising decision-making authority within the DTA further strengthens bargaining power, fosters alignment with broader policy objectives, and safeguards against fragmented contract terms that may lead to inefficiencies or unnecessary complexities.

¹⁸⁶ The dynamic of how select agencies are represented at the negotiation table, whilst the DTA retains decision-making authority could manifest in a manner akin with that of a Chair of a Committee or Board of Directors. In this way, whilst all members of the meeting (i.e. other buyers) have a say and can provide viewpoints, the Chair (i.e. the DTA) will make the final decision.

Leverage government buying power nationwide

- 5.120 The DTA very clearly takes a whole of Australian Government view in undertaking the negotiations. This sentiment was shared by buyer agencies almost unanimously.
- 5.121 The AWS agreement has been a resounding success for use by other States and Territories. Off the back of this, the DTA could continue to explore how to expand access to the agreements to States and Territories. The review acknowledges the sellers will also have to agree to this.
- 5.122 As of June 2024, there were approximately 365,400 Australian Government staff (including Defence force personnel) who are users of many of the technologies covered by the SSAs, however, there are approximately 2.5 million public servants across Australia if all States and Territories and local governments are included¹⁸⁷. By continuing to widen the scope of SSAs to include the States and Territories and local governments, the Commonwealth can increase its buying power by approximately 7 times.
- 5.123 Where agreements are expanded beyond the Australian Government, an approach the DTA could utilise is:
- **Design for the Australian Government first** – Given DTA’s remit as an Australian Government agency, SSAs ought to be designed with the Australian Government in mind in the first instance, to ensure the contracting framework established works for Commonwealth buyers.
 - **Enable others to ‘piggy-back’ with amendments** – SSAs include a mechanism for any clause to be amended, with the seller’s agreement, to reflect the differing policy or legislation of other entities (e.g. States and Territories).
- 5.124 Note, the expansion to other States and Territories requires close consideration of the potential legal ramifications (e.g. limitations on the use of Commonwealth funds under the Special Account for the purposes of supporting the States and Territories). Further, the introduction of other jurisdictions increases the complexity of the arrangements (e.g. through the inclusion of clauses tailored to the policy of

¹⁸⁷ Public sector employment and earnings for the 2023-24 financial year, Australian Bureau of Statistics. Available at: <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/public-sector-employment-and-earnings/latest-release>

those States and Territories). To the extent States and Territories can be incorporated into the SSAs without introducing too much complexity or risk (e.g. as a 'piggy-back' arrangement, with an ability to tailor relevant clauses), there is value in continuing to explore these opportunities.

Pre-commitment, condition precedent and extended timeframes

5.125 The DTA is utilising three key dimensions in its negotiation tactics:

- **Pre-commitment**¹⁸⁸ – Pre-committing in contract negotiations to a minimum buy profile which reflects a portion of the Australian Government's aggregate spend provides clarity and predictability for both buyers and sellers (e.g. a percentage of the planned spend which is less than the total spend anticipated).
- **Condition precedent** – Establishing conditions which need to be met before value is realised (e.g. trigger points enabling increasing percentages of discounts to be realised based on a tiering of the collective purchase by buyers). These trigger points need to be kept simple, as any complexity increases the opaqueness of the arrangement.
- **Extended timeframes** – Entering longer term contracts to enable improved pricing by sellers able to be offered by adjusting risk profiles (e.g. investment, pricing fluctuations).

5.126 There is value in the continuing to use all three of these mechanisms as appropriate. Particular consideration will need to be paid to the CPRs in respect of pre-commitments of funding to restrict these to technologies already in use within buyers. This can be done by considering the anticipated aggregate spend of the Australian Government, rather than allocating specific amounts to respective buyers.

5.127 Consistent with the *Being realistic about future needs of buyers* section above, it is important any pre-commitment does not obligate buyers to use an SSA seller. The key mechanisms available to the DTA to ensure this does not occur are to:

¹⁸⁸ These pre-commitments require section 23 approval under the PGPA Act.

- Include the relevant buyer at the negotiating table, where appropriate¹⁸⁹.
- Ask buyers to indicate what their likely spend profiles will be, and evaluate these against historical spend patterns.
- Assess the anticipated aggregate spend of the Australian Government, rather than allocating specific amounts to respective buyers.
- Setting a pre-commitment amount at a level which will be achieved (e.g. 50% of the anticipated aggregate spend profile of the Australian Government); to the extent this cannot be determined, condition precedence can be utilised to set specific trigger points.

5.128 The use of these mechanisms enables a clear commitment from the Australian Government to be put forward, reducing the risk premium priced in by the SSA sellers. Further, the use of condition precedent, in particular, enables negotiations to accommodate demand fluctuations over time while still providing certainty to sellers.

5.129 Any precommitment, condition precedence or extended timeframes ought to only be agreed where a commensurate benefit (e.g. discounts or other value-adds) are offered by an SSA seller.

Maintain competition wherever possible

5.130 Consistent with the CPRs, maintaining competition is a highly effective way to achieve value for money. This is predicated on sellers being more likely to offer competitive pricing, improved service models, and better contractual terms when they know buyers are considering alternative sellers.

5.131 Whilst seller specific products are not available from outside of the SSAs, or authorised resellers, similar technological capability is often able to be sourced from others. For example, there are dynamic markets established for products within Customer Relationship Management, Enterprise Resource Planning, IT Service Management, and Security Information and Event Management. Further examples can be found in *Appendix G: Competitive*. An expansion of the number of SSA sellers appointed is consistent with encouraging competition.

¹⁸⁹ Only a select group of agencies should be represented at the negotiating table, to be determined by the DTA.

- 5.132 Further, services can commonly be sourced from a wide range of providers, as evidenced by the number of providers on the DTA's established marketplaces or the SSA sellers' partner networks.
- 5.133 The technology landscape is constantly evolving, meaning new entrants are regularly emerging, innovation in technology is constant, and service delivery models and pricing structures are regularly being updated. This dynamic nature emphasises the importance of maintaining competition (e.g. through buyer lead procurement processes) wherever possible.

Get timely, accurate data

- 5.134 The historic formation of SSAs has been reactive to visible and a generally known high level of expenditure over an extended period of time with a seller. To enable a strategic, proactive approach to establishing and re-negotiating SSAs, there is a need for clear, consolidated data and information regarding the type and volume of technology in use across all government entities.
- 5.135 A consolidated view strengthens the Australian Government's bargaining position when negotiating with a seller. The impact of the absence of this information has been experienced by the DTA in having to negotiate some of the SSAs in a partial information void, where the DTA found it difficult to understand what products and services agencies were using.
- 5.136 Stakeholders also identified that there is varied understanding of the specific products, sellers and volumes in use across government, with no centralised view outside of reported AusTender data. While AusTender does provide a lens on technology spend, it can be obfuscated as products are often bundled within broader solutions, sold by resellers or sold by the seller directly.
- 5.137 To demonstrate this, Splunk¹⁹⁰ was identified by several stakeholders as the predominant security incident and event management product used across the Australian Government. AusTender data over the past 10-year period shows:
- Six buyers have established contracts directly with Splunk.
 - A further 20 buyers have contracts with 22¹⁹¹ either resellers, or service providers (found through free text search).

¹⁹⁰ Cisco acquired Splunk in March 2024

¹⁹¹ Some buyers purchased from multiple sellers across the 10-year window

- 5.138 Expenditure through resellers or service providers in this instance, however, cannot be fully identified where the title of the contract notice does not explicitly contain the word “Splunk”.
- 5.139 This highlights that while AusTender is an important mechanism for publishing contract notifications and associated information, it has clear limitations in its representation of spend on specific technology products.
- 5.140 Developing a more extensive view of the technology landscape across government will support re-negotiation of existing SSAs, including:
- A list of the current use of the existing SSA seller products and licences across government.
 - A general view of the seller and product ecosystem available relevant to the government.
- 5.141 This information would provide a deeper understanding of product and seller use.

Getting the most out of the SSAs once established

Nurturing the strategic partnership

- 5.142 A successful strategic partnership requires mutual commitment and proactive engagement from both the seller and the buyer. While the SSAs must demonstrate ongoing alignment with the elements outlined within the *Fostering strategic partnerships* section of this report, buyers also play a critical role in fostering collaboration. This includes maintaining open and transparent communication, ensuring timely decision-making, and actively participating in shared initiatives such as innovation forums and continuous improvement programs.
- 5.143 Buyers must also honour their commitments, engage constructively in contract management, and adapt procurement strategies to evolving needs, reinforcing trust and long-term alignment. By demonstrating reciprocity in the partnership, buyers not only secure optimal outcomes but also encourage sellers to invest in sustained value creation beyond the initial contractual terms.

Ensuring access to knowledge, information and education

- 5.144 Effective utilisation of contractual arrangements depends on ensuring stakeholders have access to clear, relevant, and practical information.
- 5.145 The key mechanisms identified as available to the DTA to enable this to occur were:
- **DTA information sessions**¹⁹² – Introductory sessions to educate procurement and contract management teams across the Australian Government on what is contained within the SSAs.
 - **Communities of practice** – Facilitated by the DTA and significant users of the SSAs, established to share learning and better practices across the Australian Government.
 - **Information on BuyICT** – Publishing information for self-serve, on-demand access.
 - **SSA Handbook** – Provides a plain English overview of the specific components within a specific SSA, summarising key information for ease of reference by users.
 - **Direct point of contact** – Enabling stakeholders to contact the DTA to ask further questions.
 - **Procurement Bulletins** – A procurement focused publication issued monthly by Finance.
 - **Procurement Centre of Excellence** – Inclusion of topics of interest for showcasing.
 - **Participation in governance forums** – The DTA has established governance forums for some SSAs, which provide a regular cadence of meetings with the sellers, the DTA and select agencies to share challenges, performance issues and maximise the use of the SSA.

¹⁹² The DTA already run these sessions which were noted by those that attended them to have been well run and informative. Further, DTA's recording of these sessions reflects better practice to enable those who were unable to attend the sessions to view later.

5.146 The information required by buyers and how this is accessed in respect of the SSAs is outlined in the table below:

Table 14 Information buyers require and where it is typically found (with X marks where they impact)

Information required	Seller website	BuyICT website	BuyICT following log in	By request of DTA
General information on the products and services	X	Nil	Nil	Nil
Products and services covered by the SSA	Nil	X	X ¹⁹³	Nil
Standard templates	Nil	Nil	X	Nil
DTA marketplaces and panels the seller is on	Nil	X	Nil	Nil
Advantages under the contract	Nil	X	Nil	Nil
Price / rate card / discounts	Nil	Nil	X As agreed with seller	X
Copy of the contract and terms & conditions	Nil	X As redacted	Nil	X

5.147 The DTA can also play a key role in fostering a probity-safe environment where Commonwealth agencies can engage directly with SSA technical representatives to explore opportunities and challenges. By facilitating structured discussions, the DTA can ensure buyers can collaborate effectively while maintaining transparency and compliance. These interactions allow buyers to better understand seller offerings, get visibility of how other buyers are addressing any common issues, and understand the potential applicability to their specific problems.

5.148 Further to the *Increased administrative burden* section within this report, the review heard buyers can find it challenging to know what their obligations are in respect of entering into contracts under the SSA head agreement or specific clauses therein. Greater transparency about the relevant roles and responsibilities in this regard will support the realisation of value from the SSAs.

5.149 These forums could also address challenges identified by survey respondents who stated that there is a need for:

¹⁹³ Further information is provided following login.

- Increased understanding of the rationale behind decisions relating to the SSAs.
- Enhanced communication and clarity to improve understanding of decision making in the negotiation process.
- Improved pricing transparency through broader sharing of pricing information and ongoing support costs.

5.150 **The DTA should drive better realisation of the value of the SSAs through uplifting buyer understanding about the SSAs, by:**

- **Making responsibilities between the DTA, buyers and sellers clearer.**
- **Refreshing the information and education made available to agencies about the SSAs, including any agency obligations.**

Improving reporting and transparency

5.151 Effective reporting is central to maximising the value of established contractual arrangements, ensuring transparency, accountability, and informed decision-making. In pragmatic consideration of 'what gets reported gets managed', tracking metrics related to contract spend, product and service utilisation, and broader procurement trends are key. Ongoing reporting on contract expenditures and usage patterns allows agencies to assess whether agreements remain fit for purpose, identify areas for optimisation, and ensure that negotiated benefits - such as volume discounts or strategic flexibility - are being fully leveraged.

5.152 The DTA actively undertake a range of surveys to obtain periodic feedback on the use of the SSAs, including surveys ahead of the renewal of the SSAs to inform contact negotiations. These insights are used to inform continuous improvement.

5.153 The review identified the following in respect of current reporting capability:

- There is poor visibility of whole of Australian Government spends for some of the SSAs, and of the spends by other non-Australian Government buyers, with no single source of truth.

- Discounts realised are difficult to quantify, limiting the DTAs ability to track a key benefit of the SSAs¹⁹⁴.
- There is limited visibility of the use of products or services (e.g. a consolidated list of licences purchased under the SSAs utilised across the Australian Government), limiting DTAs visibility of where value can be further optimised¹⁹⁵.

5.154 Improving reporting will also make future negotiation better informed and consistent, with further discussion in the *Get timely, accurate data* section of this report. By maintaining a structured reporting framework, government entities can proactively manage seller relationships, align procurement with operational needs, and drive continuous improvement.

5.155 In respect of performance reporting of the sellers, the review noted that this is managed mostly at the agency level, with limited overall reporting undertaken by the DTA in respect of the SSAs. In turn, this limits the DTA's ability to address emerging issues, drive the right outcomes, and monitor the realisation of value from the SSAs.

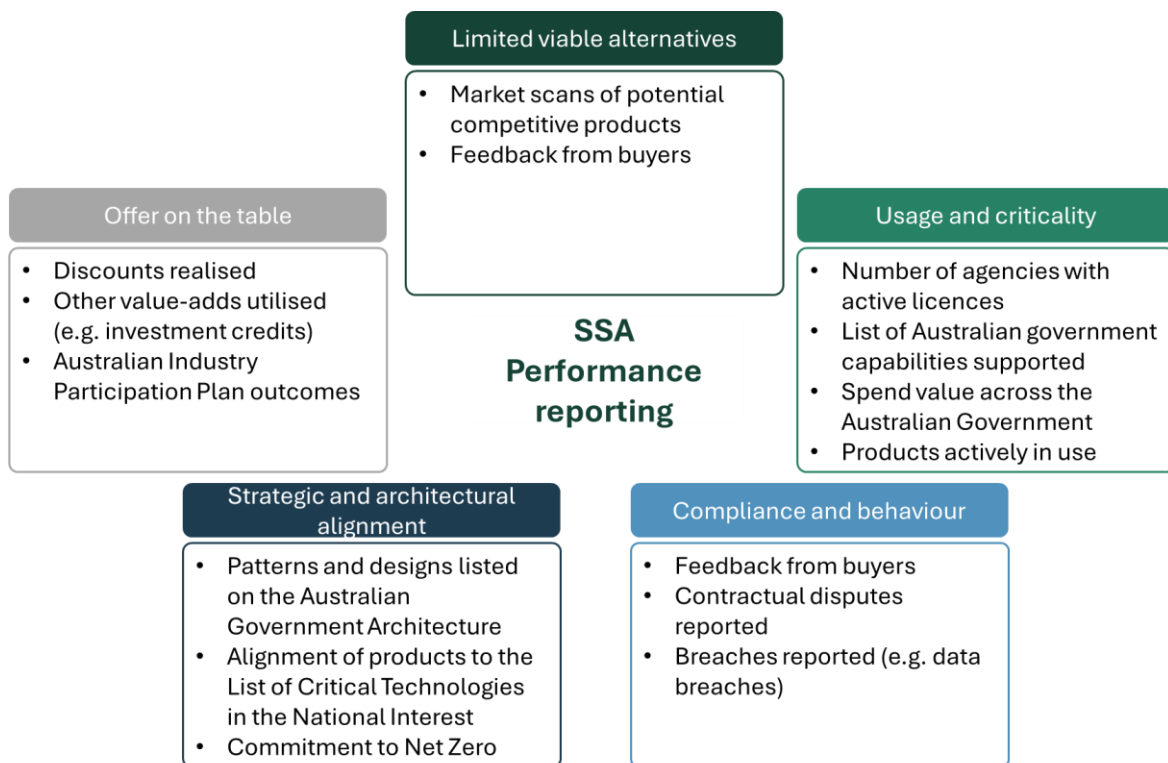
5.156 Monitoring the aggregate performance of the sellers against the published framework, supported by ongoing feedback from buyers, will provide insight that can assist in ensuring the SSAs remain fit-for-purpose and continue to contribute to achieving value for money.

5.157 Potential key performance indicators or key result areas which could be implemented are depicted in the following graphic:

¹⁹⁴ Being able to track and measure benefits is a key attribute of the DTAs Benefit Management Policy, available here: https://www.dta.gov.au/sites/default/files/2024-01/BMP_V1_DTA.pdf

¹⁹⁵ This ongoing visibility will also support periodic contract reviews, enabling greater traceability of what was initially agreed with sellers comparative to what is actually occurring.

Figure 25 SSA performance reporting



5.158 Note, the above measures will require formulation into more fulsome definitions¹⁹⁶ as well as targets to be defined and the reporting cadence required.

