



# WESTERN AUSTRALIAN INDUSTRY PARTICIPATION STRATEGY

## Frequently Asked Questions

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# Summary and Context

## **Why is government procurement important to Western Australia's small and medium sized enterprises (SMEs)?**

The State Government is one of the largest customers in the Western Australian economy, with an estimated spend of \$27 billion on procurement of goods, services and works. Government procurement is important to SMEs because it is generally conducted in an open and transparent fashion and offers a source of regular and reliable income. Supplying to government is also a good reference site for business to use as a stepping stone to other markets and supply opportunities.

State government procurement is particularly significant in many regional areas of Western Australia where other activities can be of a seasonal nature (eg. tourism, agriculture).

## **Why are the *Western Australian Jobs Act 2017* (WA Jobs Act) and the *Western Australian Industry Participation Strategy* (WAIPS) needed?**

The impact of the COVID-19 pandemic has made the relationship between State Government procurement and local businesses even more important, as we continue on the path to economic recovery.

Therefore every opportunity for employment generation, must be maximised. The WA Jobs Act and WAIPS aims to ensure government procurement results in more opportunities for local businesses and more jobs for Western Australians.

These initiatives enable the state government to identify and assess the relationship between agency spend and the rest of the WA economy whereas previously this information was not available.

The WAIPS is an evolving document. This means it is reviewed and updated annually to ensure that it continues to adapt to a changing procurement environment whilst meeting the objectives of the WA Jobs Act.

## **Have other Australian jurisdictions taken similar approaches to maximising local participation?**

The majority of other states and territories have similar local content policies or legislation in place. For example, the Victorian Government has had comparable legislation in place for over a decade and continues to report success in increasing the level of local and intrastate procurement.

# Western Australian Jobs Act 2017

## What is the purpose of the *Western Australian Jobs Act 2017*?

The purpose of the *Western Australian Jobs Act 2017* (WA Jobs Act) is to use State Government procurement to enhance local industry participation, particularly that of small and medium sized enterprises.

The WA Jobs Act is the first piece of procurement-related legislation that applies to all State Government Agencies and across all forms of procurement. The WA Jobs Act aims to provide potential suppliers with an open, effective and competitive market. The introduction of the requirement for participation plans as part of the bid process increases the focus on local sourcing. The legislation also requires the successful tenderer to report on employment, skilling and sourcing outcomes that have been achieved through the contract. This is essential to ensure that actual outcomes are captured; that successful tenderers are held accountable; and for the government to better understand trends that are influencing local sourcing.

## What are the key aspects of the WA Jobs Act?

The key aspects of the WA Jobs Act include:

- The development of the Western Australian Industry Participation Strategy (WAIPS).
- Obliges all agencies to include Participation Plans in the procurement of WAIPS supplies, above designated threshold values.
- Obliges all agencies to include and assess Participation Plans in the procurement process, and incorporate supplier commitments into supply contracts which require reports on progress of these commitments.
- The determination of strategic projects by the Minister for State Development, Jobs and Trade.
- The Minister for State Development, Jobs and Trade reporting annually to Parliament on the implementation of the WA Jobs Act and WAIPS.

## Which government agencies does the WA Jobs Act apply to?

The WA Jobs Act and Western Australian Industry Participation Strategy will apply to "Agencies", which is defined in the WA Jobs Act. Broadly, the definition covers:

- All departments, all sub-departments and all statutory bodies which are "Agencies" within the meaning of the *Financial Management Act 2006*, except universities.

- Government Trading Entities (including their subsidiaries) that are for example, established by or under the *Electricity Corporations Act 2005*, *Port Authorities Act 1999*, the *Water Corporations Act 1995*, and *Western Australian Land Authority Act 1992*.
- Any other person or body, or person or body of a class, prescribed in regulations.

### **What type of government procurement does the WA Jobs Act apply to?**

The WA Jobs Act and WAIPS requirements apply to a range of procurements, including goods, services, housing and works that meet the relevant monetary thresholds listed in WAIPS.

