

GOVERNMENT PROCUREMENT (TRANSPARENCY IN SPENDING) AMENDMENT BILL 2014

Introduction

This explanatory statement relates to the *Government Procurement (Transparency in Spending) Amendment Bill 2014* as presented to the Legislative Assembly. It has been prepared in order to assist the reader of the bill and to help inform debate on it. It does not form part of the bill and has not been endorsed by the Assembly.

The statement must be read in conjunction with the bill. It is not, and is not meant to be, a comprehensive description of the bill. What is said about a provision is not to be taken as an authoritative guide to the meaning of a provision, this being a task for the courts.

Overview of the Bill

This Bill is intended to improve transparency and accountability surrounding Government expenditure. Government contracts and invoices are paid for with taxpayers' money and taxpayers are entitled to know how their money is being used. The Government should be seeking to use these funds in the most cost-effective way possible. Making the basic details about invoices paid by the Government publically available will increase the scrutiny of Government spending. The increased scrutiny will encourage the Government and those it enters into contracts with to be careful with taxpayer funds. The increased scrutiny should also lead to a reduction in spending in cases where there are inefficiencies and waste.

The ACT Government already publishes contracts over \$25,000 on the contracts register. This Bill will increase the scrutiny of Government spending by requiring all invoices over \$10,000 to also be published. It is envisaged that the invoices could be published in the same register as the current contracts register. However, the Government may decide to set up a separate register for invoices.

Clause Notes

Part 1 Preliminary

Clause 1 Name of Act

This clause provides that the name of the Act is the *Government Procurement (Transparency in Spending) Amendment Act 2014*.

Clause 2 Commencement

This clause provides for the commencement of the Act on the day after its notification day.

Clause 3 Legislation Amended

This clause provides that the legislation mentioned in the clause is amended by the Act.

Part 2 Government Procurement Act 2001

Clause 4 New part 3A

This clause inserts the concept of a notifiable invoice and the notifiable invoices register. A notifiable invoice is any invoice paid by a Territory entity that is over the prescribed amount. The prescribed amount is included in the *Government Procurement Regulation 2007* and is currently set at \$10,000.

The notifiable invoices register is an electronic register which contains information about notifiable invoices. The ACT Government currently maintains a contracts register which contains information about ACT Government contracts with a value of \$25,000 or above. The Notifiable Invoices Register will be similar to the Contracts Register and the two registers may be combined in the future.

The Director-General must ensure that the register is accurate and may make corrections where required.

The notifiable invoice register will include a copy of the invoice as well as information from the invoice which will be searchable. The information which must be included for each invoice is:

- The name of the entity invoicing the Territory
- If the entity invoicing the Territory has an ABN - the ABN
- The name of the responsible Territory entity for the invoice
- A brief description of what the invoice is for
- If the invoice relates to a contract – information indentifying the contract. This may include the contract number or other identifying information
- The date the invoice was raised
- The date the invoice was paid
- The value of the good or service charged for under the invoice
- Anything else prescribed by regulation

The director-general may also include any other information they believe is appropriate to include.

Information on the notifiable invoice register must be available free of charge to the public and must be easily accessible. It must be available at all times and for at least two years. The register must be kept up to date. Responsible territory entities are required to either update the register themselves or give the information to the director-general within 90 days after the invoice was paid. If the entity chooses to provide the information to the director-general then the director-general must ensure that the information is uploaded promptly.

Parties who issue invoices to Territory entities must be made aware of the potential for their information to be made public. They should be aware that they are being paid public funds and the Government will be held accountable for their expenditure on these goods or services.

Part 3 Government Procurement Regulation 2007

Clause 5 New section 15

This clause sets the threshold for a notifiable invoice at \$10,000. The threshold may be changed by amending the Regulation rather than requiring an amendment to the Act.