

ADDENDUM TO THE BUY LOCAL POLICY

December 2017

This addendum deals with the:

- operation of the *Buy Local Policy* in the context of international agreements; and
- removal of provisions relating to countertrade.

This addendum:

- supersedes addenda December 2009, January 2015 and January 2016;
- sets out circumstances in which elements of the *Buy Local Policy* are to be applied; and
- applies to all purchases covered by the *Buy Local Policy* which commence after 15 December 2017.

Where there is inconsistency between the Buy Local Policy and this addendum, the terms of this addendum prevail.

AGREEMENTS AFFECTING THE OPERATION OF THE BUY LOCAL POLICY

The Western Australian Government is a signatory to the Australia – New Zealand Government Procurement Agreement (ANZGPA). Western Australian government procurement must also comply with the requirements of the Australia – United States Free Trade Agreement (AUSFTA), the Australia – Chile Free Trade Agreement (ACIFTA), the Korea-Australia Free Trade Agreement (KAFTA), the Japan- Australia Economic Partnership Agreement (JAEPA) and the Singapore-Australia Free Trade Agreement (SAFTA).

Application of elements of the Government's *Buy Local Policy* is restricted by these agreements.

Local Content

When a bid is received from:

- a business that is located in another state or territory of Australia, or in New Zealand under the ANZGPA; or
- a business that is located in the United States (when the purchase is a “covered procurement” under the AUSFTA); or
- a business that is located in Chile (when the purchase is a “covered procurement” under the ACIFTA); or
- a business that is located in Korea (when the purchase is a “covered procurement” under the KAFTA);
- a business that is located in Japan (when the purchase is a “covered procurement” under the JAEPA); or
- a business that is located in Singapore (when the purchase is a “covered procurement” under the SAFTA,

the local content weighted selection criterion must not be evaluated during the qualitative assessment.

Regional Price Preferences

When a bid is received from:

- a business that is located in another state or territory of Australia, or in New Zealand under the ANZGPA; or
- a business that is located in the United States (when the purchase is a “covered procurement” under the AUSFTA); or
- a business that is located in Chile (when the purchase is a “covered procurement” under the ACIFTA); or
- a business that is located in Korea (when the purchase is a “covered procurement” under the KAFTA); or
- a business that is located in Japan (when the purchase is a “covered procurement” under the JAEPA); or
- a business that is located in Singapore (when the purchase is a “covered procurement” under the SAFTA),

the regional business preference and the regional content preference must not be applied. However, in circumstances where one or more bids are received from businesses located in the jurisdictions above and these bids are not being considered in the final analysis then the regional business preference and the regional content preference will be applied.

Imported Content

The imported content impost must not be applied to any portion of a bid that comprises goods, services or items that have been imported into Australia from New Zealand, the United States, Chile, Korea, Japan or Singapore.

Glossary of Terms

Australia – New Zealand Government Procurement Agreement (ANZGPA)

The agreement of that name between the Commonwealth, New Zealand and all States and Territories of Australia.

Australia – United States Free Trade Agreement (AUSFTA)

The AUSFTA was made at Washington DC on 18 May 2004. Chapter 15 of that agreement relates, among other things, to particular kinds of procurement by specified State Government agencies.

Australia – Chile Free Trade Agreement (ACIFTA)

The ACIFTA was made in Canberra on 30 July 2008. Chapter 15 of that agreement relates, among other things, to particular kinds of procurement by specified State Government agencies.

Covered procurements

The AUSFTA, ACIFTA, KAFTA, JAEPA and SAFTA apply to certain procurements carried out by nominated agencies, which are valued at, or over the specified dollar values.

The AUSFTA, ACIFTA, KAFTA, JAEPA and SAFTA define those Western Australian government agencies and procurements, which are considered covered under the agreements.

The values and the agencies covered under these five Free Trade Agreements, and the lists of procurements excluded from coverage, can be found at: www.ssc.wa.gov.au.

Korea - Australia Free Trade Agreement (KAFTA)

The KAFTA was made in Seoul on 8 April 2014. Chapter 12 of that agreement relates, among other things, to particular kinds of procurement by specified State Government agencies.

Japan - Australia Economic Partnership Agreement (JAEPA)

The JAEPA was made in Canberra on 8 July 2014. Chapter 17 of that agreement relates, among other things, to particular kinds of procurement by specified State Government agencies.

Singapore - Australia Free Trade Agreement (SAFTA)

SAFTA entered into force on 28 July 2003, and has been amended several times since. The latest amendment entered into force on 1 December 2017 and substantially updated Chapter 6 of the Agreement. Chapter 6 now relates, among other things, to particular kinds of procurement by specified State Government agencies.

REMOVAL OF COUNTERTRADE PROVISIONS

The requirements of the *Buy Local Policy* concerning countertrade are no longer in effect, and all references to countertrade, including the section specific to countertrade on page 23, should now be disregarded.

FURTHER ADVICE AND ASSISTANCE

Further advice on the requirements of these agreements can be obtained from the State Supply Commission on (08) 6551 1500.