



Department of  
**Jobs, Tourism, Science  
and Innovation**

# Discussion Paper: Independent Review of the *Western Australian Jobs Act 2017*

## Have your say on Western Australian Government initiatives to boost local jobs and businesses

In 2017, the Western Australian Government created the *WA Jobs Act* to maximise the potential of WA Government procurement and purchasing policies to assist local industry and job creation, especially for Western Australian small and medium sized enterprises (SMEs). The *WA Jobs Act* also improves consistency in tendering policies across different agencies, and the measurement of the external economic benefits of contracts awarded by the WA Government.

How effective is the *WA Jobs Act*? What have been its main achievements, and in what way can we improve its operations and effectiveness? The WA Government is now seeking your input into these and other issues as it conducts its five-yearly review of the legislation.

Between August and October 2022 the WA Government is seeking feedback, experiences and suggestions from individual businesses, industry groups, government agencies and other interested parties. You can contribute in a number of ways: by attending online or face-to-face consultation forums; sending a written submission; meeting with the team; or completing our survey.

More details about how you can have your say are shown on [page 5](#).

The Hon Roger Cook MLA, Minister for State Development, Jobs and Trade has asked Dr Michael Schaper to undertake the Review. Dr Schaper was previously Deputy Chair of the Australian Competition and Consumer Commission. Dr Schaper will report to the Minister in December 2022 and the Minister will be required to table the report in Parliament. A Secretariat located in the Department of Jobs, Tourism, Science and Innovation (JTSI) is supporting the Review.

## The *WA Jobs Act* – How it works

The *WA Jobs Act* and associated government measures are designed to encourage businesses bidding for contracts from the WA Government to ensure the creation of as many local jobs and apprenticeships as possible, as well as ensuring local small businesses can participate as suppliers or sub-contractors.

The *WA Jobs Act* requires the Minister to develop and implement a written strategy about the participation of local industries in government purchases. The *WA Jobs Act* names the strategy as the Western Australian Industry Participation Strategy (WAIPS).

The *WA Jobs Act* sets out the objectives of the WAIPS. They are:

- a. promoting the diversification and growth of the Western Australian economy by targeting supply opportunities for local industry;
- b. providing suppliers of goods or services

- with increased access to, and raised awareness of, local industry capability;
- c. encouraging local industry to adopt, where appropriate, world's best practice in workplace innovation and the use of new technologies and materials;
- d. promoting increased apprenticeship, training and job opportunities in Western Australia; and
- e. promoting increased opportunities for local industry to develop import replacement capacity by giving local industry, in particular small and medium enterprises, a full, fair and reasonable opportunity to compete against foreign suppliers of goods or services.

Accordingly the WA Government has established the Strategy and the processes associated with it.

## Western Australian Industry Participation Strategy

Since 2018, all WA Government departments, agencies, statutory authorities and government trading entities (except universities and local governments) have been required to follow a set of rules when purchasing or procuring goods and services. It requires these government bodies to obtain a participation plan from any firm who wishes to bid for any work tenders. Central to the WAIPS is the notion that local businesses should be provided with full, fair and reasonable opportunity to access WA Government supply contracts.

### Participation Plans

Businesses bidding for work over a certain value<sup>1</sup> from any WA Government agency or department are required to provide a detailed written plan as part of their application. The plan must show how the bidder will achieve each of the goals spelt out in the *WA Jobs Act*, as shown above.

When deciding to award tenders, these Participation Plans will be used as part of the evaluation criterion. Firms with plans clearly promoting the objectives of the *WA Jobs Act* will be considered favourably.

Some projects of especially large size, complexity and/or significance to the state (so-called "Strategic Projects") may require tailored Participation Plans that address specific local participation commitments.

### Regular Reporting of Outcomes

The *WA Jobs Act* also requires the successful tenderer to report on what has been achieved throughout the life of their contract with the government. What employment opportunities, skills development and flow on work to other local businesses has occurred? Have any new innovations been introduced to improve productivity in the local economy? These and other data form part of a whole of government data collection system designed to illustrate the relationship between agency spending and economic and community outcomes.