### **Does the WA Jobs Act apply to procurement by Local Government?**

No. Local Government Authorities are not covered by the WA Jobs Act.

### **Does the WA Jobs Act and WAIPS apply to procurement by universities?**

No. Universities are not covered by the WA Jobs Act.

### **Does the WA Jobs Act and WAIPS apply to grants?**

Since the release of the WAIPS 2020, state agency grants that are for the purposes of the construction or refurbishment of capital infrastructure or facilities exceeding \$5million is covered in terms of a requirement by the agency to identify such grant to JTSI and for a report to be submitted to JTSI at the conclusion of the grant on employment, skilling and sourcing outcomes.

### **Does the WA Jobs Act allow for agencies to seek an exemption from the requirements of the Act?**

The WA Jobs Act allows for exemptions from the requirement for Agencies to seek Participation Plans as part of a tender bid. This is conditional on maintaining reporting requirements. This is the only form of exemption allowable and all other WAIPS requirements remain. Click [here](#) for further information on how an Agency can apply for an exemption.

Prospective suppliers cannot seek an exemption from the requirement to prepare a Participation Plan.

## **Where are approved exemptions published?**

All approved WAIPS exemptions are published on the WA Industry Link portal. Click [here](#) to review the approved Exemptions. Exemptions are also listed in the Minister for State Development, Jobs and Trade's Annual Report to Parliament.

## **Key definitions**

### **Why is "local" defined as it is in the Western Australian Jobs Act 2017?**

The *Western Australian Jobs Act 2017* (WA Jobs Act) defines local industry as suppliers of goods produced, or services provided, in Western Australia, another Australian State or Territory or New Zealand.

This definition ensures the WA Jobs Act is consistent with both Section 92 of the Australian Constitution and the Australia and New Zealand Government Procurement Agreement (ANZGPA). The definition was endorsed by the WA Solicitor General as meeting constitutional requirements.

### **Why does the WA Jobs Act specify a particular focus on small and medium sized enterprises?**

The WA Jobs Act defines a small and medium sized enterprise (SME) as a business or undertaking that has less than 200 full time equivalent employees. SMEs make up 97% of businesses in Western Australia. There are various free trade agreements (FTAs) that apply to Western Australian government procurement which prevent discrimination against suppliers on the basis of their origin or the origin of their goods or services. However, these FTAs also preserve government procurement preferences that benefit local SMEs, as is occurring in this case.

### **What is the definition of a Strategic Project?**

When an Agency's procurement exceeds \$25 million, the Minister for State Development, Jobs and Trade (Minister for Jobs) has power (under the provision of the WA Jobs Act) to determine the procurement to be of strategic significance to the Western Australian economy. This declaration will result in the procurement being classified as a "strategic project".

In practice, the focus will be on procurement that has the potential to generate a significant amount of economic activity and jobs within Western Australia.

WAIPS 2020 introduces a subset within a Strategic Project that relates to regional contracts. The Minister for Jobs may declare a **Regional Strategic Project** on the basis of value, duration, diversification, location or other economic and community benefits.

### **What is the purpose of the 'strategic project' approach in the WA Jobs Act?**

The strategic project approach allows the Minister for Jobs to:

- Specify particular matters for potential suppliers to address in their Participation Plans
- Identify additional aspects to those already contained in a WAIPS Participation Plan which relate to further consideration of local benefit.
- Identify local participation targets.
- The Minister to consider increasing the qualitative criteria weighting for evaluation purposes, from the normal range.

### **What is meant by “value for money” and how is it calculated?**

Value for money is a key principle within government procurement. Value for money is a balanced judgement of a range of financial and non-financial factors, taking into account the mix of quality, cost and resources; fitness for purpose; total cost of ownership and risk.

The Western Australian Industry Participation Strategy introduces a new factor that will be weighted in the overall tender score and form part of the overall value for money equation. This will be the Participation Plan score which will represent either 10% or 20% of the overall tender score. The plan commits the successful bidder to report on the realisation of its intention to maximise participation of local industry to quantify the number of jobs, apprenticeships and traineeships employed.

