



Department of
**Jobs, Tourism, Science
and Innovation**



Western Australian Industry Participation Strategy Suppliers' Guide

This guide provides information to help prospective suppliers to state government to understand and comply with requirements under the Western Australian Industry Participation Strategy within the procurement cycle.

What is the WAIPS?

The Western Australian Industry Participation Strategy (WAIPS) has been developed to give effect to the objectives within the Western Australian Jobs Act 2017 (WA Jobs Act).

The aim of the WAIPS is to provide locally based businesses with enhanced opportunity to access and win State Government supply contracts. In particular, it focuses on small and medium sized enterprises (SMEs). The WAIPS includes monitoring and reporting requirements.

The WAIPS applies to all State Government Departments, Agencies, Statutory Authorities and Government Trading Entities (hereinafter referred to as "Agency" or "Agencies").

WAIPS is applicable to a range of procurement (goods, services, housing and works) above designated values.

The WAIPS does not apply to universities, local government procurement and proprietary software packages.

What does the WAIPS mean to my business?

From 1 October 2018, there have been changes to procurement practices by all State Government Agencies flowing from

the WAIPS. In this context, the WAIPS has a number of components that work to provide SMEs with enhanced opportunity to compete for State Government supply contracts. The component that has the most impact on businesses seeking to supply to Agencies is the introduction of participation plans.

Participation plans are part of the tender evaluation, award, contracting and reporting process.

What are participation plans?

Participation plans are written statements that prospective suppliers use to outline their commitments in terms of employment, skilling and sourcing.

Under the WAIPS, prospective suppliers need to complete and submit a participation plan as part of their tender bid for State Government contracts that are above relevant monetary thresholds.

Depending on the value of the supply contract, the bidder may need to prepare either a core or full participation plan:

- » **Core participation plans:** the prospective supplier will be required to estimate workforce numbers, demonstrate how they will generate local economic benefits and demonstrate the means for provision of

full, fair and reasonable opportunity to local industry.

- » **Full participation plans:** requires the same information to be completed as the core Participation Plan with additional detail around subcontractor requirements and supply packages.

A [link to download](#) the participation plan should be provided to prospective suppliers as part of the tender request documentation.

What will participation plans be used for?

The commitments made by the respective supplier in the participation plan will form part of the tender evaluation process and awarded contract terms.

At the discretion of the procuring agency, participation plans will be weighted at either 10% or 20% of the evaluation criteria of a tender bid. Prospective suppliers' participation plans will be assessed by the State Government agency that issued the tender. The participation plan will be assessed on:

- » The likelihood of a prospective supplier achieving their planned local participation commitments.
- » If applicable, how a prospective supplier will offer full, fair and reasonable opportunity to local businesses as sub-contractors.
- » A prospective supplier's willingness to work with the Government to improve supply chain capability and develop import replacement opportunities.

All prospective suppliers who submit a tender bid will be notified by the procuring Agency of their success or otherwise.

The commitments made in participation plans will be incorporated into the awarded contract for reporting on their fulfillment.

How will participation plan commitments be enforced and reported upon?

Contracted suppliers will be required to report upon the implementation of their participation plan and demonstrate outcomes achieved. Reporting intervals will vary with the duration of the contract.

If the reported outcomes vary significantly from the commitments in the contract, the supplier may be required to provide an explanation.

If no valid reason can be identified, the procuring Agency may determine that this represents breach of contract which may trigger the Agency's resolution process.

What are the value thresholds for contracts requiring participation plans?

The thresholds for specification of participation plans relate to the estimated contract value over the life of the contract, including possible extensions. These are in the table below:

Type of procurement	Contract value
Goods & services in metro area	\$1 million and above
Goods & services in regional areas	\$500,000 and above
Housing & works in metro area	\$3 million and above
Housing & works in regional areas	\$500,000 and above

For procurements below these thresholds the WA Government's State Supply Commission policies and WA Buy Local policy will apply.

