

Baroness Hayter of Kentish Town
International Agreements Committee
House of Lords
London
SW1A 0PW

11 May 2022

Dear Dianne,

Legislation to implement the UK-Australia and UK-New Zealand Free Trade Agreements

Following the announcement of the Government's legislative programme in the Queen's Speech, I am writing to inform your Committee that the primary legislation that is required for the Australia and New Zealand Free Trade Agreements (FTAs) to enter into force will be introduced in the House of Commons today (Wednesday 11 May).

The short title of the Bill is the Trade (Australia and New Zealand) Bill. I am attaching a copy of the Bill and its explanatory material for ease of reference.

The Trade (Australia and New Zealand) Bill provides a power to make changes to UK procurement regulations to implement the obligations in the government procurement Chapters of the Australia and New Zealand FTAs. The power to implement these obligations is confined to implementation of the UK-Australia and UK-New Zealand FTAs and matters arising out of or related to the government procurement Chapters of those FTAs. However, we will be making some changes, stemming from the procurement Chapter of the UK-Australia FTA, which will apply generally to all suppliers and not only to suppliers from Australia. This will ensure procurement regulations remain uniform and coherent by not imposing different or conflicting procurement procedures on contracting authorities for procurements covered by the FTA, and ensure the UK can implement its obligations in the FTA in a way that is consistent with the UK's other international procurement obligations. The Bill extends and applies to the whole of the UK, and the Government will be seeking Legislative Consent Motions from the Devolved Legislatures. We have engaged extensively with our partners in the Devolved Administrations (DAs) throughout negotiations, and I will also be writing to DA Ministers to update them on the introduction of the Bill. These issues are further explained in the Explanatory Notes that accompany the Bill.

These powers are required to implement the government procurement Chapters of the FTAs, which will give British suppliers legally guaranteed, non-discriminatory access to a wider range of procurement opportunities in Australia and New Zealand than before. We want UK businesses to be successful in competing for public contracts in other countries around the world, which we achieve by negotiating guaranteed market access for UK suppliers in FTAs. This mutual guaranteeing of market access means treating each other's suppliers, goods and services on a fair non-discriminatory basis for procurements covered by the FTAs.

In parallel to the introduction of the legislation, my department continues to work at pace to finalise the Section 42 report for the UK-Australia agreement, in advance of the 21 days of formal scrutiny under Crag. The same process will follow for New Zealand in due course noting that the Trade and Agriculture Commission advice for that FTA is due to be received on 16 June. The 21 sitting days of CRaG will provide an opportunity for Parliament to consider the whole of the respective FTAs, whereas the Bill provides a narrow power to make the changes that are needed to implement the obligations in the government procurement Chapters of the FTAs, and for matters arising out of those Chapters, in domestic law.

Whilst the CRaG process and the passage of implementing legislation are not formally linked, on this occasion the Parliamentary timetable has made it possible for Parliament to be able to see the content of the Bill prior to its consideration of the FTAs under CRaG.

I hope that your Committee has found this letter and the attached documents useful. I would be happy to arrange a private technical briefing for the Committee where I and my officials can explain the provisions of the Bill and answer any questions the Committee may have.

Best wishes,

A handwritten signature in black ink, appearing to read 'Grimstone', written in a cursive style.

Lord Grimstone of Boscobel, Kt
Minister for Investment
Department for International Trade
Department for Business, Energy and Industrial Strategy