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* - These Firms are classed as Design Houses / Brokers rather than actual Printers.

Those in colour feature within graphs contained within the Report
REPORT ON A PRELIMINARY INVESTIGATION UNDER SECTION 9 OF THE FAIR TRADING ACT 1996 INTO THE SUPPLY OF PRINT SERVICES AND PLAIN PAPER & ENVELOPES TO ISLE OF MAN GOVERNMENT
APPENDIX 2

SECTION 4 OF THE POST OFFICE
ACT 1993 (as amended) – THE
POWERS OF THE POST OFFICE
REPORT ON A PRELIMINARY INVESTIGATION UNDER SECTION 9 OF THE FAIR TRADING ACT 1996 INTO THE SUPPLY OF PRINT SERVICES AND PLAIN PAPER & ENVELOPES TO ISLE OF MAN GOVERNMENT
4 Powers of the Post Office

(1) The Post Office may-

(a) provide postal services (including cash on delivery services) and telepost services;

(b) provide banking services and such other services by means of which money may be remitted (whether by means of money orders, postal orders or otherwise) as it thinks fit;

(c) provide, in such parts of post offices as are open to the public (whether for the transaction of postal business or otherwise) such services by means of telecommunication systems as it thinks fit;

(d) perform services for any public telecommunications operator or any subsidiary of any such operator;

(e) perform services for the Government of the Island, any Department, any Statutory Board or the government of any country or territory outside the Island;

(f) perform services for local authorities or health service authorities; and

(g) with the consent of, or in accordance with the terms of a general authorisation given by, the Department, perform such services for such other persons or bodies as the Post Office thinks fit.

(2) The Post Office may, for the purpose of securing the effective exercise of any of the powers conferred on it by subsection (1) or in connection with or in consequence of an exercise thereof, do anything that appears to the Post Office to be requisite, advantageous or convenient for it to do, including in particular (but without prejudice to the generality of the foregoing words)-

(a) construct, manufacture, produce, purchase, take on hire, install, maintain and repair anything required for the purpose of its business;

(b) construct, manufacture, produce or purchase for supply to others any article of a kind similar to any so required and install, maintain, repair and test for others articles of such a kind;

(c) provide others with the services of persons employed by it for the purpose of undertaking for them tasks of a kind which, in the course of the provision or performance by it of any service falling within subsection (1), are undertaken by persons so employed;

(d) provide, for the benefit of others, consultancy and advisory services concerning anything it does in exercise of its powers or has power to do and
facilities for the training of persons for any purpose connected with anything that it so does or has power to do;

(e) enter into and carry out agreements with any person for the carrying on by him, whether as its agent or otherwise, of any of the activities which itself may carry on or for the carrying on jointly by him and it of any of those activities;

(f) provide philatelic services in connection with postal services provided by it, including the production, marketing and sale of stamps and products related to stamps for philatelic purposes;

(g) for the purposes of its business, subscribe for or acquire any securities of an incorporated company or other body corporate, to promote the formation of an incorporated company or participate in the promotion of such a company or to acquire an undertaking or part of an undertaking;

(h) do anything for the purpose of advancing the skill of persons employed by it or that of persons who, though not so employed, are engaging themselves, or have it in contemplation to engage themselves, in work of a kind in the case of which it has or may have a direct or indirect concern in the products thereof;

(i) provide assistance (including financial assistance) to any institution or body whose activities (or any of them) are such as, in its opinion, to be of benefit to it;

(j) carry for hire or reward passengers in vehicles used by it for the purposes of its business;

(k) enter into, and carry out, agreements with persons who carry on business as carriers of goods, for the carriage by it on their behalf of goods consigned to them for carriage by them;

(l) assist in the promotion of recreational activities for, and activities conducive to the welfare of, persons who are, or have been, engaged in its business or have been officers, servants or agents of the Post Office and the families of such persons.

(3) For the avoidance of doubt, subsections (1) and (2) relate only to the capacity of the Post Office as a statutory corporation, and nothing in those provisions shall be construed as authorising the disregard by it of any enactment or rule of law.

(4) The Post Office shall not be regarded as a common carrier in respect of any of its activities.

