Northern Territory Government unveils 'Buy Local' Plan to support local businesses

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The Country Liberals Government has announced major procurement reform initiatives that will help local businesses secure a greater percentage of the billions of dollars in government work awarded each year.

One of the key initiatives announced by Business Minister Peter Styles is increasing the minimum weighting in favour of local content and benefits from 20% to 25% in all quotes and tenders which is the highest of any State or Territory government in Australia.

The important changes were contained in the Country Liberals Government’s new Buy Local Plan announced today.

“The Territory Government has consulted widely over many months with local businesses, industry, associations and other stakeholders on the effectiveness of the existing Local Development and Value Adding (LDVA) framework and potential alternatives,” Mr Styles said.

“We have listened to the concerns of our business community and our Buy Local Plan will drive greater emphasis on achieving local content and benefits from NT Government procurement.

“This is about jobs for locals and supporting local businesses. The Giles Government has championed the cause of business since coming to government by slashing red tape and has been undertaking a broad range of reform initiatives to make procurement processes simpler, efficient and more transparent.

“Our Buy Local Plan will ensure that the $3 billion spent annually on goods and services by the Territory Government will deliver the greatest benefits for Territory businesses, our families and our economy. Business was telling us the LDVA processes were too complicated and local businesses were missing out.

“As a result the Giles Government’s Buy Local Plan has a suite of measures that increase the emphasis on how local content is recognised, evaluated and realised.”

The Buy Local Plan includes:

- Introducing mandatory local involvement in all requests for quotes worth up to $100,000. To support this measure a new term ‘Territory Enterprise’ will be introduced to identify local
businesses as ‘An enterprise operating in the Northern Territory, with a significant permanent presence in the NT and employing NT residents.’

- Increasing the minimum weighting of local content and benefits from 20% to 25% in all quotes and tenders.

- Ensuring local content and benefit commitments included in tender responses are carried through into the contract terms and are monitored throughout.

- Establishing an independent panel of Territorians to review and advise on Buy Local aspects of Tender responses and contracts, estimated to be worth more than $5 million. This will enhance the transparency of the procurement process and will ensure that Government evaluation teams have access to all relevant information in making procurement decisions. The advisory panel will also play a role in ensuring these commitments are followed through and the local benefits realised.

“There are 14,280 registered small to medium enterprises in the Territory and this Policy reflects the Country Liberals Government’s commitment to supporting local business,” Mr Styles said.

“The Territory’s legal constraints prevent government from adopting an outright preference for local businesses and as such local businesses still need to be internationally competitive in the tender process and demonstrate clearly how they will deliver on the job and provide local benefits.”

The Chamber of Commerce Northern Territory and the Industry Capability Network NT (ICN NT) have welcomed the Policy.

ICN NT will be a key partner in the implementation of this policy, and all local businesses are encouraged to register with ICN NT and ensure their full capabilities are detailed within their ICN profiles.

It will continue to play a major role in procurement, assisting NT Government in its procurement planning and market knowledge, including identifying opportunities and promoting capability of local suppliers.

The ’Buy Local’ Policy will be implemented commencing from January 2016 and businesses are expected to see immediate benefits in the form of more opportunities to tender and clearer, simpler tender documents.

**Media Contact:** Rebecca Barr: 0407 284 066