



# 2022-2025

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## Procurement Capability Development Strategy

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## Acknowledgement of Country

The Government of Western Australia acknowledges the traditional custodians of Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of Aboriginal communities and their cultures; and to Elders both past and present.

# Minister's Foreword

The Western Australian Government is the largest employer in the state. Some 145,000 people work for the WA public sector in a broad range of roles from teachers and nurses to cleaners, administrators and policy officers, labourers and welfare professionals. The WA Government also purchases a huge variety of goods, services, works and community services from thousands of businesses each year. As such, it is vital, we commit to the best possible procurement practices to ensure quality outcomes for the Western Australian community.

The Procurement Capability Development Strategy 2022-2025 establishes clear and strong foundations for building procurement capability within all government agencies and identifies key priority areas for improving procurement practises by 2025

The Government spends more than \$16 billion each year procuring goods, services and works. Effective procurement is essential to delivering the State's critical requirements spanning roads, schools, police stations, lifesaving medical equipment, to a vast range of community services including drug and alcohol support services, family violence prevention services and prison chaplains.

Procurement is more than just providing or acquiring goods and services. It is an important strategic enabler for the Government, and we require highly trained and effective procurement professionals to continue to successfully deliver large and complex projects. By investing in a capable workforce and engaging the procurement function early in projects, we can reduce the likelihood of time delays, budget increases and reduced quality.

**Agencies need strong procurement leadership, effective procurement functions, and a highly skilled workforce.**

Importantly, the way we undertake procurement is evolving. The introduction of the Social Procurement Framework highlights the importance of procurement as a mechanism for improving Western Australia's social, economic, and environmental outcomes. Incorporating these social outcomes into the value for money principle requires judgement and a commitment to actively supporting government objectives. The benefits to the community can be significant, as seen in the outcomes achieved through the Aboriginal Procurement Policy, to name just one.

I encourage everyone across the Government, especially procurement leaders, practitioners and support staff, to commit to building on their existing capabilities. Agencies need strong procurement leadership, effective procurement functions, and a highly skilled workforce. Through greater role clarity, performance standards and a recognition of the procurement profession, we will strengthen accountability and achieve great results.

I am looking forward to an uplift in procurement capability generating greater benefits for the Western Australian community for years to come.



# Director General's Foreword

I am proud to announce the launch of the Procurement Capability Development Strategy 2022-2025. The Strategy provides a consistent and transparent approach for improving procurement capability across all WA Government agencies and every type of procurement.

The Strategy is a result of collaborative work between the Department of Finance (Finance) as the functional lead for procurement in WA Government, and the Procurement Leaders Steering Group (PLSG) comprising senior representatives from more than 20 WA Government agencies. Together, they created the Strategy to help improve capability across the public sector, with Finance leading and coordinating the implementation.

The Strategy's introduction is timely. Last year, for the first time, WA Government procurement processes were unified in a single framework through the enactment of the Procurement Act 2020 and implementation of the Western Australian Procurement Rules. This heralded a new approach to procurement which has been complemented by the introduction of WA's first Social Procurement Framework and a new Agency Capability Framework being implemented by the Public Service Commission. A State Commissioning Strategy is also being developed which will significantly change the nature of contracting community services in WA.

Our vision is for the WA Government to have a highly professional procurement workforce with the skills, knowledge, and experience needed to deliver on the WA community's expectations, whether these be state-of-the-art hospitals, a comprehensive and efficient metropolitan rail network, or the paying of bills through customer centric web-based systems. Recently, through agile procurement, the State was able to secure the timely supply of critical apparatus including personal protective equipment and rapid antigen tests for all Western Australian's during the COVID-19 pandemic.

The Strategy will provide targeted, whole-of-sector capability initiatives to address individual and organisational needs. It will support agencies to get procurement and contracting right – employing the right strategies and efficient processes, upholding the right ethical and probity standards, and delivering value for money.

