

LOCAL JOBS FIRST

ANNUAL REPORT
2018-19

Local Jobs First at a glance

Since 2014, the Local Jobs First Policy has been applied to

126 Strategic Projects*,
worth **\$65 billion**

In Regional Victoria, the Local Jobs First Policy[#]



Supported **6,213** local jobs



Covered **\$1.3 billion** of projects



Applied to **222** projects



1,306 SMEs involved in
projects in Regional Victoria

In Metropolitan Victoria, the Local Jobs First Policy[#]



Supported **8,926** local jobs



Covered **\$3.8 billion** of projects



Applied to **258** projects



1,272 SMEs involved in projects
in Metropolitan Victoria

* Project value greater than \$50 million

[#] Projects that commenced or were completed in the 2018-19 financial year

* Twelve projects either commenced or completed in the 2018-19 financial year, or status was not provided.

In 2018-19, **345 projects**
covered by Local Jobs First commenced,
223 were completed⁺

16,711 jobs and
2,697 SMEs supported

1,059
positions for apprentices, trainees and
cadets supported by Local Jobs First
projects that commenced in 2018-19



86
per cent

Average Local Content Committed for
Projects that commenced in 2018-19

Average Local Content Achieved for
Projects that were completed in 2018-19



The Local Jobs First - Major Projects Skills Guarantee ensures that young Victorians benefit directly from major Victorian infrastructure projects and ensures that we continue to grow the next generation of skilled workers in Victoria.

(Photo credit: Metro Tunnel Project).

Contents

Minister's Foreword	2
1. Local Jobs First.....	6
1.1 Local Jobs First Act 2003.....	6
1.2 Local Jobs First – Victorian Industry Participation Policy.....	7
1.3 Local Jobs First – Major Projects Skills Guarantee	7
1.4 Local Jobs First Commissioner	8
1.5 Industry Capability Network (Victoria) –	
supporting day to day implementation of Local Jobs First.....	8
2. Local Jobs First – outcomes in 2018-19	12
2.1 Local Content.....	12
2.2 Local Jobs First Standard Projects	12
2.3 Local Jobs First Strategic Projects	13
2.4 Local Jobs First Strategic Projects – completed	20
2.5 Local Jobs First – Major Projects Skills Guarantee	22
2.6 Grants.....	22
3. Local Jobs First – compliance	26
3.1 Engagement and awareness.....	26
3.2 Compliance reporting.....	26

Minister's Foreword



On behalf of the Victorian Government, I am pleased to present the 2018-19 Local Jobs First Annual Report.

The Victorian Government is using our investment in goods, services and construction to support local businesses and help create jobs and opportunities for apprentices, trainees and cadets.

This is the first year of the strengthened Local Jobs First Policy, bringing together the Victorian Industry Participation Policy and the Major Projects Skills Guarantee (MPSG).

The Local Jobs First Policy requires that tenders for all Victorian Government Standard Projects (valued at \$1 million or more in regional Victoria or \$3 million or more in metropolitan Melbourne) include a Local Industry Development Plan identifying local content to be used on projects.

In addition, for Strategic Projects (valued at \$50 million or above) minimum local content of 90 per cent for construction or 80 per cent for services, maintenance or operations, is mandatory.

The inaugural Local Jobs First Commissioner, Mr Don Matthews, was appointed in October 2018 and has made an enormous contribution already, advocating for Victorian industry involvement in Victorian Government projects and ensuring compliance with Local Jobs First.

Over the course of 2018-19, local content requirements were set for 33 Strategic Projects valued at over \$8.1 billion, with a requirement to deliver an average of 92 per cent local content.

Also, in 2018-19, 220 Standard Projects were completed worth a total value of \$1.8 billion. These completed Standard Projects supported more than 8,000 jobs, including over 1,500 apprenticeships, traineeships and cadetships.

Since its introduction in 2016, the MPSG has been applied to 116 projects which have committed to more than four million contracted hours for 3,700 apprentices, trainees and cadets.

Through Local Jobs First, Victoria's public and transport infrastructure, construction, digital, services and other projects are creating local jobs and helping local businesses to grow our economy.

A stylized, handwritten signature in blue ink, appearing to read 'Martin Pakula'.

