



Legal update

30 October 2025

Changes to the Commonwealth Procurement Rules and other developments relevant to procurement

The Minister for Finance has announced amendments to the [Commonwealth Procurement Rules \(CPRs\)](#). The amended CPRs will come into effect on 17 November 2025. The Department of Finance has issued some corresponding guidance. Other materials such as the Commonwealth Contracting Suite (CCS) templates and the ClauseBank will be updated to reflect the changes to the CPRs.

The Department of Finance has also issued the following, which are relevant to procurement:

- an updated [Australian Government Contract Management Guide](#)
- a new Resource Management Guide ([RMG-208](#)) on dealing with conflicts of interest and confidentiality with the non-government sector.

Implications

Agencies should, as soon as possible, review the new CPRs and related guidance and update their internal processes and templates to ensure compliance from 17 November 2025.

Changes to the Commonwealth Procurement Rules

The key changes to the CPRs include the following.

Procurement threshold increase

The procurement threshold for non-construction procurements by non-corporate Commonwealth entities (NCEs) has increased from \$80,000 to \$125,000 (para 9.7(a)).

Australian business prioritisation

Under para 5.4, NCEs must only invite Australian businesses in the first instance to make submissions for procurements (excluding those from a standing offer) valued at or above \$10,000 and:

- below \$125,000 for non-construction procurement
- below \$7.5 million for procurements of construction services.

Only Small and Medium Enterprises (SMEs) are to be invited to tender for contracts valued below \$125,000 when procuring from the Management Advisory Services Panel, the People Panel, or any standing offer managed by the Digital Transformation Agency (para 5.5).

The definition of an Australian business has been included in Appendix B, and the definition of an SME has been aligned with the Australian business definition.

When applying the Australian business prioritisation requirements, the Indigenous Procurement Policy must be satisfied first where relevant.

A publicly searchable [Supplier Portal](#) will be available for businesses to identify whether they are an Australian Business, an SME, a women-owned business and/or registered as an Indigenous business.

Ethical conduct

The CPRs clarify that ethical conduct is a factor in consideration of value for money (para 4.5(c)).

The requirement to make reasonable enquiries that a procurement is carried out considering relevant regulations and/or regulatory frameworks has been moved from Division 2 to Division 1. Therefore, the requirement now applies to all procurements. Relevant regulations and frameworks include the tenderers' practices regarding labour regulations (including ethical employment practices), workplace health and safety and environmental impacts (para 6.6).

Negotiations

Two new paragraphs on 'negotiations' have been added in Division 2 of the CPRs (paras 10.18 and 10.19). These paragraphs provide for where negotiations can take place and what procedural requirements are needed where an agency calls for revised tenders or conducts parallel negotiations. The updates also clarify that negotiations for relevant procurements fall within the domestic review procedures under the *Government Procurement (Judicial Review) Act 2018* (Cth).

To accompany the new provisions in the CPRs, Finance has also issued a [guidance document on contract negotiations](#).

Sharing of confidential information

The CPRs provide that officials should include provisions in request documentation and contracts that alert potential suppliers that submissions may be shared within the Commonwealth where it serves the Commonwealth's legitimate interests such as for policy development, research, compliance, regulatory and other non-commercial purposes (para 7.25).

This update is to clarify that submission information may be shared with other Commonwealth entities where consistent with the CPRs. Any such sharing will also be subject to legal requirements which may apply in the circumstances such as the *Privacy Act 1988* (Cth) and any legislative secrecy and security provisions.

Secondments

The meaning of 'procurement' has been updated to clarify that the secondment of employees between and within Commonwealth entities and from state, territory and local government entities are not procurements (para 2.9(i)).

The changes to the CPRs come into effect on 17 November 2025. For guidance about which version of the CPRs apply to a procurement process, agencies can refer to the following resource published by the Department of Finance: [Which CPRs apply to my procurement – 1 July 2024 or 17 November 2025](#).

Other key developments relevant to procurement

The Department of Finance has also recently issued the following publications, which are relevant to procurement activities:

- an updated version of the [*Australian Government Contract Management Guide*](#) (August 2025)
- a new Resource Management Guide dealing with conflicts of interest and confidentiality ([*RMG-208 Managing conflicts of interest and confidentiality with the non-government sector*](#)).

RMG-208 supports officials across Commonwealth entities in applying risk-based principles to manage potential conflicts of interest and confidentiality, particularly when engaging with the non-government sector. Entities should note that RMG-208 complements other key Commonwealth COI guidance materials, including the Australian Public Service Commission's [*Conflict of Interest Management Framework Better Practice Model*](#) and the National Anti-Corruption Commission's [*Conflicts of interest and corrupt conduct: A guide to public officials*](#).

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