

GOVERNMENT DEPARTMENTS AND AGENCIES, BUY LOCAL POLICY

882. Dr GALLOP to the Minister for Works and Services:

I refer to the Buy Local Policy recently announced by the Minister and in particular to the Regional Purchasing and Regional Content preferences and ask -

- (a) what amount in the budget, across all Departments and agencies, has the Government provided to enable Departments and agencies to apply the preference;
- (b) does the Government have any idea or estimate of the anticipated cost over the financial year of Departments and agencies applying the preference and if so, what is that estimate;
- (c) will the monitoring of the new policy across Government be left to each Department and agency to monitor itself and if not, what additional resources have been provided for the purpose; and
- (d) in what Departments and agencies have those additional resources for monitoring been placed?

Mr JOHNSON replied:

STATE SUPPLY COMMISSION

- (a) To the best of my knowledge, no government department or agency has had an increase in their budget appropriation due to the introduction of the Government's "Buy Local" policy.
- (b) Yes. It is expected to be minimal. The actual dollar value can only be determined after a thorough value for money assessment is made taking into account true whole of life cycle costs that the real cost of a purchase can be determined. The prime objective of the "Buy Local" policy is to promote development and employment opportunities by recognition of the capabilities of small, local and regional businesses in the government buying process. The Policy retains the key elements of the past Regional Buying Compact of preference initiatives of 10% for goods and 5% for construction works. The higher local content preference level for regional businesses in works contracts should not have a significant financial impact.
- (c)-(d) No. The State Supply Commission will administer and measure the effectiveness of the "Buy Local" policy. Public authorities are required to report annually on expenditure on goods, services and works purchased from various sectors within the local business environment and to affirm compliance with the "Buy Local" policy.