5.159 Implementation of this performance monitoring will also support the DTAs re-negotiation activities, as a richer information source will be able to be referenced.

5.160 **The DTA should uplift reporting on the SSAs to better track the realisation of benefits and monitor ongoing performance, and make this publicly available to the extent practicable.**

5.161 Insights may also be obtainable from the DTA’s Major Digital Projects Report or audits undertaken by the Australian National Audit Office to better understand the extent of success of major technology implementations as they relate to the SSAs.

5.162 Further, AusTender reporting for SSAs is typically categorised as a Limited Tender by default due to an inheritance rule applied by Finance. Under this rule, the published contract adopts the Standing Order Numbers procurement approach, even though SSAs themselves are not a procurement but rather a contracting framework. Consequently, this default classification does not accurately represent the procurement decision-making process. This is supported by the survey

¹⁹⁶ Such as adhering to the SMART design principles (i.e. specific, measurable, achievable, realistic and time-bound).

response (*Appendix D: Survey results*) that reiterates this opportunity for improvement.

- 5.163 Updating AusTender reporting for SSAs to instead reflect the nature of the procurement activity undertaken by the buyer will improve transparency and compliance with the CPRs. For example, where a DTA marketplace was used, the AusTender publishing needs to reflect this. This approach would more accurately demonstrate how the buyer assessed and selected the SSA as the most appropriate solution, rather than applying a blanket classification that does not align with the actual procurement process.
- 5.164 **The DTA should collaborate with Finance to update AusTender publishing to align to the buyers' procurement approach (e.g. use of BuyICT marketplaces), rather than the default of 'Limited Tender' set for the SSAs.**

Retain procurement first, contract second approach

- 5.165 SSAs serve as a contracting framework, not a procurement pathway.
- 5.166 Buyers must undertake competitive procurement processes before engaging an SSA seller, as competitive processes are a critical means through which to drive value for money. The importance of this has been repeatedly observed by buyers and the Australian National Audit Office¹⁹⁷.
- 5.167 The distinction of the SSAs as a contracting framework is crucial to maintaining buyer autonomy, value for money, and alignment with the buyer's organisational needs. Treating SSAs as procurement shortcuts risks limiting technology choice, reducing market engagement, and overlooking innovative solutions that may better serve agency objectives. Basing procurement decisions on thorough evaluation,

¹⁹⁷ For example:

- 'Establishment and Use of ICT Related Procurement Panels and Arrangements', August 2020. Available here: <https://www.anao.gov.au/work/performance-audit/establishment-and-use-ict-related-procurement-panels-and-arrangements>
- 'Procurement and Contract Management', April 2023. Available here: <https://www.anao.gov.au/work/insights/procurement-and-contract-management>
- 'Buying into our Future', June 2017. Available here: https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Former_Committees/Government_Procurement/CommProcurementFramework/Report

robust market testing, and clear alignment with operational requirements helps buyers retain control over selecting solutions that provide long-term value.

- 5.168 For example, the Australian Taxation Office recently selected one of the sellers to provision the hardware required as part of a competitive market approach, which subsequently utilised the SSA head agreement and associated contracts.
- 5.169 Buyers must take deliberate steps to preserve proper procurement practices to safeguard transparency, market competitiveness, and strategic suitability. Key considerations include:
- Owning the selection of technology solutions that best meet their requirements, rather than defaulting to pre-existing contractual arrangements.
 - Avoiding reliance on SSAs simply because they provide an administratively simpler pathway, ensuring procurement remains driven by needs, not convenience.
 - Conducting appropriate market engagement, which may include requesting proposals, assessing alternative solutions, and conducting seller assessments before finalising a contractual arrangement.
 - Ensuring value-for-money principles remain front and centre, with a structured procurement process that leverages competition, assesses innovation, and aligns with agency-specific service delivery needs.
 - Maintaining flexibility in procurement strategy, ensuring agencies do not inadvertently lock themselves into legacy agreements that may not suit future technology shifts.
- 5.170 By maintaining procurement integrity, buyers can ensure SSAs support the best possible outcomes, rather than dictate procurement choices by default. This approach fosters market engagement, competition, and long-term strategic agility, ensuring the technology solutions adopted remain fit-for-purpose and adaptable to evolving agency needs.

SSA reviews and updates

- 5.171 SSAs require ongoing review and updates to ensure they remain aligned with operational needs, evolving technology landscapes, and government policy objectives.

5.172 Regular reviews and updates are a key mechanism for contracts to maintain relevance with the legislative, policy and technology environments as they change. Buyer opinion and insight from other jurisdictions was divided on the optimal frequency of reviews and updates, however, broadly these fell into four horizons:

- **Regular contract meetings** focused on performance, feedback, optimising service delivery, and operational matters (e.g. invoice payments).
- **Annual or semi-annual reviews** focused on assessing the product and service offering, reconciling actual versus planned usage, aligning to shifts in technology or policy / legislation, and considering whether the agreements continue to provide strategic value.
- **Critical events** triggering ad hoc amendments, which happen as required.
- **End of contract reviews** that focus on re-baselining all elements of the contract so contracts are not rolled over by default.

5.173 Without structured and proactive reviews, SSAs risk becoming outdated or misaligned with buyer priorities and policy, potentially diminishing their effectiveness and reducing opportunities for innovation and efficiency gains.

5.174 To support the review activities, DTA can continue to:

- Consider available market tools (e.g. as provided by Gartner).
- Leverage existing DTA survey mechanisms.
- Obtain feedback from buyers and the SSAs.

5.175 The inclusion of these periodic reviews can be incorporated into the implementation of the recommendation outlined within the *Optimising DTA's role* section of this report.

CHAPTER SIX

Other opportunities

Other areas for improvement identified by the review.

CHAPTER OVERVIEW

Given the review engaged with a broad range of stakeholders across government agencies, existing SSA sellers, industry bodies and representatives from other jurisdictions nationally and globally, there is value in acknowledging the broader opportunities and insight gained through these consultations.

Additional improvement opportunities to help ensure SSAs remain fit-for-purpose, deliver value and support the Australian Government's digital transformation agenda, are outlined here.

- There is opportunity for the DTA to consider its operating model in relation to the SSAs, particularly with regards to how it organises itself most effectively in relation to the SSA life cycle.
- Stakeholders identified discrepancies in the terms and conditions between SSAs and the procurement panels / marketplaces and highlighted improvement in this area could prevent challenges in post-procurement contract closure.
- The way in which the SSAs are publicly represented (e.g. on Finance's Coordinated Procurement website) and the terminology "Single Seller Arrangement" is adding to confusion about the intent of the SSAs. This could be addressed by updating the relevant content and terminology to better reflect their intended purpose.
- There is an opportunity to assess how the funding model can better enable consistency and ease of scalability of the SSA model.
- The use of seller marketplaces (e.g. Azure Marketplace) risks inconsistency with the Commonwealth Procurement Rules, despite being a key potential avenue to support the Australian Government in keeping pace with dynamic changes in the technology market. The use of these marketplaces require confirmation with Finance.

Optimising DTA's role

- 6.1 The review identified opportunities for the DTA to optimise the current SSA operating model, particularly with regards to how it organises itself against the SSA life cycle and the role it has to lead and manage SSA relationships and agreements on behalf of the Commonwealth.
- 6.2 Buying agencies, while generally positive about the work delivered so far in managing the SSAs and liaising with buyers and sellers, encouraged the DTA to evolve this role into the next stage of maturity. This could involve progressing to a strong steward and gradually shifting the focus from negotiation and administration to working across government to drive strategic insight, market scanning and planning to help shape future deals. This was echoed by SSA sellers who argued that more forward-leaning views and plans would strengthen the strategic partnership aspect of the model.
- 6.3 Some stakeholders suggested the SSA life cycle could involve more evaluation activity to feed annual reviews and negotiation processes. The DTA already collect a range of feedback via surveys in respect of:
- Range of products / services
 - Flexibility
 - Value for money
 - Ease of use and contract / work order
 - Terms and conditions
 - Whether the SSA meets buyer needs
 - DTA's overall management of the SSAs
 - Overall rating of the SSA
 - Strengths and opportunities for improvement with the SSA.
- 6.4 The review considered at a high level the current structure within the DTA and identified the opportunity to ensure functions within the DTA Digital Sourcing and Whole of Government Contract Negotiation branches align effectively to the full

SSA lifecycle. A more integrated approach could improve negotiation leverage and enhance operational execution.

6.5 **The DTA should leverage the combined capability of the DTA Digital Sourcing and Whole of Government Contract Negotiation branches to establish an end-to-end management approach, reflective of the SSA lifecycle.**

6.6 Additionally, there is potential value in the DTA:

- Establishing a Centre of Digital Procurement Excellence or extending on established working groups to strengthen the awareness of how to maximise the use of the SSAs and optimise outcomes by leveraging learnings across agencies. This could complement the existing Centre of Procurement Excellence established by Finance.
- Continuing to expand the Australian Government Architecture to enable agencies to become aware of and exchange knowledge on solutions to common problems. Strengthening information-sharing mechanisms will also support ensuring the SSAs remain aligned with evolving technology landscapes and government policy objectives.

Aligning panels and SSAs

6.7 Some sellers and buyers identified discrepancies in the terms and conditions between the SSA and the procurement panel / marketplaces, creating challenges in post-procurement contract closure.

6.8 As buyers typically default to the panel terms and conditions when engaging in procurement, misalignment with SSA terms and conditions could lead to gaps in contract execution, requiring additional adjustments to reconcile differences¹⁹⁸. Addressing these inconsistencies will strengthen contract transparency, facilitate

¹⁹⁸ Engagement with Finance also indicated SSA sellers effectively respond to a request for quote (RFQ) under a panel aware they are subject to a differing set of terms and conditions (i.e. those per the SSA) compared to those under the panel. Yet all other tenderers will respond under the terms and conditions outlined under the panel. This means the response and subsequent evaluation is undertaken under different pretences, however, the materiality of these are subject to the RFQ being undertaken. Further, the review noted other sellers can:

- Include any departures from the terms and conditions included in the request for tender / quote as per standard market practice.
- Negotiate their contract, and specific terms and conditions, if they are successful following evaluation.

smoother procurement processes, and ensure buyers have a clear understanding of seller obligations.

- 6.9 Further, a mapping of SSA contractual clauses to panel clauses will highlight key differences to aid agency decision-making prior to approaching the market. This comparative analysis would provide buyers with critical insights into the implications of selecting an SSA seller, ensuring they understand how contractual obligations may differ from standard panel arrangements.
- 6.10 **The DTA should address the differences in terms and conditions between panels and SSA contracts, for example, by making available a list of key points of difference.**

Updating key websites and branding

- 6.11 Ensuring accuracy and clarity in publicly available procurement and contractual information is essential for effective engagement with government arrangements.
- 6.12 A fundamental distinction exists between SSAs and procurement mechanisms, yet this difference is sometimes conflated in publicly accessible resources. Maintaining consistency helps with transparency. Examples of information sources requiring alignment to reflect the appropriate categorisation of SSAs as standing orders are Department of Finance whole of Australian Government panels content, AusTender Standing Order Number listings, and BuyICT information.
- 6.13 Additionally, the DTA manages a range of arrangements, including both SSAs and panels, which could benefit from clearer differentiation to support understanding. Of note, the SSAs differ from other Coordinated Procurements in that, broadly, there is not an active market for the specific products provided by most of the SSAs. This is distinct to the other panels with a single seller in place¹⁹⁹, all of which are services

¹⁹⁹ Such as:

- Vehicle Rental Services for the Australian Government provided by Hertz Australia (SON3527487),
- Travel and Procurement Payment Services for the Australian Government provided by the National Australia Bank Limited (SON3637640),
- Travel Management Services for the Australian Government provided by QBT Pty Ltd (SON2768152),
- Mandatory Whole of Government Campaign Evaluation Market Research Services provided by Hall and Partners Pty Ltd (SON3896690),

based and have established competitors in the market. It is important the classification of SSAs on the Coordinated Procurements website reflects their actual function, to prevent misconceptions about their purpose and usage (i.e. for use following a procurement activity, rather than as a procurement pathway).

- 6.14 **Collaborating with Finance, the DTA should refresh the publicly available content on SSAs to correctly reflect them as a contracting framework, including how SSAs are reflected on Finance’s Coordinated Procurement website.**
- 6.15 Further, it is apparent from stakeholder engagement that the terminology “Single Seller Agreement” is creating confusion in the market about the intent of the SSAs. The DTA can address this by updating the names of “Single Seller Agreement” and “Volume Sourcing Agreement” to reflect their true intended purpose, which is a whole of Australian Government contracting framework.
- 6.16 **The DTA should rename the “Single Seller Arrangements” to reflect the reality of the use of the SSAs as a contracting framework.**

Funding model complexity

- 6.17 The funding model in place in respect of the SSAs is complex, made up of:
- **Departmental funding** – provided annually to the DTA as part of the Commonwealth budget process.
 - **CAF** – the fee set by the DTA to recover the costs of administering the SSAs.
 - **CRF savings fee** – the fee collected and returned to the Consolidated Revenue Fund; this does not contribute to the administration of the SSAs.
- 6.18 The table below outlines the applicability of these fundings sources to the respective SSAs.

-
- Master Media Agency Services provided by Mediabrands Australia Pty Ltd (SON4094781),
 - Provision of Vehicle Fleet Management and Leasing Services to the Australian Government by SG Fleet Australia Pty Ltd (SON1142512).

Table 15 DTA funding source for the SSAs (with X marks where they impact)

Funding source	Use	Microsoft	AWS	Rimini Street	IBM	Oracle	SAP
Departmental budget	Funds administration of the SSAs	Nil	X	X	X	X	X
CAF	Funds administration of the SSAs	X	X	X	Nil	Nil	Nil
CRF savings fee	Returned to CRF	Nil	X	X	X	X	X

6.19 To further complicate this, the charging scales across the SSAs are dependent on the specific agreement type with a particular SSA, as depicted in the table below:

Table 16 DTA funding source for the SSAs

SSA	Minimum total contract value ²⁰⁰	CAF/CRF savings fee cap ²⁰⁰	CAF	CRF savings fee
AWS 3.0 - DTA PPA	N/A	\$125,000	2.5%	2.5%
AWS 3.0 - Direct PPA	N/A	\$125,000	2%	2%
AWS 3.0 - Indirect PPA	N/A	N/A	N/A	N/A
Microsoft VSA5 (Expires 30/06/26)	N/A	N/A	\$3/User Licence	N/A
SAP 2.0 (Initial Software Contract - ISC)	N/A	N/A	N/A	5.00%
SAP 2.0 (Cloud Purchases)	\$25,000	\$200,000	N/A	2%
SAP 2.0 (Professional Services)	\$200,000	\$200,000	N/A	0.5%
IBM 2.0 - DTA ELA	N/A	N/A	2.5%	2.5%
IBM 2.0 - Direct ELA	N/A	N/A	1.25%	1.25%
IBM 2.0 - New Contracts	N/A	\$200,000	2%	2%
Oracle	N/A	N/A	N/A	2.5%
Rimini St	N/A	N/A	2.5%	N/A

6.20 These inconsistencies within this funding model introduces:

- Administrative inefficiency for the DTA in having to manage various differing arrangements, making processes unnecessarily complex.

²⁰⁰ Excluding GST. As set and administered by the DTA.

- Complexity for buyers, as the arrangements are not consistent, meaning agencies have to understand a different financial model for each arrangement.
 - Potential competitive inconsistencies, whereby SSAs are competing with each other, but are subject to differing fees and impacts on the total cost of ownership for the buyer.
- 6.21 Survey respondents identified the need for further clarity of the fees and recovery charges, supporting the challenges identified above.
- 6.22 The DTA is responsible for the *ICT Coordinated Procurement Special Account*, which was established by a Determination²⁰¹ that enables expenditure on the administration of the SSAs, including:
- Planning and conducting SSA tenders.
 - Managing the SSAs.
 - Providing assistance to Commonwealth entities.
 - Monitoring and reviewing the SSAs.
- 6.23 DTA also noted the Determination will sunset 1 October 2027. Ahead of this, agreeing a clear pathway forward with Finance will enable the implementation of a suitable funding and fees model, which reflects the common financial management better practices implemented by Finance and other agencies in respect of cost recovery. Implementation of an updated funding model could occur progressively as the SSAs are renewed or closed, or additional SSAs are established. It should be noted that Finance have indicated any changes to the Special Account will require agreement from the Finance Minister²⁰².
- 6.24 **The DTA should, when the SSA funding model is up for renewal, simplify the funding and fees model and make it more consistent.**

Use of seller marketplaces

- 6.25 There are two marketplaces which have been established by the SSA sellers: Microsoft's Azure Marketplace and the AWS Marketplace. The establishment of

²⁰¹ *PGPA Act Determination (Establishment of ICT Coordinated Procurement Special Account 2017)*

²⁰² Issued pursuant to sections 78 to 80 of the PGPA Act.

these marketplaces represents a potential opportunity to enhance how government procures digital products and services.