As the first strategy of its kind in WA, we expect it will evolve. Progress will be measured and sections of the Strategy will be updated annually to incorporate new and improved data sources while engagement continues with agencies. As the Strategy matures, we expect that procurement performance will continue to improve across the WA public sector.

Thank you to everyone who has contributed their time and expertise to develop the Strategy.

**The Strategy will provide targeted, whole-of-sector capability initiatives to address individual and organisational needs.**

A background image showing a close-up of several people in business attire (light blue shirts) sitting around a table. One person's hand is pointing at a document with a blue pen. The document contains a bar chart and a pie chart. The image is partially obscured by a white diagonal overlay on the left side.

# Highlights

The Strategy supports a range of progressive procurement capability development initiatives. These initiatives focus on developing leadership, workforce, culture, and performance alongside current tactics that target practitioners through training programs and guidance.

## Deliverables in 2022

**In its first year, initiatives that will set the direction for procurement capability across the life of the Strategy include:**

- identifying and implementing short to medium term projects to improve procurement professionalisation
- improving the Procurement Capability Indicator so that it better accommodates procurement practitioners working across different streams and informs capability gap insights
- setting priorities for whole-of-government works procurement capability tools, guidance, and training.

**Practical supports for practitioners include:**

- establishing a Strategic Procurement Community of Practice for procurement leaders to engage with and learn best practice approaches from one another
- guidance to help agency contract management staff and their managers define and assess performance
- guidance to support the Social Procurement Framework
- new training programs, including Advanced Contract Management and Risk Management in Procurement
- commencing the development and implementation of whole-of-government works procurement capability tools, guidance, and training.

The progress made with these initiatives, along with learnings from the Public Sector Commission's Agency Capability Framework reviews, sector engagement, review committees and other data sources, will help shape the initiatives undertaken in 2023 and beyond.