The Hon Martin Pakula MP
Minister for Jobs, Innovation and Trade

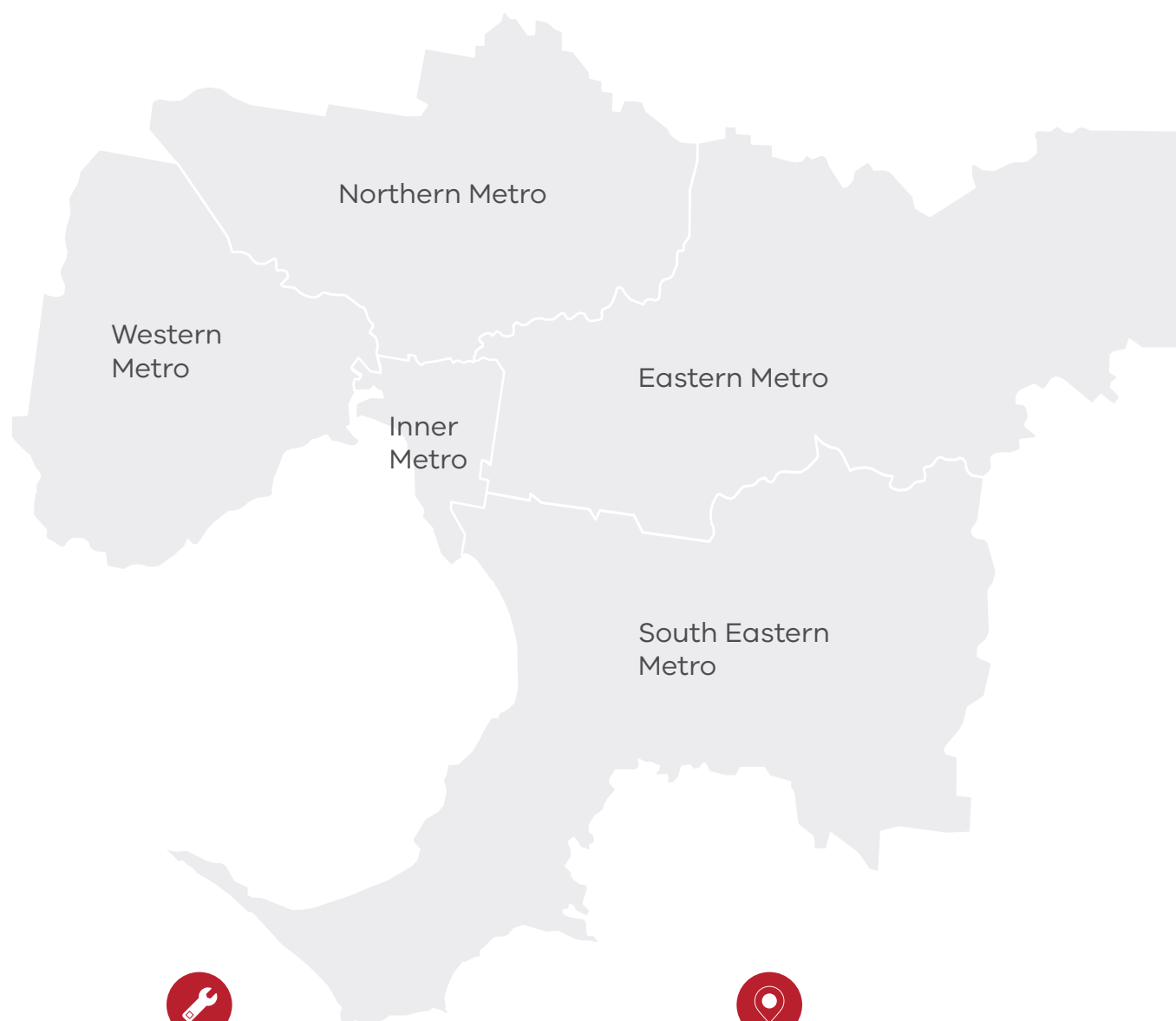


The Level Crossing Removal Project is removing 75 of Melbourne's most dangerous and congested level crossings. During peak construction in June 2019 there were more than 6,600 workers across 18 sites.

Apprentices, trainees and cadets are also playing a huge part in Victoria's pipeline of infrastructure projects, completing at least 10 per cent of work hours under the Victorian Government's Major Projects Skills Guarantee.

(Photo credit: Level Crossing Removal Project)

Local Jobs First in Metropolitan Victoria 2018–19



8,926 jobs

supported
across
Metropolitan
Victoria*



1,272 SMEs

involved in
projects across
Metropolitan
Victoria*

* Projects that were completed or commenced in 2018-19

Five projects either both commenced and completed in the 2018-19 financial year, or status was not provided

Northern Metro

- 25 projects
- \$666 million
- 1,343 jobs supported by projects
- 111 SMEs getting work
- 88% average local content

Inner Metro

- 166 projects
- \$2.4 billion
- 6,090 jobs supported by projects
- 563 SMEs getting work
- 82% average local content

Eastern Metro

- 17 projects
- \$160 million
- 548 jobs supported by projects
- 42 SMEs getting work
- 78% average local content

Western Metro

- 16 projects
- \$159 million
- 249 jobs supported by projects
- 367 SMEs getting work
- 71% average local content

South Eastern Metro

- 25 projects
- \$148 million
- 225 jobs supported by projects
- 82 SMEs getting work
- 92% average local content

These figures include both commenced and completed projects. Specific location information not provided for nine Metro projects.

\$2.4 billion

worth of projects commenced in
Metropolitan Victoria

\$1.4 billion

worth of projects completed in
Metropolitan Victoria

145 projects[#]

commenced
in Metropolitan Victoria

108 projects[#]

were completed
in Metropolitan Victoria

140

Standard Projects

AND

5

Strategic Projects

commenced in 2018-19

1. Local Jobs First

The Victorian Government is the largest procurer of goods, services, and construction works in the State. The government is committed to using its substantial purchasing power to allow all Victorians to participate in the State's economic future.

