

2018

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**GOVERNMENT RESPONSE TO THE
STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
REPORT NO 4**

**REPORT ON THE GOVERNMENT PROCUREMENT (SECURE LOCAL JOBS) AMENDMENT BILL
2018**

**Presented by
Rachel Stephen-Smith
Minister for Employment and Workplace Safety
October 2018**

INTRODUCTION

On 2 August 2018, the Legislative Assembly referred the Government Procurement (Secure Local Jobs Package) Amendment Bill 2018 to the Standing Committee on Economic Development and Tourism.

The Government would like to take the opportunity to thank the various stakeholders and members of the community who took part in this Inquiry.

The Government thanks the Committee for its careful consideration of the Bill and makes the following response to the recommendations made by the Committee.

GOVERNMENT RESPONSE TO COMMITTEE RECOMMENDATIONS

Recommendation 1

The Committee recommends that the ACT Government continue to pursue procurement outcomes that ensure public money only goes to contractors who have the highest ethical and labour standards.

Government Response Agreed

The Government acknowledges that this is the primary objective of the secure local jobs package of reforms and the key design principle that has underpinned the drafting of the Government Procurement (Secure Local Jobs) Amendment Bill 2018 and its supporting instruments. The Government also notes that the package includes mechanisms to monitor the effectiveness of the reforms and to continuously improve the package.

Recommendation 2

The Committee recommends that, if the Bill is passed, the ACT Government ensure that the Registrar is appropriately resourced to monitor and enforce compliance with the resulting Act.

Government Response Agreed

The Government notes that appropriate resourcing has been an important consideration from the outset and that the 2018-19 Budget has provided appropriate funding and resources to implement the secure local jobs package. The Government also notes that there will also be some upskilling and training requirements for existing staff such as procurement contract managers, so that procurement processes will be more effective generally.

Recommendation 3

The Committee recommends that the ACT Government consider the length of time for which secure local jobs certificates should remain valid, striking a balance between ensuring compliance and avoiding potentially unnecessary costs to businesses.

Government Response Agreed

The Government notes that the length of time a secure local jobs certificate remains valid was the subject of close consideration and that the approach taken in the Government Procurement (Secure Local Jobs) Amendment Bill 2018 strikes an appropriate balance. By allowing some discretion for the Registrar in determining the currency period, the Bill also allows for a tailored and risk based approach. This balance will be considered as part of the review of the legislation.

Recommendation 4

The Committee recommends that, if the Assembly proceeds with the Bill, section 22ZD be amended to require the Secure Local Jobs Code Advisory Council's review of the operation of the legislation to include an examination of the impact of the legislation on procurement with small and medium local business.

Government Response Agreed-in-principle

The Government agrees in-principle with this recommendation and notes that the provisions requiring the Secure Local Jobs Code Advisory Council to review the operation of the legislation are considered to be broad enough to cater for this recommendation. As a consequence, the Government does not consider that an amendment is required.

The Government will however, undertake to have the terms of reference for the review, once written, specifically include a focus on small and medium sized businesses' interaction with the new arrangements.

Recommendation 5

The Committee, noting a number of witnesses raised queries about the Secure Local Jobs Code, recommends that the ACT Government consider these queries as part of its current consultation with all relevant stakeholders to determine the detail of the Code.

Government Response Agreed

The Government notes that the Standing Committee's Report and public submissions received by the Committee are being considered in the refinement of the supporting instruments. The Government also notes that the Code is intended to be made as a disallowable instrument and will consequently be supported by a Regulatory Impact Statement as well as benefiting from the scrutiny of the Legislative Assembly.

Furthermore, and separate to the Committee's inquiry, the Secure Local Jobs Code has also been the subject of extensive consultation which will also be considered in the finalisation of the subordinate instruments, including:

- a. a first round of public consultation on the structure of the Secure Local Jobs Package was undertaken with the release of a discussion paper and included an eight week public submission period to March 2018;
- b. multiple meetings with employee and employer representative groups/forums;
- c. engagement with the Commonwealth; and
- d. a second round of public consultation on a consultation draft of the Secure Local Jobs Code and other supporting instruments with public submissions sought, ending September 2018.

Recommendation 6

The Committee, noting the importance of the approved auditors to the Secure Local Jobs Code certification package, recommends that, should the Assembly proceed with the Bill, the ACT Government explore options for building capacity over time to have the auditing work undertaken by public servants.

Government Response Agreed

The Government will work with the Secure Local Jobs Code Advisory Council tasked to monitor the auditing arrangements under the Secure Local Jobs Package with a view to exploring the options for in-housing. This will include the provision of advice on building capacity in the ACT Public Sector and providing quality assurance over external auditors, having regard to the importance of maintaining a degree of separation between auditor and decision maker.