



**Australian Information Industry Association**

**Response to**

**DTA Survey on the Review of Single Supplier  
Arrangements (SSAs)**

**29 April 2025**



## Introduction

The AIIA appreciates the opportunity to respond to this important review into Single Supplier Arrangements. The review presents an opportunity to bring greater transparency into the benefits to the Commonwealth and taxpayer, and the broader industry, into the reasoning behind these arrangements. This includes clarifying that they are not a procurement “green light” or “red carpet” for vendors who have an SSA.

The AIIA has a diverse membership covering most of the SSA holders, as well as companies who seek an SSA. As a result, we have received at times divergent views as to the current benefits and suitability. This is reflected in our response below.

The members that have SSAs have also indicated that further improvements could be considered to ensure that they are more adaptable as products and innovations change over the term of the agreements.

SSA's by their very nature, will tend to skew towards large global IaaS, PaaS and SaaS providers. As such, the SME and other local company engagement will be in implementing any procurements agencies enter into through separate procurement activities – i.e. professional services and consulting engagements. For the limited number of Australian tech providers (who have their own IP in software or hardware), there is the potential for a tiered SSA model that allows access, but places smaller ‘partnership’ obligations on the provider.

## Contracting Model: Benefits and challenges with regards to the structure and thresholds of existing single-seller arrangements

### 1. To what extent are the Single Supplier Arrangements (SSAs) fit for purpose?

Members that have SSA's with the Commonwealth indicated that they have been effective in delivering key benefits aligned with their intended purpose. They have allowed the Commonwealth government to negotiate favourable commercial terms, achieve economies of scale, streamline procurement processes, and access global expertise. These efficiencies particularly support smaller government agencies that may lack the resources to negotiate individually.

However, the arrangements are not universally fit-for-purpose according to other AIIA members. Some report that SSAs often reinforce incumbent supplier positions, create competitive disadvantages for Australian SMEs, and entrench a “red carpet” procurement path that diminishes contestability. Additionally, some have stated that the SSA's create an over-reliance on a small number of suppliers increases systemic risks and reduces ecosystem resilience.

In summary, the AIIA believes that while SSAs deliver operational efficiencies, there are

opportunities for reform to better balance these benefits with competition, transparency, innovation, and supplier diversity.

## **2. To what extent are the arrangements able to adapt to an evolving regulatory and technology environment?**

Although SSAs include mechanisms intended to allow adaptation — such as catalogue refreshes and consumption-based pricing models — members report that in practice these mechanisms are often slow, administratively complex, and inconsistently applied.

Some SSAs have evolved to incorporate cloud consumption models and sovereign-hosted capabilities. However, a lack of regular technical roadmap validation and a slow onboarding process for new technologies inhibit responsiveness to regulatory, market, and technology shifts.

Overall, SSAs have a degree of adaptability built-in, but their ability to keep pace with fast-evolving technology and regulatory settings is currently limited.

## **3. What are the key opportunities to improve the SSAs?**

Key opportunities include:

- **Enhance flexibility:** Streamline processes for onboarding new products, modifying scopes, and refreshing catalogues.
- **Increase transparency:** Publish clear eligibility criteria for SSA participation to enable more suppliers, including local companies, to access the arrangements. This includes what is the threshold (e.g. contract value) that supplier must meet to gain an SSA.
- **Drive strategic outcomes:** There is considerable potential to expand the value delivered by the SSAs by extending and growing the partnership model to become even more strategic (as opposed to a more transactional model driven purely by a focus on cost, rather than value). For example, by integrating objectives such as cyber security enhancement, increase collaboration between international and domestic suppliers, upskilling the workforce, addressing technology debt, and driving AI transformation, the SSAs can be leveraged to support the Commonwealth's broader strategic goals to support innovation, efficiency and improved public services.

- **Foster innovation:** Strengthen innovation clauses requiring suppliers to proactively introduce new technologies and ideas.
- **Introduce multi-class SSAs:** Establish scaled SSA classes that allow smaller and newer suppliers to participate while meeting expectations of reliability, fit-for-purpose, value and contributions to the Australian digital economy and societal objectives.
- **Support ecosystem diversity:** Incentivise use of local SMEs, Indigenous suppliers, and service-based delivery partners within SSA frameworks without driving up procurement costs and regulation to SSA holders.
- **Institutionalise continuous improvement:** Conduct annual reviews of SSA terms to align with technological, regulatory, and market changes.

