



## Australia - United States Free Trade Agreement Fact Sheet 7

### GOVERNMENT PROCUREMENT

- The \$200-300 billion market in US federal and most state government purchases of goods and services will now be open to Australian firms
- Australia will have a waiver from US programs favouring US firms and products.
- All US federal government contracts over US\$58,550 (and in construction over US\$6,725,000) will be open to Australian firms.
- Australian preferences for small businesses and indigenous people will remain.

#### Summary

Australia becomes a “designated” country in US law, allowing Australian companies to bid on federal government contracts. The six per cent penalty imposed under the Buy America Act for Australian products, above agreed thresholds, will be waived.

Much procurement in the US is conducted off Federal Supply Schedules, and Australian companies will now have the opportunity to be listed on these Schedules.

Both sides have agreed to work with their respective States/Territories to improve their offers with a final decision to be made before the Agreement is signed.

#### Gains to Australia

Australian companies will now be able to compete in the \$200 billion US Federal procurement market with firms from over 80 countries already designated under US law, such as the EU, Japan, Korea, Canada and Mexico.

Codan, an Australian company manufacturing high frequency radio and satellite communication equipment, will now be able to market its products more effectively to police, fire brigades, civil aviation organisations and emergency services across the United States. ResMed, a NSW-based manufacturer specialising in products for the diagnosis and treatment of sleep disordered breathing, will be able to manufacture products for the US Government market at its new factory north west of Sydney.

#### Who to contact

For further information, please contact DFAT’s AUSFTA Taskforce:  
Hotline: **1300 558 413** (local call rates) between 9am and 5pm (AEST) – Mon- Fri  
For media enquiries please call DFAT Media Liaison Section (02) 6261 1555.  
Email: [us\\_fta@dfat.gov.au](mailto:us_fta@dfat.gov.au)  
Fax: 02 6261 3514  
Visit our website: <http://www.dfat.gov.au/trade/negotiations/us.html>