



# **ADDENDUM TO WESTERN AUSTRALIAN INDUSTRY PARTICIPATION STRATEGY (WAIPS) 2024**

## **INNOVATION THROUGH PROCUREMENT**

**JULY 2025**

WAIPS 2024, launched in August 2024, detailed a key focus area in section 5.1 titled Innovation through Procurement. This section included an approach for innovation with a possible future Addendum. This aspect of the Strategy has been further developed, and this Addendum outlines the approach for Innovation through Procurement for WAIPS 2024.

### **Revised 5.1 Innovation through Procurement**

The rate of successful innovation in the evolution of business models and the enhancements of products offered is a key determinant in the generation of economic and community benefits. To date the Western Australian government has emphasised the use of grants to stimulate and support innovation by the private sector.

Following the independent review of WAIPS, the decision was made to explore means of strengthening the relationship between innovation and State agency procurement.

Consultation has been undertaken with relevant stakeholders to arrive at the objective of introducing and operating a comprehensive innovation framework through WAIPS.

The framework is underpinned by three guiding principles:

- 1. Flexibility across Agencies**

State agency procurement encompasses a broad spectrum of goods, services, and works. The framework must therefore be adaptable to the unique priorities and operational needs of individual agencies.

- 2. Demand-Driven Innovation**

Innovation should align with agency-defined requirements. Suppliers are expected to tailor innovative solutions to meet specific public sector needs.

- 3. Value through Risk or Cost Reduction**

Innovative solutions must demonstrably enhance an agency's capacity to deliver its core services to specification and within budget, primarily through reduced risks and/or lower costs.



In terms of the underpinning process the following will be involved:

## 1. Methodology

Agencies may employ a range of mechanisms to support innovation, including:

- Challenge-based tendering.
- Piloting and trial programs.
- Direct sourcing arrangements.
- Joint research and development initiatives.
- Outcome-based specifications.

Agencies may also consider accepting alternative bids that present innovative approaches.

## 2. Process Assistance

Request for quote/tender documentation will be developed to explicitly address risk management as an innovation selection criterion. This will also apply to Participation Plan templates as appropriate. There will be increased access to specialised advice on managing the innovation cycle. Training needs will be addressed for both agencies and suppliers. This will be represented by a panel of innovation procurement specialists based on models identified during the independent review of WAIPS.

## 3. Profile

Consideration will be given to public listing of agency contacts responsible for innovation development and management.

DEED will utilise the WA Industry Link Annual Report to Parliament to highlight successful innovation outcomes.

## Further Advice and Assistance

WAIPS 2024 is a Western Australian Government policy administered by the Department of Energy and Economic Diversification.

Further advice on WAIPS requirements can be obtained from [WA Industry Link](#).