

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. For such opportunities to be realised, policies and supporting legislation have been introduced to assist locally-based, competitive suppliers to be successful in these markets.

Both public and private sector principal organisations should consult with the Department of Energy and Economic Diversification (DEED) Industry Development Division, in ensuring that the Government's objective to maximise local industry participation is pursued.

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 investment and consumption expenditure.

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 expands local industry capability; encourages business innovation; enhances skills by providing opportunities to broaden and deepen the level of training and experience of our workforce.

Benefits to public authorities and project proponents 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 upcoming 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 consists of a number of measures for maximising opportunities for Western Australian SMEs through government procurement. These include: procurement related principles and policies; participation plans; reporting on employment, skilling and sourcing, use of strategic project designation; and regional procurement support. WAIPS applies above designated threshold levels. Agencies have a legal responsibility to meet these obligations.

The Western Australian Buy Local Policy 2022 is also relevant. 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. This latest version of the policy enhances the regional price preferences.

An independent review of the WA Jobs Act and WAIPS conducted in 2022/23 found that WAIPS was effective at meeting its objectives. The review also made several recommendations to strengthen application.

Through the relaunch of WAIPS in August 2024, a number of changes have been initiated. Additional key focus areas have been included in the strategy including innovation; health and medical supplies; digital technology; and climate change links to procurement. Training of agencies has been introduced to reinforce WAIPS and to date, over 400 agency staff and 28 agencies have participated. The WAIPS Portal which supports WAIPS requirements was also launched in July 2024.

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. DEED's Local Capability Fund (LCF) provides assistance to SMEs in enhancing their business model in terms of supply. Rounds of LCF are held each year to support SMEs productivity and competitiveness.

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PREMIER

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Other relevant Circulars:	n/a
Circular/s replaced by this Circular:	2021/05