The Minister for Jobs is also required to report annually to Western Australian Parliament on the continued functioning of the *WA Jobs Act* and WAIPS. Copies of these reports can be found at [www.wa.gov.au/government/publications/wa-industry-link-annual-reports-parliament](http://www.wa.gov.au/government/publications/wa-industry-link-annual-reports-parliament).

### Industry Support

To help local businesses participate in the scheme, and to assist as many local firms to obtain work as possible, a number of specialised assistance services and schemes have been developed.

### The Industry Link Advisory Service (ILAS)

Offers a range of assistance and advisory services to industry and business, including guidance on completing a Participation Plan, finding and accessing government procurement opportunities and support programs, and advice on how to pursue

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<sup>1</sup> These levels and \$ values are spelt out in the Western Australian Jobs Regulations 2018.

import replacement potential.

### **The Local Content Adviser Network (LCAN)**

These advisers perform similar services to ILAS in the regional areas of Western Australia. The nine advisers are located in each of the Regional Development Commissions across the State.

### **The WA Industry Link portal**

Provides a central online (website) source of information on the WAIPS and the *WA Jobs Act*. It includes information on Participation Plans, links to Tenders WA and other supply opportunities. The portal can be viewed at:

[www.wa.gov.au/organisation/departments-of-jobs-tourism-science-and-innovation/wa-industry-link](http://www.wa.gov.au/organisation/departments-of-jobs-tourism-science-and-innovation/wa-industry-link)

### **The Local Capability Fund (LCF)**

Financial support is available to assist SMEs in Western Australia increase their capability, capacity and competitiveness as suppliers of products, services and works to the WA government when departments put out tenders for major projects. This funding can be used to assist SMEs to meet pre-qualification requirements, purchase and upgrade equipment, improve business or manufacturing systems and to undertake employee training and development. Funding rounds are announced periodically and details are published on the WA Industry Link portal.

### **More detail on the above initiatives and the *WA Jobs Act* and the WAIPS is available here:**

[www.wa.gov.au/organisation/departments-of-jobs-tourism-science-and-innovation/wa-industry-link](http://www.wa.gov.au/organisation/departments-of-jobs-tourism-science-and-innovation/wa-industry-link)

The *WA Jobs Act* also sets out the principles with which the WAIPS must be consistent. These principles are:

- » That purchasing must achieve value for money as the primary consideration
- » The need for probity and accountability in

processes and decisions.

In addition to these measures contained in the *WA Jobs Act*, the WA Government has also introduced a number of measures with a similar intent. For example, since 2017, the WA Buy Local Policy has been extensively revised. Likewise, a new Procurement Act and rules have been introduced together with a Social Procurement Framework.

## **Achievements to date**

Since full implementation in October 2018, the *WA Jobs Act*, the WAIPS system and associated activities are estimated to have supported the creation of over 63,000 jobs and 4,400 apprenticeships and traineeships and to have captured \$32 billion of WA Government expenditure on goods, services and works. With local supply of 92% of contract value, this represents an injection into the State's economy of \$29.4 billion.

Additional detail on the outcomes of WAIPS and associated initiatives (such as the LCF and ILAS) are published each year in the WA Industry Link Annual Reports. These can be accessed online and download from: [WA Industry Link Annual Report 2020-21](#)

## **Looking forward: What next for the *WA Jobs Act*?**

The Western Australian, national and global economy has changed significantly since the *WA Jobs Act* was introduced. Western Australia is now in era of changing trends and new developments, many of which are likely to have an impact on WA Government procurement and local job generation. What impact is this likely to have on the *WA Jobs Act* and local businesses?

Some of the key issues currently influencing the Western Australian economy include:

- » the COVID-19 pandemic that has led to a reorganisation of industrial supply lines, purchasing and preferences. Many organisations have increased their support for local production
- » tight employment market availability of workers and apprentices that has impacted the ability for some organisations to tender for contracts
- » increased geopolitical risk and onshoring that has lead many economies to put a renewed focus on local sourcing, maintenance and development; and
- » there is now an increased emphasis on processes that incorporate renewable energy, digital technology, innovation and diversification.

The review is interested in hearing the views and perspectives of industry, government and community members on how these and other trends are likely to affect the future evolution of the scheme.

