

**Submission
No 21**

**EXAMINATION OF THE AUDITOR GENERAL'S PERFORMANCE AUDIT
REPORTS JUNE - DECEMBER 2020**

Organisation: NSW Department of Planning and Environment

Date Received: 11 January 2022



5 O'Keefe Avenue NOWRA NSW 2541
Locked Bag 3015 NOWRA NSW 2541

Our Reference:
Your Reference:
Contact:
Phone:

A806029
D21/63064

Mr G M Piper MP
Chair
Public Accounts Committee
Parliament of NSW
Macquarie Street
SYDNEY NSW 2000

By email: pac@parliament.nsw.gov.au

Dear Mr Piper

Thank you for your letter on behalf of the Public Accounts Committee asking the then Department of Planning, Industry and Environment (DPIE) to provide the Committee with a submission outlining its response to the Auditor-General's report, *Procurement Management in Local Government*, tabled on 17 December 2020.

In her report, the Auditor General recommended that, by June 2022, DPIE should:

- publish comprehensive and updated guidance on effective procurement practices – including electronic tender submissions and procurements below the tender threshold, and
- review and update the *Local Government (General) Regulation 2005* (Regulation) to reflect the increasing use of electronic tender submissions rather than paper copies.

In its response to the Auditor General's report, DPIE advised that it supports the recommendation. DPIE advised that:

- a review of the tendering provisions of the Regulation will be undertaken in consultation with the local government sector, and
- the Office of Local Government's (OLG) existing *Tendering Guidelines for NSW Local Government* will be withdrawn and replaced with more comprehensive and updated guidance.

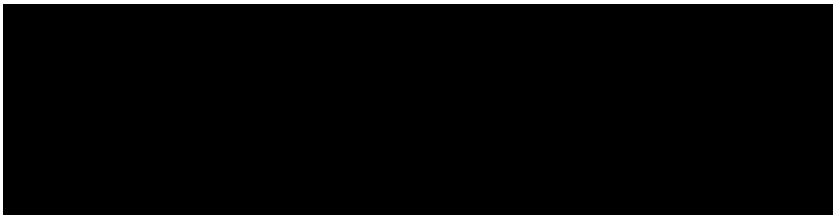
The tendering provisions of the Regulation have been reviewed and a consultation paper was issued in September 2021 to seek the views of the local government sector on proposed amendments to the Regulation. The consultation paper is available on OLG's website [here](#). Submissions closed on 15 October 2021. The submissions received indicate broad support for the proposed amendments to the Regulation. These will be progressed and finalised before June 2022.

In relation to the proposed new and updated guidance on procurement practices, as indicated in DPIE's response to the Auditor-General, this is a substantial project requiring a significant investment of resources.

While scoping work on the project has commenced, it cannot be progressed until amendments to the tendering provisions of the Regulation have been finalised, as these will need to be reflected in the new guidance. In addition, much of the proposed guidance does not currently exist and will need to be developed in consultation with the local government sector and expert procurement practitioners. Bearing this in mind, it is unlikely that the guidance will be completed before the end of 2022.

Please find enclosed, DPIE's completed submission template. The six audited councils have responded directly to the Auditor General in relation to the recommendations relating to them. Information about the councils' responses to those recommendations and their progress in implementing them can be obtained directly from the councils concerned.

Should you require further information, please do not hesitate to contact OLG's Manager, Council Governance, [REDACTED].



Brett Whitworth
Group Deputy Secretary
Planning Delivery and Local Government

Encl. DPIE submission on implementation of Auditor General's recommendations

IMPLEMENTATION OF RECOMMENDATIONS

Department of Planning and Environment

Procurement Management in Local Government

RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
<p>1. By June 2022, the Department of Planning and Environment should:</p> <ul style="list-style-type: none"> • publish comprehensive and updated guidance on effective procurement practices including electronic tender submissions and procurements below the tender threshold • review and update the <i>Local Government (General) Regulation 2005</i> to reflect the increasing use of electronic tender submissions rather than paper copies. 	Accepted	<ul style="list-style-type: none"> • A review of the tendering provisions of the Regulation will be undertaken in consultation with the local government sector, and • The Office of Local Government's (OLG) existing <i>Tendering Guidelines for NSW Local Government</i> will be withdrawn and replaced with more comprehensive and updated guidance. 	June 2022	<ul style="list-style-type: none"> • The review of the tendering provisions is on track. The review has been completed and a consultation paper issued on the proposed amendments. These amendments will be progressed and finalised in the first half of 2022. • Development of the new updated guidance on effective procurement practices has commenced the scoping phase, but will need to be developed from consultation across 	Office of Local Government

RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
				the sector and reflect the regulations that need to be prepared concurrently. This work is not likely to be completed before the end of 2022.	