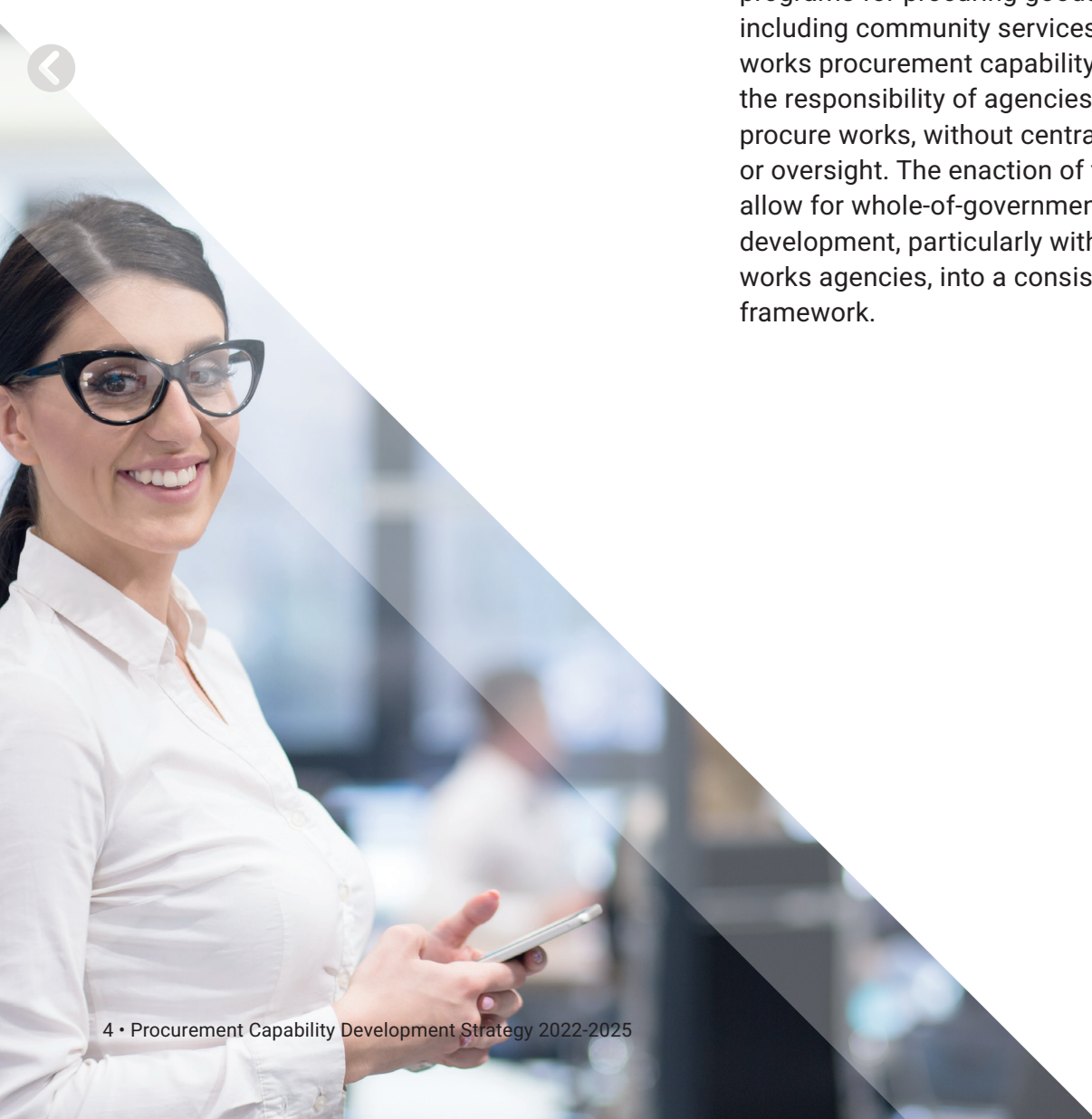
# Background

Effective and strategic procurement is essential to the proper functioning of the WA Government. It enables the supply of goods and services needed to keep the State running and positively contributes to economic, environmental, and social outcomes.

It's essential that the knowledge and skills of our procurement workforce continues to grow, and that practitioners are supported in a continuously evolving environment. We've developed the Procurement Capability Development Strategy 2022-2025 to enable and support an uplift in procurement professionalism across the sector.

The Procurement Act 2020 (the Act) and implementation of the Western Australian Procurement Rules (the Rules) in 2021, changed how WA Government agencies conduct procurement. The Act and the Rules govern how we procure and provide a contemporary setting for our contracting activities. These changes have provided an opportunity to reconsider our approach to developing the capability of our sector, agencies and officers.

While we have long provided central procurement capability support, it has mostly been in the form of templates, guidance, and training programs for procuring goods and services, including community services. Previously, works procurement capability development was the responsibility of agencies authorised to procure works, without central standardisation or oversight. The enactment of the Act and Rules allow for whole-of-government capability development, particularly with the inclusion of works agencies, into a consistent procurement framework.



# The need for capability development

Procurement is a strategic lever increasingly being used to help achieve government objectives. It's critical to ensure that the procurement functions of the WA Government have strong leadership and a highly capable workforce.

Finance supports procurement capability across the sector, and agencies are responsible for the effectiveness of their procurement function including their staff capability. Procurement functions need to be well integrated into agency operations and staff need to be able to apply a range of capabilities well beyond technical procurement knowledge to deliver value for money.

Launched in 2021, the [Social Procurement Framework](#) brings all relevant WA Government social procurement policies and priorities into one place to ensure they're at the centre of value for money decision making in public procurement.

The [State Commissioning Strategy for Community Services](#) is under development and will provide a more coordinated approach to the delivery of community services across WA and across a range of providers, including government and the community services sector.

**It's critical to ensure that the procurement functions of the WA Government have strong leadership and a highly capable workforce.**

The inclusion of procurement and contract management as core capability elements in the Public Sector Commission's [Agency Capability Review Program](#), being trialled from July 2021 to June 2023, will reinforce the central role procurement plays in agency capability.