(5) The provisions of this section shall not be construed as limiting any power of the Post Office conferred by or under any subsequent provision of this Act.
APPENDIX 3

COUNCIL OF AUSTRALIA’S COMPETITION PRINCIPLES AGREEMENT
REPORT ON A PRELIMINARY INVESTIGATION UNDER SECTION 9 OF THE FAIR TRADING ACT 1996 INTO THE SUPPLY OF PRINT SERVICES AND PLAIN PAPER & ENVELOPES TO ISLE OF MAN GOVERNMENT
Competition Principles Agreement – 11 April 1995
(As amended to 13 April 2007)

WHEREAS the Council of Australian Governments at its meeting in Hobart on 25 February 1994 agreed to the principles of competition policy articulated in the report of the National Competition Policy Review;

AND WHEREAS the Parties intend to achieve and maintain consistent and complementary competition laws and policies which will apply to all businesses in Australia regardless of ownership;

THE COMMONWEALTH OF AUSTRALIA
THE STATE OF NEW SOUTH WALES
THE STATE OF VICTORIA
THE STATE OF QUEENSLAND
THE STATE OF WESTERN AUSTRALIA
THE STATE OF SOUTH AUSTRALIA
THE STATE OF TASMANIA
THE AUSTRALIAN CAPITAL TERRITORY, AND
THE NORTHERN TERRITORY OF AUSTRALIA agree as follows:

Interpretation

1. (1) In this Agreement, unless the context indicates otherwise:

   “Commission” means the Australian Competition and Consumer Commission established by the Trade Practices Act;

   “Commonwealth Minister” means the Commonwealth Minister responsible for competition policy;

   “constitutional trade or commerce” means:
   (a) trade or commerce among the States;
   (b) trade or commerce between a State and a Territory or between two Territories; or
   (c) trade or commerce between Australia and a place outside Australia;

   “Council” means the National Competition Council established by the Trade Practices Act;

   “jurisdiction” means the Commonwealth, a State, the Australian Capital Territory or the Northern Territory of Australia;

   “Party” means a jurisdiction that has executed, and has not withdrawn from, this Agreement;


(2) Where this Agreement refers to a provision in legislation which has not been enacted at the date of commencement of this Agreement, or to an entity which has not been established at
the date of commencement of this Agreement, this Agreement will apply in respect of the
provision or entity from the date when the provision or entity commences operation.

(3) Without limiting the matters that may be taken into account, where this Agreement calls:

(a) for the benefits of a particular policy or course of action to be balanced against the
costs of the policy or course of action; or

(b) for the merits or appropriateness of a particular policy or course of action to be
determined; or

(c) for an assessment of the most effective means of achieving a policy objective;

the following matters shall, where relevant, be taken into account:

(d) government legislation and policies relating to ecologically sustainable development;

(e) social welfare and equity considerations, including community service obligations;

(f) government legislation and policies relating to matters such as occupational health
and safety, industrial relations and access and equity;

(g) economic and regional development, including employment and investment growth;

(h) the interests of consumers generally or of a class of consumers;

(i) the competitiveness of Australian businesses; and

(j) the efficient allocation of resources.

(4) It is not intended that the matters set out in subclause (3) should affect the interpretation of
“public benefit” for the purposes of authorisations or notifications under the Trade Practices
Act.

(5) This Agreement is neutral with respect to the nature and form of ownership of business
enterprises. It is not intended to promote public or private ownership.

Prices Oversight of Government Business Enterprises

2.(1) Prices oversight of State and Territory Government business enterprises is primarily the
responsibility of the State or Territory that owns the enterprise.

(2) The Parties will work cooperatively to examine issues associated with prices oversight of
Government business enterprises and may seek assistance in this regard from the Council.
The Council may provide such assistance in accordance with the Council’s work program.

(3) In accordance with these principles, State and Territory Parties will consider establishing
independent sources of price oversight advice where these do not exist.

(4) An independent source of price oversight advice should have the following characteristics:

(a) it should be independent from the Government business enterprise whose prices are
being assessed;

(b) its prime objective should be one of efficient resource allocation but with regard to
any explicitly identified and defined community service obligations imposed on a
business enterprise by the Government or legislature of the jurisdiction that owns the
enterprise;
(c) it should apply to all significant Government business enterprises that are monopoly, or near monopoly, suppliers of goods or services (or both);
(d) it should permit submissions by interested persons; and
(e) its pricing recommendations, and the reasons for them, should be published.

(5) A Party may generally or on a case-by-case basis:
(a) with the agreement of the Commonwealth, subject its Government business enterprises to a prices oversight mechanism administered by the Commission; or
(b) with the agreement of another jurisdiction, subject its Government business enterprises to the pricing oversight process of that jurisdiction.