- 6.26 Under these marketplaces, sellers can self-list, agree to specified terms and leverage pre-existing arrangements. A key advantage of the marketplace model is that providers can come and go dynamically, enabling the marketplace to quickly and easily keep pace with the changing technology environment.
- 6.27 Although these marketplaces offer value in market scanning to understand potential solutions, and are being used by buyers within the Commonwealth, their use to procure or transact in alignment with procurement policy requires consideration.
- 6.28 Factors of relevance to these marketplaces noted by the review were:
- To utilise the seller marketplaces, buyers must approach the market in accordance with the CPRs, which require either Open Market approaches using AusTender²⁰³, use of a suitable Limited Tender²⁰⁴ provision or use of an established panel.
 - Where changes are required to a contract under the seller's marketplace, these changes will have to be negotiated by the buyer on a case-by-case basis. Panels (e.g. DMP2) are established with standard contractual terms and conditions to make this more efficient for the buyer.
 - Any contracts implemented using the seller contract templates offered on the sellers' marketplace may not be fit-for-purpose or reflect the model contract clauses²⁰⁵ resulting in gaps or vulnerabilities. These gaps or vulnerabilities must be assessed by buyers prior to entering the contract.
- 6.29 Insights from engagement with stakeholders indicated buyers are unaware of, or at times confused about, the appropriate means of using these seller marketplaces. This is further complicated by the existence of the DTA's marketplaces.
- 6.30 **The DTA should engage with Finance to review the ongoing appropriateness of the use of seller marketplaces (i.e. Azure Marketplace and AWS Marketplace).**

²⁰³ Paragraphs 7.6 and 7.10 of the CPRs.

²⁰⁴ Paragraph 7.11 of the CPRs.

²⁰⁵ For example, per *Resource Management Guide 420 Mandatory use of the Commonwealth Contracting Suite for procurement under \$200,000*, subject to the relevant exemptions within this guide.

CHAPTER SEVEN

Recommendations and actions

What should the DTA do to improve the SSAs.

#	Recommendation	Key actions	Relevant sections of the report
1	Strengthen the SSA model by refining policy settings, specifying stronger cyber and sovereignty requirements, and simplifying the funding model	1.1 Engage with Finance to: <ul style="list-style-type: none"> Distinguish within the CPRs whole of Australian Government digital contracts from Coordinated Procurements to address the risk of SSAs being utilised as a procurement pathway. When the SSA funding model is up for renewal, simplify the funding and fees model and make it more consistent. Review the ongoing appropriateness of the use of seller marketplaces (i.e. Azure Marketplace and AWS Marketplace). 	2.5 to 2.18 6.17 to 6.24 6.25 to 6.30
		1.2 Review the existing Contracts Limits and Review Policy to ensure competitive neutrality between sellers.	2.19 to 2.25 Supported by: 3.56 to 3.62
		1.3 Address the differences in terms and conditions between panels and SSA contracts, for example, by making available a list of key points of difference.	6.7 to 6.10
		1.4 Home Affairs, the Australian Signals Directorate’s Australian Cyber Security Centre and the DTA together: <ul style="list-style-type: none"> Establish the minimum set of cyber and security clauses within SSAs which cannot be overridden by seller terms when a buyer enters a contract. Define data and digital sovereignty, with consideration of localisation requirements and existing policy (e.g. HCF). Undertake an assessment of the existing Australian Government technology landscape²⁰⁶ to identify the specific technology and capability that should be subject to data and digital sovereignty requirements. Determine the appropriate mechanism to enforce the requirements (e.g. PSPF directives). 	2.53 to 2.63

²⁰⁶ Recommendation 5.2 and the Digital Investment Plans can be used to support this activity.

#	Recommendation	Key actions	Relevant sections of the report
2	Publish an SSA suitability assessment framework and then expand the use of the SSAs	2.1 Publish a framework that supports clear and transparent assessment of the suitability of existing and potential SSA sellers, and reassess the incumbent SSAs against the new framework to determine ongoing eligibility.	5.34 to 5.68
		2.2 Implement continuous market monitoring to identify potential SSAs, including leveraging the newly implemented Digital Investment Plans, and as appropriate, expand the use of SSAs as a contracting framework for the Australian Government, with key focus placed on: <ul style="list-style-type: none"> • Fostering strategic partnerships. • Consideration of the holistic value proposition on offer. • Being realistic about future needs of buyers. • Keeping the arrangements simple. • Ensuring flexibility. • Building in an exit plan. 	3.3 to 3.112 and 5.10 to 5.13 Supported by: 2.1 to 2.18, 4.49 to 4.51, 5.73 to 5.113
		2.3 Trial the inclusion of a select group of buyers (e.g. Defence, ATO) at the negotiating table.	5.114 to 5.119 Supported by: 3.91, 3.95, 3.108, 5.92
3	Proactively leverage the SSAs to support the growth of the Australian technology sector	3.1 Leverage the SSAs to enable broader outcomes for Australian industry by: <ul style="list-style-type: none"> • Work with DISR, buyers and the SSA sellers to implement Commonwealth Australian Industry Participation Plans (CAIP Plans) and Skills Guarantee targets. • Working with the SSA sellers to implement a Technology Collaboration Centre, bringing SSA sellers, buyers and Australian industry together to identify and progress opportunities domestically and within global supply chains. 	3.23 to 3.31 Supported by: 2.26 to 2.35

#	Recommendation	Key actions	Relevant sections of the report
4	Enhance transparency and information availability by publishing SSA expenditure and correcting public facing content	4.1 In collaboration with Finance, address market confusion about the role of the SSAs by: <ul style="list-style-type: none"> Updating AusTender publishing to align to the buyers' procurement approach (e.g. use of BuyICT marketplaces), rather than the default of 'Limited Tender' set for the SSAs. Refreshing the publicly available content on SSAs to correctly reflect them as a contracting framework, including how SSAs are reflected on Finance's Coordinated Procurement website. Renaming the "Single Seller Arrangements" to reflect the reality of the use of the SSAs as a contracting framework. 	5.162 to 5.164
		4.2 Uplift reporting on the SSAs to better track the realisation of benefits and monitor ongoing performance and make this publicly available to the extent practicable.	6.11 to 6.14
		4.3 In collaboration with the SSA sellers, publish the full value of expenditure under the SSAs for each respective SSA seller.	6.15 to 6.16
		4.4 Drive better realisation of the value of the SSAs through uplifting buyer understanding about the SSAs by: <ul style="list-style-type: none"> Making responsibilities between the DTA, buyers and sellers clearer²⁰⁷. Refreshing the information and education made available to agencies about the SSAs, including any agency obligations. 	5.151 to 5.160
			1.36 to 1.42
5	Leverage existing DTA capability to establish an end-to-end SSA management approach	4.4 Drive better realisation of the value of the SSAs through uplifting buyer understanding about the SSAs by: <ul style="list-style-type: none"> Making responsibilities between the DTA, buyers and sellers clearer²⁰⁷. Refreshing the information and education made available to agencies about the SSAs, including any agency obligations. 	5.144 to 5.150
		5.1 Leverage the combined capability of the DTA Digital Sourcing and Whole of Government Contract Negotiation branches to establish an end-to-end management approach, reflective of the SSA lifecycle.	Supported by: 3.10, 3.95, 4.52 to 4.55
		5.2 Generate a list of products and services (e.g. by leveraging the SSA invoicing activities), and estimated quantities, actively used by buyers under the SSAs to support future negotiations.	5.14 to 5.18
			Supported by: 4.39 to 4.43, 5.134 to 5.141, 5.153 to 5.154

²⁰⁷ This could take the format of a responsible, accountable, consult and inform (RACI) matrix, or an equivalent suitable approach to be determined in consultation with the relevant buyers.

Appendices

8 Appendix A: Overview of SSA sellers



SSA seller	Amazon Web Services (AWS)	IBM
Global Perspective		
Global headquarters ²¹²	Seattle, USA	New York, USA
Global revenue	\$107.6 billion USD (\$638 billion USD for Amazon as the global parent company) ²⁰⁸	\$62.8 billion USD ²⁰⁹
Market cap	\$2.25 trillion USD ²¹⁰	\$223.2 billion USD ²¹¹
Stock exchange listing	NASDAQ:AMZN	NYSE, CHX and international markets
Website ²¹²	https://aws.amazon.com/	https://www.ibm.com/
Australian Perspective		
ABN ²¹³	63 605 345 891	79 000 024 733
Australian offices ²¹²	Sydney, Melbourne, Perth, Brisbane, Canberra and Adelaide	Sydney, Melbourne, Perth, Brisbane, Canberra and regional centres
Staff in Australia ²¹²	~2,500	~2,200
Australian partner network ²¹²	~6,000 companies	~1,400 companies
Australian revenue ²¹⁴	\$3.9 billion AUD	\$1.84 billion AUD
First Australian Government contract ²¹²	2013	1954
Current SSA	Iteration 3, expires 31/3/2028 with one 3-year extension remaining	Iteration 2, expires 15/12/2027 with two 12-month extensions remaining

²⁰⁸ <https://ir.aboutamazon.com/news-release/news-release-details/2025/Amazon-com-Announces-Fourth-Quarter-Results/>

²⁰⁹ <https://www.ibm.com/downloads/documents/us-en/11ed3283ae56ec71>

²¹⁰ Wall Street Journal, as at 16 June 2025. Available here: <https://www.wsj.com/market-data/quotes/AMZN>

²¹¹ Wall Street Journal, as at 16 June 2025. Available here: <https://www.wsj.com/market-data/quotes/XE/XETR/IBM>

²¹² As provided by SSA seller, unless otherwise stated.

²¹³ As per the Australian Business Register.

²¹⁴ As per the latest financial statements lodged with the Australian Securities and Investment Commission.



SSA seller	Microsoft	SAP
Global Perspective		
Global headquarters ²¹²	Washington, USA	Baden-Württemberg, Germany
Global revenue	\$245.1 billion USD ²¹⁵	\$39.65 billion USD ²¹⁶ (€34.18 billion ²¹⁷)
Market cap	\$3.53 trillion USD ²¹⁸	\$343.46 billion USD ²¹⁹ (€297.32 billion ²²⁰)
Stock exchange listing	NASDAQ-GS	SPX:GER
Website ²²¹	https://www.microsoft.com/	https://www.sap.com/
Australian Perspective		
ABN ²²²	29 002 589 460	26 003 682 504
Australian offices ²¹²	Sydney, Melbourne, Perth, Brisbane, Canberra, Adelaide and Hobart	Sydney, Melbourne, Perth, Brisbane, Canberra and Adelaide
Staff in Australia ²¹²	~3,000	~1,300
Australian partner network ²¹²	~9,000 companies	~110 companies
Australian revenue ²²³	\$8 billion AUD	\$1.42 billion AUD
First Australian Government contract ²¹²	1985	1997
Current SSA	Iteration 5, expires 30/6/2026 with one 12-month extension remaining	Iteration 2, expires 28/06/2027 with three 12-month extensions remaining

²¹⁵ <https://www.microsoft.com/en-us/investor/earnings/FY-2024-Q4/press-release-webcast?msockid=2cbaf60647e567d7167ee38646236670>

²¹⁶ EURO converted to USD at: EURO €1 to USD \$1.16 per <https://www.exchange-rates.org/converter/eur-usd>

²¹⁷ <https://news.sap.com/2025/01/sap-announces-q4-and-fy-2024-results/>

²¹⁸ Wall Street Journal, as at 16 June 2025. Available here: <https://www.wsj.com/market-data/quotes/MSFT>

²¹⁹ EURO converted to USD at: EURO €1 to USD \$1.16 per <https://www.exchange-rates.org/converter/eur-usd>

²²⁰ Wall Street Journal, as at 16 June 2025. Available here: <https://www.wsj.com/market-data/quotes/XE/XETR/SAP>

²²¹ As provided by SSA seller, unless otherwise stated.

²²² As per the Australian Business Register.

²²³ As per the latest financial statements lodged with the Australian Securities and Investment Commission.

SSA seller	Oracle	Rimini Street
Global Perspective		
Global headquarters ²¹²	Texas, USA	Las Vegas, USA
Global revenue	\$57.4 billion USD ²²⁴	\$0.43 billion USD ²²⁵
Market cap	\$603.5 billion USD ²²⁶	\$0.3 billion USD ²²⁷
Stock exchange listing	NYSE:ORCL	NASDAQ:RMNI
Website ²²⁸	https://www.oracle.com	https://www.riministreet.com
Australian Perspective		
ABN ²²⁹	80 003 074 468	61 898 632 956 / 86 143 105 686
Australian offices ²¹²	Sydney, Melbourne, Perth, Brisbane, Canberra and Adelaide	Sydney, Melbourne, Perth, Brisbane and Canberra
Staff in Australia ²¹²	~1,400	~90
Australian partner network ²¹²	~290 companies	N/A
Australian revenue ²³⁰	\$1.57 billion AUD	Not provided
First Australian Government contract ²¹²	1986	2018
Current SSA	Iteration 1, expires 24/11/2025 with one more 12-month extension remaining	Iteration 1, expires 28/1/2026

7.1 The details in these tables were populated based on data provided by each SSA seller and the DTA.

²²⁴ <https://investor.oracle.com/investor-news/news-details/2025/Oracle-Announces-Fiscal-2025-Fourth-Quarter-and-Fiscal-Full-Year-Financial-Results/default.aspx>

²²⁵ <https://www.riministreet.com/press-releases/rimini-street-announces-fiscal-q424-and-2024-financial-operating-results/>

²²⁶ Wall Street Journal, as at 16 June 2025. Available here: <https://www.wsj.com/market-data/quotes/ORCL?msockid=2cbaf60647e567d7167ee38646236670>

²²⁷ Wall Street Journal, as at 16 June 2025. Available here: <https://www.wsj.com/market-data/quotes/RMNI>

²²⁸ As provided by SSA seller, unless otherwise stated.

²²⁹ As per the Australian Business Register.

²³⁰ As per the latest financial statements lodged with the Australian Securities and Investment Commission.

7.2 The tax paid by each SSA seller was expressly not in scope of this review as this is the remit of the Australian Taxation Office and the Department of the Treasury, however previous reporting²³¹ by the media has investigated this.

²³¹ For example: <https://www.abc.net.au/news/2024-11-01/companies-that-paid-no-tax-in-2022-23-revealed-profit-shifting/104545520>

9 Appendix B: SSAs representation on the DTA panels

- 8.1 The table below summarises the representation of the SSA sellers on the established whole of Australian Government technology panels.
- 8.2 Of note, whilst Data#3 is not an SSA seller, it is Microsoft’s dedicated distributor and Microsoft is itself not on any of the panels. This is a commercial model Microsoft uses throughout the world. Agencies seeking to purchase Microsoft products and services will contract via Data#3 under these panels.

Table 17 SSA representation on the Whole of Australian Government panels (with X marks where they impact)

Panel	AWS	Rimini Street	IBM	Oracle	SAP	Microsoft	Data#3	Total sellers on the panel ²³²	Coordinated Procurement?
Telecommunications Marketplace Panel (SON3713272)	Nil	Nil	Nil	Nil	Nil	Nil	X	54	X

²³² As at 16 July 2025

Panel	AWS	Rimini Street	IBM	Oracle	SAP	Microsoft	Data#3	Total sellers on the panel ²³²	Coordinated Procurement?
Software and ERP Marketplace Panel – Category 1 Microsoft Volume Sourcing Agreement (SON3490955)	Nil	Nil	Nil	Nil	Nil	Nil	X	1	X
Software and ERP Marketplace Panel – All other categories (SON3490955)	Nil	Nil	X	X	X	Nil	X	392	X
Hardware Marketplace Panel (SON3541738)	Nil	Nil	X	Nil	Nil	Nil	X	204	X
Data Centre Panel 3 (SON3945937)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	22	X
Peppol Capabilities and Associated Services Panel (SON3726339) ²³³	Nil	Nil	X	Nil	Nil	Nil	Nil	0	Nil
Digital Marketplace Panel 2 (SON4102906)	X	Nil	X	Nil	X	Nil	X	1,605	Nil
Cloud Marketplace (SON3668352)	X	Nil	X	X	X	Nil	X	402	Nil

²³³ Per AusTender, this panel has expired

10 Appendix C: Procurement policy environment

9.1 The below is a summary of the relevant thresholds applicable to digital projects.

Table 18 Financial thresholds for policies to digital projects

Value	Requirement	Source	Target	Reporting obligations
\$0	Invoices are to be paid within 20 days or 5 days if Pan-European Public Procurement On-Line (PEPPOL) enabled	Supplier Pay On-Time or Pay Interest Policy (RMG 417)	All invoices	Not applicable, however, interest is automatically payable by Non-corporate Commonwealth entities if payments terms are not met (interest is optionally paid by Corporate Commonwealth Entities)
\$10k	Contracts to be published within 42 days of arrangement being entered	CPRs Procurement Publishing and Reporting Obligations (RMG 423)	All contracts	Report on AusTender after contract signature
\$80k	Tenders must be put out to open market on AusTender	CPRs	All procurements	All procurements which exceed threshold, where there is no exemption
	Completion of the Fair Criteria Checklist	Digital Sourcing Fair Criteria Policy	All procurements	Not applicable