These initiatives highlight the importance of viewing procurement capability from a number of perspectives – from the sector, agency and by individual capability levels. This holistic and inclusive approach is central to the Strategy.

# Scope and purpose

The Strategy outlines the vision for public sector procurement in WA, setting the outcomes, targets, and initiatives to be delivered from 2022 to 2025. It is intended to be aspirational by setting out longer term outcomes, while also guiding action, allocating responsibilities, and measuring progress in the short term.

The Strategy has five central pillars that are applicable to all streams of procurement and across the procurement lifecycle and may impact officers for whom procurement activities are their primary role, as well as those who only undertake procurement activities from time to time as part of their role.

The Strategy takes a broad view of capability. The previously provided templates, guidelines, and training assets, now sit alongside more strategic initiatives, including:

- further developing procurement leadership
- supporting a strategic whole-of-government perspective on procurement issues
- providing capability-building opportunities for the procurement workforce
- better articulated standards for performance and organisational culture.

Capability-building takes time and effort. Short term requirements must be balanced with long term growth and leaders should ensure their procurement staff have an adequately diverse skill set to deliver on the range of responsibilities. They must also ensure that individuals' capabilities are in line with their assigned procurement and contract management activities.

## The Strategy has 5 central pillars:



Leadership



Workforce strategy



Culture and performance



Systems, processes and tools



Targeted capability initiatives.



# Challenges

To raise procurement capability, challenges that must be overcome include:

- equalising the level of maturity in capability development programs across procurement streams
- balancing foundational level support with initiatives targeted at agencies with greater capability or more experienced procurement staff
- driving agencies to prioritise capability development while they may be facing existing workload and capacity pressures
- a skills shortage in the procurement profession.

These challenges are not unique to WA. We're working with other jurisdictions through the Australasian Procurement and Construction Council (APCC) to ensure knowledge is shared across the Australian and New Zealand public sectors.

## Process, priorities and progress

The Strategy's pillars and priorities were informed through:

- consultation with agency stakeholders
- internal and external data sources, including review committees, audit and assurance program outcomes, stakeholder surveys, and Procurement Capability Indicator tool results
- findings of historical government or external inquiries
- engagement with Finance's customer and advisory teams.

The Strategy will be reviewed annually to monitor progress, ensure priorities reflect the needs of the sector, and are achievable with available resourcing. The priorities of the WA Government or key agencies may change, or other initiatives or events that need to be incorporated into the Strategy may arise. Risks will be identified, monitored and, where required, the Strategy will be adjusted.

# The changing nature of procurement capability: Case study

The focus of government procurement has become increasingly strategic as it has been used to deliver more integrated and sustainable social and environmental outcomes.

The COVID-19 pandemic highlighted the changing and increasingly important nature of procurement within WA Government.

At the request of the State Emergency Management Committee Unit, Finance led a State-wide purchasing and supply chain management model to acquire and distribute personal protective equipment (PPE) for critical services. The response involved collaboration with other WA Government agencies, local governments and the community services sector. It required the application of data analytics and business intelligence capabilities to current stock, critical needs and forecast usage.

**The COVID-19 pandemic highlighted the changing and increasingly important nature of procurement within WA Government.**

A centralised purchasing model was adopted for coordinated purchasing, avoiding inter-agency competition for limited stocks, preventing effort duplication, and prioritising stock allocation to frontline workers. Actions including monitoring stock, and coordinating and communicating with stakeholders, and continuing efforts to improve efficiencies were sustained even as PPE supplies shortages receded.

This example highlights the range of capabilities required by procurement professionals including commercial, interpersonal, data analytics, and critical thinking skills.

See [APCC Procurement Profession](#) resources for more information about procurement capability and workforce needs.





# Pillars of the Strategy



# Pillars of the Strategy

The Framework is built on 5 pillars that support the WA Government's capacity to realise full value through procurement.



## **Pillar 1: Leadership**

Agency procurement functions have a clear purpose, provide strategic and operational value, are well led with strong governance and integration into agency operations, and work across the sector to improve outcomes for the WA community.



