

# ADDENDUM TO THE BUY LOCAL POLICY

## January 2015

This addendum deals with:

- the entry into force of two Free Trade Agreements affecting the operation of the *Buy Local Policy*; and
- the removal of provisions relating to countertrade.

This addendum:

- sets out circumstances in which elements of the *Buy Local Policy* are not to be applied;
- applies to all purchases covered by the *Buy Local Policy* which commence after 15 January 2015; and
- applies notwithstanding anything to the contrary in the *Buy Local Policy*.

## 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) and the Japan-Australia Economic Partnership Agreement (JAEPA).

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); or
- a business that is located in Japan (when the purchase is a “covered procurement” under the JAEPA),

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),

the regional business preference and the regional content preference must not 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 or Japan.

## **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 and JAEPA apply to certain procurements carried out by nominated agencies, which are valued at, or over the specified dollar values.

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

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

## **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.