Value	Requirement	Source	Target	Reporting obligations
	Completion of the Consider First Assessment Tool	Digital Sourcing Consider First Policy	All procurements	Not applicable
	Suppliers must provide a Certificate of Compliance with the Workplace Gender Equality Act	Workplace Gender Equality Procurement Principles	All procurements	All procurements which exceed threshold, where there is no exemption
\$80 to 200k	Mandatory Set Aside requiring Indigenous enterprises be engaged first on procurement opportunity	Indigenous Procurement Policy	All contracts	Portfolios report to NIAA via IPP Reporting System every six months against Mandatory Set Aside targets.
\$1m	Sellers to provide Supplier Environmental Sustainability Plans for ICT goods	Environmentally Sustainable Procurement Policy	All contracts	Six monthly reporting by suppliers to the Agency, including for sub-contractors
	ICT contracts need to consider economic benefit to Australia	CPRs	All procurements	All procurements which exceed threshold, where there is no exemption
\$2m	Consultancy contract reporting	Meeting the Senate Order for Consulting Services (RMG 406)	All contracts over threshold	Report on AusTender after contract signature
\$4m	Statement of Tax Record must be submitted as part of any Open Tender response and be maintained throughout the contract	Shadow Economy – increasing the integrity of government procurement	All procurements	STR is provided by the supplier to the agency prior to completion of tender evaluation, then upon request thereafter
	Payment Times contractual clauses to be included requiring suppliers to pay sub-contractors up to \$1m (GST inc) within 20 calendar days or pay interest	Payment Times Procurement Connected Policy	All contracts	Not applicable, however, complaints mechanism is applicable for breaches of this policy or the contractual clauses

Value	Requirement	Source	Target	Reporting obligations
\$7.5m	Indigenous Procurement Plan required, including Mandatory Minimum Requirements for contracts / panels to be awarded to Indigenous enterprises where contracts are wholly delivered in Australia	Indigenous Procurement Policy	2.25% at 2024-25 of contract value, increasing to a maximum of 3% by 2027-28	Supplier needs to report quarterly to the NIAA on achieving the IPP via the IPP Reporting System to Agency
			3% of the volume of contracts	Portfolios report to NIAA every six months if not on AusTender or registered with Supply Nation or ORIC.
\$10m	Skills guarantee requires targets for ICT projects for gender equality, apprentices and cadets to be set	Australian Skills Guarantee Procurement Connected Policy	All contracts	Quarterly reporting by suppliers to the Agency against the targets, including for sub-contractors
	ICT Investment Approval Process requires first and second pass business case submission for Government approval	Investment Oversight Framework	All proposed investments with digital spends in excess of \$10m	Agencies need to report every 6-months to DEWR on progress Upon approval, agencies need to comply with both ongoing delivery oversight (e.g. assurance) and Department of Finance Gateway Reviews.
\$20m	Australian Industry Participation Plan required	Commonwealth Australian Industry Participation (CAIP) plans for Government Procurement	Not applicable as discretion for requiring CAIP Plan is with buying agency	Supplier provides an Implementation Report to agency, generally within 14 months of contract execution or final close
		Australian Industry Capability Plans	Mandatory for all new contracts	Tenderers must describe how their proposed approach will enhance defence industry capability and capacity
\$100m	Digital contracts cannot exceed \$100m in value, unless an exemption has been granted	Digital Sourcing Contract Limits and Reviews Policy	All contracts, unless exemption applies	Not applicable, however, contract values are reported on AusTender
	Modern Slavery Reporting by suppliers with \$100m+ revenues.	Modern Slavery Act 2018	All businesses over the threshold	Annual Compliance Statement reported by supplier to the Attorney-General's Department

11 Appendix D: Survey results

10.1 The review undertook two surveys to identify views of the SSAs from a range of perspectives aligned to the focus of the review.

- A survey of Australian Government, State and Territory agencies, and Australian Universities who utilise the SSAs was undertaken as part of this review that received 98 responses.
- A survey of sellers to Australian Government and industry more broadly was published on the BuyICT website and received two industry submissions.

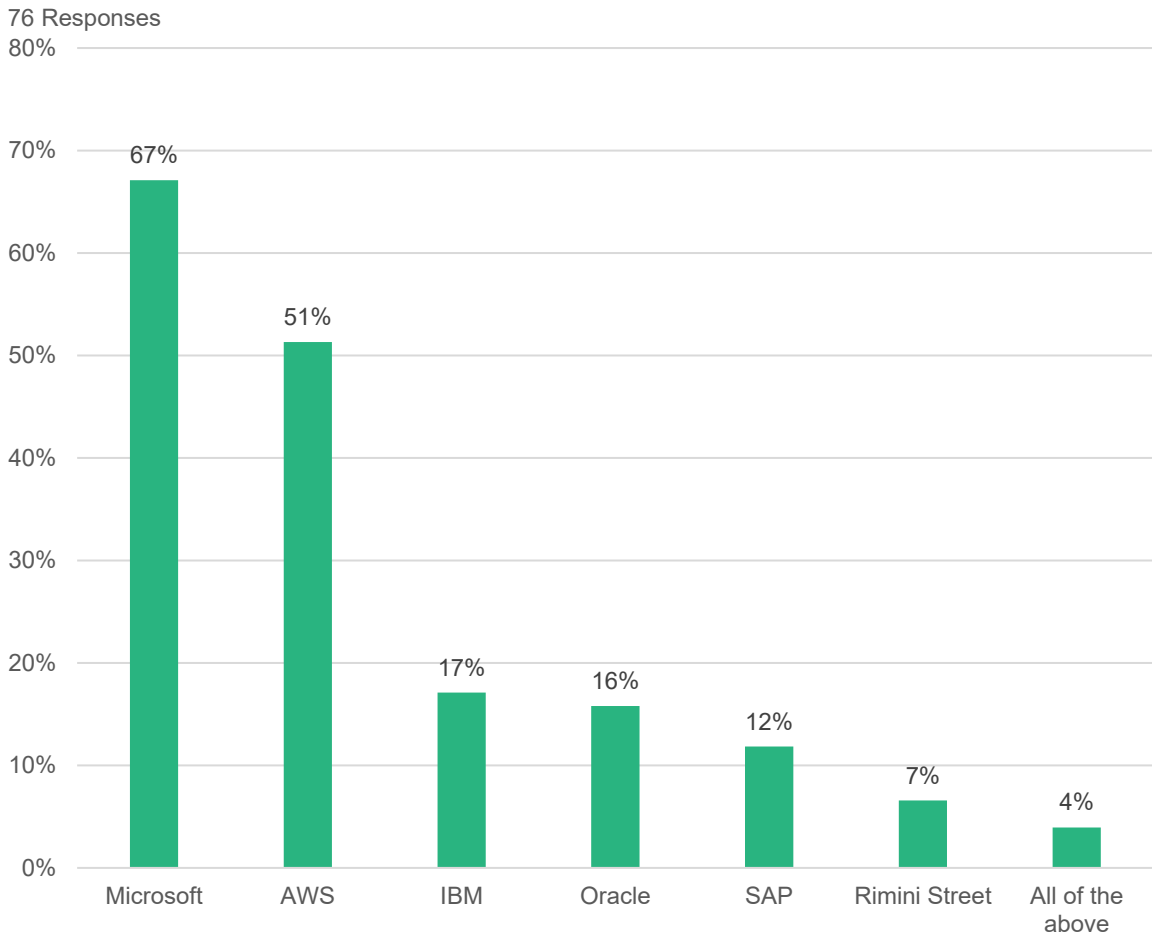
10.2 The section below provides a summary of the responses to the questions.

Note: each graphic provides detail on the number of responses received to the specific question in the top left-hand corner, or above the graph where there is multiple focus areas. Percentages in the graphs are based on the number of responses to the question.

Question: Which of the DTA's SSAs has your agency used in the last 2-3 years?

10.3 For context, survey respondents are predominantly users of the Microsoft and AWS SSAs, with limited use of other SSAs in comparison, meaning that the answers to questions through the survey will be biased towards the use, benefit and challenges of those arrangements. However, due to similarities in the structure of the SSAs, the lessons learned through this survey were deemed to be applicable against each SSA, and useful in the context of future planning.

Figure 26 – Survey response: Which of the DTA’s SSAs has your agency used in the last 2-3 years?²³⁴



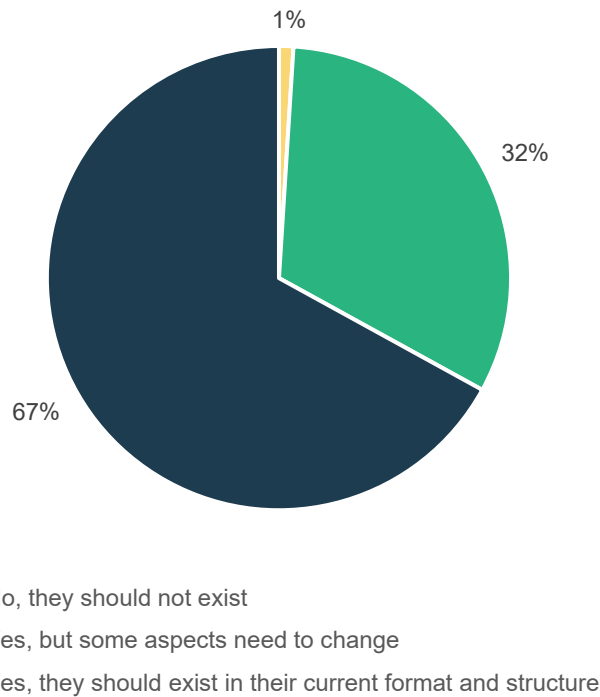
Question: Should whole of Australian Government Single Seller Arrangements exist for the technology sector?

10.4 Overwhelmingly respondents agreed that, yes, the SSAs should either exist in their current format and structure, or should exist, with need for some aspects to change. This is consistent with feedback obtained through stakeholder interviews. The reasons for the need for change are further captured in the following questions.

²³⁴ This graph does not total 100% in aggregate as respondents could select one or more permutations of SSA sellers that they have used in the past 2-3 years.

Figure 27 - Survey response: Should whole of Australian Government Single Seller Arrangements exist for the technology sector?

72 Responses



10.5 The opportunities to improve are summarised below:

- **Need for Greater Flexibility:** Respondents identified that improved flexibility in licensing arrangements would enable reduction in costs and improve usability. Respondents identified that the arrangements require flexibility to accommodate the varying sizes and needs of agencies, and the evolving nature of technology offerings (one size doesn't fit all). Responses also suggested that, in absence of SSAs, smaller agencies are unable to access the benefits that larger agencies receive due to their relative spend.
- **Improvement to Processes and Terms:** Respondents identified the need for standardised terms and conditions and streamlining of processes across agreements to simplify agency onboarding and engagement. This includes consistent structures, centralised management of procurement risks, and uniform performance reporting to improve operation of the agreements.
- **Improved Negotiation of Terms:** Respondents identified the need to address issues like minimum commitments, pricing, and the ability to effectively adjust software or licensing arrangements during the agreement term. Further, respondents identified that refinement to negotiation timing and processes could

potentially enhance decision making and enhance opportunities to achieve efficiencies. This could include more regular review of the arrangements.

- **Enhanced Transparency and Reporting:** Respondents identified the need for greater transparency and reporting against agreement terms and conditions, including improved performance reporting (including consideration of KPIs against delivery outcomes), metrics associated with benefits, and centralised repositories for contract related information. Respondents also identified a need for clear eligibility criteria for SSA participation.
- **Centralised Management and Coordination:** Respondents identified that there is an opportunity for the DTA to better coordinate information sharing, manage procurement risks (e.g. Foreign Ownership, Control and Influence (FOCI)), and oversee seller relationships. A respondent noted that it is challenging to keep pace with the changes in products offered by Sellers.
- **Improving the Strategic Partnership:** Respondents identified the opportunity to strengthen the partnership with the sellers through balancing discounts against benefit or value provided through integrating objectives such as cyber security enhancement, increased collaboration between international and domestic suppliers, upskilling the workforce, addressing technology debt, and driving transformation in areas such as AI.

Further respondents identified strengthening the partnership model to seek greater investment in the country or the public sector through initiatives such as innovation funds, skills development, and research and development with universities and public sector should be considered.

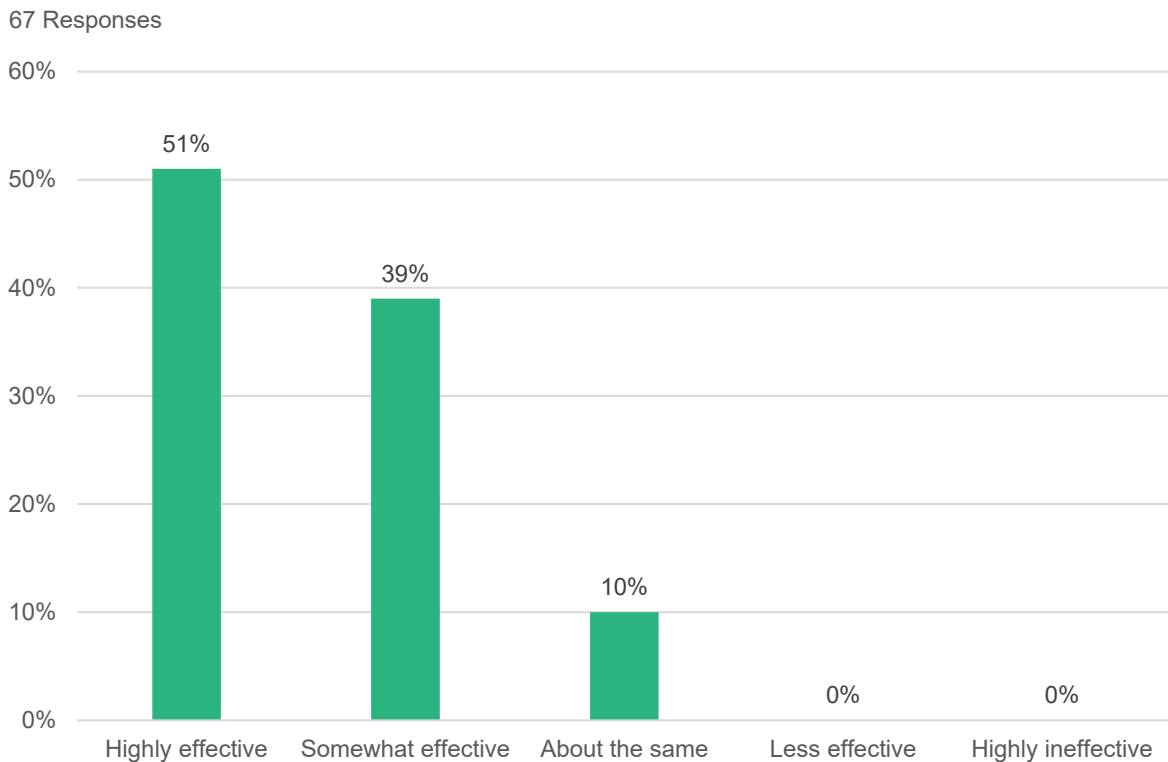
- **Support ecosystem diversity:** Respondents identified that incentivising use of local SMEs, Indigenous suppliers, and service-based delivery partners within SSA frameworks should be considered, with consideration of how to limit the impact on procurement costs and regulation to SSA holders. This is further considered in the section of local participation.
- **Consideration of a Tiered or Scaled Model:** Respondents identified that consideration could be given to a tiered or scaled SSA model that allows smaller and newer suppliers to participate. Current panel arrangements such as DMP2 were deemed to align with this approach.

10.6 In response to why SSAs should not exist, a respondent noted consideration should be given to having a small number of vendors under each agreement, ideally tiered to agency size so that large resellers could assist large agencies and small resellers could assist small agencies (with less complex requirements). The review considered this and also deemed this to align with the intent of existing panel arrangements.

Question: In your experience, how effective are SSAs compared to other procurement methods (e.g. open tender, panel arrangements etc.)?

10.7 Respondents all identified that the SSAs are at least as good or better than other procurement methods. The section below provides a summary of both the positives and opportunities for improvement.

Figure 28 - Survey response: How effective are SSAs compared to other procurement methods



10.8 Respondents identified the following key themes noting that there are both positives, and opportunities for improvement against most aspects of the agreements.

- **Cost Effectiveness:** Responses highlight the financial benefits of the arrangements, including better pricing, volume discounts, and reduced individual agency expenses. Further, the consolidated bargaining power of the

Commonwealth Government is recognised for enabling smaller agencies to access advantageous terms.

- **Efficiency and Convenience:** Feedback emphasises the streamlined processes and reduced administrative overheads. Responses highlight the ease of use, efficiency, effectiveness and time-saving aspects of the arrangements. A state government entity noted that the use of a specific Seller would not have been possible without the arrangement in place.

