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Department of **Treasury and Finance**

Buy Local and Western Australian Industry Participation Strategy

Procurement Practice Guideline

July 2025

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This document is part of the suite of whole-of-government procurement resources designed for use by State agencies that are subject to the [Western Australian Procurement Rules](#) and other procurement connected policies and directions. Refer to the [Buying for government](#) page on [WA.gov.au](#) to access these resources.

This document is available on the [Buy Local and Western Australian Industry Participation Strategy Guideline](#) page on [WA.gov.au](#).

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| | | |

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Introduction

This guideline contains procurement practice guidance in relation to the WA Buy Local Policy 2022, the Western Australian Industry Participation Strategy and the application of free trade agreements to those policies.

1. WA Buy Local Policy 2022

The WA Buy Local Policy 2022, which is managed by the Department of Energy and Economic Diversification (**DEED**), emphasises the importance of local considerations when planning, advertising and evaluating a contract, with a specific focus on maximising opportunities for regional businesses. The Policy focuses on small and medium sized enterprises (**SMEs**), which make up at least 97% of WA businesses.

To facilitate the application of the policy, DEED has implementation agreements with the highest spending agencies, as listed on [WA.gov.au](https://www.wa.gov.au). An implementation agreement outlines how the agency will achieve the policy objectives. Agencies without an implementation agreement must still apply the policy.

The WA Buy Local Policy 2022 complements and operates in conjunction with the Western Australian Industry Participation Strategy (**WAIPS**), discussed below. The WA Buy Local Policy 2022 covers both WAIPS and non WAIPS supply, across goods, services and works procurement.

The WA Buy Local Policy 2022 is available for download at [WA.gov.au](https://www.wa.gov.au).

1.1 Regional Price Preferences

Eligible regional businesses are able to apply for a price preference that is used to reduce the evaluation price of their offer. There are two types of price preferences:

- **Regional business preference** – eligible regional businesses that are tendering or quoting for contracts within a prescribed distance can receive a regional price preference.
- **Regional content preference** – regional content is defined as the cost of services or supplies that are provided by regional businesses located within a prescribed distance.

The value of the price preference is determined by whether the procurement is for “goods or services” or “works” requirements. In addition, the Accountable Authority has the discretion to modify the application of the regional price preference, as long as this does not negatively impact on regional businesses.

1.2 Imported Content Impost

In the WA Buy Local Policy 2022, applying an imported content impost is not mandatory. Agencies can choose to apply a 20% imported content impost to the proportion of the offer that is imported by the respondent from another country, excluding New Zealand.

When used, the impost must be clearly outlined in the Request document.

2. Western Australian Industry Participation Strategy

The Western Australian Industry Participation Strategy (**WAIPS**) aims to enhance the opportunity for local industry, particularly SMEs, to compete for government opportunities.

WAIPS is managed by DEED and has been developed to give effect to the objectives within the *Western Australian Jobs Act 2017* (WA) (the **WA Jobs Act**). WAIPS became fully operational on 1 October 2018 and applies to Requests advertised on or after that date.

The WAIPS applies to relevant procurements by all State departments, agencies, statutory authorities and government trading entities.¹ It does not apply to procurement by universities or local governments.

It applies to all forms of procurement (goods, services, housing and works) that are above designated values, including private-public partnerships. It does not apply to grants.

Thresholds that trigger the WAIPS requirements, and the procurement being classified as a '**WAIPS supply**', are:

| Types of Procurement | Contract Delivery Location in Western Australia | Contract Value or Estimated Contract Value ² |
|----------------------|---|---|
| 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 |

For WAIPS supplies, agencies must include and assess the Participation Plan weighted criterion in the procurement, unless an exemption has been granted by the Minister for Jobs or their delegate. Various situations may give rise to grounds for an exemption, including bona fide sole source, emergency or the establishment of a Common Use Arrangement or a panel contract.

The successful supplier and agency must also report on the achievement of commitments made in the Participation Plan or where an exemption was granted, employment and training outcomes achieved during the contract.

¹ These terms are defined in section 3(1) of the WA Jobs Act.

² These values are for the total life of the contract including GST.

For further guidance on the Participation Plan requirements or the exemption process, refer to the *WA Industry Link: Information for agencies* page on [WA.gov.au](https://www.wa.gov.au) or contact WA Industry Link at industrylink@itsi.wa.gov.au.

3. Free Trade Agreements (FTAs)

The Commonwealth Government is a signatory to FTAs that contain legally binding requirements relating to procurement activities conducted by particular government agencies, including nominated Western Australian agencies.

The [Free Trade Agreements Guidelines](#) available on [WA.gov.au](https://www.wa.gov.au) contain more information on obligations in FTAs with Government Procurement chapters.

3.1 FTAs, WAIPS and the WA Buy Local Policy 2022

The governing principles of the various FTAs that apply to Western Australian government procurement are the non-discrimination against suppliers based on their origin or the origin of their goods and services. However, these FTAs also preserve government preferences to benefit local SMEs in the context of government procurement, as is occurring in the case of the WAIPS and the WA Buy Local Policy 2022.

For the purpose of the WA Jobs Act, the WAIPS and the WA Buy Local Policy 2022, 'local' is defined as being 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**).

Based on the preservation of government preferences to benefit local SMEs under WAIPS and the WA Buy Local 2022, public authorities may apply the measures prescribed within the WAIPS and WA Buy Local 2022 which have the purpose or the effect of giving preference to local SMEs (i.e. include and assess the Participation Plan weighted criteria), noting the above definition of local.

4. Buy Local Policy 2002

The 2002 Buy Local Policy is now out of circulation. Agencies should incorporate the WA Buy Local Policy 2022 into their procurement processes as soon as possible.