



TUESDAY, JANUARY 25 1983

PRIME MINISTER**COMMONWEALTH PURCHASING PREFERENCE FOR AUSTRALIAN INDUSTRY**

The Commonwealth has decided to establish a Committee of Ministers to oversee Commonwealth purchasing in order to improve the effectiveness of the Government's policy of giving preference to Australian industry in purchasing by its Departments and authorities, in line with the "Buy Australian" campaign.

The function of this Committee will be to oversee decisions on purchases by departments and authorities to ensure that Australian firms obtain the maximum benefit from these purchases consistent with revised guidelines.

The Committee will be chaired by Mr Andrew Peacock, Minister for Industry and Commerce. Its other members will be Mr Newman, Minister for Administrative Services; Mr Hodgman, Minister for the Capital Territory and Minister Assisting the Minister for Industry and Commerce; Mr Viner, Minister for Defence Support and Acting Minister for Defence; and Dame Margaret Guilfoyle, Minister for Finance.

The Minister for Administrative Services will be responsible for bringing forward proposals for significant individual purchases. The views of other Ministers will be obtained when their port-folio interests are involved. The criteria announced by Mr Newman on 15 December to provide preference for Australian industry are being liberalised. Mr Newman had announced that an Australian preference of 20 per cent on price will apply to purchases under \$10,000; a preference of 20 per cent of the value of the Australian content will apply to purchases from \$10,000 to \$100,000; and purchases of \$100,000 or more will be subject to further examination where Australian industry would have failed to secure the contract after application of the 20 per cent margin.

Three additional criteria will now be taken into consideration by the Ministerial Committee, particularly in these latter cases. These are :

- . national interest;
- . national security considerations; and
- . maintenance of industrial capacity of national importance.

These additional criteria would assist in meeting the intention of the Government's policy in relation to purchasing preference for Australian industry.

The Government's purchasing policy is under detailed examination and the Ministerial Committee is expected to report back on the effectiveness of the new criteria.

The Government is determined that Australian industry and Australian employment will benefit directly from individual purchasing decisions by Departments and authorities and from the Commonwealth's overall purchasing expenditures.