1.1 Local Jobs First Act 2003

The *Local Jobs First Act 2003* (the Act), formerly known as the *Victorian Industry Participation Policy Act 2003*, is the longest standing and strongest industry participation legislation in Australia. The Act underwent significant reform in August 2018 to strengthen compliance and improve opportunities for local small and medium enterprises (SMEs) and workers.

The 2018 reforms:

- brought together Victoria's signature industry participation and jobs policies, the Victorian Industry Participation Policy (VIPP) and the Major Projects Skills Guarantee (MPSG)
- mandated minimum local content requirements on projects valued at \$50 million or more, including 90 per cent on construction projects and 80 per cent on service projects or operations activities
- mandated the use of local apprentices, trainees and cadets on construction projects valued at \$20 million and above
- established a Local Jobs First Commissioner to advocate for Victorian businesses and workers and oversee compliance of Local Jobs First commitments
- established a compliance framework so that government and industry can be confident that the promised industry development and job commitments are delivered.

The legislation continues the requirement for all departments and agencies, that are subject to the *Financial Management Act 1994*, to report on their implementation of Local Jobs First in two ways:

- a detailed report on Local Jobs First implementation as part of departments' and agencies' normal annual reporting arrangements
- a consolidated report to the responsible Minister to enable the Minister to report annually to Parliament on the outcomes of Local Jobs First across government.

This Annual Report presents the outcomes as they relate to Local Jobs First activities for the 2018-19 financial year. It reflects the available data provided by departments and agencies for the financial year.

The Act is administered by the Office of Industry Participation and Jobs, in the Department of Jobs, Precincts and Regions (DJPR). This includes developing the Local Jobs First Policy, guidelines and model clauses and establishing structures to support its delivery across Victorian government departments and agencies. As part of this, the Office of Industry Participation and Jobs undertakes monitoring, reporting and auditing activities related to the Local Jobs First Policy.

For further details refer to localjobsfirst.vic.gov.au

1.2 Local Jobs First – Victorian Industry Participation Policy

Local Jobs First – VIPP ensures that SMEs are given a full and fair opportunity to compete for Victorian Government projects, such as the construction of hospitals, schools, road projects and the delivery of services or the provision of goods.

Local Jobs First – VIPP requires government departments and agencies to consider competitive local SMEs, when awarding projects valued at:

- \$1 million or more in regional Victoria, or
- \$3 million or more in metropolitan Melbourne or for statewide activities.

Projects that meet these thresholds are designated as Local Jobs First Standard Projects.

A Local Jobs First Strategic Project is a project with a budget of \$50 million or more or any other project declared to be a Strategic Project by the Minister for Jobs, Innovation and Trade.

1.3 Local Jobs First – Major Projects Skills Guarantee

Local Jobs First – MPSG ensures that apprentices, trainees and cadets are provided an opportunity to work on Victoria's biggest infrastructure projects.

Local Jobs First – MPSG requires government departments and agencies to ensure their suppliers on construction projects valued at \$20 million or more are utilising apprentices, trainees and cadets for a minimum 10 per cent of the total labour hours.

MPSG ensures
that apprentices,
trainees and cadets
are provided
an opportunity
to work on
Victoria's biggest
infrastructure
projects.

1.4 Local Jobs First Commissioner

The inaugural Local Jobs First Commissioner is Don Matthews.

The Local Jobs First Commissioner's responsibilities and functions are effective as of 16 August 2018 and are applicable to all projects from this time.

The Local Jobs First Commissioner promotes the Local Jobs First Policy across departments, agencies and local industry, advocates on behalf of Victorian SME's and promotes the employment of apprentices, trainees and cadets on government projects. The role also oversees compliance of local content and job commitments entered into as part of the contractual arrangements for project delivery.

1.5 Industry Capability Network (Victoria) – supporting day to day implementation of Local Jobs First

The Industry Capability Network (Victoria) Ltd (ICN) is a not-for-profit organisation that supports DJPR with the implementation of Local Jobs First and assists Victorian Government departments, agencies and businesses to comply with the conditions of Local Jobs First.

ICN plays a key role in liaising with Victorian Government departments, agencies and industry by providing support to businesses to complete their Local Industry Development Plans (LIDP) (an evaluation requirement on all Local Jobs First applicable projects). They also support the link between principal contractors and local SMEs.

The ICN engages with local SMEs in a number of ways, including face-to-face and via the ICN Gateway, an online portal for suppliers to register their interest in supplying into Local Jobs First projects. Local Jobs First projects are registered by departments and agencies electronically via ICN's Victorian Local Jobs First Management Centre.

Following additional Victorian Government funding support, ICN has grown its services in 2018-19 to help connect more businesses in regional Victoria with government project opportunities and to introduce ICN Analytics to assist businesses monitor and report on local content and job outcomes. ICN has held many successful supplier briefings and information sessions across Victoria.

Local Jobs First Commissioner's message

It has been a very busy year as the inaugural Local Jobs First Commissioner, advocating for Victorian local industry and workers and overseeing compliance of local content and job commitments on Local Jobs First projects. I am committed to working diligently to create opportunities for local small and medium sized enterprises to participate in Victorian Government projects and make a significant difference to local industry.

