



# Western Australian Industry Participation Strategy Suppliers' Guide

*This guide provides information to help prospective suppliers of Government contracts 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 local businesses with enhanced opportunity to access and win State Government supply contracts. In particular, it focuses on small and medium sized enterprises, which make up approximately 97% of businesses in Western Australia. The WAIPS includes monitoring and reporting.

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 all forms of procurement (goods, services, housing and works) above designated values. WAIPS does not apply to universities, Local Government procurement and grants.

## What does the WAIPS mean to my business?

From 1 October 2018, there are 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 local businesses with enhanced opportunity to compete for State Government supply contracts. The component that will have the most impact on local businesses seeking to supply to Agencies is the introduction of participation plans.

Participation plans will form 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 to employing or involving local businesses in supply opportunities.

Under the WAIPS, prospective suppliers will 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, you may need to prepare either a core or full participation plan:

- **Core participation plans** are simple plans that require prospective suppliers to outline local economic benefits should they be awarded the contract.
- **Full participation plans** are more detailed plans that require prospective suppliers to demonstrate how they will generate local economic benefits and provide a full, fair and reasonable opportunity to local industry, should they be awarded the contract.



The structure of participation plans will vary depending on whether the contract is for the procurement of goods and services, or housing and works.

A participation plan template will be provided to prospective suppliers as part of the tender request documentation.

### **What will participation plans be used for?**

The commitments made by the prospective 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 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.
- 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 as a reportable condition of contract.

### **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 at practical completion through a reporting template. Reporting intervals will vary with the duration of the contract.

If the outcomes do not meet the levels committed

to in the contract, the contracted supplier must provide a reason. The procuring Agency will then determine whether consequences will apply.

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

### **What are the value thresholds for contracts requiring participation plans?**

The thresholds for participation plans based on full estimated contract value over the total life of the contract, including possible extensions, are:

| 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 non-WAIPS supply polices will still 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 in capital expenditure that the Minister for Jobs considers 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 may 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](#).

## 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 having 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:

- The introduction of Local Content Advisers (LCAs) operating within each of the nine regions.
- Encouragement of increased regional procuring Agency delegated spend.
- Modifications to buying rules for Common Use Arrangements and statewide contracts to allow regional panels.
- Application of a simplified regional price.
- Provision of grant assistance to improve capability, capacity and competitiveness.
- Lower financial thresholds apply to regional procurements in order to achieve greater levels of regional participation.

## How will WAIPS affect the Commonwealth Australian Industry Participation policy?

Under the *Australian Jobs Act 2013*, the Commonwealth Government requires project proponents (prospective suppliers) to prepare an Australian Industry Participation Plan (AIPP) for projects valued at AU\$500 million or more. In some circumstances, a WAIPS participation plan may be used in place of an Australian Industry Participation Plan (AIPP) for Western Australian projects that are implemented by the State Government. You can find out more by contacting the Industry Link Advisory Service.

## 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.

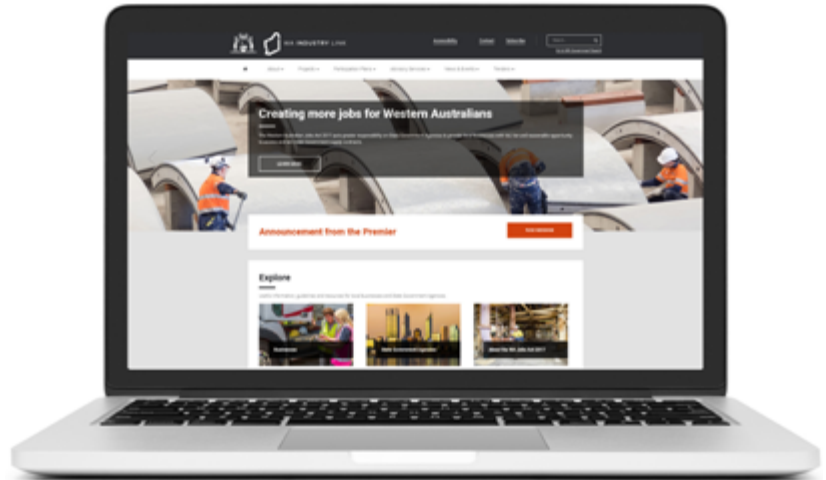
Funding rounds are announced periodically on the WA Industry Link portal. Subscribing to [WA Industry Link updates](#) will ensure you do not miss any opportunities to apply for grant assistance.



## Where can I go for further assistance?

The Industry Link Advisory Service (ILAS) has been specifically established to 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' concerns related to the design and specifications of State Government supply contracts to ensure that, wherever possible, they are structured to best use the capability and capacity of local industry.



## WA Industry Link portal

The WA Industry Link online portal at [industrylink.wa.gov.au](http://industrylink.wa.gov.au) is a central 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](mailto:industrylink@jtsi.wa.gov.au)  
Tel: +61 8 9222 0722

### Local Content Advisers

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



Government of **Western Australia**  
Department of **Jobs, Tourism, Science and Innovation**