The inclusion of Participation Plans in the value for money calculation benefits local suppliers through increased focus on achieving the objectives of the WA Jobs Act.

### **How do I know if a procurement is a goods & services procurement or a housing & works procurement?**

The Procurement Act 2020 provides a definition of these terms. Please visit the Department of Finance online at <https://www.wa.gov.au/organisation/departments-of-finance> .

### **Participation Plans ask about workforce. How is workforce defined?**

Workforce means the total number of workers (head count not Full-time Equivalents) directly employed on a contract. This encompasses full-time, part-time, casual employees, workers engaged through labour hire arrangements and other employer supported employment initiatives such as apprenticeships, traineeships, cadetships and internships.

# Requirements for Businesses and State Government Agencies

## What does the Western Australian Jobs Act 2017 and Western Australian Industry Participation Strategy require of State Government Agencies?

The *Western Australian Jobs Act 2017* (WA Jobs Act) and the Western Australian Industry Participation Strategy (WAIPS) obliges all State Government Agencies to:

- Require each prospective supplier to submit a Participation Plan during the procurement process for all contracts above designated thresholds (unless an exemption has been granted).
- Include and assess the Participation Plan when evaluating the prospective supplier's offer to supply, in accordance with the WAIPS.
- Incorporate relevant Participation Plan commitments in the supply contract, in accordance with the WAIPS.
- Include reporting requirements in the supply contract, in accordance with the WAIPS.
- On request, provide information to the Minister for State Development, Jobs and Trade (Minister for Jobs) to assist with reporting to Parliament.
- Implement all other aspects of WAIPS

## What does the WA Jobs Act require of prospective suppliers?

Under the WA Jobs Act, prospective suppliers must:

- Submit a Participation Plan as required as part of their state government tender.
- Accept relevant Participation Plan clauses within the supply contract if awarded the contract.
- Report on Participation Plan commitments as outcomes as outlined in the tender and contract.
- Respond positively to approaches by the contracting agency and/or JTSI in all matters relating to local industry participation.

## How are Agencies accountable under the WA Jobs Act?

Agencies must provide the Minister for Jobs with any information required for preparing an annual report for Parliament on the implementation of the WA Jobs Act and the WAIPS.

Independent auditors will undertake random audits on Agencies to ensure they are implementing and complying with WAIPS correctly.

## **Other Agreements, Policies and Legislation**

### **What is the relationship between the Western Australian Jobs Act 2017, Western Australian Industry Participation Strategy and other procurement legislation and policies?**

The Western Australian Industry Participation Strategy (WAIPS) is consistent with the existing *State Supply Commission Act 1991*, and the related policies. These are:

- Value for Money
- Probity and Accountability
- Open and Effective Competition
- Procurement Planning, Evaluation Reports and Contract Management

### **How does the WA Buy Local Policy 2020 interact with the WAIPS?**

The WA Buy Local Policy (WABLP) 2020 is also administered by JTSI which supports its alignment with the WAIPS in achieving government objectives. It was released by the Premier in July 2020.

The WABLP is applicable to government procurement at all values, whereas WAIPS is applied to procurements from designated value thresholds. While complementing each other, the WABLP has a greater emphasis on regional sourcing and the treatment of SMEs, given its relevance to smaller sized procurements.

### **Will the State Government's Buy Local & Building Local Industry Policies be retained?**

From 1 October 2018, the Building Local Industry Policy was predominantly replaced by WAIPS for WA State Government procurements above the specified WAIPS thresholds. The Building Local Industry Policy remains applicable to private sector projects.

The WA Buy Local Policy 2020 was introduced by the Premier in July 2020 to act in alignment with WAIPS.

### **Will the WA Buy Local Policy continue to be applied below the WAIPS thresholds?**

Yes. With the introduction of Implementation Agreements for agencies, these agreements capture an agency's commitment to the policy.



