



LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

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

Inquiry into referred 2017–18 Annual and Financial Reports ANSWER TO QUESTION ON NOTICE

Asked by MR WALL MLA:

In relation to the Local Industry Participation Policy (LIPP):

1. When will the review into the LIPP commence?
 - a. What feedback will sought and from who?
 - b. When will the review be published?
2. What strategies have been undertaken to ensure that territory entities and the private sector are aware of the LIPP?
3. Have any issues been raised by stakeholders about how the LIPP is being implemented? Please provide details.
4. How many Local Industry Participation Plans have been submitted this year in total?
 - a. How many of these were submitted by Procurement and Capital Works?
 - b. Were any plans not submitted, and if so, what was the reason on not submitting?
5. Were any final payments to contractors withheld or delayed due to non-compliance with the LIPP?
 - a. If yes, how many contractors were affected?
 - b. What was the value of affected contracts?

MINISTER FOR TRADE, INDUSTRY AND INVESTMENT

The answer to the Member's question is as follows:—

1. The Local Industry Advocate has commenced a review into the Local Industry Participation Policy.
 - a. Feedback continues to be sought from internal stakeholders and industry bodies.
 - b. The review is not yet complete and no decision has been made about publication.
2. The Local Industry Participation Policy (LIPP) is published on the Procurement website, and it is also referenced on the business.act.gov.au website page about the Local Industry Advocate. Additionally, Information sessions were presented to the Master Builders Association and the Canberra Business Chamber as part of the policy's implementation.

To further assist industry, templates and example items that could be included in a tender, quotation or proposal are part of the documentation issued by the Territory when seeking responses to a procurement opportunity.

Procurement ACT and Infrastructure Finance and Capital Works (IFCW) provide advice and guidance to Territory entities on the policy and LIPP requirements for any procurement valued at \$200,000 and over. For procurement of goods and services under \$200,000, guidance is built into

the Simple Procurement Tool on an intranet portal along with related templates.

3. Neither Procurement ACT nor IFCW has any record of issues being raised by stakeholders in relation to the LIPP.
4. Tender ACT data shows that 98 out of 107 Local Industry Participation Plans were submitted as part of tender responses to procurement processes valued over \$5 million in the 2017-18 financial year.
 - a. None.
 - b. Eight of the nine tenderers who did not submit Local Industry Participation Plans did not provide their reasons for non-submission. A search through the tender documentation found that at least two of those responses were also incomplete in other aspects. The tenderer that did provide a reason elected not to submit a Local IP Plan as its bid was under the \$5 million threshold.
5. No.
 - a. Not applicable
 - b. Not applicable

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

Signature: 

Date: 11.12.18

By the Minister for Trade, Industry and Investment, Andrew Barr MLA