Through my engagement with local businesses, industry associations, unions, and Victorian Government departments and agencies, it is very apparent that all stakeholders want to ensure that local businesses, workers, apprentices, trainees and cadets are given full and equal opportunities to participate on Victorian Government projects.

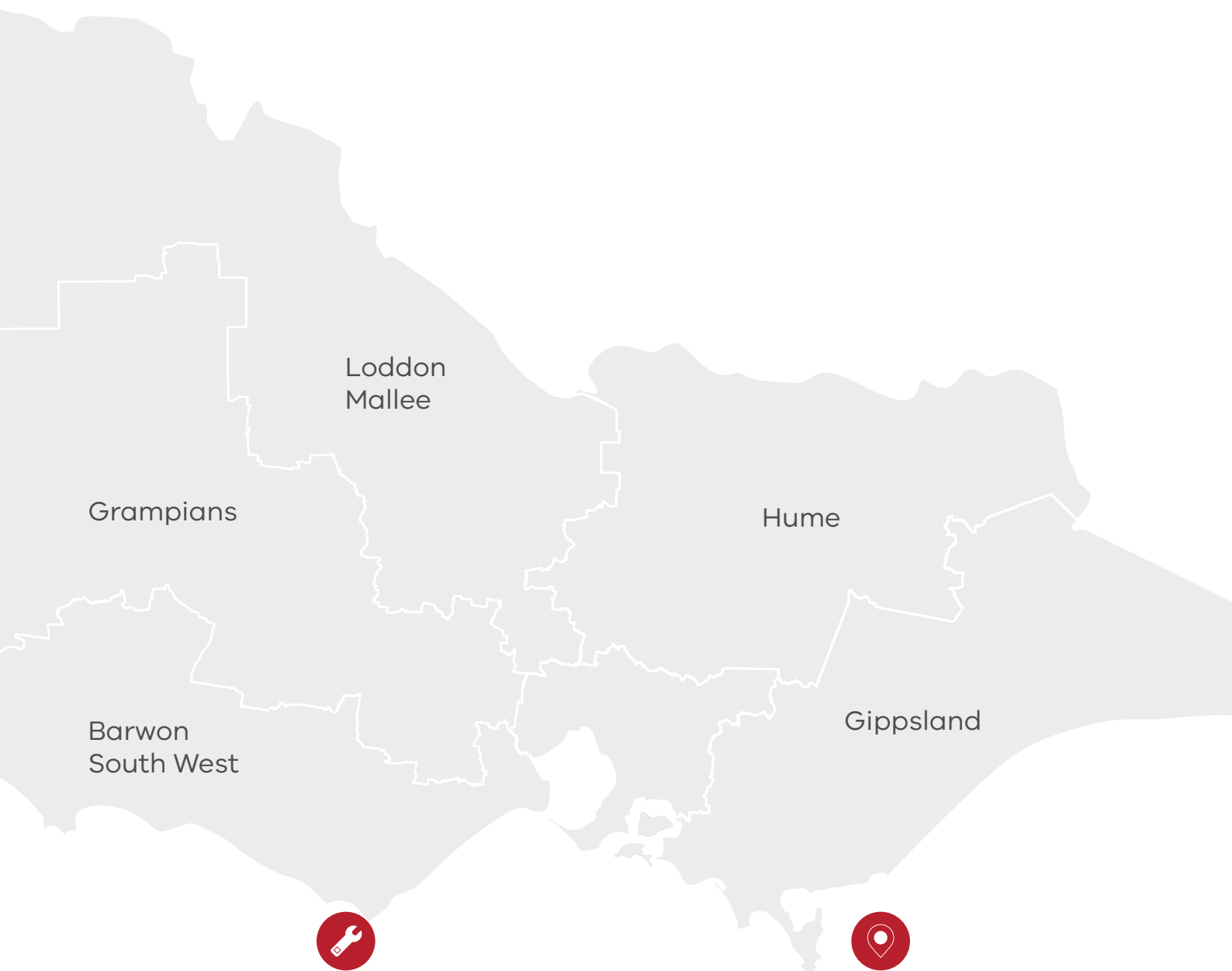
I look forward to continuing this work in 2019-20.

Don Matthews

Local Jobs First Commissioner



Local Jobs First in Regional Victoria 2018–19



6,213 jobs

supported
across
Regional Victoria*

1,306 SMEs

involved in
projects across
Regional Victoria*

* Projects that were completed or commenced in 2018-19

Seven projects either both commenced and completed in the 2018-19 financial year, or status was not provided

Loddon Mallee

- 42 projects
- \$216 million
- 891 jobs supported by projects
- 164 SMEs getting work
- 90% average local content

Grampians

- 37 projects
- \$293 million
- 1,562 jobs supported by projects
- 299 SMEs getting work
- 87% average local content

Barwon South West

- 57 projects
- \$207 million
- 1,423 jobs supported by projects
- 207 SMEs getting work
- 87% average local content

Hume

- 30 projects
- \$152 million
- 848 jobs supported by projects
- 207 SMEs getting work
- 91% average local content

Gippsland

- 51 projects
- \$177 million
- 735 jobs supported by projects
- 334 SMEs getting work
- 93% average local content

These figures include both commenced and completed projects. Specific location information not provided for five Regional projects.

