



New South Wales

# Local Government Amendment (Red Tape Reduction) Bill 2014

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

## Overview of Bill

The objects of this Bill are as follows:

- (a) to amend the *Local Government Act 1993* (the *Act*):
  - (i) to enable a local council to delegate its function of accepting tenders that the local council is required under the Act to invite, and
  - (ii) to enable a local council to enter a contract for the purchase of goods or services with a disability employment organisation without first having to invite tenders, and
  - (iii) to clarify that an exemption from the requirement to invite tenders that applies in relation to certain contracts involving orders against standing offers applies whether or not a rate is specified for the contracts, and
  - (iv) to reduce the frequency with which local councils are required to adopt a policy concerning expenses and facilities,
- (b) to amend the Act and the *Local Government (General) Regulation 2005* (the *Regulation*):
  - (i) to exempt prescribed local councils from the requirement to invite tenders for contracts involving an amount of less than \$250,000 (rather than less than \$150,000, as for other local councils), and
  - (ii) to replace requirements for local councils and election managers to publish notices and advertisements in newspapers with requirements to publish them on their websites and in such other manner as they consider appropriate.

## Outline of provisions

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of Schedules 1 [3] and 2 [8] to the proposed Act on a day to be appointed by proclamation and the remainder of the proposed Act on the date of assent to the proposed Act.

## Schedule 1 Amendment of Local Government Act 1993 No 30

### Amendments relating to tendering

The Act requires local councils to invite tenders before entering into certain contracts.

**Schedule 1 [8]** removes a prohibition on a local council delegating a local council's function of accepting tenders that are required to be invited by a local council.

**Schedule 1 [4]** exempts a local council from the requirement to invite tenders in relation to contracts for the purchase of goods or services made with a person or body approved as a disability employment organisation under the *Public Works and Procurement Act 1912*.

**Schedule 1 [2]** clarifies that current exemptions from the requirement to invite tenders that apply in relation to certain 'standing offer' contracts (involving orders for goods and services against standing offers established by the NSW Procurement Board and other entities) apply whether or not a rate is specified for the contract.

Currently, local councils are exempt from the requirement to invite tenders in relation to contracts involving an estimated expenditure or receipt of an amount of less than \$150,000. **Schedule 1 [3]** increases the threshold amount to \$250,000 for local councils (if any) specified in the Regulation for the purposes of the exemption and retains the \$150,000 threshold amount (currently prescribed in the Regulation) for local councils not so specified.

### Amendments relating to council policies concerning expenses and facilities

**Schedule 1 [5]** reduces the frequency with which a local council is required to adopt a policy for the payment of expenses incurred by, and provision of facilities to, its councillors (an *expenses and facilities policy*), from once each year to once in each term of the local council (within the first 12 months of the term).

**Schedule 1 [6]** removes a requirement for a local council to report to the Chief Executive of the Office of Local Government in relation to the adoption or amendment of an expenses and facilities policy. The item also makes an amendment consequential on that made by Schedule 1 [5].

**Schedule 1 [17]** inserts consequential provisions of a savings or transitional nature.

### Amendments replacing requirements to publish notices and advertisements in newspapers

**Schedule 1 [7], [9], [10] and [14]–[16]** replace requirements for a local council to publish certain notices, advertisements or other matter in newspapers, with requirements for the local council to publish them on its website and either in a local or metropolitan newspaper (or both), or in some other manner, as determined by the local council with the object of bringing them to the attention of as many interested persons as possible.

**Schedule 1 [1] and [11]–[13]** make consequential amendments.

## Schedule 2 Amendment of Local Government (General) Regulation 2005

**Schedule 2 [1]–[7], [10]–[18] and [20]–[23]** make amendments to replace requirements for a local council or election manager to publish certain notices, advertisements or other matter in newspapers with requirements to publish them on its website and either in a local or metropolitan newspaper (or both), or in some other manner, as determined by the local council or election

manager with the object of bringing them to the attention of as many interested persons as possible. **Schedule 2 [9] and [19]** make consequential amendments.

**Schedule 2 [8]** makes an amendment consequential on Schedule 1 [3].