## **Pillar 2: Workforce strategy**

Strategies for procurement workforce planning, professional accreditation and recognition, and recruitment and retention, are informed through the analysis of demographic and capability information.



## **Pillar 3: Culture and performance**

The standards, behaviours, and expectations for procurement that will deliver performance and ensure long term success are defined and supported through investment.



## **Pillar 4: Systems, processes and tools**

Procurement systems and processes are aligned to support strategy and capability, and drive culture, performance, and accountability.



## **Pillar 5: Targeted capability initiatives**

Whole-of-government procurement capability initiatives are targeted to address individual and organisational needs.





# Pillar 1: Leadership

Agency procurement functions have a clear purpose, provide strategic and operational value, are well led with strong governance and integration into agency operations, and work across the sector to improve outcomes for the WA community.

## This includes:

- clarity on the role and responsibilities of procurement executives in WA Government
- developing procurement executives with:
  - a strong understanding of issues and trends, and the strategic value of procurement
  - the ability to shape and deliver effective procurement strategies to support agencies' strategic objectives and social procurement outcomes
  - a commitment to driving organisational performance, and improving procurement capability and technical excellence
- procurement and capability issues being advocated for across government and within agencies
- networking and knowledge sharing opportunities being made available with active engagement across the sector.

## Target

Heads of procurement are actively engaged in professional learning, cross-agency collaboration and knowledge sharing on strategic procurement matters and functional best practice.

## Outcome

WA Government procurement leaders are skilled and effective.

## Resources

The [Chief Procurement Officer \(CPO\) Success Profile](#) tool helps CPOs understand, identify and describe what it takes to be successful.

The [Guidelines for Measuring a Success Profile for CPOs](#) defines criteria that can be used to measure the success of the CPO within an organisation.



## Pillar 2: Workforce strategy

Strategies for procurement workforce planning, professional accreditation and recognition, and recruitment and retention, are informed through the analysis of demographic and capability information.

### This includes:

- high-level workforce insights including capturing, analysing, and sharing:
  - workforce profile and trends
  - workforce capability and professionalisation metrics
  - service demands and trends
- collaborative strategies to address sector-wide workforce needs
- commitment to procurement workforce professionalisation including:
  - qualification and certification
  - professional affiliations and memberships
  - continuous learning.

### Target

Workforce strategies are implemented to support procurement being recognised as a critical and desirable profession within WA Government.

### Outcome

WA Government attracts and retains a skilled and effective procurement workforce.

### Recent initiatives in this pillar

See APCC's [Australasian Procurement Professionalisation Agenda](#).



## Pillar 3: Culture and performance

The standards, behaviours, and expectations for procurement that will deliver performance and ensure long term success are defined and supported through investment.

### This includes:

- effective procurement performance management
- professional and ethical conduct standards
- appropriate governance and feedback mechanisms, such as procurement assurance processes, support continuous improvement
- recognition and profile raising for procurement across WA Government and within agencies
- fostering organisational cultures in which capability development and ongoing learning is recognised as part of a procurement practitioner's role.

### Target

Agencies have effective internal metrics, reporting, and review processes that drive procurement performance.

Staff and managers see themselves as procurement professionals, and are invested in development opportunities and continuous improvement.

### Outcome

Agencies strive to achieve best practice procurement performance and deliver quality outcomes.

### Resources

The [Procurement Competency Matrix](#) identifies the roles, responsibilities, expectations, and required capabilities of procurement professionals across the sector.

[Contract management job description templates](#) provide a guide to assist in the recruitment of contract management professionals across government agencies.

[Procurement job description templates](#) provide a guide to assist in the recruitment of procurement professionals across agencies.



## Pillar 4: Systems, processes and tools

Procurement systems and processes are aligned to support strategy and capability, and drive culture, performance, and accountability.