(6) In the absence of the consent of the Party that owns the enterprise, a State or Territory Government business enterprise will only be subject to a prices oversight mechanism administered by the Commission if:
(a) the enterprise is not already subject to a source of price oversight advice which is independent in terms of the principles set out in subclause (4);
(b) a jurisdiction which considers that it is adversely affected by the lack of price oversight (an “affected jurisdiction”) has consulted the Party that owns the enterprise, and the matter is not resolved to the satisfaction of the affected jurisdiction;
(c) the affected jurisdiction has then brought the matter to the attention of the Council and the Council has decided:
   (i) that the condition in paragraph (a) exists; and
   (ii) that the pricing of the enterprise has a significant direct or indirect impact on constitutional trade or commerce;
(d) the Council has recommended that the Commonwealth Minister declare the enterprise for price surveillance by the Commission; and
(e) the Commonwealth Minister has consulted the Party that owns the enterprise.

Competitive Neutrality Policy and Principles

3.(1) The objective of competitive neutrality policy is the elimination of resource allocation distortions arising out of the public ownership of entities engaged in significant business activities: Government businesses should not enjoy any net competitive advantage simply as a result of their public sector ownership. These principles only apply to the business activities of publicly owned entities, not to the non-business, non-profit activities of these entities.

(2) Each Party is free to determine its own agenda for the implementation of competitive neutrality principles.

(3) A Party may seek assistance with the implementation of competitive neutrality principles from the Council. The Council may provide such assistance in accordance with the Council’s work program.

(4) Subject to subclause (6), for significant Government business enterprises which are classified as “Public Trading Enterprises” and “Public Financial Enterprises” under the Government Financial Statistics Classification:
(a) the Parties will, where appropriate, adopt a corporatisation model for these Government business enterprises (noting that a possible approach to corporatisation is the model developed by the inter-governmental committee responsible for GTE National Performance Monitoring); and

(b) the Parties will impose on the Government business enterprise:
   (i) full Commonwealth, State and Territory taxes or tax equivalent systems;
   (ii) debt guarantee fees directed towards offsetting the competitive advantages provided by government guarantees; and
   (iii) those regulations to which private sector businesses are normally subject, such as those relating to the protection of the environment, and planning and approval processes, on an equivalent basis to private sector competitors.

(5) Subject to subclause (6), where an agency (other than an agency covered by subclause (4)) undertakes significant business activities as part of a broader range of functions, the Parties will, in respect of the business activities:
   (a) where appropriate, implement the principles outlined in subclause (4); or
   (b) ensure that the prices charged for goods and services will take account, where appropriate, of the items listed in paragraph 4(b), and reflect full cost attribution for these activities.

(6) Subclauses (4) and (5) only require the Parties to implement the principles specified in those subclauses to the extent that the benefits to be realised from implementation outweigh the costs.

(7) Subparagraph (4)(b)(iii) shall not be interpreted to require the removal of regulation which applies to a Government business enterprise or agency (but which does not apply to the private sector) where the Party responsible for the regulation considers the regulation to be appropriate.

(8) Each Party will publish a policy statement on competitive neutrality by June 1996. The policy statement will include an implementation timetable and a complaints mechanism.

(9) Where a State or Territory becomes a Party at a date later than December 1995, that Party will publish its policy statement within six months of becoming a Party.

(10) Each Party will publish an annual report on the implementation of the principles set out in subclauses (1), (4) and (5), including allegations of non-compliance.

**Structural Reform of Public Monopolies**

4.(1) Each Party is free to determine its own agenda for the reform of public monopolies.

(2) Before a Party introduces competition to a sector traditionally supplied by a public monopoly, it will remove from the public monopoly any responsibilities for industry regulation. The Party will re-locate industry regulation functions so as to prevent the former monopolist enjoying a regulatory advantage over its (existing and potential) rivals.

(3) Before a Party introduces competition to a market traditionally supplied by a public monopoly, and before a Party privatises a public monopoly, it will undertake a review into:
   (a) the appropriate commercial objectives for the public monopoly;
(b) the merits of separating any natural monopoly elements from potentially competitive elements of the public monopoly;
(c) the merits of separating potentially competitive elements of the public monopoly;
(d) the most effective means of separating regulatory functions from commercial functions of the public monopoly;
(e) the most effective means of implementing the competitive neutrality principles set out in this Agreement;
(f) the merits of any community service obligations undertaken by the public monopoly and the best means of funding and delivering any mandated community service obligations;
(g) the price and service regulations to be applied to the industry; and
(h) the appropriate financial relationships between the owner of the public monopoly and the public monopoly, including the rate of return targets, dividends and capital structure.