# Western Australian Industry Participation Strategy

## What is the Western Australian Industry Participation Strategy (WAIPS)?

The WAIPS was developed as a requirement of the *Western Australian Jobs Act 2017* (WA Jobs Act). The WAIPS is designed to increase participation by local industry in the delivery of State Government Agency contracts. The WAIPS aims to enhance the opportunity for local industry, particularly small or medium enterprises to compete for State Government Agency work.

The WAIPS applies to all forms of procurement (goods, services, housing and works) above designated values, subject to specified exceptions. The WAIPS applies to departments, Agencies, statutory authorities and Government Trading Entities. The WAIPS does not apply to universities, local government procurement or proprietary software packages.

The WAIPS is an evolving document. This means it is reviewed and updated annually to ensure that it continues to adapt to a changing procurement environment whilst meeting the objectives of the WA Jobs Act.

## What are the components of the WAIPS?

WAIPS is made up of a number of measures for maximising opportunities for Western Australians and SMEs through government procurement. WAIPS components include: procurement related principles and policies; participation plans; reporting on employment, skilling and sourcing, strategic projects; and regional procurement. Refer to the [WAIPS document](#) for an explanation of these components.

## WAIPS Reporting – what information is required?

The WA Jobs Act requires reporting by the Minister for Jobs on a financial year basis, on the implementation of the Act and WAIPS. This annual report is tabled at or submitted to Parliament before 30 November each year.

The annual report is prepared by JTSI and the information includes aggregated data from participation plans, participation plan reports, exemption reports, grant reports and qualitative feedback from stakeholders.

On request by the Minister for Jobs, an Agency must provide any information required for the purposes of preparing the annual Parliamentary report on the implementation of the WA Jobs Act and WAIPS. Refer Section 20(1) of the WA Jobs Act.

More broadly, reporting is critical to realising the objectives of the WAIPS through transparency and accountability in the tendering and contract award process.

## What value thresholds apply for WAIPS supplies?

Thresholds that trigger the WAIPS requirements are as follows. These values are inclusive of GST and are for the total life of the contract, including extensions..

| Types of Procurement | Location in WA    | Contract Value        |
|----------------------|-------------------|-----------------------|
| Goods and Services   | Metropolitan area | \$1 million and above |
| Goods and Services   | Regional areas    | \$500,000 and above   |
| Housing and Works    | Metropolitan area | \$3 million and above |
| Housing and Works    | Regional areas    | \$500,000 and above   |

## Are there different types of Participation Plans?

There are two types of Participation Plans: A CORE Participation Plan and a FULL Participation Plan. These are on the same template.

**CORE Participation Plan** – The prospective supplier is required to estimate workforce numbers, demonstrate how they will generate local economic benefits and demonstrate the means for providing full, fair and reasonable opportunity to local industry.

**FULL Participation Plan** – Requires the same information to be completed as the Core Participation Plan with additional detail around subcontractor requirements and supply packages.

A Strategic project may require a tailored Participation Plan that includes additional or varied requirements. The exact Participation Plan's requirements for strategic projects will be determined on a case-by-case basis by the Minister for Jobs.

The following table demonstrates which Participation Plan will be applicable:

| Types of Procurement | Location in WA    | Core Participation Plan    | Full Participation Plan |
|----------------------|-------------------|----------------------------|-------------------------|
| Goods and Services   | Metropolitan area | \$1 million - \$5 million  | Above \$5 million       |
| Goods and Services   | Regional areas    | \$500,000 - \$5 million    | Above \$5 million       |
| Housing and Works    | Metropolitan area | \$3 million - \$10 million | Above \$10 million      |
| Housing and Works    | Regional areas    | \$500,000 - \$5 million    | Above \$5 million       |

## Strategic projects

### What is a Strategic Project?

A project that has a contract value of \$25 million or more and is of strategic significance to the State, may be considered a strategic project. The WA Jobs Act gives the Minister for State Development, Jobs and Trade (Minister for Jobs), the power to declare a strategic project.

In practice, the focus will be on supplies that have the potential to generate a significant amount of economic activity and jobs within Western Australia. The Minister for Jobs must make a determination in writing to the procuring Agency.

