

Local Government (Best Value Principles) Act 1999

Act No. 59/1999

TABLE OF PROVISIONS

<i>Section</i>	<i>Page</i>
1. Purpose	1
2. Commencement	2
3. New objective	2
4. Substitution of Division 3 of Part 9	2
Division 3—Best Value Principles	2
208A. Best Value Principles to be followed	2
208B. Best Value Principles	2
208C. Factors that may be looked at in applying the Principles	3
208D. Quality and cost standards	3
208E. When the Best Value Principles are to be implemented	4
208F. Standards to be publicly available	5
208G. Report on Best Value Principles compliance	5
208H. Ministerial Codes	5
208I. Ministerial guidelines	6
208J. Minister must consult	6
5. Repeal of other competitive tendering provisions	6
6. Change to restrictions concerning contracts	7
7. Additional regulation-making power	7
NOTES	8



Victoria

No. 59 of 1999

Local Government (Best Value Principles) Act 1999[†]

[Assented to 21 December 1999]

The Parliament of Victoria enacts as follows:

1. Purpose

The main purpose of this Act is to amend the **Local Government Act 1989** to replace the compulsory competitive tendering requirements imposed on Councils with an obligation to ensure that Councils seek the best value in providing services.

2. Commencement

This Act comes into operation on the day after the day on which it receives the Royal Assent.

3. New objective

After section 7(a) of the **Local Government Act 1989** insert—

"(aa) to achieve the Best Value Principles set out in section 208B;"

No. 11/1989.
Reprint No. 5
as at 8 June
1999.

4. Substitution of Division 3 of Part 9

In Part 9 of the **Local Government Act 1989**, for Division 3 substitute—

'Division 3—Best Value Principles

208A. Best Value Principles to be followed

A Council must comply with the Best Value Principles.

208B. Best Value Principles

The Best Value Principles are—

- (a) all services provided by a Council must meet the quality and cost standards required by section 208D;
- (b) subject to section 6(1)(c), all services provided by a Council must be responsive to the needs of its community;
- (c) each service provided by a Council must be accessible to those members of the community for whom the service is intended;
- (d) a Council must achieve continuous improvement in the provision of services for its community;

- (e) a Council must develop a program of regular consultation with its community in relation to the services it provides;
- (f) a Council must report regularly to its community on its achievements in relation to the principles set out in paragraphs (a), (b), (c), (d) and (e).

208C. *Factors that may be looked at in applying the Principles*

In applying the Best Value Principles, a Council may take into account, among other factors—

- (a) the need to review services against the best on offer in both the public and private sectors; and
- (b) an assessment of value for money in service delivery; and
- (c) community expectations and values; and
- (d) the balance of affordability and accessibility of services to the community; and
- (e) opportunities for local employment growth or retention; and
- (f) the value of potential partnerships with other Councils and State and the Commonwealth governments; and
- (g) potential environmental advantages for the Council's municipal district.

208D. *Quality and cost standards*

- (1) A Council must develop quality and cost standards for the provision of any service it provides for its community.
-

- (2) A quality or cost standard must set out the performance outcomes determined by the Council in relation to each service.
- (3) In developing quality and cost standards a Council must take into account the factors listed in sections 208C(a), (b), (c), (d) and (e).
- (4) A Council may develop different quality and cost standards for different classes of services.

208E. *When the Best Value Principles are to be implemented*

- (1) A Council must, on or before 31 December 2000, develop a program for the application of the Best Value Principles.
 - (2) A Council must ensure that the program required by sub-section (1) is available to the public.
 - (3) A Council must apply the Best Value Principles to all of the services it provides on or before 31 December 2005.
 - (4) Despite sub-section (3), if a Council was providing a service on the commencement of the **Local Government (Best Value Principles) Act 1999** and the service was provided under an agreement between the Council and another person, body or group of people, the Council need not comply with the Best Value Principles in respect of the provision of that service until the expiry of the agreement.
-

208F. *Standards to be publicly available*

A Council must ensure that any quality or cost standards it adopts are available for inspection by the public.

208G. *Report on Best Value Principles compliance*

At least once every year a Council must report to its community on what it has done to ensure that it has given effect to the Best Value Principles.

208H. *Ministerial Codes*

- (1) The Minister may publish in the Government Gazette one or more Codes in relation to how Councils are to give effect to the Best Value Principles.
 - (2) Without limiting the matters a Code may deal with, a Code may—
 - (a) specify how often the Best Value Principles are to be applied to a service;
 - (b) specify the minimum details that quality and cost standards must contain;
 - (c) specify what records are to be kept in relation to the application of the Best Value Principles;
 - (d) specify maximum periods for agreements entered into in accordance with the Best Value Principles.
 - (3) A Council must comply with any obligation imposed by such a Code that applies to the Council.
 - (4) Any agreement or arrangement entered into by a Council in contravention of sub-section
-

(3) is not void only because of that contravention.

208I. Ministerial guidelines

- (1) The Minister may publish in the Government Gazette guidelines for Councils in relation to the Best Value Principles.
- (2) If a Council deals with a matter in accordance with an applicable guideline, it is to be taken to have complied with the Best Value Principles in respect of that matter.

208J. Minister must consult

- (1) Before publishing a Code under section 208H or a guideline under section 208I, the Minister must consult with any local government body that the Minister thinks it appropriate to consult with.
- (2) In this section "**local government body**" means—
 - (a) a Council;
 - (b) an organisation that the Minister considers represents local government interests and that the Minister has declared, by notice published in the Government Gazette, to be a local government body.'

5. Repeal of other competitive tendering provisions

In the **Local Government Act 1989**—

- (a) in section 3(1), **omit** the definition of "competitive tendering statement";
- (b) sections 126(1)(aa) and (ac), 127B and 186(5)(e) are **repealed**;
- (c) at the end of section 186(5)(d), **omit** "; or";

Local Government (Best Value Principles) Act 1999
Act No. 59/1999

(d) in Schedule 12, item 11A is **repealed**.

6. *Change to restrictions concerning contracts*

In section 186(1) of the **Local Government Act 1989**, for "\$50 000" **substitute** "\$100 000".

7. *Additional regulation-making power*

In Schedule 12 of the **Local Government Act 1989**, for item 20 **substitute**—

"20. Any matter relating to Division 3 of Part 9 including—

- (a) exempting a service or a class of service from the application of the Division;
 - (b) requiring Councils to report on any matter under the Division and specifying the form and contents of the reports."
-
-

Local Government (Best Value Principles) Act 1999
Act No. 59/1999

Notes

NOTES

† *Minister's second reading speech—*
Legislative Assembly: 11 November 1999
Legislative Council: 8 December 1999

The long title for the Bill for this Act was "to amend the **Local Government Act 1989** and for other purposes."