### Comparisons with Other Jurisdictions: Sourcing arrangements from other nations and how Australia compares.

#### 4. What lessons, experiences or models are you aware of from sourcing arrangements in other nations which this review can benefit from understanding?

The IBM's Enterprise Consolidated Agreement (ECA) in other jurisdictions provides useful insights. This strategic contracting model consolidates previously tendered RFPs into a single agreement, improving flexibility by refreshing software entitlements every two years. It has enabled second-order benefits such as improved accessibility features and multilingual support through strong government influence over product roadmaps.

#### 5. How can Australia position itself with greater strength compared to other nations?

Australia can strengthen its position by:

- Leveraging strategic partnerships through SSAs that align with broader national priorities such as domestic capability, cyber security, AI, and skills development.
- Establishing more flexible, modular agreements that adapt quickly to technology and regulatory changes.
- Building local capability by fostering meaningful SME, Indigenous, and regional participation across supply chains.

- Encouraging co-development and shared innovation through active public-private collaboration, rather than transactional procurement alone.

**Ecosystem Impact: Social, economic and market benefits and costs from the sourcing arrangements, including considerations of extent arrangements are equitable, simple, sustainable, transparent and consistent.**

## **6. What are the opportunities for sellers to contribute to fostering Australian economic participation?**

Opportunities include:

- **Local services and subcontracting:** Vendors can grow Australian consulting and delivery capability through subcontracting arrangements.
- **Strategic partnerships with Indigenous businesses:** Forming alliances with Indigenous enterprises can meet SSA objectives while building sustainable Indigenous economic participation.
- **Skills development initiatives:** Vendors can invest in programs that build digital skills across diverse communities, such as partnerships supporting neurodiverse Australians or defence personnel.
- **Supporting innovation hubs:** Sellers can engage in initiatives that promote innovation, local R&D, and emerging technology ecosystems.

## **7. What are the key activities and strategies (or opportunities) to drive participation by Australian businesses (including Australian companies, Indigenous suppliers, small to medium enterprises) in the supply chain? What barriers exist in achieving this?**

The SSA's provide at their core standardised and heavily discounted pricing and terms for agencies to access and then run their own procurements where existing participation rules apply.

The AIIA believes the strategic nature of the SSAs should drive a more strategic partnership (such as Singapore has enjoyed with its global suppliers) as outlined in Q6 above. Extraction additional transactional cost is not recommended but rather seeking greater investment in the country or the public sector through IP sandbox's, innovation funds, skills developments, R&D with universities and public sector etc.

**Other considerations: Any other implications from existing SSAs and proposed mitigation / improvement strategies.**

## 8. Are there any unintended consequences you've experienced with the SSAs? What potential mitigation strategies would you suggest?

Unintended consequences:

- **Misunderstanding procurement rules:** Agencies sometimes assume SSAs override competitive requirements, causing delays or compliance risks.
- **Outdated catalogues:** Without regular alignment, SSA catalogues may include legacy products no longer fit-for-purpose.
- **Perceived vendor lock-in:** Market may feel agencies are constrained by the lack of SSAs for certain services.

Mitigation strategies:

- Provide clearer agency guidance on how SSAs interact with procurement obligations.
- Introduce a formal annual review cycle of SSA catalogues and terms.
- Improve flexibility for agencies to "trade up" or replace products to align with evolving needs.

## 9. Are there any other aspects of the arrangements that should be considered?

It would be beneficial to consider:

- How to systematically align SSA arrangements to support broader Commonwealth digital economy goals, including innovation, inclusion, talent or skills development and sustainability.
- Embedding mechanisms that better support continuous improvement, ongoing supplier performance monitoring, and strategic partnership evolution over the lifetime of the agreements.
- Ensuring SSAs facilitate—not hinder—the Commonwealth's strategic objectives for digital transformation, industry growth, and domestic capability.

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## About the AIIA

The AIIA is Australia's peak representative body and advocacy group for those in the digital ecosystem. Since 1978, the AIIA has pursued activities to stimulate and grow the digital ecosystem, to create a favourable business environment for our members and to contribute to Australia's economic prosperity. We are a not-for-profit organisation to benefit members, which represents around 90% of the over one million employed in the technology sector in Australia. We are unique in that we represent the diversity of the technology ecosystem from small and medium businesses, start-ups, universities, and digital incubators through to large Australian companies, multinational software and hardware companies, data centres, telecommunications companies and technology consulting companies