\$846 million

worth of projects commenced
in Regional Victoria

\$380 million

worth of projects completed
in Regional Victoria

81 projects[#]

were completed
in Regional Victoria

134 projects[#]

commenced
in Regional Victoria

132 Standard Projects

AND

2 Strategic Projects

commenced in 2018-19

2. Local Jobs First – outcomes in 2018-19

2.1 Local Content

All Local Jobs First projects require an LIDP that outlines the competitive local components and businesses that will be engaged, providing opportunities for local industry and workers. These local goods and services are referred to as local content.

Local is defined as businesses in Australia and New Zealand producing goods, providing services or construction activity, and when local content has been added to imported items through activities such as assembly or installation.

In 2018-19, 753 projects were registered with the ICN. A total of 2,239 LIDPs were prepared by businesses in bidding for projects. This represents a 37 per cent increase in the number of LIDPs reviewed by ICN over the same period last year.

The successful bidders for projects that commenced in 2018-19 have committed in LIDPs to using an average of 73 cent local content.

The other 27 per cent was found to have been sourced internationally. Products and services not available in the local market may include certain items of computer software, ICT equipment, medical equipment, medical consumables and specialised vehicles and hardware.

2.2 Local Jobs First Standard Projects

Local Jobs First Standard Projects are all projects that meet the minimum value thresholds – \$1 million or more for projects based in regional Victoria, and \$3 million or more in metropolitan Melbourne or with statewide significance.

These projects require tenderers to complete an LIDP that outlines the expected local content to be achieved.

In 2018-19, 332 Standard Projects commenced worth a total of \$2.4 billion, with 132 being delivered in regional Victoria. These projects will provide opportunities for 1,722 local SMEs and support 5,361 jobs.

A total of 220 Standard Projects, valued at over \$1.8 billion, were completed in 2018-19, delivering more than 8,000 jobs, including 1,508 apprenticeships, traineeships and cadetships and providing opportunities for 704 local SMEs. Of these completed projects, 80 were in regional Victoria.

2.3 Local Jobs First Strategic Projects

Local Jobs First Strategic Projects are projects valued at \$50 million or more or as determined by the Minister for Jobs, Innovation and Trade. These projects have minimum local content requirements and other conditions, such as requirements around the use of local steel products, set by the minister on a case-by-case basis to drive economic activity and job outcomes.

All bidders must complete an LIDP that details local content, jobs and other commitments, along with any other industry engagement activities, and demonstrate how these commitments will be met.

As at 30 June 2019, a total of 126 Local Jobs First Strategic Projects had commenced since November 2014, with a combined value of \$65 billion. These projects are expected to deliver an average of 89 per cent local content, provide opportunities for local SMEs and support tens of thousands of jobs.

In 2018-19, the government set local content requirements for 33 Strategic Projects at a minimum average of 92 per cent, worth \$8.1 billion collectively. This includes 10 projects in regional Victoria.

Table 1 sets out the Strategic Projects that have had local content commitments set during 2018-19 and projects that commenced in previous years where delivery is ongoing.

126 Local
Jobs First Strategic
Projects had
commenced since
November 2014,
with a combined
value of \$65 billion

Table 1: Local Jobs First Strategic Projects – status at 30 June 2019

Project	Location	Minimum Local Jobs First requirements %
LOCAL CONTENT SET IN 2018-19		
Alfred Hospital Urgent Infrastructure	Metropolitan Melbourne	92
Avon River Rail Bridge Project	Gippsland Region	94
Bendigo GovHub	Loddon Mallee Region	90
Bendigo Law Courts Development	Loddon Mallee Region	92
Bus Infrastructure Project - Design, Supply, Installation and Maintenance	State-wide	
<i>Construction</i>		95
<i>Maintenance</i>		95
Case Management System Project - Court Services	State-wide	90
Chisholm Road Prison Project	Barwon South-West Region	92 Maximise local steel
Fishermans Bend Secondary School	Metropolitan Melbourne	91
Geelong Convention and Exhibition Centre	Barwon South-West Region	90
Geelong Performing Arts Centre Stage 3 Redevelopment	Barwon South-West Region	90
Gippsland Regional Aquatic and Leisure Centre	Gippsland Region	90 Maximise local steel
Lockerbie Main Sewer	Metropolitan Melbourne	97
M80 Northern Sections (Plenty Rd to Edgars Rd)	Metropolitan Melbourne	95
Marvel Stadium Redevelopment	Metropolitan Melbourne	90
McKinnon Secondary College	Metropolitan Melbourne	92
Monash Freeway (M1) Upgrade - Stage 2	Metropolitan Melbourne	96
Monash Medical Centre - Emergency Department and Traffic Improvement Project	Metropolitan Melbourne	90
New Schools 2020 Program	State-wide	91 Maximise local steel
New Schools 2021 Program	State-wide	91
North East Link Early Works	Metropolitan Melbourne	93
Northern Roads Upgrade Project	Metropolitan Melbourne	
<i>Project</i>		96
<i>Maintenance</i>		98
Safe System Infrastructure Program Towards Zero	State-wide	
<i>Supply of wire rope safety barrier and W-beam guardrail systems</i>		95
<i>Installation and pavement works</i>		97
Safe System Roads Infrastructure Program	State-wide	90
South East Water Reliability Program	Metropolitan Melbourne	
<i>Project</i>		80
<i>Manufacture and supply of pipes</i>		70

