



Minister for Local Government,
Minister for Racing and
Minister for Multicultural Affairs

Our ref: MC18/7240

Your ref: A389509

6 DEC 2018

Mr Neil Laurie
The Clerk of the Parliament
Queensland Parliamentary Service
Parliament House
George Street
BRISBANE QLD 4000

1 William Street
Brisbane Queensland 4000
PO Box 15009
City East Queensland 4002
Telephone +61 7 3719 7560
Email lgrma@ministerial.qld.gov.au
Website www.dlgrma.qld.gov.au

ABN 65 959 415 158

Dear Neil

Thank you for your letter of 15 November 2018 about petition number 2991-18 received by the Queensland Legislative Assembly on 14 November 2018 concerning a request for an inquiry into the Local Government Association of Queensland (LGAQ) and its company Peak Services, and a request to repeal section 234 of the Local Government Regulation 2012 (LGR).

I can advise that an inquiry into the LGAQ and Peak Services is not being considered at this time.

The petitioners' request to repeal section 234 of the LGR is noted. Under this section of the LGR, the LGAQ or Peak Services may establish common-use procurement arrangements (registers of pre-qualified suppliers and preferred supplier arrangements) for Local Governments. These common-use procurement arrangements remove the requirement for Local Governments to individually establish these arrangements.

To compile a register of pre-qualified suppliers or establish a preferred supplier arrangement, LGAQ or Peak Services must undertake an open tender process and must comply with the 'sound contracting principles' when selecting a supplier to be a pre-qualified supplier or a preferred supplier. The sound contracting principles, as prescribed in section 104(3) of the *Local Government Act 2009*, are:

- value for money
- open and effective competition
- the development of competitive local business and industry
- environmental protection
- ethical behavior and fair dealing.

These common-use procurement arrangements allow Local Governments to access a range of goods and services through a timely and cost-effective process, instead of establishing their own individual supply contracts. I am advised that this is of particular benefit to smaller regional and remote Local Governments with limited administrative capacity.

Whether a Local Government uses a register of pre-qualified suppliers or a preferred supplier arrangement established by the LGAQ or Peak Services when entering into a contract for goods or services is a matter solely for the Local Government concerned.

Nonetheless, I have asked the Department of Local Government, Racing and Multicultural Affairs to give serious consideration to the issue raised by the petitioners in relation to section 234 and to provide me with a briefing as to whether amendments to the current arrangements are desirable. In preparing the briefing material, I have asked the Department to have regard for the issues raised by the petitioners.

The petitioners' request for a review into relevant provisions within the Regulation may be able to be considered in the context of broader legislative reform.

I would like to thank the petitioners for raising these matters with me and I trust this information is of assistance.

Yours sincerely



STIRLING HINCHLIFFE MP
Minister for Local Government,
Minister for Racing and
Minister for Multicultural Affairs