Is there guidance available to help prospective suppliers complete a participation plan?

Yes, you can find comprehensive guidance on the WA Industry Link portal [here](#).

What are strategic projects?

A strategic project is a contract opportunity valued at over \$25 million that the Minister for Jobs determines to be of strategic significance to the Western Australian economy.

A strategic project has the potential to generate a significant amount of economic activity and jobs within Western Australia.

Prospective suppliers should note that a participation plan with additional local requirements will be required for strategic projects.

These additional local requirements may be higher levels of employment, and skills and technology transfer during the lifecycle of the project. The Minister will be responsible for declaring a strategic project and notification will be posted on the [WA Industry Link portal](#).

A subset of this approach is a regional strategic project which may be determined at a lower value.

Are there special circumstances surrounding regional supply?

Prospective suppliers should note that Agency procurements for regional requirements should include consideration of regional economic impact. This will include ensuring regional businesses are given full, fair and reasonable opportunity to participate in contracting and supply arrangements. For contracts to be delivered in regional Western Australia there are a number of additional WAIPS initiatives and actions intended to increase regional outcomes.

These include:

- » Local Content Advisers (LCAs) operating within each of the nine regions.
- » Encouragement of increased regional procuring Agency delegated spend.
- » Modifications to Common Use Arrangements and agency panels to facilitate regional involvement.

- » A more flexible application of regional price preferences with greater scrutiny of bid validity and outcomes claimed.
- » Provision of grant assistance rounds to improve capability, capacity and competitiveness.
- » Lower WAIPS thresholds apply to regional procurements in order to achieve greater levels of regional participation.

How is 'local industry' defined?

Under the WAIPS, the term 'local industry' means suppliers of goods produced, or services provided, in Western Australia, another State, a Territory or New Zealand.

This is necessary to be consistent with both section 92 of the Australian Constitution (which prohibits discriminatory protectionist burdens on interstate trade) and the Australia and New Zealand Government Procurement Agreement.

What support will be provided to small and medium sized businesses to help them win more work?

The WA Jobs Act and WAIPS is specifically focused at providing enhanced opportunity for small and medium sized enterprises (SMEs).

In addition to this, the WA Government's Local Capability Fund (LCF) initiative provides funding to SMEs looking to build capability or capacity to be more successful in competing for Government contracts.

The LCF can be used to assist SMEs to meet pre-qualification requirements, purchase and upgrade equipment, improve business or manufacturing systems and employee training and development.

Funding rounds are announced periodically on the WA Industry Link portal. Subscribing to [WA Industry Link updates](#) will ensure you do not miss any opportunities to apply for grant assistance.

Where can I go for further assistance?

The Industry Link Advisory Service (ILAS) can assist prospective suppliers in a variety of ways, including:

- » Providing advice on where to find government tenders.
- » Explaining the requirements necessary to address participation plan obligations.
- » Giving guidance on how to access State and Federal Government financial assistance and capability building programs.
- » Clarifying any WAIPS or related Government procurement policies.
- » Providing localised industry capability information to head contractors seeking to update or identify local supply chains.
- » Addressing prospective suppliers' queries related to the design and specifications of State Government supply contracts to ensure that, wherever possible, they are structured to best engage the capability and capacity of local industry.

WA Industry Link portal

The WA Industry Link online portal at industrylink.wa.gov.au is a centralised source of information on how local businesses can maximise their opportunity to supply to government. You can find a range of useful information and resources, including:

Policy information and guidance documents.

Links to government [financial programs and advisory support services](#).

Links to [Local, State and Federal Government supply opportunity websites](#).

[Frequently asked questions](#).

Relevant [news](#) and [events](#).



Who can I contact for more information?

Industry Link Advisory Service

Email: industrylink@jtsi.wa.gov.au

Tel: +61 8 6277 2999

Local Content Advisers

Find your nearest Local Content Adviser [here](#)



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