10.9 Responses identifying improvement opportunities:

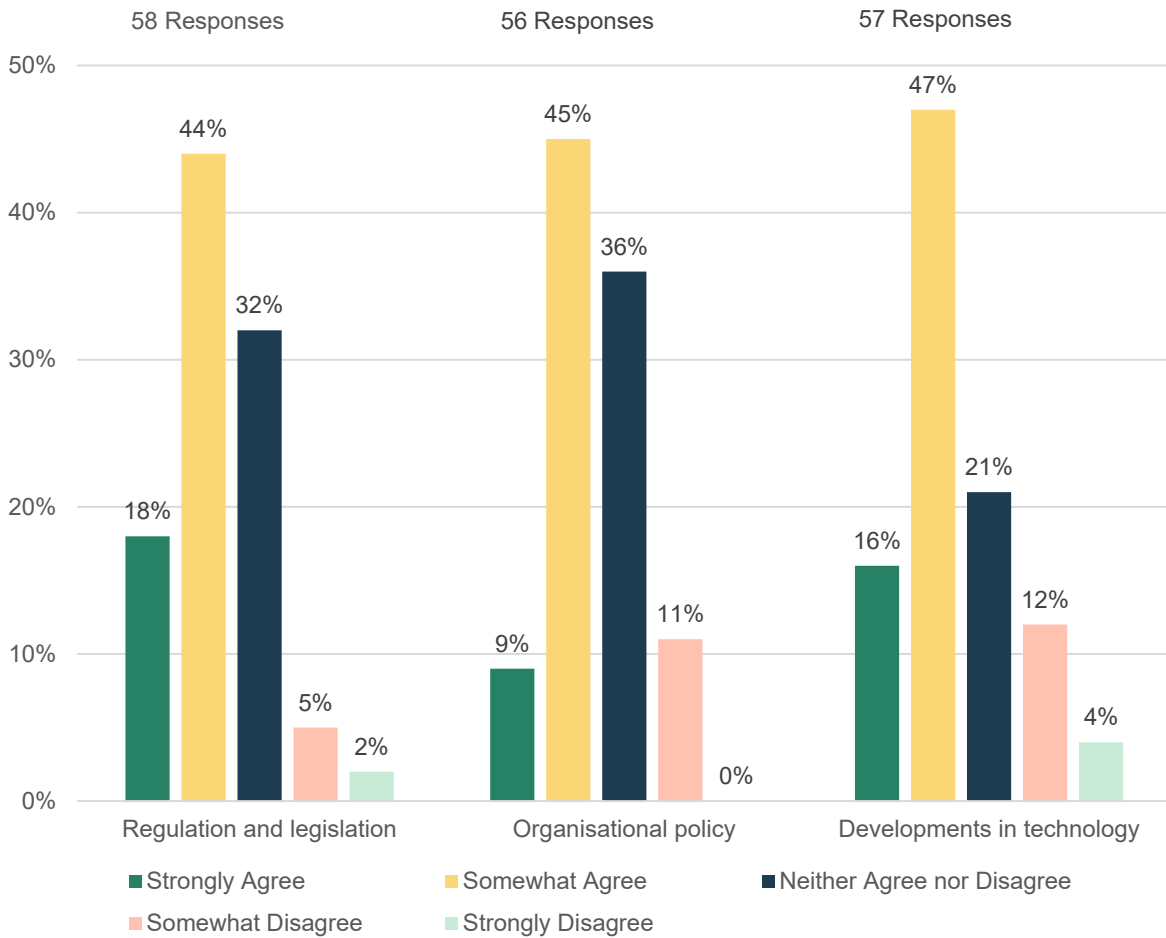
- **Complexity and Communication:** Some responses point out the complexity of the arrangements, including difficult engagement processes, extensive documentation and challenges in understanding specific agreements and the offerings from the Sellers. Further, respondents identified that improvement to communication is required.
- **Flexibility for Agency Requirements:** Respondents noted that the SSAs often lack flexibility to meet specific agency requirements, necessitating additional negotiations. In some cases, the offerings do not align with agency needs as, when they are negotiated as a Whole of Australian Government approach, they fail to capture individual agency requirements. An example given identified that larger agency technology footprints and technology roadmaps are not accurately captured.
- **Negotiation and Accessibility:** Respondents identified that they have limited control or input to the negotiation process and that the timing and commitments can create challenges with regards to budget forecasting.
- **Reporting Improvements:** Respondents noted that information captured on AusTender relating to Open Tender approaches to the market relating to mandatory use of SSAs incorrectly identify the procurement as Limited Tender.

Question: Have SSAs adapted or evolved to accommodate changes in the following areas:

- **Regulation and legislation**
- **Organisational policy**
- **Developments in technology**

10.10 The survey responses indicate that there is a generally positive sentiment towards whether the SSAs have adapted or evolved to accommodate changes in regulation, legislation and organisation policy, and developments in technology. Respondents identified that the SSAs do have some flexibility, but require further improvement to respond to regulatory, market and technological shifts in a more responsive manner.

Figure 29 - Survey response: Have SSAs adapted or evolved to accommodate changes?



10.11 Responses identifying improvement opportunities:

- Speed to change:** Some responses identified that the mechanisms intended to allow adaptation to new and emerging technologies are often slow, administratively complex, and inconsistently applied. Overall, their ability to keep pace with fast-evolving technology and regulatory settings is currently limited. More flexible, modular agreements that adapt quickly to technology and regulatory changes were identified as a potential improvement opportunity.

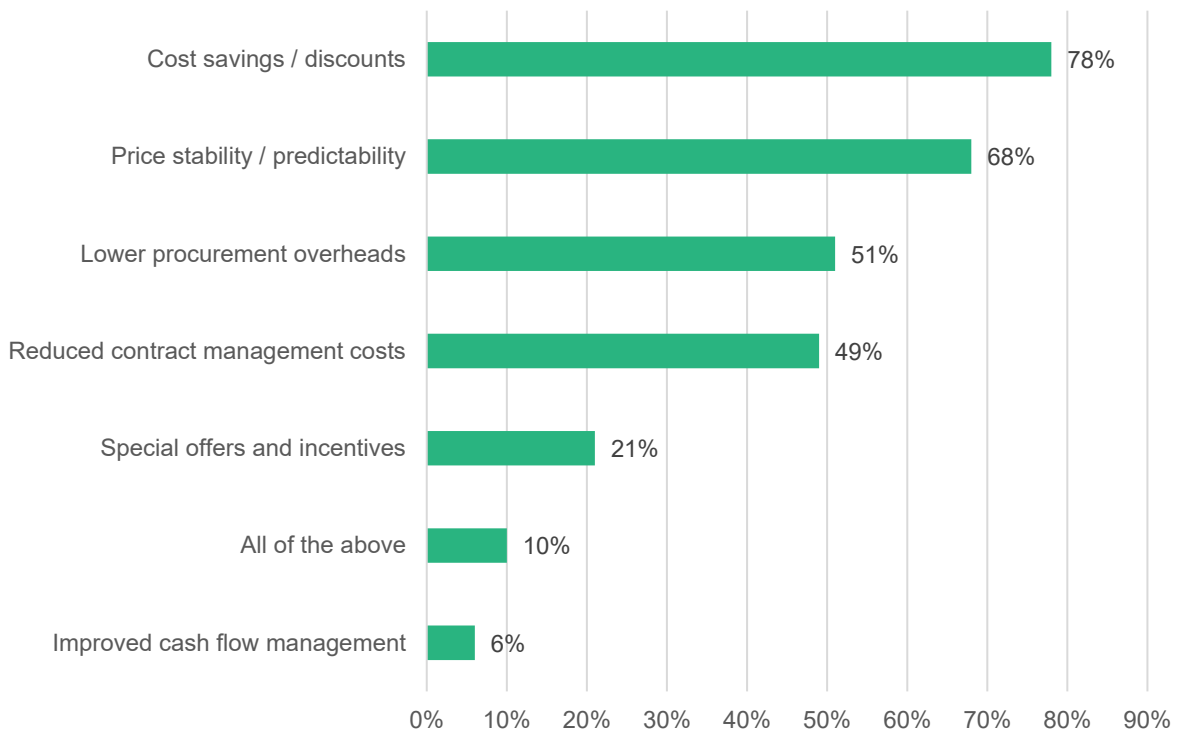
Question: Monetary benefits of SSAs. Which of these monetary benefits has your agency received from SSAs? (Select all that apply)

10.12 The survey identified the majority of monetary benefits stem discounts, along with price stability and predictability, which correlates with responses from interviews with stakeholders. The data also shows that half of respondents benefit from lower procurement overheads and reduced contract management costs.

10.13 The response highlights that the special offers and incentives offered under the arrangements are considered less of a benefit, which correlates with interview feedback indicating a need for further transparency and education on these benefits and how to access them.

Figure 30 - Survey response: Which of these monetary benefits has your agency received from SSAs?

63 Responses

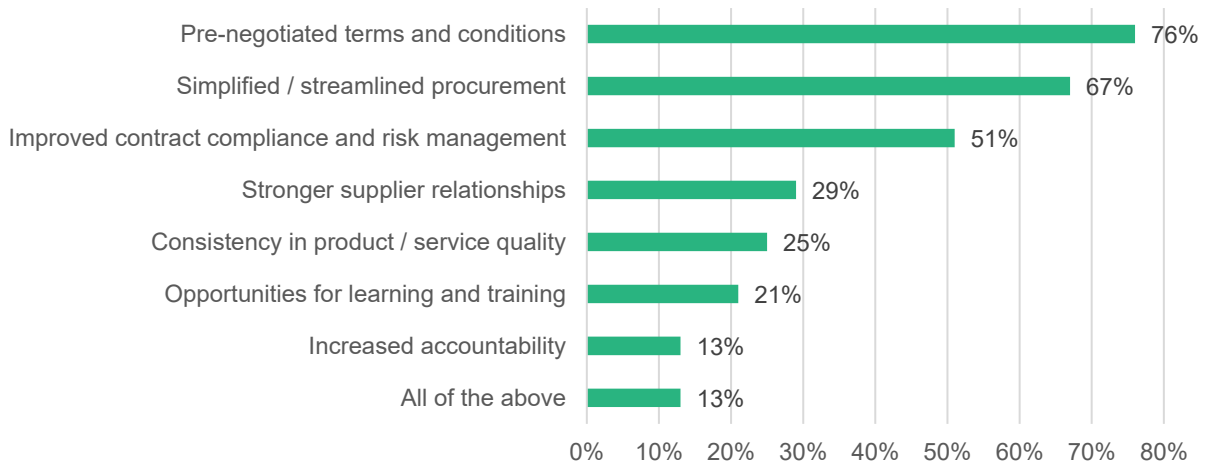


Question: Non-Monetary benefits of SSAs. Which of these non-monetary benefits has your agency received from SSAs? (Select all that apply):

10.14 Respondents identified that the pre-negotiated terms and conditions and simplified / streamlined procurement are the major non-monetary benefits of the SSAs, with half indicating that improved contract compliance and risk management was a benefit.

Figure 31 - Survey response: Which of these non-monetary benefits has your agency received from SSAs?

63 Responses



10.15 Other non-monetary benefits identified include the opportunity to engage with and share experiences and challenges faced by other buyers in working with the sellers with an SSA, along with reduced reliance on legal advice as contract terms and conditions have been agreed. This enables increased focus on value for money negotiation instead of focus on risk-assessing contract clauses.

Question: Thinking about the wider technology ecosystem and supply chain, how much do you agree that SSAs contribute to supporting the following?

- **Australian Businesses**
- **Indigenous Businesses**
- **Women led Businesses**
- **Small to Medium Enterprise**

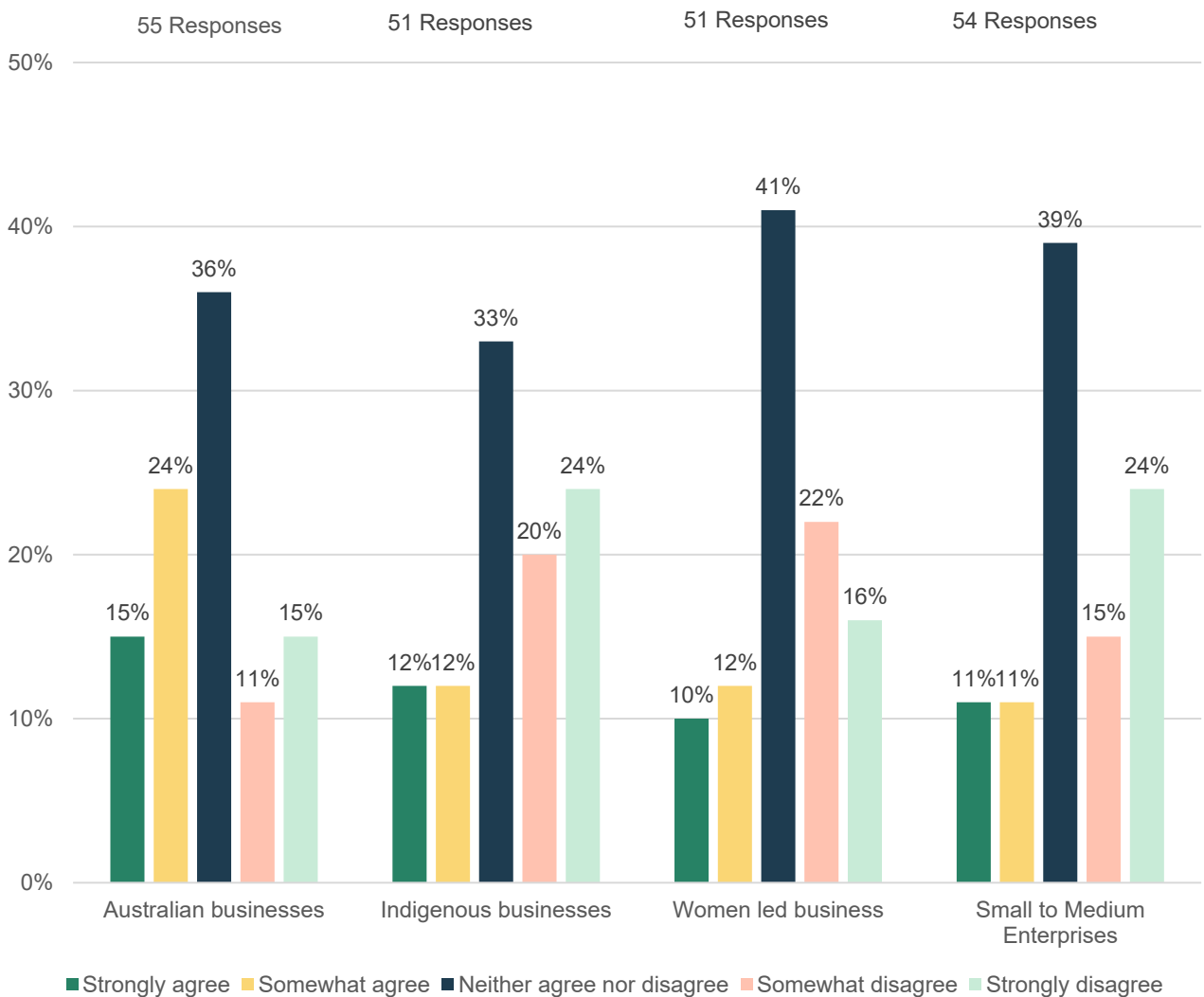
10.16 Analysis of the responses indicates that there is slightly negative sentiment towards whether the SSAs contribute to the participation from the businesses such as Australian, Indigenous, Women led or Small to Medium Enterprises, indicating that the arrangements do not foster engagement of these sectors in their current form.

10.17 Respondents noted the opportunity for the strategic nature of the SSAs to be leveraged to drive a stronger strategic partnership with the sellers, leading to greater investment in the Australian market and public sector, aligned to national priorities. This could include incentivising the use of suppliers such as Indigenous or women-led businesses.

10.18 Responses also identified opportunities including the use of local services and subcontracting under the SSAs, strategic partnerships with Indigenous businesses, skills development initiatives and support to innovation hubs as an opportunity for SSA sellers to contribute to fostering Australian economic participation.

10.19 Further analysis is provided in the *Alignment to policy, strategies and legislation* section of this report.

Figure 32 - Survey response: Thinking about the wider technology ecosystem and supply chain, how much do you agree that SSAs contribute to supporting the following?



Question: What key activities or strategies can help drive Australian business participation in the SSA supply chain?

10.20 Respondents indicate that stronger application of the government policy position such as Indigenous Procurement Policy could drive greater participation in the supply chain, including consideration from the sellers in establishing strategic

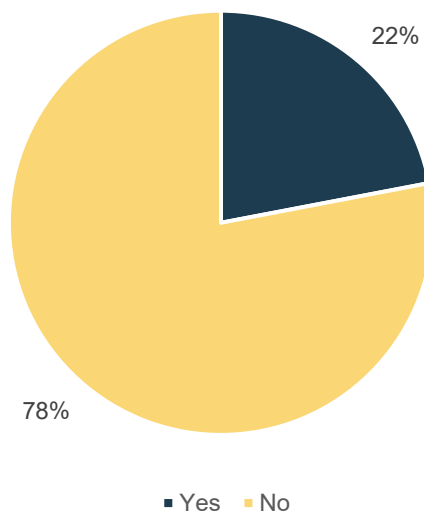
partnerships with Indigenous businesses. Further respondents identified that there is the potential to ensure broader economic benefit through defining minimum targets for local participation through the SSAs.

10.21 Respondents also provided examples of opportunities to drive participation through access to skills building initiatives across diverse communities and further engagement in initiatives that drive and promote local innovation, research and development and emerging technologies.

Question: Have you experienced any unexpected or unintended consequences from using SSAs? If yes, please specify and suggest any mitigation strategies.

Figure 33 - Survey response: Have you experienced any unexpected or unintended consequences from using SSAs?

