

Australian Government Department of Finance
Submission on Australian Business Definition for Commonwealth Procurement

To: Procurement Consultation

Subject: Defining Australian Business for Sustainable Procurement

The Australian Furniture Association (AFA) welcomes the opportunity to provide input into the definition of what constitutes an Australian business for procurement purposes. As the peak industry body representing the Australian furniture sector, AFA has a unique perspective on the importance of clear and consistent definitions that not only support local businesses but also align with Australia's sustainability goals.

Key Considerations for Defining an Australian Business:

1. Local Manufacturing and Supply Chains

An Australian business should be defined not only by its location of operation but by its contribution to local manufacturing and supply chains. AFA advocates for prioritising businesses that demonstrate a commitment to local production, including maximising local content. This definition should include the business's role in supporting local jobs, fostering skills development, and ensuring transparency in supply chain operations. These factors align with sustainable procurement practices and echo ISO procurement guidelines around ethical conduct, local supply chain engagement, and transparent operations.

2. Sustainability and Compliance

The AFA has been actively guiding the industry towards a more circular economy. An Australian business should meet specific sustainability criteria, including compliance with local environmental standards and efforts towards waste minimisation and resource efficiency. Through initiatives like the Australian Furnishing Industry Stewardship Council (AFISC) and the Digital Product Passport System (DPPS), AFA is leading efforts to ensure businesses can demonstrate adherence to these criteria. The DPPS aligns with ISO procurement's emphasis on comprehensive record-keeping and verification, enabling traceability of product lifecycles from production to end-of-life. These tools provide a benchmark for assessing environmental compliance, which should be a cornerstone in defining an Australian business for procurement purposes.

3. Alignment with Commonwealth Procurement Rules

AFA aligns with the Commonwealth Procurement Rules (CPRs), which prioritise value for money, efficiency, and ethical behaviour. A well-defined Australian business should operate within these principles, emphasising transparency, compliance with environmental regulations, and supporting small and medium enterprises (SMEs) that contribute to the local economy. This should include clear criteria for managing risks related to sustainable practices, particularly in sectors like furniture, where ethical conduct, sustainability, and transparency in materials are crucial. AFA's adoption of frameworks, including sustainability-focused initiatives align with these procurement goals.

AFA's Position on Sustainable Government Procurement:

AFA supports a definition of an Australian business that promotes local manufacturing, encourages transparency in supply chains, and upholds high standards of environmental compliance. As the government updates its procurement framework, it is essential to ensure that definitions reflect the need for sustainable and ethical practices within the industry. AFA's efforts in the sector, particularly through tools like the DPPS, provide a benchmark for verifying Australian businesses that are genuinely contributing to a sustainable and circular economy.

In conclusion, AFA recommends that the definition of an Australian business for procurement purposes encompasses the business's commitment to local supply chains, sustainability, and compliance with ethical procurement standards. A clear and robust definition will ensure that government procurement supports businesses that are aligned with national sustainability goals, driving both economic and environmental benefits. The AFA is committed to supporting the Australian government in refining procurement practices, whilst emphasising sustainability, to underpin ethical, transparent, and efficient procurement.

For more information or to discuss our submission further, please contact:

Patrizia Torelli / Michelle Thomas

Group CEO / COO AFISC

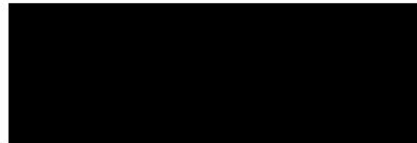
Australian Furniture Association (AFA) / Australian Furnishing Industry Stewardship Council (AFISC)

Email: [REDACTED] / hq@afisc.com.au

For more information or to discuss our submission further, please contact:



Patrizia Torelli
Group Chief Executive Officer



Michelle Thomas
COO, AFISC

