

TREASURY AND FINANCE — BUY LOCAL POLICY

124. Hon Tjorn Sibma to the minister representing the Minister for Finance:

I refer to the Buy Local policy, and ask:

- (a) what was the dollar value of contracts awarded in 2015–16 and 2016–17;
- (b) for each year, 2015–16 and 2016–17, what was the local purchasing target in percentage terms of:
 - (i) the total number of suppliers;
 - (ii) the total number of local suppliers; and
 - (iii) the percentage awarded to local business;
- (c) what is the impact of Australian government free trade agreements on the State government's procurement agreements;
- (d) has there been a review of the Buy Local policy;
- (e) if yes to (d), what are the recommendations of the review; and
- (f) if no to (d), is it the Government's intention to undertake a review?

Hon Stephen Dawson replied:

The Department of Finance advises:

- (a) The total value of all contracts awarded in 2015–16 and 2016–17 was \$5.9 billion and \$7.9 billion respectively. The data is sourced from Tenders WA as at 20 August 2017.
- (b) (i)–(iii) For 2015–16 and 2016–17 the Local Purchasing Target as set out in the Buy Local Policy was 80 per cent.
- (c) Western Australia is a signatory to the Australia and New Zealand Government Procurement Agreement (ANZGPA) which requires non-discriminatory treatment in the procurement of goods and services from all Australian jurisdictions and New Zealand, subject to some exemptions. The Australian Government Free Trade Agreements have no impact on the ANZGPA.

Some of the Free Trade Agreements impact procurement policy in Western Australia because they mandate:

- (i) certain practice rules, such as holding public tenders open for a minimum period of time; and (ii) non-discriminatory procurement practice, that is, treating the goods and services of the other party as if they were goods and services sourced from a Western Australian supplier.

The impact of non-discriminatory treatment is that some preferences in the Buy Local Policy are not applied when a compliant bid is received from a party to a Free Trade Agreement.
- (d) Yes.
- (e) The Policy was reviewed in 2015, with recommendations resulting in the January 2016 addendum to the Policy. The recommendations related to the removal of the countertrade provisions in the Policy and the clarification of the application of the price preferences when other government procurement agreements affect the Policy. A further review of the Policy commenced in 2016, but was not completed due to the change of Government.
- (f) The Premier has recently announced that a Western Australian Jobs Bill will be introduced into Parliament in the near future to fulfil an election commitment outlined in the Plan for Jobs. The Bill will support small and medium business enterprises to tender for government contracts, creating more jobs for local workers.