

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 Reviews:

1. When will the review of the Local Industry Participation Policy commence?
2. In relation to the review of the LIPP:
 - a. What will be reviewed?
 - b. Who will be consulted?
 - c. Who will be undertaking the review?
 - i. If a contractor, what is the total value of the contract and;
 - ii. Please provide the name of the contractor.
 - d. Will the review be published?
 - i. If so, what is the timeframe for its publication and;
 - ii. Will it be public?
 - iii. Where will it be published?
3. What metrics will be used to determine the effectiveness of the LIPP?
4. What benchmarks have been set by the LIPP and how do they compare with other jurisdictions?
5. When will the review of the Sustainable Procurement Policy commence?
6. In relation to the review of the Sustainable Procurement Policy:
 - a. What will be reviewed?
 - b. Who will be consulted?
 - c. Who is undertaking the review?
 - i. If a contractor, what is the total value of the contract and;
 - ii. Please provide the name of the contractor.
 - d. Will the review be published?
 - i. If so, what is the timeframe for its publication and;
 - ii. Will it be public?
 - iii. Where will it be published?



LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

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

1. The Local Industry Participation Policy (LIPP) commenced on 1 January 2017. The Policy includes a requirement that 6 monthly reviews will be conducted to ascertain the impact of LIPP in Territory procurement processes. At the scheduled time for the first six monthly review there was insufficient data to assess the impact of the policy. At this point, few procurements initiated since 1 January 2017 had involved contract execution. The next review is scheduled at the end of the first 12 months and is expected to be completed by the end of the first quarter of 2018.
2. In relation to the review of the LIPP:
 - a. To be discussed at the upcoming December Procurement Policy Working Group (PPWG) Meeting.
 - b. Yet to be discussed.
 - c. Yet to be discussed.
 - d. Yet to be discussed.
3. Current information being collected involves:
 - e. the number and value of contracts going to local businesses;
 - f. the employment of local residents and sub-contractors on Territory building sites; and
 - g. The value of Economic Contribution offered per contract, for contracts over \$200k.
4. As the LIPP serves a different objective from the previous SME Consideration Policy, the Territory does not have an equivalent benchmark of its previous performance for Local Industry Economic Contribution.

The sharing of results and data with other jurisdictions has not yet been undertaken.
5. A formal review of the Sustainable Procurement Policy has not yet been scheduled.
6. In relation to the review of the Sustainable Procurement Policy:
 - a. Subject to further consideration.
 - b. Subject to further consideration.
 - c. Subject to further consideration.
 - d. Subject to further consideration.

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

Signature: *Andrew Barr*

Date: 5.12.17

By the Treasurer, Andrew Barr MLA