Project	Location	Minimum Local Jobs First requirements %
South Eastern Roads Upgrade Project	Metropolitan Melbourne	
<i>Project</i>		96
<i>Maintenance</i>		98
State Basketball Centre Redevelopment	Metropolitan Melbourne	90
State Netball and Hockey Centre Redevelopment	Metropolitan Melbourne	91 Maximise local steel
Technical Advisory Services - Major Road Projects Victoria	State-wide	95
Traralgon Indoor Sports and Entertainment Complex Upgrade	Gippsland Region	91 Maximise local steel
Upper Yarra Reservoir Safety Upgrade	Metropolitan Melbourne	96
Victorian Rail Infrastructure Program - Legal Services	State-wide	98
Warrnambool Line Upgrade	Barwon South-West Region	
<i>Preconstruction and construction</i>		93
<i>Signalling</i>		68
Wonthaggi Hospital Expansion	Gippsland Region	90
STRATEGIC PROJECTS – ONGOING IN 2018-19		
Asbestos Removal Program	State-wide	
<i>Permanent modular school buildings program</i>		90
<i>Asbestos removal and reinstatement program</i>		95 Maximise local steel
Ballarat GovHub	Grampians Region	91 Maximise local steel
Ballarat Line Upgrade	Grampians Region	
<i>Construction</i>		92
<i>Signalling</i>		65 Maximise local steel
Boneo Water Recycling Plant Stage 4 Upgrade	Metropolitan Melbourne	
<i>Design and construction</i>		82
<i>Operations and maintenance</i>		88 Maximise local steel
Casey Hospital Expansion	Metropolitan Melbourne	85
Chandler Highway Upgrade	Metropolitan Melbourne	92
Chisholm Frankston TAFE Redevelopment - Stage 1	Metropolitan Melbourne	93 Maximise local steel
CityLink-Tullamarine Freeway Widening – Bulla Road to Airport	Metropolitan Melbourne	
<i>Construction</i>		95
<i>Signalling</i>		80

Project	Location	Minimum Local Jobs First requirements %
Craigieburn Sewerage Transfer Hub	Metropolitan Melbourne	80
Dame Phyllis Frost Centre Expansion Project	Metropolitan Melbourne	92 Maximise local steel
Drysdale Bypass Project	Barwon South-West Region	96 Maximise local steel
Epping Main Sewer	Metropolitan Melbourne	91 Maximise local steel
Flinders Street Station Redevelopment – Heritage works (Phase 1 and 2)	Metropolitan Melbourne	87
Fulham Correctional Centre Expansion Project	Gippsland Region	92 Maximise local steel
Gippsland Hi-Tech Precinct	Gippsland Region	91 Maximise local steel
Goulburn Valley Health Redevelopment	Hume Region	85 Maximise local steel
Growth Areas School Project	State-wide	91 Maximise local steel
High Capacity Metro Trains - Train Maintenance Depot and Fleet	Metropolitan Melbourne	
<i>Depot</i>		87
<i>Fleet</i>		50
Joan Kirner Women's and Children's Hospital	Metropolitan Melbourne	85
Latrobe Creative Precinct	Gippsland Region	90 Maximise local steel
Level Crossing Removal Project - Melton Highway	Metropolitan Melbourne	93
Level Crossing Removal Project - North Eastern Program Alliance	Metropolitan Melbourne	89
<i>Local steel</i>		100
Level Crossing Removal Project - North Western Program Alliance	Metropolitan Melbourne	
<i>Construction</i>		89
<i>Local steel</i>		100
Level Crossing Removal Project - Package 3 - Caulfield to Dandenong	Metropolitan Melbourne	
<i>Construction</i>		92
<i>Signalling</i>		50
<i>Local steel</i>		100