WAIPS 2020 introduces a subset within a Strategic Project that relates to regional contracts. The Minister for Jobs may declare a **Regional Strategic Project** on the basis of value, duration, diversification, location or other economic and community benefits.

# Participation Plans

## **Will a supplier who provides a better Participation Plan have more likelihood of winning a government contract than a supplier who has a lesser Participation Plan?**

Participation Plans are scored by the procurement agency against qualitative criteria with a weighting of either 10% or 20% and therefore are a significant factor in evaluation decisions.

## **How will Participation Plans be assessed and evaluated?**

The agency's assessment will focus on the likelihood of commitments being fulfilled, the extent and form of the application of full, fair and reasonable opportunity and willingness of the supplier to work with government in improving supply chain performance.

## **Who will assess and evaluate the Participation Plans?**

Assessment of Participation Plans will be undertaken by the procuring agency. ILAS will only be involved in the evaluation of bidder Participation Plans for Strategic Projects when invited to participate by the procuring agency.

Prospective suppliers will be notified of their success or otherwise by the procuring agency. If desired, unsuccessful bidders can request to be debriefed on the assessment of their offer.

## **What will a prospective supplier need to outline in their Participation Plan?**

For a core participation plan, a prospective supplier should include details on:

- Company and Contract details
- Contract scope
- The direct workforce of employees, apprentices and trainees
- Sub-contractor workforce (where applicable)
- Other benefits to local industry
- Commitment to working with Government.
- How they plan to implement full, fair & reasonable opportunity.

For a full participation plan, a prospective supplier should include details on:

- Company and Contract details
- Project scope & delivery
- The direct workforce of employees, apprentices and trainees
- Sub-contractor workforce (where applicable)
- Sub-Contracting and Supply arrangements

- List information on packages externally sourced
- Other benefits to Local and/or Regional industry
- How they plan to provide full, fair & reasonable opportunity to local industry.
- Commitment to working with government.

**Note:** The Core and Full Participation Plans are both on the same template.

### **Will a Participation Plan template be provided to suppliers?**

Yes, the Participation Plan template is available to download from the WA Industry Link portal [here](#). This template can be used to complete both the CORE and FULL type Participation Plans.

Guidelines on “[How to Complete a Participation Plan](#)” can be downloaded from the WA Industry Link portal.

### **Who is available to provide assistance in relation to completing a Participation Plan?**

The Industry Link Advisory Service (ILAS) is available to assist prospective suppliers. Regional businesses can also contact their nearest [Local Content Adviser](#).

Advisers can assist by explaining the requirements necessary to address Participation Plan obligations, however, they cannot provide advice as to what should be put in the Participation Plan.

“[How to Complete a Participation Plan](#)” Guideline is also available for download.

# Implementation and assistance

## **When was the Western Australian Industry Participation Strategy (WAIPS) introduced?**

The WAIPS became fully operational on 1<sup>st</sup> October 2018.

## **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 and the Australia and New Zealand Government Procurement Agreement (ANZGPA).

## **What is the Industry Link Advisory Service?**

The Industry Link Advisory Service (ILAS) operates to provide a range of services to both suppliers and government agencies. ILAS is part of the Department of Jobs, Tourism, Science and Innovation.

## **What support is provided to businesses to help with the requirements of the WAIPS?**

There are a number of support services available to industry, these include:

- The Industry Link Advisory Service (ILAS) offers a range of assistance and advisory services to industry and business, including guidance on completing a Participation Plan, finding and accessing government procurement opportunities and support programs, and how to pursue import replacement potential.
- Local Content Advisers perform similar services to ILAS in the regional areas of WA. The nine advisers are located in the various Regional Development Commissions across the State.
- The WA Industry Link portal is the central source of information on the WAIPS and the WA Jobs Act. It includes information on Participation Plans, links to Tenders WA and other supply opportunities.
- The Local Capability Fund (LCF) is available to help local businesses improve their capacity, capability and competitiveness to access major domestic and international market opportunities. Funding can be used to meet pre-qualification requirements, purchase and upgrade equipment, improve business or manufacturing systems and

employee training and development. Funding rounds are announced periodically and details are published on the WA Industry Link Portal.