(4) A Party may seek assistance with such a review from the Council. The Council may provide such assistance in accordance with the Council’s work program.

**Legislation Review**

5.(1) The guiding principle is that legislation (including Acts, enactments, Ordinances or regulations) should not restrict competition unless it can be demonstrated that:

(a) the benefits of the restriction to the community as a whole outweigh the costs; and
(b) the objectives of the legislation can only be achieved by restricting competition.

(2) Subject to subclause (3), each Party is free to determine its own agenda for the reform of legislation that restricts competition.

(3) Subject to subclause (4) each Party will develop a timetable by June 1996 for the review, and where appropriate, reform of all existing legislation that restricts competition by the year 2000.

(4) Where a State or Territory becomes a Party at a date later than December 1995, that Party will develop its timetable within six months of becoming a Party.

(5) Each Party will require proposals for new legislation that restricts competition to be accompanied by evidence that the legislation is consistent with the principle set out in subclause (1).

(6) Once a Party has reviewed legislation that restricts competition under the principles set out in subclauses (3) and (5), the Party will systematically review the legislation at least once every ten years.

(7) Where a review issue has a national dimension or effect on competition (or both), the Party responsible for the review will consider whether the review should be a national review. If the Party determines a national review is appropriate, before determining the terms of reference for, and the appropriate body to conduct the national review, it will consult Parties that may have an interest in those matters.
(8) Where a Party determines a review should be a national review, the Party may request the Council to undertake the review. The Council may undertake the review in accordance with the Council’s work program.

(9) Without limiting the terms of reference of a review, a review should:

   (a) clarify the objectives of the legislation;
   (b) identify the nature of the restriction on competition;
   (c) analyse the likely effect of the restriction on competition and on the economy generally;
   (d) assess and balance the costs and benefits of the restriction; and
   (e) consider alternative means for achieving the same result including non-legislative approaches.

(10) Each Party will publish an annual report on its progress towards achieving the objective set out in subclause (3). The Council will publish an annual report consolidating the reports of each Party.

Note: The Council of Australian Governments at its meeting on 3 November 2000 agreed to the following amendment to this Agreement to provide further guidance to the Council on how to assess whether jurisdictions have met their legislative review commitments.

   In assessing whether the threshold requirement of clause 5 has been achieved, the Council should consider whether the conclusion reached in the report is within a range of outcomes that could reasonably be reached based on the information available to a properly constituted review process. Within the range of outcomes that could reasonably be reached, it is a matter for Government to determine what policy is in the public interest.

Access to Services Provided by Means of Significant Infrastructure Facilities

6.(1) Subject to subclause (2), the Commonwealth will put forward legislation to establish a regime for third party access to services provided by means of significant infrastructure facilities where:

   (a) it would not be economically feasible to duplicate the facility;
   (b) access to the service is necessary in order to permit effective competition in a downstream or upstream market;
   (c) the facility is of national significance having regard to the size of the facility, its importance to constitutional trade or commerce or its importance to the national economy; and
   (d) the safe use of the facility by the person seeking access can be ensured at an economically feasible cost and, if there is a safety requirement, appropriate regulatory arrangements exist.

(2) The regime to be established by Commonwealth legislation is not intended to cover a service provided by means of a facility where the State or Territory Party in whose jurisdiction the facility is situated has in place an access regime which covers the facility and conforms to the principles set out in this clause unless:
(a) the Council determines that the regime is ineffective having regard to the influence of the facility beyond the jurisdictional boundary of the State or Territory; or

(b) substantial difficulties arise from the facility being situated in more than one jurisdiction.

(3) For a State or Territory access regime to conform to the principles set out in this clause, it should:

(a) apply to services provided by means of significant infrastructure facilities where:

(i) it would not be economically feasible to duplicate the facility;

(ii) access to the service is necessary in order to permit effective competition in a downstream or upstream market; and

(iii) the safe use of the facility by the person seeking access can be ensured at an economically feasible cost and, if there is a safety requirement, appropriate regulatory arrangements exist; and

(b) reasonably incorporate each of the principles referred to in subclause (4) and (except for an access regime for: electricity or gas that is developed in accordance with the Australian Energy Market Agreement; or the Tarcoola to Darwin railway) subclause (5).

