Government of **Western Australia**
Department of **Energy and Economic Diversification**

ADDENDUM TO WESTERN AUSTRALIAN INDUSTRY PARTICIPATION STRATEGY (WAIPS) 2024

STEEL FABRICATION SUPPLY CHAIN

OCTOBER 2026

This Addendum outlines the Western Australian Government's approach under WAIPS 2024 as it applies to the steel fabrication industry. It is designed to support and strengthen the competitiveness of the local steel fabrication sector in response to current market challenges.

The Western Australian steel fabrication industry transforms raw steel into finished products for construction, manufacturing, and infrastructure development. Core processes include cutting, bending, welding and finishing steel.

For the purposes of this Addendum, the steel fabrication industry also includes steel manufactured from recycled scrap metals into products for use in construction, such as reinforced bar, or steel manufactured with significant decrease in emissions. This inclusion is increasingly important from a local environmental perspective.

Imported fabricated steel products in Australia have increased over the last two years by an estimated 50%[1] according to the Australian Steel Institute, resulting in a challenging environment for local industry and the loss of local capability.

The Western Australian Government is a major procurer of fabricated steel through its infrastructure and construction projects including hospitals, schools, industrial and social infrastructure.

Key Measures for the Steel Fabrication Supply Chain

The following measures are designed to support small and medium enterprises (SMEs) and provide the local steel fabrication industry with full, fair and reasonable opportunity to access Western Australian government procurement opportunities.

The measures comprise both existing and new initiatives and will be incorporated into WAIPS 2024 for agency implementation. They will apply to agency procurements where:

- An agency directly procures steel fabrication products or
- An agency engages a contractor to procure steel fabrication products on the agency's behalf.

[1] The 50% increase in fabricated steelwork imports is based on 2024 volume compared to the 2016 to 2021 period (Australian Steel Institute)

A three-month implementation period will be afforded to agencies to introduce the necessary changes into their procurement processes. The addendum will apply to procurements which include fabricated steel that commence three months after the publication date of this addendum.

The Addendum will be accompanied by detailed guidelines. Ongoing WAIPS advisory support will be available from the Department of Energy and Economic Diversification (DEED) including in relation to this Addendum.

The extent of utilisation of the following levers will vary based on project circumstances.

1. **Use of the 20% imported content price impost for non-Australia and New Zealand content**

   The use of a 20% imported content price impost should be considered for application as referred to in WAIPS 2024 for non-ANZ content of the steel fabrication product portion of a procurement. Guidance on application of the imported content price impost can be found in the Western Australian Buy Local Policy 2022 (Buy Local Policy) and the Australia and New Zealand Government Procurement Agreement (ANZGPA).

2. **WAIPS strategic project designation**

   The use of the WAIPS strategic project approach designation by the Western Australian Government will include an ability to identify supply chains within projects.

   The primary source for such designation will continue to be the Minister responsible for the *Western Australian Jobs Act 2017* (WA Jobs Act), however agencies may take the initiative to propose strategic projects for consideration.

3. **Compliance and evaluation criteria linked to Section 7 of the WA Jobs Act**

   Tender documentation should include evaluation criteria and compliance criteria (reporting) that is linked to local sourcing and aligned with WAIPS objectives as defined by Section 7 of the WA Jobs Act.

   Procurement Plans should include an estimate of local content outcomes across the total value of the contract, including supply chains.

   If agencies choose to include a 10% Participation Plan weighting, agencies should also develop the tender evaluation criteria and the qualitative section of the tender to address one or more of the objectives of WAIPS as specified in Section 7 of the WA Jobs Act.

4. **Direct sourcing of local fabricated and recycled steel**

   In accordance with the General Procurement Direction 2025/15 (June 2025) and the Direct Sourcing Addendum to WAIPS 2024 (July 2025), agencies can directly procure locally manufactured products, including fabricated steel, up to a value of $5 million per contract.

5. Communication to Support Local Suppliers

In instances where WAIPS procurements incorporate steel fabrication, agencies should include local market testing through the use of either an open tender process or an open Expression of Interest (EOI) process, followed by a restricted tender process.

For procurements that incorporate steel fabrication, it's recommended that a tender briefing be conducted to inform and engage local suppliers.

6. Value for money and a focus on the benefits of proximity

Value for money will be defined broadly to consider factors beyond lowest cost, such as:

- Proximity benefits of using local suppliers including ease of communication, ease of inspection, ease of delivery and the ease of after sales service.
- Employment and regional development.
- Supply chain resilience.
- Local industry capability building.

7. "If not, why not" approach to local procurement

Agencies are required to apply an 'if not, why not' approach to local procurement.

This approach will ensure that for fabricated steel projects above the WAIPS thresholds, engagement with local suppliers is actively pursued and, where local suppliers are not successful, efforts must be taken by the procuring agency to outline how local capability, and competitiveness can be enhanced in future tender submissions. The agency will include an explanation of the "why not" decision within its recommendation reports, including potential actions for future procurements.

8. Promotion and Media Opportunities

Agencies will ensure that successful respondents for the supply of fabricated steel include local content outcomes in any joint promotion and media opportunities to demonstrate the benefits arising from local employment, local up-skilling, import replacement and regional development.

9. Regional Price Preferences

As detailed within the Buy Local Policy and WAIPS, Regional Price Preferences should continue to be applied to procurements, including fabricated steel products.

10. Specification conformance

During the procurement planning, request development and contract formation phases of a procurement for fabricated steel products, emphasis should be placed on performance factors.

The evaluation of offers should include business model certification and verification of product composition and performance.

Wherever available and appropriate (and where consistent with the Western Australian Procurement Rules), Australian standards must be applied. All certificates of compliance must be sighted and verified by the agency prior to contract award.

11. Contractual and sub-contractual arrangements

In assessing bids received, agencies should ensure that head contractors have provided or will provide a form of full, fair and reasonable opportunity for local contractors, subcontractors and suppliers to participate in the contract.

12. Reserved/set aside contracting

Agencies can accept bids from suppliers which include a commitment or an intention for fabricated steel procurements to be reserved for local based suppliers only. Such practices are utilised in jurisdictions including the United States, Europe and the United Kingdom as a standard policy arrangement.

Introduction of a similar formal policy for Western Australian Government agencies will be supported by the provision of specific guidelines on application and operation.

13. Work Health and Safety (WHS) compliance

Agencies should include a tender specification that fabricated and recycled steel products can only qualify to supply if they are produced in facilities which apply Australian and New Zealand WHS standards, or equivalent.

14. Dispute Resolution Process

Agencies will maintain a dispute resolution process which will be based on guidance provided by the Department of Treasury and Finance.

15. Audit

Frequent and regular audits of agency compliance with this Addendum will be conducted under the direction of DEED.

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.