64 Responses



10.22 Responses to the free text question regarding the unintended consequences of the SSA arrangements are summarised below:

- **Cost Implications:** Responses identified unexpected cost implications due to the timing of the SSA negotiations, and minimum commitments resulting in cost inefficiencies, and changes in arrangements that resulted in the inability to reduce license commitments. Further respondents identified a need for clarity on fees and recovery charges with the DTA. Some of these challenges were identified as being offset by the SSA providing the ability for procurement and contract management teams to invest time in high value procurement activities.

- **Financial and License Entitlement Clarity:** Respondents identified the need for greater clarity and visibility around applicable CAF or CRF savings fees to enable greater understanding of procurement costs. This extends to improved tracking and understanding of changes to license entitlements under renegotiated arrangements.
- **Currency of Technology Offering:** Respondents identified that without review, offerings under the SSA may include legacy products that are no longer fit-for-purpose and conversely may not accurately reflect new offerings and services. The responses also identified the need for consideration of SSAs for other market segments / products.
- **Negotiation Challenges:** Respondents identified their ability to influence and contribute to SSA negotiations is limited and includes minimal interaction, resulting in an inability to negotiate agency specific requirements and loss lesser ability to realise efficiencies. Further, respondents noted that the timing of the negotiations can have unintended consequences to agencies from a cost perspective.
- **Education Requirements:** Respondents identified that there can be misunderstanding of procurement rules with agencies assuming that the SSAs overrule competitive procurement requirements, and a perception of a buyer being locked into a seller. Further, respondents sought clarity on whether the SSAs are a procurement “green light” or “red carpet” for vendors who have an SSA.
- **Communication and Understanding Issues:** Responses identified a need for increased understanding of the rationale behind decisions relating to the way in which SSAs were designed and implemented, and a need for enhanced communication and clarity to improve understanding of decision making in the negotiation process, including improved collaboration.

Question: In your experience, are there models you are aware of from sourcing arrangements in other nations or Australian States and Territories we should consider?

10.23 Responses provided references to models such as the NSW Government, United States and United Kingdom sourcing models, which have been considered as a part of this review, with specific reference in *Appendix F: International Comparison*.

Question: Is there anything else you'd like to raise that has not been covered in this survey?

10.24 Four key thematics were identified:

- **Improved pricing transparency:** Responses encourage broader sharing of pricing books and ongoing support costs for the SSAs to support internal decision making and requirements definition.
- **Future planning:** Responses encouraged the DTA to consider further SSAs for large software companies to streamline the purchasing process through agreed terms and conditions.
- **Survey response results:** Responses identified that the outcomes from surveys of agencies using the SSAs, including proposed actions should be provided as an update from the DTA.
- **Earlier renegotiations:** Responses indicate that the timing of negotiations can leave government agencies with limited time to consider their internal position on the arrangements before the establishment of the head agreement.

12 Appendix E: Commercially sensitive analysis

[This content has been redacted to enable publication of the report.]

13 Appendix F: International comparisons

United States of America

Key points

- Given its size, the US Government has an approach to shared services that is based on the influence and will of individuals.
- The large sellers have limited interest in helping with any change as they benefit from the current lack of transparency.
- The underpinnings to future success for the US Government to move towards a posture where it could better leverage its ICT buying power begins with:
 - Better data on where money is currently being spent.
 - Upgrading legacy ICT such that future ICT can provide a stable foundation on which to build shared services that deliver for the public and agencies' missions.
 - Clear authority in a single person to mandate change and for this to succeed that person requires control of the money.
- The issues which did drive changed behaviour in the US Government in the last few years were cybersecurity, and in future years the shift to cloud services and artificial intelligence will continue to drive further changes in behaviour.
- The Government itself must maintain sufficient ICT expertise in its workforce in order to have the capability to validate proposals from the private sector for ICT.
- The Government needs to be prepared to invest money perhaps to the point of temporarily doubling its costs to build digital twins rather than try to cobble

together improvements on top of infrastructure - in order to ultimately save money especially through automation.

Context

- 12.1 Created via the passage of the E-Government Act in 2002, the **Federal CIO** is a role within the US Government's Office of Management and Budget (OMB) in the Executive Office of the President. It has a small staff and oversees federal technology spending, IT strategy, cyber security and digital transformation to enhance public services and operational efficiency. It has jurisdiction of around 430 departments and agencies and until recently used specialised funds to incentivise desired behaviour from entities against its priorities. Such funds are tailored for ICT modernisation and uplift of services to the public.
- 12.2 Each department and agency is responsible for its own procurement. Progress against the Federal CIO's priorities is monitored by the CIO Council which establishes standards against which the success of individual agencies' programs are measured which include optimising Federal Government information resources and investments.
- 12.3 Other US Government entities also play a role in overseeing procurement:
- The **US General Services Administration** provides centralised procurement for the US federal government. It has four main roles including "Digital government: A digital government that delivers for the public through trusted, accessible, and user-centred technologies".
 - The **US Digital Service** was created in 2014 as a technology unit within the OMB. In January 2025 it was renamed as the United States Department Of Government Efficiency (DOGE), although the USDS still exists. Its focus is to promote the use of digital services and improve government websites.
 - The **Office of Federal Procurement Policy** was created by Congress in 1974 and sits within the OMB. Its role is to ensure the efficiency and effectiveness of government procurement.

Key differences

- 12.4 Given its size, the US Government has an approach which is based on the influence and power of individuals and is completely decentralised. The large departments such as the Departments of Defense, Treasury, Agriculture and Transport can use their size to leverage discounts from sellers, but smaller entities do not get access to

these. This can mean there is enormous inequity in costs paid for products and services. Thus the large sellers have limited interest in helping to drive change as they greatly benefit from the current lack of transparency and coordination.

- 12.5 There is limited meaningful aggregated data on where the US Government is spending its money on ICT products and services. Data collected relies on self-reporting often from personnel without the requisite skills or knowledge. While some progress has been made over recent years, the true knowledge probably sits with the large sellers who have no commercial interest in assisting with transparency.
- 12.6 The US started the *Better Contracting Initiative* to meet with sellers and start strategic partnering conversations, however this often ended up being a mechanism for the sellers to gain insight into the US Government's strategies to use for commercial advantage.

Commonalities with Australia

- 12.7 Companies like Microsoft are typically engaged through a reseller and the reseller is responsible for landing the Microsoft capability in the agency and supporting implementation. Again, large entities have the capability and capacity to negotiate with resellers, but getting this expertise into smaller agencies is problematic.
- 12.8 Similar to the Small and Medium Entity procurement pathways introduced by the Australian Government (e.g. the SME exemption within the Commonwealth Procurement Rules), the US has the **Small Business Development Program** to help small, disadvantaged businesses compete for federal contracts through certification, offering access to sole-source and competitive set-aside contracts, business development assistance, and other benefits.

What better looks like for the US – according to our interlocutor

- 12.9 The underpinnings to future success for the US Government to move towards a posture where it could better leverage its technology buying power begins with:
- **Better data on where money is currently being spent.** The Current Federal CIO, Gregory Barbaccia, called for all agencies to inventory licences they have with Microsoft, Adobe, Salesforce, Oracle and ServiceNow by 2 April with a view to save costs and take advantage of economies of scale for software purchases. This inventory will be extended to all software by 30 April.
 - **Upgrading legacy ICT** such that future ICT can provide a stable foundation on which to build shared services that deliver for the public and agencies' missions.

- **Clear authority** in a single person to mandate change and for this to succeed that person requires control of the money.
- 12.10 The issues which did drive changed behaviour in the US Government in the last few years were **cybersecurity**, and in future years the shift to cloud services and artificial intelligence. These were viewed as platforms which can be leveraged to hasten change.
- 12.11 The US Government itself must **maintain sufficient ICT expertise** in its workforce in order to have the capability to validate proposals from the private sector for ICT.
- 12.12 The US Government needs to be **prepared to invest money** perhaps to the point of temporarily doubling its costs to build digital twins rather than try to cobble together improvements on top of infrastructure - in order to ultimately save money especially through automation.

United Kingdom

Key points

- The Central Digital and Data Office (CDDO) and Government Digital Service (GDS) drive digital performance, both are housed within the UK Cabinet Office.
- The Shared Services Strategy (launched in March 2021) aims to improve efficiency by consolidating 286 departmental systems into five shared service centres, each using a separate Enterprise Resource Planning (ERP) system. Clusters of like-agencies were formed which considered factors such as technology, scale, complexity, service needs, and historic investments.
- The Chief Procurement Officer role was established in April 2012 with the role later being re-named Government Chief Commercial Officer (GCCO) to reflect an expanded scope of responsibilities. Since its inception, the GCCO role has been pivotal in driving commercial and improving procurement practices within the UK Government.
- The Government Commercial Function (GCF), formally established in 2015, incorporates ~6,000 procurement specialists across departments, supported by a Cabinet Office central team. In recent years it has been responsible for implementing the new UK Procurement Act 2023.

- The UK has centralised functions which focus on digital transformation, shared services, and efficiency, similar to Australian governance structures. These functions are not legislated but derive authority from Westminster system governance.

Context

- 12.13 Responsibility for improving the UK Government's digital performance rests with the Central Digital and Data Office (CDDO) and the Government Digital Service (GDS), which are both part of the Cabinet Office. The CDDO, created in 2021, leads the digital, data and technology function of government and is responsible for strategy, standards, and capability development. The GDS, created in 2025, has refocused its role on building products and services that help provide a simple, joined-up and personalised experience of government to the public. However, individual departments are responsible for the day-to-day delivery of their own programmes.
- 12.14 The extant Shared Services Strategy was launched in March 2021 by the Cabinet Office. The Strategy is focused on creating efficiencies by replacing 286 departmental systems with 5 ERP systems clustered through five shared service centres. The clusters were determined by factors such as existing relationships and departmental characteristics such as technology, size, scale, complexity, service requirements and historic and current investments. The Public Accounts Committee (PAC) reported in 2023 that the 2021 Strategy was underfunded blaming the Cabinet Office for failing to make a proper business case whilst also acknowledging that the Strategy was still on course to save £1.8bn over the next 15 years through modernising back-office systems and moving to cloud-based technology and standardising processes and data. The PAC also reported that the clusters had forecast that they would need an additional £480m of investment after 2024-25 to deliver the full Strategy.
- 12.15 The position of Chief Commercial Officer (CCO), formerly Chief Procurement Officer is responsible for implementing the UK Procurement Act 2023 which came into force in February 2025. The Act aims to:
- Simplify the bidding processes including a new 'competitive flexible' procedure.
 - Make commercial frameworks more open, so prospective sellers are not shut out for long periods of time.

- Remove bureaucratic barriers for smaller businesses and voluntary, community and social enterprises so they can compete for more contracts - with strengthened provisions for prompt payment.
- Require public bodies to provide consistent, publicly available, feedback for sellers: a requirement on public bodies to provide bid assessments for final tenders.

- 12.16 The CCO in the Cabinet Office oversees the Government Commercial Function (GCF) which was formed in 2015 and incorporates around 6,000 people working in commercial roles across the UK Government. In this decentralised model, the commercial teams in departments are supported by a central team, including the Crown Commercial Services within the GCF, providing cross-cutting functional coordination support, as well as specialist services and expert advice on complex transactions, key sellers and market stewardship. This helps to ensure that the Government can effectively leverage its significant scale, benefit from greater efficiency and drive improved value for money from its sellers and the wider supply chain. The Crown Commercial Services have framework agreements, dynamic agreements and strategic memorandums of understanding with companies such as HP, IBM, AWS, ServiceNow and Cisco. Companies such as Microsoft often provide services to government through value added resellers²³⁵. Government departments tend to use central frameworks and rather than run tender process for the following reasons: efficiency and speed, accessing discounts, legal compliance, quality assurance, risk management, HMG Policy Alignment. The GCF also provide Playbooks to guide policy and practice for sourcing and procurement and offer skilling and training in these areas for the rest of government.
- 12.17 In March 2025 the UK Government announced a £3.25bn Transformation Fund to boost government efficiency and invest in digital and emerging technology such as AI. Some reductions on civil service staff have been made already in the expectation that investment in technology can make the provision of services more efficient.

Key differences

- 12.18 The UK Government has been working towards improving government efficiency through shared services and centralised procurement arrangements for over 15 years. Whilst success has been mixed and slow, some savings have been achieved

²³⁵ A full list of these suppliers is available at: <https://www.gov.uk/government/publications/strategic-suppliers/crown-representatives-and-strategic-suppliers>

and the buying power of the UK Government has been leveraged – particularly around so-called back office functions such as finance, HR etc as they continue to move toward 5 shared service centres. The UK is at an inflection point and this year has strengthened governance of procurement in the Cabinet Office and recognised that the next stage of realising more savings will take concurrent financial investment to take advantage of modern ICT.

Commonalities

12.19 The UK has centralised functions with accountability for driving improved digital transformation, shared services and efficiencies within the Cabinet Office. Like Australia, it has had these functions in some form for many years. These functions are not legislated and are given effect to by the power and governance at the centre of a Westminster system.

What better looks like for the UK – according to our interlocutor

12.20 The UK is improving its ability to share and learn from historical failures – the decade long journey of one ERP process was provided as an example, where the technology was adapted to the business process of individual agencies thus creating bespoke systems with limited interoperability. The UK Intelligence Community (UKIC) has become an exemplar for what may be possible in the broader government, and this has taken time and strong and united leadership to achieve whereby now one team in the UKIC enters into contracts on behalf of the whole UKIC.

Canada

Key points

- Achieving shared services remains hard, and a strong and clear central legal mandate is imperative along with clarity on the role of departments and agencies receiving the service.
- Whilst shared services can create significant savings these take far longer to be realised than expected.
- Negotiating power can be realised through sheer scale of requirements.
- Ensuring competition, reliability, self-reliance, and diversity is a challenge with these often operating in tension.

- Improved cybersecurity has been a significant driver towards shared or common services.
- Interoperability has also been a driver towards shared or common services.
- In the current geostrategic context, self-reliance, data sovereignty and cybersecurity are a high priority.

Context

- 12.21 Following a 2010 Budget Review of government administrative functions, Shared Services Canada (SSC) was created on 4 August 2011 and reports to Parliament through the Minister of Public Services and Procurement Canada. With its formation, SSC initially brought together 5,000 IT positions and resources from 42 departments with a mandate to provide email, data centres and network services. At its stand up, its budget was cut by CAN\$500m per year, which in hindsight gave the organisation a challenging start.
- 12.22 On 1 April 2012, SSC became an independently functioning department in terms of its governance and financial responsibilities.
- 12.23 SCC centrally delivers email, data centres and networks to the Canadian Government. End user devices and applications are the responsibility of individual departments and agencies.
- 12.24 The Canadian Security and Intelligence Service and the Communications Security Establishment are the only fully optional clients that are not obligated to use the bulk of SSC's services (they are however required to use SSC's purchasing vehicles for certain items). SSC also provides services to border, defence and law enforcement; the sole exemption is for dedicated mobile communications (for example deployed equipment with the Canadian Armed Forces) and SSC also provides technology support to border posts and Royal Canadian Mounted Police detachments. SSC maintains a high threshold for gaining an exception to its enterprise standard, this threshold was lower at the stand up of the SSC and has been addressed since whereby all exceptions are done openly through an enterprise architecture review board.
- 12.25 SSC is responsible for setting up IT contracts, standing offers and supply arrangements for the Government of Canada. SSC has a role to ensure only trusted equipment and software are used. In practice, this has meant that departments with delegated authority can buy IT goods from SSC's national master standing offers,

such as printers, scanners, toner and other IT peripherals and components, such as keyboards, USB keys and computer mice. However some goods are excluded in order to leverage volume discounts and ensure the 'best value to Canadians'. These include: docking stations, monitors, desktops, notebooks, tablets and thin clients.

12.26 The SSC's Centre of Expertise in Agile and Innovative Procurement was established in 2019 and focuses on removing barriers to entry to complex government RFT processes for organisations not large enough to contend with them. It uses the well documented agile method of incubation, encouraging innovation and solution finding. Its ScaleUP program, launched in 2021, targets micro and small businesses especially those led by minorities essentially by setting aside procurement opportunities that SSC judges can be addressed by those groups.

12.27 SSC also have a program that gives favour to sellers who can demonstrate energy efficient or 'green' initiatives.

12.28 Through the consolidation of goods and services contracts, leveraging better pricing and reducing duplication, SSC claims to save \$209 million annually in overall IT expenditure.

12.29 SSC is also bringing centralised services support to government organisations, applying industry standards for service delivery and enabling more effective, efficient and cost-effective practices. For example:

- SSC has put in place a comprehensive Service Management Strategy for the delivery and servicing of IT infrastructure running government systems as a complement to its Information Technology Infrastructure Plan.
- Has a Customer Satisfaction Feedback Initiative to identify areas where service delivery needs to be improved.
- Established an on-line IT Service Catalogue for government departments and agencies to obtain information about, and to order, enterprise services such as email, mobile technology and workplace technology devices, thereby enabling those organisations to better deliver programs and services to Canadians.
- Set in place Service Level Expectations for priority IT services such as email, mobile devices and videoconferencing.
- SSC also has in place an electronic system to manage procurement-to-payment processes, including a seller self-service portal that will help to streamline the delivery of enterprise IT services.