### **What support is provided to State Government Agencies to help with the implementation of the WAIPS?**

The ILAS and the regional Local Content Advisers (LCAs) provide assistance to State Agencies. An eLearning package is available to Agencies on the WA Industry Link portal [here](#).

### **Where can prospective suppliers go for advice and assistance?**

The Industry Link Advisory Service (ILAS) has been established to provide a range of services to assist prospective suppliers. These services include:

- Advice on how to access State Government supply opportunities.
- Advice on the requirements necessary to address Participation Plan obligations.
- Assistance to access State and Federal Government supply opportunities, industry support and financial assistance programs.
- Information about WAIPS.

ILAS can be contacted by phone on 08 6277 2999.

### **Has the government put resources in place to monitor and measure the implementation of the WAIPS?**

Yes. The Department of Jobs, Tourism, Science and Innovation manages the implementation of WAIPS and provides annual progress reports to the Minister for Jobs.

### **How does WAIPS apply to CUAs, Standing Offers and Agency Panel arrangements established from 1 October 2018?**

WAIPS applies to agency panel contracts and whole of government common use arrangements (CUAs) that were tendered from 1 October 2018 onwards.

These forms of contracting are subject to WAIPS if the total estimated value of the contract for the duration of the panel arrangement / CUA meets or exceeds the WAIPS thresholds.

However, due to the various stages within this form of procurement, the requirement for participation plans at establishment is not feasible and an exemption should be sought by the agency. A condition of exemption is that panellists must report on the effects of supply provided under these arrangements.

If a Panel arrangement or CUA has a buying rule with a threshold that requires the procurement to go to open tender (a new contract outside the panel head agreement) then WAIPS will apply to the new contract if the WAIPS threshold criteria has been met.

**What can Agencies do if suppliers are not fulfilling their Participation Plan commitments?**

Agencies should make suppliers aware that their business may find their unfulfilled commitment will be considered in the assessment of future bids.

**What if a supplier is delivering services in both regional and metro areas under the one contract? Which Goods and Services threshold would apply?**

The highest threshold would apply.

**An agency believes a new contract meets the exemption criteria. Whilst the anticipated contract value is just under the WAIPS threshold, there could be bids that exceed the WAIPS threshold. What should the agency do?**

In the case where the anticipated contract value may be just short of a threshold and there is a reasonable possibility that there will be bids that exceed the WAIPS thresholds, it is advisable for the agency to submit their exemption application as a WAIPS supply.

**An agency is preparing a request for tender and the anticipated contract value is just under the WAIPS threshold but could receive bids that exceed the WAIPS threshold. What should the agency do?**

The agency should include the WAIPS Participation Plan and Reporting requirements in the request documentation. It is then at the agency's discretion on whether the Participation Plan will form part of the evaluation as determined by the threshold. However, if the winning bidder's contract price is above the WAIPS threshold, then the full WAIPS requirements should be applied to the contract as condition of award.

[Contact ILAS](#) for guidance if required.

**Where the whole works is broken up into portions that will differ in scope and may have different commencement and finish dates, does the Contractor need to provide a Participation Plan for each separable portion or will one Participation Plan suffice that covers the entire term of all separable portions?**

If the same contractor will be used to complete all the separable portions then a single Participation Plan will suffice with reporting at the intervals specified in the contract.



**In terms of the final Participation Plan report, completion is sometimes subject to a defects liability period – to rectify any defects before final completion is granted. This period is typically 12 or 24 months in duration. Is the Participation Plan Report required for the period after Practical Completion?**

No, the final Participation Plan report is due to be submitted to the contracting agency within 2 months following Practical Completion.

**What WAIPS training is available for new Agency staff?**

An eLearning module is available to view online via the WA Industry Link portal [here](#).