### This includes:

- sector and agency procurement systems (including mechanisms for governance, performance planning and management, and records management) and processes are aligned to best practice
- a range of accessible and effective guides, templates and capability development tools are available to support:
  - best practice procurement
  - consistent standards across the sector
  - performance benchmarking
  - identifying capability gaps
- reporting sector capability outcomes and trends.

### Target

Agency systems and processes support procurement capability development and are aligned to best practice.

### Outcome

Agency procurement systems and processes benchmark performance and establish standards that reflect best practice procurement.

### Resources

The [Procurement Capability Indicator](#) can identify the technical capability of procurement professionals.

The [Western Australian Contract Management Framework Principles](#) identify the elements required to ensure good practice contract management within existing WA Government guidelines.





## Pillar 5: Targeted capability initiatives

Whole-of-government procurement capability initiatives are targeted to address individual and organisational needs.

### This includes:

- strategic capability initiatives, programs, and resources that enable professional development for staff at all levels and in agencies with varying levels of procurement maturity
- accessible and targeted accredited and non-accredited training programs informed by:
  - capture and analysis of individual, agency, and sector capability data
  - engagement and consultation across the sector.

### Target

High quality targeted and contemporary professional learning programs across all procurement streams are available to support consistency and best practice across the sector.

Agency staff are supported to actively engage with professional learning programs.

### Outcome

WA Government officers undertaking procurement and contract management activities have access to a range of capability programs that support best practice and ongoing professional development.

### Resources

The [Due Diligence Masterclass](#) helps increase awareness and knowledge of due diligence within the procurement environment.

The [Introduction to negotiations training](#) module is for public sector employees preparing for and undertaking contract negotiations during procurement or contract management processes.

[Introduction to Procurement](#) online modules providing foundation awareness and knowledge on: Procurement planning, Specification writing, Procurement evaluations and Contract law.

The [Introduction to contract management training](#) modules are for public sector employees who are new to contract management.

# Upcoming initiatives



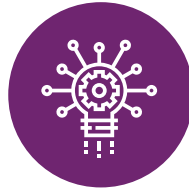
## Pillar 1: Leadership



### Strategic Procurement Community of practice

Coordinate a formalised community of networking and knowledge sharing opportunities for WA Government senior staff who have responsibility for their agency's procurement function.

The community will provide a forum (with a physical and an online presence) for leaders to engage and learn from their peers.



## Pillar 2: Workforce strategy



### Professionalisation initiatives paper

Start a project exploring and determining which professionalisation and workforce initiatives are feasible and would be the most beneficial.

A recommendations paper will outline which items should be prioritised over the remaining years of the 2022-25 Strategy.



### Professionalisation initiatives implementation

Develop and action a professionalisation priorities implementation plan.



## Pillar 3: Culture and performance



### Measuring contract management performance guide

Deploy a guide to support agency contract management staff and their managers to:

- incorporate contract management activities into performance and development plans
- review contract management performance
- spark collaborative conversations about the continuous development of contract management capability.



## Pillar 4: Systems, processes and tools



### Procurement Capability Indicator

Update the Procurement Capability Indicator to maximise value.



### Works capability initiative

**Part A:** Establish the Works Agency Capability Reference Group to identify and prioritise practical resources (including templates, guides and training) to support the development of whole-of-government works procurement capability.

**Part B:** Develop and commence working on a Works capability initiative implementation plan.



## Pillar 5: Targeted capability initiatives



### Social Procurement Framework guidance

Develop and deploy additional resources on how to implement the Social Procurement Framework in procurement activities.



### Risk foundations training

Develop and deploy training and guidance on foundations of risk management in procurement. This is likely to include an online module and face-to-face session.



### Advanced contract management training session

Develop and deploy an advanced contract management training session, focusing on goods and services contracts.



**Department of Finance**

Level 4, Djookanup Centre  
16 Parkland Road  
OSBORNE PARK WA 6017

**E:** [cspp@finance.wa.gov.au](mailto:cspp@finance.wa.gov.au)

**T:** 6551 1515

**WA.gov.au**