

**BUY LOCAL**

*Statement by Minister for Services*

**MR JOHNSON** (Hillarys - Minister for Services) [2.03 pm]: One of the great strengths of this Government has been its ability to allow Western Australian businesses to tap into the vast government marketplace. It gives me real pleasure to outline today a new policy that strengthens the Government's already substantial commitment to small and regional business. This policy is a national first - the first time an Australian State has used government buying to assist small business and regional economies. This policy, to be known as buy local, will make it even easier for local businesses to sell goods and services to government.

Buy local represents a major enhancement of the regional buying compact, which was introduced three years ago. However, buy local goes even further. We want a substantial proportion of the \$4.6b that is spent each year by government on goods and services to be ploughed back into local businesses and their communities. This new policy will impose on government agencies, for the first time, a minimum local purchasing target. Government department heads will be required to source at least 70 per cent of their goods and services locally, wherever practicable. Significantly, the policy will also be adopted by government trading enterprises.

The buy local policy will be administered by the State Supply Commission and will cover the purchase of goods, services and works. Buy local was formulated following extensive consultation with small business, with input from almost 400 people throughout regional Western Australia. Nearly 40 000 businesses throughout the State are involved in the supply of goods or services to government. Using this policy, those businesses can now expect to access many more opportunities.

Under the buy local policy, whole-of-life costs, business capability and the benefits of contracting with local businesses will be given more weight when contracts are considered. The regional price preference will be changed to a regional business preference, which reflects more clearly the intent of the policy. More emphasis will be placed on the obligations of contract managers to ensure contractors meet their commitment to buying local.

Our Government's commitment to regional Western Australia has already been demonstrated in many ways. For example, Contract and Management Services has made a major investment in country areas in the past few years, refurbishing or opening up new offices in 14 locations. The result is that almost 90 per cent of CAMS' regional buying is sourced locally. As the buy local policy is rolled out, we expect economic benefits to flow into the regions, giving a further boost to many country towns throughout Western Australia. I will be visiting a number of regional centres early next month to tell people about buy local and to urge them to maximise their opportunities when doing business with the Government.

A hallmark of this Government is that it never has, and never will, leave country people behind. The Government has always appreciated the central role small and regional businesses play as the economic and social drivers of our communities. The buy local policy represents the kind of policy direction that will strengthen the foundations of regional communities and sustain confidence in their future. I table the "Buy Local Policy - A Western Australian Government commitment to supporting local businesses" report.

[See paper No 245.]