Key differences

- 12.30 SSC is a service delivery agency. It oversees an array of single seller arrangements. Whilst progress has been slow since its stand up in 2011, some significant cost savings are now being realised along with cost avoidance and improved negotiating power given the scale of the Government of Canada's buying capacity. In some cases, cost efficiencies have also been achieved because of improved technology.
- 12.31 SSC continues to need to build credibility and reliability in its reputation among government despite having a clear mandate in legislation. Whilst it supports 3,800 locations around Canada, when only one has a service problem due to an unavoidable incident this impacts the agency's reputation. The reputational challenge is also a consequence of the agency's original stand-up where 5,800 staff were transferred to SSC but not moved from their physical locations. This meant that people stayed in their own locations but Shared Services Canada was given all of the money. Other legacy challenges such as an early failure to deliver a one email system for the Government still contribute to today's reputational challenges.

Commonalities

- 12.32 Managing competition remains challenging for SSC and they are working to change the current models of procurement to ensure that companies do not become entrenched in monopolies.
- 12.33 There are several different models used by SSC for central procurement.
- 12.34 Small items such as laptops and mobile phones are bought under arrangements where an amount is negotiated per item without a commitment for how many items might be bought over time.
- 12.35 SSC is moving to a 'Platform As A Service' model where it provides an application as a service allowing individual departments to avoid the implementation cost and simply pay for consumption. Take up of this service is voluntary but SSC runs the data centre so most departments and agencies do not want the cost of running their own.
- 12.36 SSC has other initiatives to manage competition. They are moving to a model where SSC negotiate a five-year initial term then annually afterwards. This means that if the Government wishes to move sellers, it has five years to get off a product and the seller has equal warning. SSC are also implementing an approach whereby they do not allow an actual single seller arrangement but instead either have a two-seller

arrangement or a two plus one seller arrangement. The latter being where two major sellers are providing services and one small seller provides the same service.

- 12.37 The challenges of multiple seller arrangements are that SSC has to have teams with the skills to support multiple products. It also means that it has less buying power when negotiating with one seller because it is buying half the service or product.
- 12.38 Legacy ICT remains a challenge and SSC is looking at ways they may be able to move agencies faster off legacy ICT as allowing them to move slowly has proven to be more expensive. It also means that SSC is carrying unhealthy application layer capabilities that are still managed by individual agencies on its infrastructure which creates risk.
- 12.39 Interoperability remains a challenge and SSC provided the example of cloud services where they are moving some data back into private clouds so that they have better control of that data from a security and privacy point of view but also as part of recognising that data is critical to the Government of Canada's operations. The example provided was HR data. Negotiations with cloud providers is challenging given that those clouds are deliberately not interoperable hence the move to increase private clouds.

What better looks like for Canada – according to our interlocutor

- 12.40 Looking forward, Canada is thinking carefully about the future move from data sovereignty to digital sovereignty. This is a reflection of challenges in technology supply chains, including as experienced during the COVID-19 pandemic and more recently the rise of geopolitical tensions.
- 12.41 SSC expects the next generation of savings will be to remove duplication of effort in individual departments and using contract negotiations to remove locked-in monopolies.
- 12.42 SSC expects to increase the use of pre-commitments when negotiating contracts. It uses these to get good discounts with big sellers. The Treasury has concerns about this approach because the Government is committing to expenditure against future revenue but is starting to appreciate the savings that can be realised by using pre-commitments in negotiations.
- 12.43 SSC is also reviewing its approach to commodities among its various procurement models including on how to encourage the private sector to bring more innovation to the process.

12.44 SSC also negotiates such that it only pays when it starts to consume services and expects this to continue to be a useful lever in the future.

New Zealand

Key points

- Given their relative size, soft influence and strong coordination by the Chief Digital Officer has realised benefits for NZ.
- The Chief Digital Officer having greater control over ICT spending in the future is being explored.
- Cloud migration has been slower than hoped.
- New Zealand uses a range of models to leverage the buying power of the NZ Government including SSA.

Context

12.45 The Government Chief Digital Officer sits within the NZ Department of Internal Affairs and Chief Digital Officer. Following the 2022 Election, the Digital Investment Office was stood up within the GCDO to increase its influence over public sector digital investments as articulated in the policy document the Digital Investment Mandate. The GCDO reports to the Minister for Digitising Government.

12.46 The GCDO is responsible for setting digital policy and standards; improving investments; establishing and managing services; developing capability and system assurance (assuring digital government outcomes).

12.47 The GCDO's mandate applies to all Public and non-Public Service departments as well as major Crown agents. Other public sector agencies are also participating in many of the initiatives GCDO is leading.

12.48 The GCDO is designated as a system leader under the *Public Service Act 2020* to 'coordinate best practice in a particular subject matter area' by the Public Service Commissioner. The details of their mandate in policy is to further centralise the digital government function, and take a whole of public service approach to strategic planning and investment in digital technology.

12.49 One of the main areas of work is for the GCDO and DIO is to streamline common ICT procurement processes. There are two goals for this line of work:

- Simplify agency procurement and security assurance processes for everything from web development to software purchases, telecommunications and identity services.
- Reduce the costs and the time involved in procurement processes for agencies.

12.50 All six of Australia's SSAs are on this list, except for IBM.

12.51 The GCDO also has in place a programme for what it calls a Common Capability ICT, defined as any technology that can be used by one or more agencies, or across all-of-government, to support business outcomes. Under this model, the lead agency takes responsibility for procurement and contract maintenance, allowing other agencies to focus on service delivery. The idea is to use the scale of government as a single customer. It allows agencies to share ICT investment, pool resources and move to shared standards.

12.52 The Infrastructure as a Service and Telecommunications as a Service Common Capability agreements will expire in 2026 and will be replaced by the Common Capabilities Cloud Programme as part of NZ's cloud first policy.

Key differences

12.53 The GCDO does not sit in the Finance Portfolio and therefore does not have direct control of financial levers which might drive new behaviours among agencies. Whilst they are a recognised 'system leader' under the Public Service Act, this does not give them any particular legislative mandate and they rely on declared strategies, useful services, cabinet authority and the will of Ministers and Government leadership to comply.

12.54 Given their smaller size, the NZ Government has achieved significant progress in the last decade on streamlining and harmonising services to NZ citizens. They have had a cloud first policy in place since 2012 and have 40% of all agencies now on the cloud, in part highlighting the extensive timeframes required to replace or relocate core technology assets. They have also achieved digitisation of almost all agencies' services to the public.

Commonalities

12.55 New Zealand's arrangements are very similar to Australia's. They currently have three layers of how companies can engage with the NZ Government.

12.56 The first layer is the current Common Capability Agreements where the GCDO issue Requests For Proposals (RFPs) to create a standard contract and service level

agreements for a range of services. There are currently two of these Agreements, one for telecommunications including mobiles, Wi-Fi access and helpdesk support. The second Agreement is for infrastructure as a service which provides compute power and managed service providers.

- 12.57 The second layer is panels which are similar to how the Australian Government creates panels for agencies to draw from. In the NZ case, the GCDO has completed the primary procurement processes including due diligence, proof of ownership, terms and conditions and security checks such that agencies can do the secondary procurement process.
- 12.58 The third layer is creation of a marketplace which is a work in progress for New Zealand, where they hope to achieve smaller panels that are opened more regularly for competition to increase innovation and competitive tension.
- 12.59 NZ does have a number of single seller arrangements. Microsoft is one which they have in common with Australia having signed a whole of government deal in August 2024. This has standardised pricing and contracts for Microsoft services such as O365 and Azure. Agencies can then have a supplementary agreement for any bespoke requirements. The benefit NZ advised they have achieved is principally that the agency has clarity on rates and those rates stay unchanged for three years. Similar arrangements are in place for cloud providers which currently include: AWS, Google and Datacom. There are SSAs for Software as a Service and Platform as a Service with Oracle, SAP and TechnologyOne, and for Enterprise Resource Planning (ERP) arrangements including with Workday.

What better looks like for NZ – according to our interlocutor

- 12.60 Looking forward, the New Zealand government is considering how it might improve their arrangements including issues such as:
- The nature of public digital infrastructure.
 - How to move from the already digitised services from agencies which are operating in silos to a federated model.
 - How to build common government infrastructure such as a payment system, government Apps and common digital ID and credentials.
- 12.61 The GCDO is considering the benefit of controlling the appropriation of budget to agencies for digital investments, similar to the model the DTA has with the Investment Oversight Framework and the soon to be introduced Digital Investment

Plans. This was emphasised in the example that New Zealand has had a cloud first policy since 2012 and that 40% of all agencies are already on the cloud but the goal to moving to 60% has become extended due to the challenges of Capex and Opex rules within the New Zealand government funding arrangements.

Others

World Economic Forum

12.62 In the context of its November 2024 White Paper on *Shared Commitments in a Blended reality*²³⁶, the World Economic Forum (WEF) notes that open standards and shared global services and operations have been vital to the underpinnings of a robust and largely open internet. The WEF publishes on these issues at a high principles level and does not address more tactical issues of single seller arrangements of shared services as used by governments.

Organisation for Economic Co-operation and Development (OECD)

12.63 The OECD has from time to time written about shared services. Notably in 2021 it published a paper in the OECD Journal on Budgeting, Volume 2021 Issue 2 in which an Oxford scholar investigated the implementation of the UK Government's shared services to date²³⁷. The conclusions were that over the five year period of the study, there were no quick wins, that this was a long-term strategy where difficult trade-offs of the advantages of collective endeavour had to be managed by minimising downsides and managing a sense of a loss of control sometimes impacting the high functioning of often smaller agencies.

²³⁶ Available at: https://www3.weforum.org/docs/WEF_Shared_Commitments_in_a_Blended_Reality_2024.pdf

²³⁷ Available at: https://www.oecd.org/en/publications/oecd-journal-on-budgeting-volume-2021-issue-2_132dd5df-en.html

14 Appendix G: Competitive landscape

Table 19 High level competitive landscape (non-exhaustive)

Product / service grouping	Examples of SSA product / service name	Non-exhaustive list of competitor products and services
Operating systems	Windows, M365	Apple (macOS), Google (Chrome OS, Google Workspace), Linux (Ubuntu, Fedora), Apple (iWork)
Collaboration tools	Microsoft Teams and Yammer, SAP Build Work Zone, IBM Connections, Amazon Chime	Zoom (Zoom Meetings), Slack (Slack Workspace), Google (Google Meet), Atlassian (JIRA)
Cloud compute and storage	Microsoft Azure and Blob Storage, Amazon Web Services (AWS), IBM Cloud, Oracle Cloud	Google Cloud Platform (GCP), Vault Cloud
Database	Azure SQL Database, IBM Db2, Oracle Database 23ai	MongoDB, PostgreSQL, Redis
Mainframe and servers	IBM Z, Oracle SPARC servers	Unisys ClearPath, Fujitsu GS21, Hewlett Packard Enterprise (HPE)
Document storage	Microsoft SharePoint and OneDrive, IBM FileNet	Objective Cloud, Atlassian (Confluence), DropBox
Hardware	Servers	Laptops such as Apple (MacBook, iPad), Dell (XPS Series), Lenovo (ThinkPad Series) Phones such as Samsung (Galaxy) and Google (Pixel)
Enterprise Resource Planning (ERP) and case management	SAP S/4Hana, SAP SuccessFactors, SAP Concur, Microsoft Dynamics, Oracle ERP/HCM Cloud and People Soft	TechnologyOne, Workday, Pega, Salesforce, Expense8
Middleware	Oracle Fusion and Service Bus, Microsoft LogicApps and Azure Integration Services, IBM WebSphere, SAP Business Technology Platform	Mulesoft, Dell Boomi, Snaplogic, various application program interface (API) tools
Machine learning and artificial intelligence	Microsoft Copilot and Azure, IBM Watson, SAP Business AI, Oracle Cloud AI, Amazon AI suite and SageMaker	Google Cloud Platform, OpenAI ChatGPT

Product / service grouping	Examples of SSA product / service name	Non-exhaustive list of competitor products and services
Data Analytics	Microsoft PowerBI, Oracle Analytics Cloud, SAP Business Data Cloud, SAP Analytics Cloud	Qlik, Salesforce Tableau
Security information and event management	IBM Security QRadar, Microsoft Sentinel, Oracle	Splunk, Palo Alto Networks Cortex XDR, McAfee Enterprise Security Manager
Professional services	Professional services offered by Rimini Street, SAP, IBM, AWS, Oracle	Professional services firms such as those found on BuyICT
Critical programming	Oracle Java, Amazon Corretto, Microsoft Build of OpenJDK	Azul Platform Core, Red Hat build of OpenJDK, and Eclipse Temurin
Developer tools	Microsoft GitHub and Azure DevOps, IBM UrbanCode, Oracle Apex and Oracle SQL Developer, AWS CodePipeline and CodeCommit, SAP Build Work Zone	GitLab, Atlassian Bamboo, Bitbucket, SourceForge

15 Appendix H:

Stakeholders consulted

Table 20 Single sellers

Name	Position	Organisation	Date
Emmanuelle Hose	General Manager	Rimini Street	9/04/2025
Paul Hill	Director, Customer Engagement		
Nicholas Flood	Managing Director, IBM Australia & New Zealand	IBM	11/04/2025
Primod Govender	Technology Leader for DTA		
Claire Dunworth	Advisory Innovation Designer, Client Engineering		
Kate Tollenaar	Director, Government & Enterprise		
Nathan Ashley	APAC Enterprise Licencing Leader		
Adrian Motherway	Director, Federal Government, Defence & Intelligence	Microsoft	14/04/2025
Vivek Puthucode	General Manager, Public Sector Australia & NZ		
Brad Fisher	Federal Government Lead	Amazon Web Services (AWS)	29/04/2025
Sebastian Wojtkiewicz	ANZ Frameworks Lead		
Brian Senior	Executive General Manager	SAP	30/04/2025
Phil Gray	Commercial Lead		
Julie Canning	Account Executive, Government Services		
Merrily Willis	SSA Admin and Oversight		
Ramah Sakul	Head of Government Affairs		
Richard Gray	Strategic Client Director, Federal Government	Oracle	6/5/2025

Table 21 Commonwealth agencies

Name	Position	Organisation	Date
Alan Marjan	First Assistant Director, General Cyber Security Resilience	Australian Signals Directorate	9/04/2025
Michael Harrison	Chief Information Officer	Attorney-General's Department	14/04/2025
Scott Sharp	Chief Financial Officer		
James Allen	Project Manager, Corporate Division		
Paul Boehme	Assistant Secretary, Capability Sustainment		
Name withheld	Director		
Timothy Neal	Assistant Secretary, Commonwealth Security Policy	Department of Home Affairs	14/04/2025
Nichole Franks	Director, Government Cyber Security Policy		
Monique Hamilton	First Assistant Secretary, Group Operations Division	Department of Defence	15/04/2025
Maureen Greet	Assistant Secretary, Commercial Branch		
Name withheld	Commercial Director, Commercial Advice, Performance and Engagement		
Tony McDonald	First Assistant Secretary, Digital Competition and Payments Division	Treasury	16/04/2025
Alex Maevsky	Assistant Secretary, Competition and Digital Platforms Branch		
David Hicks	Chief Financial Officer	Department of Health, Disability and Ageing	24/04/2025
Lisa Tepper	First Assistant Secretary, Information Technology Division		
Layla Morrow	Assistant Secretary, Enterprise Portfolio Management and Commercials Branch		
Name withheld	Deputy Director, IT Services	Commonwealth Scientific and Industrial Research Organisation (CSIRO)	28/04/2025
Name withheld	Head of Contract Governance and Procurement		
Mark Sawade	Chief Information Officer	Australian Taxation Office	1/05/2025
Matthew Hay	Deputy Commissioner, Strategy and Architecture		
Peter Walker	Assistant Commissioner, IT Commercial Services & IT Strategic Sourcing		
Adrian Jeczewski	Assistant Commissioner, ATO Sourcing, Commercial Services and Leasing		
Ian Scensor	General Manager, Technology Security		1/05/2025

Name	Position	Organisation	Date
Name withheld	Director, IT Seller Management	Australian Bureau of Statistics	
Name withheld	Director, Procurement and Business Services		
Brooke Paterson	Chief Technology Officer		
Kim Laybutt	National Manager, Technology Sourcing	Services Australia	5/05/2025
Richard Windeyer	Deputy Secretary, Commercial Group	Department of Finance	5/05/2025
Andrew Danks	First Assistant Secretary, Procurement Division		
Grant Lovelock	First Assistant Secretary, Shared Services Division		
Name withheld	Director, ICT Procurement		
Peter Qui	Chief Information Officer		
Name withheld	Director, ICT Contracts and Procurement		
Karl Hartmann	Chief Technology Officer	Australian Prudential Regulatory Agency	9/05/2025
Eugene Jalba	Chief Financial Officer		
Name withheld	Head of IT Governance		
Justin Keefe	First Assistant Secretary, Digital, Security and Workplace Operations Division	Department of the Prime Minister and Cabinet	12/05/2025
Chloë Bird	Branch Head, Supply Chain Initiatives	Department of Climate Change, Energy, the Environment and Water	13/05/2025
Name withheld	Director, Sustainable Procurement		
Name withheld	Assistant Director, Sustainable Procurement		
Abi Bradshaw	Director-General, ASD	Australian Signals Directorate	14/05/2025
Stephanie Crowe	Head, Australian Cyber Security Centre		
Yvette Sims	First Assistant Secretary, Technology and Finance Division	Department of Veterans' Affairs	15/05/2025
Terri Dreyer	Branch Manager, Digital Strategy and Planning		
Doug Pereira	Chief Financial Officer	Intellectual Property (IP) Australia	20/05/2025
Chris Rathborne	Chief Information Digital Officer		
Steve Moore	Assistant General Manager, Infrastructure & Technology Operations		
Jennifer Hutchinson	General Manager, Governance Group		
Fern Lees	Director, Procurement		
Kieran Sloan	Deputy Chief Financial Officer		

Name	Position	Organisation	Date
Martin Mane	Chief Information Officer	National	28/05/2025
Elita Barrett	Branch Manager, Procurement	Disability Insurance Agency	
Name withheld	Director, Finance		
Name withheld	Director, Procurement		
Name withheld	Director, IT Procurement		
Scott Wallace	Chief Information Officer	Department of Employment and Workplace Relations	4/06/2025
Frances McNamara	Assistant Secretary, IT Workplace, Environment and Customer Support		
Name withheld	Director		
Name withheld	Director, Procurement		

Note, the Department of Industry, Science and Resources (DISR) were engaged with exclusively in writing.