There may be a range of approaches available to a State or Territory Party to incorporate each principle. Provided the approach adopted in a State or Territory access regime represents a reasonable approach to the incorporation of a principle in subclause (4) or (5), the regime can be taken to have reasonably incorporated that principle for the purposes of paragraph (b).

(3A) In assessing whether a State or Territory access regime is an effective access regime under the *Trade Practices Act 1974*, the assessing body:

(a) should, as required by the *Trade Practices Act 1974*, and subject to section 44DA, not consider any matters other than the relevant principles in this Agreement. Matters which should not be considered include the outcome of any arbitration, or any decision, made under the access regime; and

(b) should recognise that, as provided by subsection 44DA(2) of the *Trade Practices Act 1974*, an access regime may contain other matters that are not inconsistent with the relevant principles in this Agreement.

(4) A State or Territory access regime should incorporate the following principles:

(a) Wherever possible third party access to a service provided by means of a facility should be on the basis of terms and conditions agreed between the owner of the facility and the person seeking access.

(b) Where such agreement cannot be reached, Governments should establish a right for persons to negotiate access to a service provided by means of a facility.

(c) Any right to negotiate access should provide for an enforcement process.

(d) Any right to negotiate access should include a date after which the right would lapse unless reviewed and subsequently extended; however, existing contractual rights and obligations should not be automatically revoked.
(e) The owner of a facility that is used to provide a service should use all reasonable endeavours to accommodate the requirements of persons seeking access.

(f) Access to a service for persons seeking access need not be on exactly the same terms and conditions.

(g) Where the owner and a person seeking access cannot agree on terms and conditions for access to the service, they should be required to appoint and fund an independent body to resolve the dispute, if they have not already done so.

(h) The decisions of the dispute resolution body should bind the parties; however, rights of appeal under existing legislative provisions should be preserved.

(i) In deciding on the terms and conditions for access, the dispute resolution body should take into account:

(i) the owner’s legitimate business interests and investment in the facility;

(ii) the costs to the owner of providing access, including any costs of extending the facility but not costs associated with losses arising from increased competition in upstream or downstream markets;

(iii) the economic value to the owner of any additional investment that the person seeking access or the owner has agreed to undertake;

(iv) the interests of all persons holding contracts for use of the facility;

(v) firm and binding contractual obligations of the owner or other persons (or both) already using the facility;

(vi) the operational and technical requirements necessary for the safe and reliable operation of the facility;

(vii) the economically efficient operation of the facility; and

(viii) the benefit to the public from having competitive markets.

(j) The owner may be required to extend, or to permit extension of, the facility that is used to provide a service if necessary but this would be subject to:

(i) such extension being technically and economically feasible and consistent with the safe and reliable operation of the facility;

(ii) the owner’s legitimate business interests in the facility being protected; and

(iii) the terms of access for the third party taking into account the costs borne by the parties for the extension and the economic benefits to the parties resulting from the extension.

(k) If there has been a material change in circumstances, the parties should be able to apply for a revocation or modification of the access arrangement which was made at the conclusion of the dispute resolution process.

(l) The dispute resolution body should only impede the existing right of a person to use a facility where the dispute resolution body has considered whether there is a case for compensation of that person and, if appropriate, determined such compensation.

(m) The owner or user of a service shall not engage in conduct for the purpose of hindering access to that service by another person.
(n) Separate accounting arrangements should be required for the elements of a business which are covered by the access regime.

(o) The dispute resolution body, or relevant authority where provided for under specific legislation, should have access to financial statements and other accounting information pertaining to a service.

(p) Where more than one State or Territory access regime applies to a service, those regimes should be consistent and, by means of vested jurisdiction or other cooperative legislative scheme, provide for a single process for persons to seek access to the service, a single body to resolve disputes about any aspect of access and a single forum for enforcement of access arrangements.

(5) A State, Territory or Commonwealth access regime (except for an access regime for: electricity or gas that is developed in accordance with the Australian Energy Market Agreement; or the Tarcoola to Darwin railway) should incorporate the following principles:

(a) Objects clauses that promote the economically efficient use of, operation and investment in, significant infrastructure thereby promoting effective competition in upstream or downstream markets.