Project	Location	Minimum Local Jobs First requirements %
Level Crossing Removal Project - Package 5 - Thompsons Road Rail Grade Separation Project (Stage 1)	Metropolitan Melbourne	
<i>Construction</i>		92
<i>Local steel</i>		100
Level Crossing Removal Project - Southern Program Alliance	Metropolitan Melbourne	
<i>Construction</i>		93
<i>Local steel</i>		100
Level Crossing Removal Project - Western Program Alliance	Metropolitan Melbourne	
<i>Construction</i>		93
<i>Local steel</i>		100
M80 Ring Road Upgrade - Princes Freeway to Western Highway	Metropolitan Melbourne	97 Maximise local steel
M80 Ring Road Upgrade - Sunshine Avenue to Calder Freeway	Metropolitan Melbourne	95
Macalister Irrigation District 2030 Phase 1B - Southern Tinamba Modernisation Project	Gippsland Region	
<i>Pipes</i>		70
<i>Installation</i>		97 Maximise local steel
Maintenance of Freeway Integrated Transport System (ITS) Assets and Communications Network Project	Metropolitan Melbourne	
<i>Communication network</i>		70
<i>ITS assets</i>		96 Maximise local steel
Melbourne Convention and Exhibition Centre Expansion	Metropolitan Melbourne	60
Melbourne Metro Tunnel Project - Core Package	Metropolitan Melbourne	84 Maximise local steel
Melbourne Metro Tunnel Project - Early Works	Metropolitan Melbourne	88
Melbourne Metro Tunnel Project - Independent Reviewer	Metropolitan Melbourne	85
Melbourne Metro Tunnel Project - Rail Infrastructure Alliance	Metropolitan Melbourne	96 Maximise local steel
Melbourne Metro Tunnel Project - Rail Systems Alliance - Control Systems & Signalling	Metropolitan Melbourne	65
Melbourne Metropolitan Train Network Project (MR4)	Metropolitan Melbourne	84 Maximise local steel
Melbourne Metropolitan Tram Network Project (MR4)	Metropolitan Melbourne	83 Maximise local steel
Melbourne Park Redevelopment - Stage 3	Metropolitan Melbourne	90
Melbourne Park Redevelopment Stage 2 – Rod Laver Arena Refurbishment	Metropolitan Melbourne	82

Project	Location	Minimum Local Jobs First requirements %
Melbourne Underground Rail Loop Fire and Life Safety Upgrade – Stage 2	Metropolitan Melbourne	70 Maximise local steel
Metropolitan Bus Project	Metropolitan Melbourne	
<i>Bus assets</i>		60
<i>Bus operations</i>		86
Metropolitan Road Assets Maintenance Services	Metropolitan Melbourne	98 Maximise local steel
Mordialloc Freeway	Metropolitan Melbourne	96 Maximise local steel
Murray River Crossing Echuca-Moama Bridge	Loddon Mallee Region	
<i>Murray Valley Highway/Warren Street roundabout</i>		94
<i>Warren Street upgrade</i>		92
<i>Main bridge crossing</i>		93 Maximise local steel
New Schools Public Private Partnership (PPP)	State-wide	90
New Victoria Police Centre	Metropolitan Melbourne	82
New Youth Justice Centre – Cherry Creek	Metropolitan Melbourne	90 Maximise local steel
Northern Hospital Stage 2 – Inpatient Expansion Project	Metropolitan Melbourne	90 Maximise local steel
O'Herns Road–Hume Freeway Interchange Project	Metropolitan Melbourne	96 Maximise local steel
Orygen Youth Health Development	Metropolitan Melbourne	90 Maximise local steel
Parkville and Malmsbury Youth Justice Expansion Project	Metropolitan Melbourne	92 Maximise local steel
Penguin Parade Visitor Centre Redevelopment	Gippsland Region	89 Maximise local steel
Personal Alert Victoria	State-wide	85
Plenty Road Upgrade – Stage 2 (South Morang)	Metropolitan Melbourne	97 Maximise local steel
Police Assistance Line and Online Reporting	State-wide	98
Police Aviation Capability Program	State-wide	85
Princes Highway East Duplication – Stage 2 – Traralgon to Sale (Nambrok Stage)	Gippsland Region	95

Project	Location	Minimum Local Jobs First requirements %
Princes Highway East Duplication – Stage 3 – Traralgon to Sale	Gippsland Region	91
Princes Highway West Duplication - Section 2 - Armytage to Warncoort	Barwon South-West Region	95
Princes Highway West Duplication - Section 3 - Warncoort to Colac East	Barwon South-West Region	96 Maximise local steel
Public Housing Renewal Program Stage 1	Metropolitan Melbourne	91 Maximise local steel
Route 96 Accessible Tram Stop Upgrade	Metropolitan Melbourne	91 Maximise local steel
Safe System Road Infrastructure Program - Pedestrian and Bicyclist	State-wide	95 Maximise local steel
Safe System Road Infrastructure Program - Road Departure Barriers	State-wide	
<i>Wire rope barrier and w-beam guardrail system</i>		95
<i>Pre and installation works</i>		97
Shepparton Law Courts Redevelopment	Hume Region	85
South-West Loddon Rural Pipeline Project	Loddon Mallee Region	
<i>Stage 1</i>		88
<i>Stage 2</i>		87
<i>Stage 3</i>		86 Maximise local steel
State Library of Victoria Redevelopment	Metropolitan Melbourne	80
Streamlining Hoddle Street	Metropolitan Melbourne	95 Maximise local steel
Thompsons Road, Cranbourne Road Duplication Project - Stage 2	Metropolitan Melbourne	91
Ticketing Services Retender	Metropolitan Melbourne	70
Victorian Heart Hospital	Metropolitan Melbourne	
<i>Design services</i>		99
<i>Engineering services</i>		98
<i>Construction</i>		90 Maximise local steel
Victorian Rail Infrastructure Program Technical and Financial Advisory Services	State-wide	
<i>Technical services</i>		96
<i>Commercial and financial advisory services</i>		98

