



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QON No. 56

STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

**JEREMY HANSON MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), MARK PARTON MLA,
SUZANNE ORR MLA**

**Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION ON NOTICE**



Asked by MR COE MLA:

Chief Minister, Treasury and Economic Development Directorate 2016/17 Annual Report, Procurement and Capital Works, Output 8.1

In relation to Membership, Conflict of Interest, and Processes:

1. Are Board vacancies publically advertised?
2. Are all positions on the Board filled?
 - a. Please provide a breakdown of who fills each position and which positions are yet to be filled.
3. What affect has the policy of maintaining a 50% representation of women on boards had on filling vacant positions on the board?
 - a. What consultation is conducted with the Office for Women?
4. How many times has a member if the Board excused themselves because of a conflict of interest?
 - a. Please provide:
 - i. The names of those who have excused themselves and;
 - ii. The conflict of interest that prevented them from taking part;
 - iii. When these instances occurred
5. Please outline the two stage process implemented during the 2016/17 and current financial years
 - a. How has this improved the consideration of proposals by the Board?
 - b. Does the two stage process men the timeframe is pushed out substantially?

Mr BARR MLA: The answer to the Member's question is as follows:–

1. Public employee vacancies are not publicly advertised. For non-public employee members, vacancies have been advertised within professional bodies. Future non-public employee member vacancies will be publicly advertised.
2. No, there is currently one public employee member vacancy. Membership of the Board at 30 June 2017 is below:



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Ms Karen Doran	Chair
Ms Meredith Whitten	Public Employee Member
Mr Shaun Strachan	Public Employee Member
Mr Graham Tanton	Public Employee Member
VACANT	Public Employee Member
Ms Virginia Shaw	Non-Public Employee Member
Mr Stephen Goggs	Non-Public Employee Member
Mr Roger Broughton	Non-Public Employee Member
Mr Richard Bear	Non-Public Employee Member

Mr Shaun Strachan has resigned from the Board effective 28 November 2017.

3. It can be challenging to find suitable women to fill non-public employee member vacancies on the Government Procurement Board, reflecting the gender composition in the industry. Maintaining a 50 per cent representation of women for the public employee membership is more straightforward.
 - a. The Office for Women is consulted when seeking candidates for appointment as non-public employee member vacancies. The Office for Women is consulted to comment on every proposed appointment.
4. In 2016-17, the following Board members excused themselves due to conflict of interest:
 - a. 23 August 2016: Ms Karen Doran, due to overseeing a proposal (for Streelights) the Board was reviewing.
 - b. 6 September 2016: Ms Meredith Whitten, due to being involved in a proposal (Amaroo School Expansion) the Board was reviewing.
 - c. 11 October 2016: Ms Meredith Whitten, due to being involved in a proposal (Special Bus Transport) the Board was reviewing.
 - d. 18 October 2016: Mr Graham Tanton, due to a personal relationship for a proposal the Board was considering (Panel for Elective Surgery).
 - e. 18 October 2016: Shaun Strachan excused himself from the meeting, due to him having operational governance responsibility for the two proposals (Panel for Elective Surgery Wait List Reduction and Digital Solutions Program) that the Board was reviewing.
 - f. 22 November 2016: Ms Karen Doran, due to being a Steering Committee member for a proposal (for Streelights) the Board was reviewing.
 - g. 21 February 2017: Mr Graham Tanton, due to an interest in the Macarthur House Decommissioning proposal being reviewed by the Board.
 - h. 20 June 2017: Mr Graham Tanton, due to being a proponent for a proposal (Human Resource Information Management System) being reviewed by the Board.



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There were also occasions when a member offered to excuse themselves but the Board decided there was no conflict. On those occasions, the offer to be excused was based on the member having portfolio involvement in the procurement, or having been involved in the preliminary work informing the needs analysis and procurement options, which the Board and/or Chair determined was not material to the matter before the Board, and while recognising the conflict, exclusion from the discussion and consideration of the proposal was not warranted.

5. The two-pass procurement review process commenced on 1 January 2017. It applies to Goods and Services procurements and ICT procurements valued at \$5 million and over. Regardless of the estimated value of a procurement, any proposal which is assessed as being sensitive or high risk may be tabled to the Board for a two-pass review.

The initial review, being the Strategic Review, focuses on the procurement strategy. Directorates outline the sourcing options which have been considered, and recommend the approach which may best support the strategic objectives, and identify strategic risks, opportunities for cross-agency collaboration, and high level contract management principles.

The second pass, being the Procurement Review, focuses on the details of the procurement proper, as captured in the full procurement documentation suite (e.g. evaluation criteria and assessment methodology, governance arrangements and contract management plan). This review is also a check point to ensure the procurement meets the relevant Territory legislative and policy requirements.

- a. The introduction of the two-pass procurement review process has involved the Board significantly earlier in the procurement planning process, where its strategic input can best add value. The change provides directorates and delegates with Board feedback when establishing significant Territory commitment associated with key procurements. The earlier Board consideration of the procurement approach, strategic risks and opportunities for cooperation across Directorates leads to improved procurement outcomes for the Territory.
- b. The two stage review process is designed to minimise time and effort in developing procurement documentation prior to the Board's initial consideration. Directorates are encouraged to table a procurement strategy to the Board as soon as practicable in order to receive prompt feedback and make any adjustments necessary at that time. As a result, the timeframe to develop the procurement documentation can be both reduced and streamlined as the strategy and focus areas have been discussed, refined and agreed early in the planning phase.

Approved for circulation to the Standing Committee on Economic Development and Tourism

Signature:

Date: 27.11.2017

By the Treasurer, Mr Andrew Barr MLA

