



## **Premier's Circular**

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### **TITLE**

LOCAL INDUSTRY PARTICIPATION IN PUBLIC AND PRIVATE SECTOR PROJECTS

### **POLICY**

Western Australian businesses are of critical importance in the State's continued economic growth.

Their growth is reliant on Western Australian Government and private sector opportunities. In order for such opportunities to be realised, policies and supporting legislation have been introduced to assist locally-based, competitive suppliers to be successful in this market.

Both public and private sector principle organisations should consult with the Department of Jobs, Tourism, Science and Innovation (JTSI) Industry Development Division, in ensuring that the Government's objective to maximise local industry participation is realised.

### **BACKGROUND**

The Government aims to realise increased employment, apprenticeship and trainee opportunities and aboriginal engagement for Western Australians by increasing the levels of local participation by industry in the State's major infrastructure projects.

These opportunities include government purchasing and supply contracts, infrastructure and capital works programs and major private sector projects. The success of local businesses in supplying goods and services for these initiatives will expand local industry capability; encourage business innovation; enhance skills by providing opportunities to broaden and deepen the level of training and experience of our workforce. Additionally, promoting the exchange of technology and intellectual property; expand regional development; and provide increased access to Australian and global supply chains.

Benefits to public authorities and project owners and their purchasing agents include reduced operational downtime costs through access to local products, equipment, skills and support; facilitation of communication and reporting; and availability of reliable supply.

There is an expectation by the Government that the public and private sector engage with local industry through promotion of contracting opportunities. This should occur especially at the planning and design phases of projects and when developing tender specifications for proposed contracts.

The purpose of the *Western Australian Jobs Act 2017* (WA Jobs Act) is to use the State's procurement to enhance local industry participation, particularly that of small and medium sized enterprises (SMEs). 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 Western Australian Industry Participation Strategy (WAIPS) was developed as a requirement of the 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 SMEs to compete for State Government Agency work

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. WAIPS applies above designated threshold levels.

In July 2020, the Premier launched the Western Australian Buy Local Policy 2020. The policy contains a range of initiatives and price preferences that provide local businesses with an enhanced opportunity when bidding to supply to the Government. In recognising that agencies' procurement needs and methods can vary, this policy requires agencies to prepare an Implementation Agreement. The policy applies to procurement at all values and has a strong emphasis on regional sourcing.

The Government's capacity to achieve its growth and employment targets depends on maximising the potential that Western Australian businesses can offer to projects in the State, and to provide value for the money invested by the government in its purchase of goods and services. JTSI's Local Capability Fund provides assistance to SMEs in enhancing their business model in terms of supply.

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**PREMIER**

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Other relevant Circulars:	n/a
Circular/s replaced by this Circular:	2008/09