## Small business – An important issue

The review will also examine the experience of small businesses within the overall *WA Jobs Act* framework. Over 97 per cent of all firms in Western Australia are micro-, small- and medium-sized businesses. Small businesses play a vital role in the local economy, and the review is especially interested in examining the ability of small firms to either bid for work for the WA Government in their own right, or to participate in the overall supply chain as sub-contractors and suppliers to larger successful tenders.

## Scope of the review

The Minister for Jobs asked the Review to consider the following issues:

1. whether the WAIPS Objectives (Section 7) of the *WA Jobs Act* have been

achieved and that the WAIPS Principles (Section 8) have been effective;

2. the impact the *WA Jobs Act* has had on WA Government procurement practices and the way agencies have incorporated the requirements of the Act;
3. the regulations, policies and processes developed under the *WA Jobs Act*, including WAIPS and participation plans, and the extent to which these policies have helped achieve the Act objectives;
4. the reporting obligations placed on small and medium enterprises (SMEs) by the *WA Jobs Act* and its associated policies and regulations, and the potential to streamline reporting requirements for SMEs;
5. the use of exemptions, enabled under Section 15 of the *WA Jobs Act*, and whether these have been applied appropriately;
6. the application of the definition of Strategic Project under Section 17 of the *WA Jobs Act* and whether this has been consistently applied;
7. any potential improvements to the *WA Jobs Act*, including opportunities to enhance the Act to further support achievement of the WAIPS objectives such as closer alignment with other legislation and related policies; and
8. external factors which have impacted on the operation of the *WA Jobs Act* and how these have been managed, or could be managed in the future.

However, the review will also accept input, comments and submissions generally related to the *WA Jobs Act*.

## The review process: Get involved

We are keen to hear from businesses, individuals, associations and other organisations involved in activities related



to the *WA Jobs Act* and the WA Industry Participation Strategy (WAIPS). Your feedback may look at the achievements the Act has delivered in your region, through greater use of participation plans and performance reporting. Or you might

have suggestions about how processes under the Act and WAIPS could be improved, to make it easier for your business or industry to participate easily.

The consultation timeline is set out below:



## Consultation sessions

In person and virtual consultation forums are being held around WA during October. These sessions are an opportunity for local businesses, individuals and industry groups to talk directly with, and raise issues with, the Lead Reviewer.

Sessions will be available:

- » In person - in Perth (North and South of the river), Bunbury and Port Hedland.
- » Virtually - run from Perth but welcoming stakeholders from across the State.

**Register your interest here**

You may also like to attend a targeted meeting with the Review team. Please email [jobsactreview@jtsi.wa.au](mailto:jobsactreview@jtsi.wa.au) and provide detailed information about the area you are interested in discussing.

Please provide your name, organisation and contact details in any emails. We will be in touch to confirm details of the consultation sessions and ways to book in once dates and venues are confirmed.

## Survey

Local businesses and interested individuals are encouraged to complete our survey.

Your feedback and perspective on the operations of the *WA Jobs Act* framework is important to us.

The survey closes at 5pm, Tuesday 1 November 2022 and should take less than 10 minutes to complete.

All results are confidential and no identifying data on any respondent is collected.

**Take the survey here**

## Written submissions

You can also email [jobsactreview@jtsi.wa.gov.au](mailto:jobsactreview@jtsi.wa.gov.au) to make a written submission. Your submission, based on the advice above, can be emailed to us in either Word or PDF format. Written submissions close on 1 November 2022.

There is no prescriptive template for providing a written submission but we ask that you focus on the issues raised in this paper, where possible. Providing supporting evidence or examples will also help strengthen your arguments. If you'd like to know more about how to make a

submission or participate, feel free to email [jobsactreview@jtsi.wa.gov.au](mailto:jobsactreview@jtsi.wa.gov.au) and a member of the team will assist you.

Please note that all written submissions will be published (including name and address details) on the JTSI website at the end of the Review, unless you indicate that you would like all or part of your submission to remain confidential. If you would like only part of your submission to remain confidential, please provide this information clearly marked in a separate attachment.

If you have any other queries, please email [jobsactreview@jtsi.wa.gov.au](mailto:jobsactreview@jtsi.wa.gov.au) and someone from the team will get in touch with you.

We look forward to hearing from you.