(b) Regulated access prices should be set so as to:
   (i) generate expected revenue for a regulated service or services that is at least sufficient to meet the efficient costs of providing access to the regulated service or services and include a return on investment commensurate with the regulatory and commercial risks involved;
   (ii) allow multi-part pricing and price discrimination when it aids efficiency;
   (iii) not allow a vertically integrated access provider to set terms and conditions that discriminate in favour of its downstream operations, except to the extent that the cost of providing access to other operators is higher; and
   (iv) provide incentives to reduce costs or otherwise improve productivity.

(c) Where merits review of decisions is provided, the review will be limited to the information submitted to the original decision-maker except that the review body:
   (i) may request new information where it considers that it would be assisted by the introduction of such information;
   (ii) may allow new information where it considers that it could not have reasonably been made available to the original decision-maker; and
   (iii) should have regard to the policies and guidelines of the original decision-maker (if any) that are relevant to the decision under review.

Application of the Principles to Local Government

7.(1) The principles set out in this Agreement will apply to local government, even though local governments are not Parties to this Agreement. Each State and Territory Party is responsible for applying those principles to local government.
(2) Subject to subclause (3), where clauses 3, 4 and 5 permit each Party to determine its own agenda for the implementation of the principles set out in those clauses, each State and Territory Party will publish a statement by June 1996:

(a) which is prepared in consultation with local government; and

(b) which specifies the application of the principles to particular local government activities and functions.

(3) Where a State or Territory becomes a Party at a date later than December 1995, that Party will publish its statement within six months of becoming a Party.

**Funding of the Council**

8. The Commonwealth will be responsible for funding the Council.

**Appointments to the Council**

9.(1) When the Commonwealth proposes that a vacancy in the office of Council President or Councillor of the Council be filled, it will send written notice to the States and Territories that are Parties inviting suggestions as to suitable persons to fill the vacancy. The Commonwealth will allow those Parties a period of thirty five days from the date on which the notice was sent to make suggestions before sending a notice of the type referred to in subclause (2).

(2) The Commonwealth will send to the States and Territories that are Parties written notice of persons whom it desires to put forward to the Governor-General for appointment as Council President or Councillor of the Council.

(3) Within thirty five days from the date on which the Commonwealth sends a notice of the type referred to in subclause (2), the Party to whom the Commonwealth sends a notice will notify the Commonwealth Minister in writing as to whether the Party supports the proposed appointment. If the Party does not notify the Commonwealth Minister in writing within that period, the Party will be taken to support the proposed appointment.

(4) The Commonwealth will not put forward to the Governor-General a person for appointment as a Council President or Councillor of the Council unless a majority of the States and Territories that are Parties support, or pursuant to this clause are taken to support, the appointment.

**Work Program of the Council, and Referral of Matters to the Council**

10.(1) The work of the Council (other than work relating to a function under Part IIIA of the Trade Practices Act or under the Prices Surveillance Act 1983) will be the subject of a work program which is determined by the Parties.

(2) Each Party will refer proposals for the Council to undertake work (other than work relating to a function under Part IIIA of the Trade Practices Act or under the Prices Surveillance Act 1983) to the Parties for possible inclusion in the work program.

(3) A Party will not put forward legislation conferring additional functions on the Council unless the Parties have determined that the Council should undertake those functions as part of its work program.
(4) Questions as to whether a matter should be included in the work program will be
determined by the agreement of a majority of the Parties. In the event that the Parties are
evenly divided on a question of agreeing to the inclusion of a matter in the work program,
the Commonwealth shall determine the outcome.

(5) The Commonwealth Minister will only refer matters to the Council pursuant to subsection
29B(1) of the Trade Practices Act in accordance with the work program.

(6) The work program of the Council shall be taken to include a request by the Commonwealth
for the Council to examine and report on the matters specified in subclause 2(2) of the
Conduct Code Agreement.

Review of the Council
11. The Parties will review the need for, and the operation of, the Council after it has been in
existence for five years.

Consultation
12. Where this Agreement requires consultation between the Parties or some of them, the Party
initiating the consultation will:
   (a) send to the Parties that must be consulted a written notice setting out the matters on
       which consultation is to occur;
   (b) allow those Parties a period of three months from the date on which the notice was
       sent to respond to the matters set out in the notice; and
   (c) where requested by one or more of those Parties, convene a meeting between it and
       those Parties to discuss the matters set out in the notice and the responses, if any, of
       those Parties.

