



STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

JEREMY HANSON MLA (CHAIR), MICHAEL PETERSSON 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 MOU with Unions ACT – Reviews, contact with directorates, and other jurisdictions:

1. Please outline why an external entity allowed to be involved with the ACT Government's internal procurement process.
 - a. Are there other jurisdictions that have similar MOU's with external entities?
 - i. If so, what jurisdictions?
2. The Annual Report states on Page 60 that "Procurement and Capital Works is responsible for providing a report each year on the progress made in implementing the MOU and on compliance activities undertaken by the Territory and on instance of proven non-compliance by tenderers."

Is the report simply information contained within the Annual Report, or is it a separate document?

- a. If it is a separate document, is it publically available?
 - i. If so, where is it available, and please provide copies of previous reports.
 - ii. If not, why not?
3. When was the MOU with Unions ACT last reviewed?
 - a. When is the next scheduled review?
 - b. Have any reviews of the MOU been rejected or scheduled reviews delayed by the ACT Government?
 - i. If so, when was the review, what elements of the review were rejected or delayed, and why?
4. Is Procurement being kept informed of Unions ACT contact with directorates in relation to procurement activities?
 - a. Is direct contact between Unions ACT and directorates allowed under the terms of the MOU?
5. Please provide the number of time Unions ACT has contacted directorates directly in each financial year since the commencement of the MOU.
6. Have any directorates complained about being contacted by, or sought to limit their contact with Unions ACT?
 - a. If so, which please provide:
 - i. The total number of times this had occurred;



LEGISLATIVE ASSEMBLY

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- ii. The directorates;
- iii. What financial year it occurred in; and
- iv. The reasons given by the directorate or actions sought.

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

1. ACT Government policy calls for its procurement activity to include fair consideration of the rights of workers, in addition to ensuring providers are accountable to the public and to promote quality and local employment. Unions have access to information about industrial relations and work safety performance in the Territory which may be relevant and could assist procurement activity to meet these policy objectives. The Memorandum of Understanding on the Procurement of Works and Services records an agreed approach to union consultation in relation to industrial relations and workplace health and safety issues as part of the prequalification and tender evaluation processes for ACT public sector procurements.
 - a. The Territory does not systemically monitor procurement practices in other jurisdictions. Officials are however incidentally aware of similar instruments, for example past agreements between NSW local councils and the NSW peak union body (for example, Memorandum Of Understanding Between Parramatta City Council and the Labor Council of New South Wales Regarding the Role and Responsibilities of Council and the Labor Council in the Procurement of Goods and Services).
2. The report is the information provided in the Annual Report.
3. The last review of the MOU was completed in March 2015.
 - a. The Government has undertaken to legislate a Secure Local Jobs Code under the Procurement Act. Once legislated, the code will make the Memorandum of Understanding redundant, by establishing mechanisms for automated and independent checking of employers' compliance with work safety and industrial relations laws. Consequently, I do not anticipate the Government will undertake any further reviews of the Memorandum of Understanding.
 - b. The Government has not deferred or rejected any reviews of the MOU.
4. Relevant union and industry issues would be discussed in meetings between Procurement and directorates during the procurement process.
 - a. The MOU does not prevent UnionsACT from contacting directorates.
5. The Territory does not keep a central register to record contact between UnionsACT and directorates.
6. No formal complaints have been received by Procurement.

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

Signature: *Andrew Barr*

Date: 24.11.2017

By the Treasurer, Mr Andrew Barr MLA