Table 22 Other jurisdictions

Name	Position	Organisation	Date
Name withheld	Chief Negotiation Officer, Commercial and Procurement Branch	Department of Treasury and Finance, South Australia	15/04/2025
Name withheld	Procurement Lead		
Name withheld	AWS Contract Negotiation Lead		
Name withheld	Executive Director, Capability Sourcing Group	Queensland Government	1/05/2025
Name withheld	Category Manager		
Name withheld	Category Manager		
Name withheld	Category Manager		
Mark (last name withheld)	Position withheld	United Kingdom Intelligence Community	4/05/2025
Andrew (last name withheld)	Position withheld	United Kingdom Intelligence Community	4/05/2025
Clare Martorana	Former Federal Government Chief Information Officer, the White House	United States of America	5/04/2025
Murray Davey	Deputy Secretary, Digital Services	Internal Affairs and Chief Digital Officer Department, New Zealand	10/04/2025
Richard Ashworth	General Manager, All of Government Services Delivery	Internal Affairs and Chief Digital Officer Department, New Zealand	10/04/2025
Scott Jones	President, Shared Services Canda	Canada	18/04/2025

Table 23 Peak bodies

Name	Position	Organisation	Date
Simon Bush	Chief Executive Officer	Australian Information Industry Association (AIIA)	15/04/2025
Siew Lee Seow	General Manager of Policy and Media		
Josh Griggs	Chief Executive Officer	Australian Computer Society (ACS)	16/04/2025
Harry Godber	Head of Policy and Strategy	Tech Council of Australia (TCA)	22/04/2025

Table 24 Key DTA representatives

Name	Position	Organisation	Date of first meeting
Wayne Poels	General Manager, Digital Investment Advice and Sourcing	Digital Transformation Agency	21/03/2025
Nicole Bain	Branch Manager, Whole-of-Government Contract Negotiations		21/03/2025
Calan McKay	Director, Whole-of-Government Contract Negotiations		21/03/2025
Name withheld	Director, Research		27/03/2025
Name withheld	Director, Rimini Street, Oracle, SAP and ERP		2/04/2025
Name withheld	Director, Marketplaces and Panels		3/04/2025
Lauren Mills	Branch Manager, Strategy and Prioritisation		3/04/2025
Name withheld	Director, Digital Sourcing Finance		3/04/2025
Chris Fechner	Chief Executive Officer		7/04/2025
Name withheld	Director, AWS, IBM and Microsoft		9/04/2025
Ben Leech	Branch Manager, Digital Capability Planning		10/04/2025
Tom Marwick	A/g Branch Manager, Australian Government Architecture & Policy		17/04/2025
Name withheld	Director, Whole-of-Government Contract Negotiations		26/05/2025
Name withheld	Director, Whole-of-Government Contract Negotiations		26/05/2025

Various other operational staff within the DTA were also engaged as part of this review.

Table 25 Others

Name	Position	Organisation	Date of first meeting
Caroline Atkins	Partner	Maddocks	4/04/2025
Nick Topfer	Special Counsel		

Name	Position	Organisation	Date of first meeting
Brendan Welsh	Partner	Tullius	3/04/2025

16 Appendix I: Risk matrix

15.1 The below risk matrix was developed by the review team and used to assess the risks identified as part of this review.

	Minor	Moderate	Major	Catastrophic
Rare (<1% chance)	Low	Low	Low	Medium
Unlikely (<20% chance)	Low	Low	Medium	High
Possible (<50% chance)	Low	Medium	High	High
Likely (>50% chance)	Medium	Medium	High	Very High
Almost certain (>90% chance)	Medium	High	Very High	Very High

15.2 Impact definitions

Impact level	Definition
Minor	<p>Negligible disruption to day-to-day activities, with issues resolved quickly and minimal effort.</p> <p>Insignificant cost implications, well within normal budget tolerances</p> <p>No noticeable effect on the quality or delivery of government services.</p> <p>No changes required to contractual terms and conditions.</p>
Moderate	<p>Moderate disruption to some business functions, requiring temporary adjustments or workarounds.</p> <p>Manageable financial losses or uncaptured savings that may require reallocating resources but do not compromise overall objectives.</p> <p>Minor service delivery delays / inconvenience, but not long-term.</p> <p>Some changes required to contractual terms and conditions.</p>
Major	<p>Significant disruption to operations, affecting multiple departments or functions and requiring coordinated remediation efforts.</p> <p>Substantial financial losses or uncaptured savings, necessitating budget adjustments or impacting planned investments.</p> <p>Noticeable degradation in service quality or availability, affecting public satisfaction.</p>

Impact level	Definition
	Contract entirely unsuitable for use.
Catastrophic	Severe and widespread operational failure, halting critical services and requiring extensive recovery measures. Devastating financial losses, threatening financial viability or requiring external funding support (e.g. bailouts). Complete interruption of essential services, significantly impacting the community and government reputation.

17 Appendix J: Artefacts reviewed

16.1 Below is a list of the key artefacts considered throughout the review. It is not a comprehensive list.

Legislation

Title	Owner
Public Governance, Performance and Accountability Act 2013	Department of Finance
Public Governance, Performance and Accountability Rule 2014	Department of Finance
Competition and Consumer Act 2010	Several (see legislation)
Government Procurement (Judicial Review) Act 2018	Department of Finance
Modern Slavery Act 2018	Attorney-General's Department
Corporations Act 2001	Department of the Treasury / Australian Securities and Investment Commission
Cyber Security Act 2024	Department of Home Affairs
Security of Critical Infrastructure Act 2018	Department of Home Affairs

16.2 Note, consideration of legislation was undertaken to identify key gaps if relevant. This review did not audit the compliance of contractual clauses with the requirements of prevailing legislation, nor was any legal advice obtained as part of the review.

Policy and guidance

Title	Owner
Commonwealth Procurement Rules	Department of Finance
Commonwealth Risk Management Policy	Department of Finance
APS Net Zero Emissions by 2030	Department of Finance
Commonwealth Australian Industry Participation Plan Policy	Department of Industry, Science and Resources

Title	Owner
Payment Times Procurement Connected Policy	The Treasury
Australian Skills Guarantee Procurement Connected Policy	Department of Employment and Workplace Relations
Environmentally Sustainable Procurement Policy	Department of Climate Change, Energy, the Environment and Water
Shadow Economy – increasing the integrity of government procurement	The Treasury
Indigenous Procurement Policy	National Indigenous Australians Agency
Workplace Gender Equality Procurement Principles	Workplace Gender Equality Agency
Data and Digital Government Strategy	Australian Government
Contract Limits and Reviews Policy	Digital Transformation Agency
Consider First Policy	Digital Transformation Agency
Panels Policy	Digital Transformation Agency
Fair Criteria Policy	Digital Transformation Agency
Procurement and Sourcing Policy	Digital Transformation Agency
Digital and ICT Reuse Policy	Digital Transformation Agency
Digital Service Standard	Digital Transformation Agency
Using AI in the Australian Government	Digital Transformation Agency
Digital and ICT Investment Oversight Framework (IOF)	Digital Transformation Agency
Benefits Management Policy	Digital Transformation Agency
Secure Cloud Strategy	Digital Transformation Agency
Protective Security Policy Framework	Department of Home Affairs
Hosting Certification Framework	Department of Home Affairs
2023-2030 Australian Cyber Security Strategy	Department of Home Affairs
Australian Government Information Security Manual	Australian Signals Directorate
Australian Privacy Principles	Office of the Australian Information Commissioner
APS Reform Agenda	APS Reform Office

Contracts

Title	Owner
Single Seller Arrangement Contract: Microsoft	Digital Transformation Agency
Single Seller Arrangement Contract: Amazon Web Services	Digital Transformation Agency
Single Seller Arrangement Contract: IBM	Digital Transformation Agency
Single Seller Arrangement Contract: Rimini Street	Digital Transformation Agency
Single Seller Arrangement Contract: Oracle	Digital Transformation Agency
Single Seller Arrangement Contract: SAP	Digital Transformation Agency

Others

Title	Owner
Notification of Significant Events	Department of Finance
Standards for digital sourcing	Digital Transformation Agency
Buy Australian plan	Department of Finance
Australia and New Zealand Government Procurement Agreement	Department of Foreign Affairs and Trade
Meeting the Senate Order for Entity Contracts (RMG 403)	Department of Finance
Meeting the Senate Order for Consulting Services (RMG 406)	Department of Finance
Grants, Procurements and other financial arrangements (RMG 411)	Department of Finance
Supplier Pay On-Time or Pay Interest Policy (RMG 417)	Department of Finance
Mandatory use of the Commonwealth Contracting Suite for procurement under \$200,000 (RMG 420)	Department of Finance
Handling complaints under the Government Procurement (Judicial Review) Act 2018 (RMG 422)	Department of Finance
Procurement Publishing and Reporting Obligations (RMG 423)	Department of Finance
Administrative Arrangements Order - 13 May 2025	Department of the Prime Minister and Cabinet

18 Appendix K: Terms and definitions

Term	Description
ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
ACS	Australian Computer Society
ACS Strategy	Australian Cyber Security Strategy
ACT	Australian Capital Territory
AGD	Attorney-General's Department
AI	Artificial Intelligence
APRA	Australian Prudential and Regulatory Authority
APS	Australian Public Services / Australian Public Servant
ASD	Australian Signals Directorate
ATO	Australian Taxation Office
AUD	Australian Dollars
AusTender	www.tenders.gov.au
Buyer / buyers	Collective term for any entity who utilises the SSA, which includes Commonwealth agencies, State and Territory agencies, and others (such as universities or local governments)
BuyICT	www.buyict.gov.au
CAF	Central Administration Fee
CAIP Plan	Commonwealth Australian Industry Participation Plan
CAPEX	Capital expenditure
CCE	Commonwealth Corporate Entity
CFO	Chief Financial Officer
CIO	Chief Information Officer
CMP	Capital Management Plan
Commonwealth	Means the Australian Government
COPE	Commonwealth's Centre of Procurement Excellence
Cost recovery	Cost recovery is used in the general sense of the phrase and conveys an intention not to generate a surplus. Note, SSA cost recovery is not subject to the <i>Australian Government Cost Recovery Policy</i> per paragraph 6 which omits charges between Commonwealth entities.
CPRs	Commonwealth Procurement Rules
CRF	Consolidated Revenue Fund
CSIRO	Commonwealth Scientific and Industrial Research Organisation

Term	Description
DCCEEW	Department of Climate Change, Energy, the Environment and Water
Defence	Department of Defence
DEWR	Department of Employment and Workplace Relations
DIPs	Digital Investment Plans
DISR	Department of Industry, Science and Resources
DTA	Digital Transformation Agency
DTO	Digital Transformation Office
ERP	Enterprise Resource Planning
EULA	End User Licence Agreement
Finance	Department of Finance
GCDO	New Zealand's Government Chief Digital Officer
GovERP	An whole of Australian Government ERP project
GST	Goods and Services Tax
HCF	Hosting Certification Framework
Health and Aged Care	Department of Health and Aged Care
Home Affairs	Department of Home Affairs
HR	Human Resources
laaS	Infrastructure as a Service
ICT	Information Communications Technology
IOF	Investment Oversight Framework
IP Australia	Intellectual Property Australia
IRAP	Infosec Registered Assessors Program
ISM	Information Security Manual
IT	Information Technology
JSF	F-35 Lightning II Joint Strike Fighter
MMR	Mandatory Minimum Requirements under the Indigenous Procurement Policy
myGov	Provides access to a range of government services online
myID	The Australian Government's Digital ID application
NCE	Non-corporate Commonwealth Entity as defined under the PGPA Flipchart maintained by the Department of Finance.
NSW	New South Wales
NT	Northern Territory
OPEX	Operating expenditure
PaaS	Platform as a Service
PEPPOL	Pan European Public Procurement On-Line
PGPA	Public Governance, Performance and Accountability
PGPA Act	Public Governance, Performance and Accountability Act 2013

Term	Description
PM&C	Prime Minister and Cabinet
PPA	Private Pricing Agreement
Privacy Act	Privacy Act 1988
PSPF	Protective Security Policy Framework
QLD	Queensland
RACI	Responsible, Accountable, Consult and Inform
RFQ	Request for Quote
RMG	Resource Management Guide
SA	South Australia
SaaS	Software as a Service
SES	Senior Executive Service
SME	Small Medium Enterprise
SOCI Act	Security of Critical Infrastructure Act 2018
SON	Standing Order Number
SSA	Single Seller Arrangement
SSA seller	Seller with an SSA with the Australian Government. Currently this is: Microsoft, AWS, Rimini Street, IBM, Oracle and SAP
SSC	Shared Services Canada
Stakeholder	Interested parties consulted as part of this review - including government agencies, industry and SSA sellers.
T&Cs	Terms and conditions
TAFE	Technical and Further Education
TAS	Tasmania
Treasury	Department of the Treasury
U.S. / USA	United States of America
UK	United Kingdom
USD	United States Dollars
VIC	Victoria
WA	Western Australia

19 Appendix L: Scope

18.1 The below outlines the scope of the strategic review of Single Seller Arrangements (SSAs).

In scope

- Contracting Model Assessment:
 - Review the structure and thresholds of existing single seller contracts to determine their effectiveness and identify areas for refinement.
- Test the SSAs are consistent with existing government policy settings, including:
 - Value for Money Analysis:
 - Evaluate cost savings, cost avoidance, and non-monetary benefits derived from the sourcing arrangements.
 - Consider efficient, effective, economical and ethical elements.
 - Examine the consistency of the sourcing arrangements with Government policies, strategies and standards, specifically:
 - Procurement: Commonwealth Procurement Rules, Resource Management Guides
 - Digital: Data and Digital Government Strategy, Digital Sourcing Framework, Digital and ICT Reuse Policy
 - Cyber and Security: Protective Security Policy Framework, Secure Cloud Policy, Hosting Certification Framework, 2023-2030 Australian Cyber Security Strategy
 - Others: Buy Australian Plan, APS Reform Agenda
 - Ecosystem impact evaluation:
 - Assess broader social, economic, and market impacts of the sourcing arrangements, with consideration to sustainability (e.g. Net Zero, Environment Sustainability) and inclusivity (e.g. gender, Indigenous).

- Determine effectiveness of sourcing arrangements in fostering local economic participation and broader Australian Government policies.
- Conduct a comparative analysis to State, Territory and International sourcing arrangements from other jurisdictions:
 - For domestic comparisons, a selection of States and Territories within Australia.
 - For international comparisons: US, UK, Canada and New Zealand.
- Interviews of:
 - Six SSA entities (AWS, Microsoft, Oracle, Rimini Street, IBM, SAP), and inviting a structured, written submission from these entities.
 - 6-8 Commonwealth government entities across extra-large, large and medium groups to obtain qualitative insights.
 - Other key Commonwealth government entities, including: Finance, Treasury, Home Affairs.
- Survey of all entities as provided by the DTA which can utilise the SSAs using the DTA's survey tool.
- Consider mechanisms to enhance the Commonwealth's competitive edge:
 - Identifying opportunities to optimise leverage when renewing or establishing new arrangements and methods to enhance competitive tension during procurement to improve negotiation positions.
- Undertake an assessment of the benefits and risks of SSAs:
 - Identify the benefits offered by the arrangements, including those identified in any relevant business cases or procurement plans.
 - Identify unintended consequences such as seller lock-in and compliance risks.
 - Identify potential mitigation strategies.

Out of scope

- Legal or contractual advice or review of any specific clauses of contracts with the SSAs

- Compliance of contracts with legislation or policy, as this is not intended to be an assurance or audit activity
- Implications or consistency with other Government policy not included above (e.g. taxation, trade)
- Quantification of the economic value contributed by SSAs to the Gross Domestic Product (or similar) of Australia
- Review of contracts entered into by buyers under the SSAs.