New Parties and Withdrawal of Parties
13. (1) A jurisdiction that is not a Party at the date of this Agreement commences operation may
become a Party by sending written notice to all the Parties.

(2) A Party may withdraw from this Agreement by sending written notice to all other Parties.
The withdrawal will become effective six months after the notice was sent.

(3) If a Party withdraws from this Agreement, this Agreement will continue in force with
respect to the remaining Parties.

Sending of Notices
14. A notice is sent to a Party by sending it to the Minister responsible for the competition
legislation of that Party.

Review of this Agreement
15. Once this Agreement has operated for five years, the Parties will review its operation and
terms.
Commencement of this Agreement

16. This Agreement commences once the Commonwealth and at least three other jurisdictions have executed it.
APPENDIX 4

ISLE OF MAN GOVERNMENT
PROCUREMENT POLICY
MARCH 2010
REPORT ON A PRELIMINARY INVESTIGATION UNDER SECTION 9 OF THE FAIR TRADING ACT 1996 INTO THE SUPPLY OF PRINT SERVICES AND PLAIN PAPER & ENVELOPES TO ISLE OF MAN GOVERNMENT
Introduction

1. This document informs Government Departments, Boards and Offices on the Government’s policy on procurement, as agreed by the Council of Ministers on 25 March 2010. This document:

   a. sets out the purpose of the Government’s procurement policy and
   b. then describes the six components that comprise the policy.

Purpose

2. The purpose of the procurement policy is to:

   a. Provide clear direction that ensures compliance with regulations and relevant instructions in order to ensure a consistent and co-ordinated approach to all Government procurement.
   b. Maximise the buying power of Government through collaboration, ensuring that the procurement of goods, services and works delivers the best possible overall value for money.
   c. Contribute to the development and maintenance of the Island’s economy; encouraging ‘linkages and not leakages’, assisting with the maintenance of strength in the supply market.

Procurement Policy

3. Value for money is the primary driver for public procurement; the Government also has a responsibility to consider the benefits and impact of its procurement decisions to the wider society. The procurement approach must be relevant and appropriate for what is being purchased, a common “one size fits all” approach is not appropriate. The procurement policy consists of six key components that must be considered and balanced. In its procurement activity Government will strive to:

   a. Achieve the best value for money:
      i. seeking to procure goods and services through open competition, and
      ii. ensuring all procurement activity complies with the appropriate Financial Regulations.
   b. Maximise potential savings, to Government as a whole, through acting collaboratively across all Departments, Boards and Offices in areas of common spend such as commodity goods and services. Aggregation of demand to obtain:
      i. greater leverage with suppliers,
      ii. greater commonality, and
      iii. a reduction in administrative costs.

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1 “buy local has never been more important to our economy and the Island’s future than it is today” Chief Minister’s Tynwald Statement 20 October 2009
c. Reduce overdependence on single vendors:
   i. opting to engage multiple suppliers for the delivery of the same goods or service through a framework agreement,
   ii. encouraging new small and medium enterprises to enter the market,
   iii. re-tendering, rather than extending contracts, and
   iv. unbundling procurement requirements into smaller packages or lots.

d. Buy local to meet Government’s objective to “Maximise the use of local procurement subject to obtaining quality and value for money”, encouraging the development of a mixed economy and maintaining market flexibility through tailoring individual procurement strategies to specific commodities or services. Furthermore local suppliers should be favoured where price differentials are marginal:
   i. for contracts/purchases up to £5,000 in value a 10% differential is appropriate.
   ii. for contracts/purchases in excess of £5,000 in value but below the tender threshold of £50,000 a 5% differential is appropriate.
   iii. for contracts/purchases in excess of the £50,000 tender threshold advice is to be sought from Treasury.

 e. Increase internal efficiency through:
   i. maximising the utilisation of existing internal resources across all of Government before considering procurement action.
   ii. Minimise the cost of purchase transactions and creditor payments through actively promoting the use of Government Procurement Cards and matching the number of vendors to the requirement in order to reduce invoice volume.
   iii. maximising the use of technology in the purchasing cycle.

 f. Consider corporate social responsibility, including:
   i. equal employment opportunities,
   ii. ethical sourcing,
   iii. environmental impact, and
   iv. “Fair Trade” or similar.

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2 An objective under the aim: “To facilitate a dynamic, modern and diverse economy”, Government Strategic Plan 2007 -2011.