# Compliance & Reporting

## **Do contractors report directly to the Industry Link Advisory Service (ILAS) or to the contracting agency?**

The contractor's WAIPS participation plan report is part of their contract with the agency, so must be submitted directly to that agency who, after a brief check of the report, will then forward it onto ILAS (ie. Department of Jobs, Tourism, Science and Innovation).

## **When will contracted suppliers need to report on their Participation Plan commitments?**

For contracts greater than 12 months, annual reporting on each anniversary of the contract award date, or at intervals otherwise agreed in the contract. A final Participation Plan report is due within 2 months following practical completion of the contract.

If a contract is for less than 12 months a final Participation Plan report is due within 2 months following practical completion of the contract.

## **What checks and balances are used to ensure compliance?**

An independent audit program is being progressed to ensure agency and supplier compliance with WAIPS.

## **Where can I get more information about Agency reporting obligations?**

The WAIPS Operations Guide provides agencies with additional guidance on what has to be reported, when the report is due and how and where the report is to be delivered. The Operations Guide is available from the WA Industry Link portal and can be requested [here](#).

# Practical questions

## **How is regional procurement treated under the WA Jobs Act and Western Australian Industry Participation Strategy?**

The State Government's aim is to ensure regional industry has a full, fair and reasonable opportunity to access and win government contracts. The Western Australian Industry Participation Strategy (WAIPS) covers a number of initiatives to improve economic outcomes for regional industry and businesses.

These include:

- Local Content Advisers (LCAs) are located in each Regional Development Commission to provide assistance to local industry and businesses.
- Agencies are being encouraged to increase their delegated spend in regional areas.
- Changes will be made to buying rules for Common Use Agreements and state wide contracts to provide greater opportunities for regional sourcing.
- A regional strategic project may be declared by the Minister for State Development, Jobs and Trade on the basis of value, duration, location, diversification or other economic and community benefits. This initiative falls within the overall concept of a WAIPS strategic project.

Additionally, there is a lower financial threshold for the Participation Plan requirement for regional contracts.

## **How does the WA Jobs Act affect subcontractors?**

The WA Jobs Act does not place any direct obligations on subcontractors. However, head contractors will cascade their WAIPS participation plan obligations of ensuring that full, fair and reasonable opportunity is provided to local industry, onto subcontractors. This could include an industry participation requirement in the head contractor's contract with the subcontractor.

## **How does the WA Jobs Act and WAIPS apply to Property Leases?**

WAIPS 2020 applies to Property Leases for government accommodation to conform to the Procurement Act 2020.

# Community Services sector

## **Are all community services procurement processes exempt from submitting a Participation Plan?**

Only procurements that are being undertaken in accordance with the Delivering Community Services in Partnership (DCSP) Policy. These procurements are automatically exempt from the obligation to require a Participation Plan and Agencies are not required to seek an exemption from the Minister for State Development, Jobs and Trade (Minister for Jobs).

## **How does an agency know if a WAIPS supply in the community services sector is exempt from submitting a Participation Plan?**

The *Western Australian Jobs Act 2017* (WA Jobs Act) has conferred the power to provide a procurement agency a standing exemption in relation to a prescribed class or circumstance of WAIPS supply in The Western Australian Jobs Regulations 2018 (WA Jobs Regulations). Regulation 5 of the WA Jobs Regulations provides that the obligation in section 12(1) of the WA Jobs Act does not apply to procurements when:

- a) the WAIPS supply only involves the supply of a service to which the DCSP Policy applies; and
- b) the procurement process for the WAIPS supply is conducted in accordance with the DCSP Policy.

## **Is more information available on exemptions for the community service sector?**

The document titled “Exemption for Procurement under the Delivering Community Services in Partnership (DCSP) Policy is available on the WA Industry Link portal. The DCSP Policy is available at the Department of Finance website [here](#).

## **Are there any reporting requirements on the service provider if the procurement is exempt via the Delivering Community Services in Partnership Policy?**

To ensure the value of the not-for-profit sector is captured, the Minister for Jobs requests that suppliers report on workforce data realised through procurement carried out under the DCSP Policy.

