



WESTERN AUSTRALIAN INDUSTRY PARTICIPATION STRATEGY

IDENTIFYING AND DECLARING A STRATEGIC PROJECT

1. Background

The framework for Strategic Projects is documented in the Western Australian Government's Plan for Jobs. This outlines the intention of the State Government to have the capacity to declare a project to be of strategic significance to the Western Australian economy.

The concept of a Strategic Project is formalised in Part 4 of the *Western Australian Jobs Act 2017* (WA Jobs Act) where it provides details around how a Strategic Project is determined, amended or revoked by the Minister responsible for administering the Act (Minister for State Development, Jobs and Trade), and outlines the consultation process required before determination, amendment or revocation can be finalised.

2. What is a Strategic Project under the *Western Australian Jobs Act 2017*?

A Strategic Project is a supply opportunity that has the potential to generate additional significant economic activity and local jobs, consistent with the objectives of the Act.

3. Purpose

The purpose of identifying a project as "strategic" is to allow the Minister for State Development, Jobs and Trade (Minister for Jobs) to specify particular matters that the procuring agency must require tenderers to address in their participation plans as part of the evaluation process. This will allow the Minister for Jobs to identify matters that are additional or different from those contained in a normal participation plan and may relate to specific aspects of local industry participation.

4. Process

In determining whether or not a project is strategic, the Minister for Jobs may take into account any of the following factors:

- Value – minimum starting value for a Strategic Project is \$25 million (inc GST)
- Location;
- Project duration;
- Links between contract fulfilment and other market opportunities;
- A project's ability to demonstrate the State's economic attractiveness;
- Provision of infrastructure;
- Use of Aboriginal & Torres Strait Islander (ATSI) businesses and creation of jobs for ATSI people;
- Social and community outcomes;
- Introduction or development of innovation;



- Import replacement opportunities;
- Skills / knowledge transfer; and
- Investment in Western Australia.

To bring a potential strategic project to the attention of the Minister for Jobs, the process can be either:

1. The Agency with project responsibility notifies the Industry Link Advisory Service (ILAS) at the Department of Jobs, Tourism, Science and Innovation that they consider a project meets the requirements for it to be a strategic project. ILAS will in turn consult the advising agency and prepare advice to the Minister for Jobs; or
2. The Agency with project responsibility notifies its Minister that they consider a project meets the requirements for it to be a strategic project. The agency Minister advises the Minister for Jobs. After referral from the Minister for Jobs, ILAS will consult the advising agency and prepare subsequent advice to the Minister for Jobs; or
3. ILAS or regionally based Local Content Advisers (LCAs) identify a project that they consider meets the requirements for it to be a strategic project. ILAS will consult the agency responsible for the project and prepare advice to the Minister for Jobs.

Once the Minister for Jobs has approved a project as a Strategic Project, a Notice of Determination will be sent to the relevant Agency Minister. ILAS will then liaise with the agency responsible for the project to implement local industry participation requirements for the project including a Participation Plan design, qualitative criteria weighting for the Participation Plan, tender and contract clauses and reporting.

Once a determination has been made, the procurement agency must publish the notice of determination on its website [section 17(4)].

5. Regional Strategic Project

WAIPS 2020 introduces a subset within a Strategic Project that relates to regional contracts. The Minister for Jobs may declare a Regional Strategic Project on the basis of value, duration, location, diversification or other economic and community benefits.

For such projects, variations on a case by case basis can occur in relation to the regional price preferences and the qualitative criteria with particular reference to external benefits.

As would generally be the case with a strategic project, an increase in the qualitative criteria weighting assigned to the participation plan can be utilised for a regional strategic project. These projects may also include a focus on pre-tender briefings, linkage to Local Capability Fund assistance, mandatory use of expression of interest web portals by prospective contractors, specified sourcing targets, and innovative application of the regional price preference levels and prescribed distances.

With a regional strategic project, the minimum project value threshold of \$25 million may not necessarily apply.

The process for a regional strategic project is the same as for a strategic project, ie. in accordance with 4. Process.



6. Contact Information

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