



PRIME MINISTER

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GOVERNMENT PURCHASING POLICY

New arrangements have been made to help Australian industry obtain orders for Government purchases.

The arrangements provide for additional preference for locally made goods in special cases.

Although the principle of 'best value for money spent' should generally apply to Government purchases, the Government recognises that special circumstances can exist in which preference should be given in favour of Australian production.

It is already standard procedure for Departmental purchasing authorities to add to tenders involving goods from overseas, for comparison purposes, the appropriate rate of duty and primage (even though these are not paid by the Commonwealth) so that the protection of normal tariffs was available to local manufacturers tending for Government orders.

This procedure will be supplemented by new procedures for reviewing purchases which might be placed overseas.

The Government has now established a Committee of Ministers to examine cases in which evaluation by purchasing authorities, on the basis of the 'best value for money' principle would lead to goods being bought overseas.

The Committee will comprise the Minister for Administrative Services (Chairman), the Treasurer, and the Ministers for Industry and Commerce, Employment and Industrial Relations, Transport and Business and Consumer Affairs. The Minister for Defence and the Ministers for other purchasing Departments will be co-opted as appropriate.

The Committee will consider whether purchase from Australian sources would assist a depressed industry or area within Australia, or enable the establishment, development or retention of industrial or technological capabilities required for reasons of national security or independence.

A similar procedure operated effectively from 1961 until the change of Government in 1972.

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All Government Departments and other bodies are being directed to ensure that Australian firms are given reasonable opportunity to bid for all requirements within local capabilities.

The Government reaffirms and will further develop its offsets policy (formerly known as the Australian Industry Participation Scheme) under which Australian industry is enabled to obtain work as offsets against major overseas purchases by the Government.

This program has already produced over \$100 million worth of work for Australian industry, and more can be expected.

The Government believes these new arrangements will help Australian industry benefit from Government purchasing programs.