Under the WA Jobs Act, the Minister for Jobs is required to report annually to State Parliament on the functioning of the WAIPS. Reporting by community services suppliers as requested below will provide an opportunity for the community services sector to contribute to the content of the report, allowing the sector to highlight the important role played by it and its economic importance to the community.

## What is the reporting period for service providers under the DCSP Policy?

If service agreement lengths are 12 months or greater, reports should be provided annually for all service agreements formed after 1 October 2018, with a final report at the end of the contract. The annual report period is based on the financial year calendar.

## Who do suppliers submit their DCSP WAIPS Exemption report to?

Service Providers will receive a reporting request email from the Department of Jobs, Tourism, Science and Innovation (JTSI) in July each year, following the end of the financial year. Suppliers are requested to submit their report direct to JTSI.

## Is there a template for reporting?

A simple report template will be provided, as below. This is the minimum information requested. Any additional information or commentary which the supplier wishes to provide is welcome.

| Name of organisation | Number of contracts | Workforce |        |       |
|----------------------|---------------------|-----------|--------|-------|
|                      |                     | Male      | Female | Other |
|                      |                     |           |        |       |

**Employment:** Is defined by both the Australian Bureau of Statistics and the International Labour Organisation as a minimum of one hour's paid work per week.

**Gender:** **M** = Male **F** = Female **O** = All other individuals categorized, either by themselves or by society, as neither male nor female.

**Workforce:** Means the total number of workers employed on a contract. This encompasses full-time, part-time, casual employees, apprentices and trainees, workers engaged through labour hire arrangements and other employer supported employment initiatives such as cadetships and internships.

## Is JTSI seeking headcount numbers or FTE?

For the purposes of the WA Jobs Act and WAIPS, we are using the concept of the workforce (head count not FTEs) directly required to undertake a contract to supply.

The term workforce means the total number of workers directly employed as a result of a contract to supply. This encompasses full-time, part-time, casual employees, apprentices and trainees, workers engaged through labour hire arrangements and other employer supported employment initiatives such as cadetships and internships.

Where applicable the subcontractor workforce will also be requested to be reported.

**Is JTSI seeking information only on employment resulting from WA government service agreements, or total employment information?**

Only employment information resulting from WA government service agreements.

**Is JTSI seeking employment numbers relating to federally funded contracts?**

No, we are seeking employment numbers on WA State service agreements. However, we understand that there will be service agreements where services are delivered from a mix of funding. Where there is a mix of Federal and State funding, then we would request to receive the data too.

**Is JTSI seeking information on non-WA based staff employed by a WA organisation?**

Yes, if it relates to the delivery of a WA State Government funded service agreement.

**Is JTSI only seeking information on paid employees? What about volunteers?**

Paid employees only. You may add volunteer numbers as additional information, as long as it is clear they are separate figures. Any extra information you would like to convey outside of the basic table can be included by way of commentary in your report.

**The reporting template table does not allow for service agreements that have ceased resulting in negative employment.**

The government's aim is to capture the positive relationship between service agreement award and workforce.

The template table is the minimum reporting that is required of service providers. Organisations are encouraged to supply additional information including qualitative information into the report. Therefore, you could include this information by adding an additional column. This is an opportunity for service providers to contribute to the Minister for Jobs' annual report to Parliament, allowing the sector to highlight the important role played.

The WAIPS is an evolving document. This means it is reviewed and updated annually to ensure that it continues to adapt to a changing procurement environment whilst meeting the objectives of the WA Jobs Act.

**Is reporting required for all current service agreements or just new service agreements going forward?**

The reporting is required for new service agreements that commenced on or after 1 October 2018. WAIPS does not apply retrospectively to existing service agreements.

**Does this requirement for reporting capture DCSP Policy service agreements from any State Government Agency – i.e. Department of Communities, Justice, and Education?**

Yes, the requirement for reporting applies to all DCSP Policy service agreements from any Western Australian State Government Agency.