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### ***Auditor General finds agencies unable to demonstrate effectiveness of Buy Local Policy***

In his latest report, *Local Content in Government Procurement*, Auditor General Colin Murphy found that while WA government procurement over the last 5 years has been around \$25 billion a year, a lack of information meant agencies could not demonstrate if the Buy Local Policy had resulted in local employment and sustained business activity.

The audit looked at the effectiveness of government procurement initiatives, in particular the Buy Local Policy, in delivering local content and employment.

The intent of the policy to secure local jobs and business is made more complicated by free trade agreements and its interaction with other legislation.

This is because trade agreements and the Australian Constitution often override local content considerations.

Mr Murphy said the lack of clear responsibility for policy oversight, monitoring and compliance reporting, means agencies struggle to show to how much Buy Local is really helping.

We found agencies largely comply with the policy, but a lack of clarity in the policy itself and guidance in how to apply it in some circumstances, leads to mistakes and inconsistencies.

'There is little monitoring of, and no effective consequences for, companies failing to meet their local content tender commitments.

'This means using the policy does not automatically ensure a positive impact for the local community.

'Although the policy helps regional businesses compete for regional contracts against metropolitan suppliers, it does little to help WA companies win contracts against interstate and international competition.

'To help agencies and contractors we have recommended that the local content policy and guidelines be reviewed to improve clarity and effectiveness.

'Also that agencies monitor and report local content compliance and outcomes, and this information is publicly accessible,' Mr Murphy said.

The Auditor General's report, *Local Content in Government Procurement*, (Report 25 – December 2017), is available on the Office of the Auditor General website at [www.audit.wa.gov.au](http://www.audit.wa.gov.au)

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