Project	Location	Minimum Local Jobs First requirements %
Victorian Renewable Energy Auction	State-wide	
<i>Projects</i>		64
<i>Operations phase</i>		90
<i>Local steel</i>		90
VLocity 2018 Trains	Metropolitan Melbourne	65
West Gate Tunnel Project	Metropolitan Melbourne	
<i>Project</i>		89
<i>Lane use management system</i>		82
		Maximise local steel
Western Highway Duplication - Section 2B - Buangor to Ararat	Grampians Region	95
Western Suburbs Road Package - Construction and Roads Infrastructure Independent Reviewer	Metropolitan Melbourne	
<i>Construction</i>		92
<i>Maintenance</i>		93
<i>Independent reviewer</i>		96
Western Treatment Plant - Treatment Capacity Upgrade (Stage 2 Augmentation Project)	Metropolitan Melbourne	80
Western Water Engineering Services	Metropolitan Melbourne	92
X'Trapolis 2018 Metropolitan Trains	Grampians Region	43.6
Yan Yean Road Upgrade Project	Metropolitan Melbourne	95
		Maximise local steel

2.4 Local Jobs First Strategic Projects – completed

During 2018-19, three Local Jobs First Strategic Projects were completed worth a total value of \$610 million. These projects delivered an average of 94 per cent local content, provided opportunities for 42 local SMEs, supported 890 local jobs and 157 apprenticeships, traineeships and cadetships.

This brings the total to 13 Local Jobs First Strategic Project completed since November 2014, worth a combined value of \$2.8 billion. These 13 projects have delivered a local content average of 94.4 per cent, supporting 4,606 jobs and 411 apprenticeships, traineeships and cadetships.

Table 2 sets out all the Local Jobs First Strategic Projects that have been completed along with the local content commitments and achievements since November 2014.

Table 2: All completed Local Jobs First Strategic Projects since November 2014, as at 30 June 2019

Project	Location	Completed	Local Jobs First commitments %	Local Jobs First achievements %
Level Crossing Removal Project – Package 1 [#]	Metropolitan Melbourne	2016-17		
<i>Local content</i>			93.9	95.8
<i>Local steel</i>			100	100
Level Crossing Removal Project – Package 2	Metropolitan Melbourne	2016-17		
<i>Local content</i>			94.7	95.7
<i>Local steel</i>			100	100
Level Crossing Removal Project – Package 4	Metropolitan Melbourne	2016-17		
<i>Local content</i>			94.8	97.3
<i>Local steel</i>			100	100
Bendigo Hospital [#]	Loddon Mallee Region	2017-18		
<i>Local content</i>			90	90
Calder Highway (Ravenswood) Interchange*	Loddon Mallee Region	2017-18		
<i>Local content</i>			95.1	97.5
Latrobe Regional Hospital	Gippsland Region	2017-18		
<i>Local content</i>			85	85.4
Monash Freeway Upgrade Stage 1	Metropolitan Melbourne	2017-18		
<i>Construction local content</i>			95	96.5
<i>Lane use management system local content</i>			88	89.9
Princes Highway West Duplication- Winchelsea to Armtage (Section 1)	Barwon South West Region	2017-18		
<i>Local content</i>			97.3	100
West Gate Distributor – Northern Section Stage 1	Metropolitan Melbourne	2017-18		
<i>Local content</i>			94.6	95.5
<i>Local steel</i>			100	100
Werribee Mercy Hospital Stage 1C	Metropolitan Melbourne	2017-18		
<i>Local content</i>			85	87.9
Mernda Rail Extension Project	Metropolitan Melbourne	2018-19		
<i>Local content</i>			92	97
Provision of Managed Services to HealthSMART	State-wide	2018-19		
<i>Local content</i>			85	85
Safe System Road Infrastructure Program	State-wide	2018-19		
<i>Local content</i>			90	99

[#]Commenced prior to November 2014

*96% minimum local content requirement set by government, but only committed to 95.1% in LIDP

2.5 Local Jobs First – Major Projects Skills Guarantee

Since its introduction in 2016, the MPSG has been applied to 116 projects worth collectively more than \$63.6 billion, which have committed to more than 4 million contracted hours for 3,700 apprenticeships, traineeships and cadetships. This includes 24 regional projects that have committed more than 250,000 hours to 145 apprenticeships, traineeships and cadetships.

2.6 Grants

Victorian Government grants that meet the monetary thresholds are also required to apply Local Jobs First to ensure that procurement activities consider local businesses.

Recipients of grants must engage with the ICN to discuss opportunities for local SME inclusion on the grant activity. An Interaction Reference Number confirming engagement is issued by the ICN and must be submitted by the grant recipient to the funding government department or agency to demonstrate that local businesses were considered.

During 2018-19, a total of 46 grants were registered with the ICN.

MPSG has
been applied
to 116 projects
worth collectively
more than
\$63.6 billion

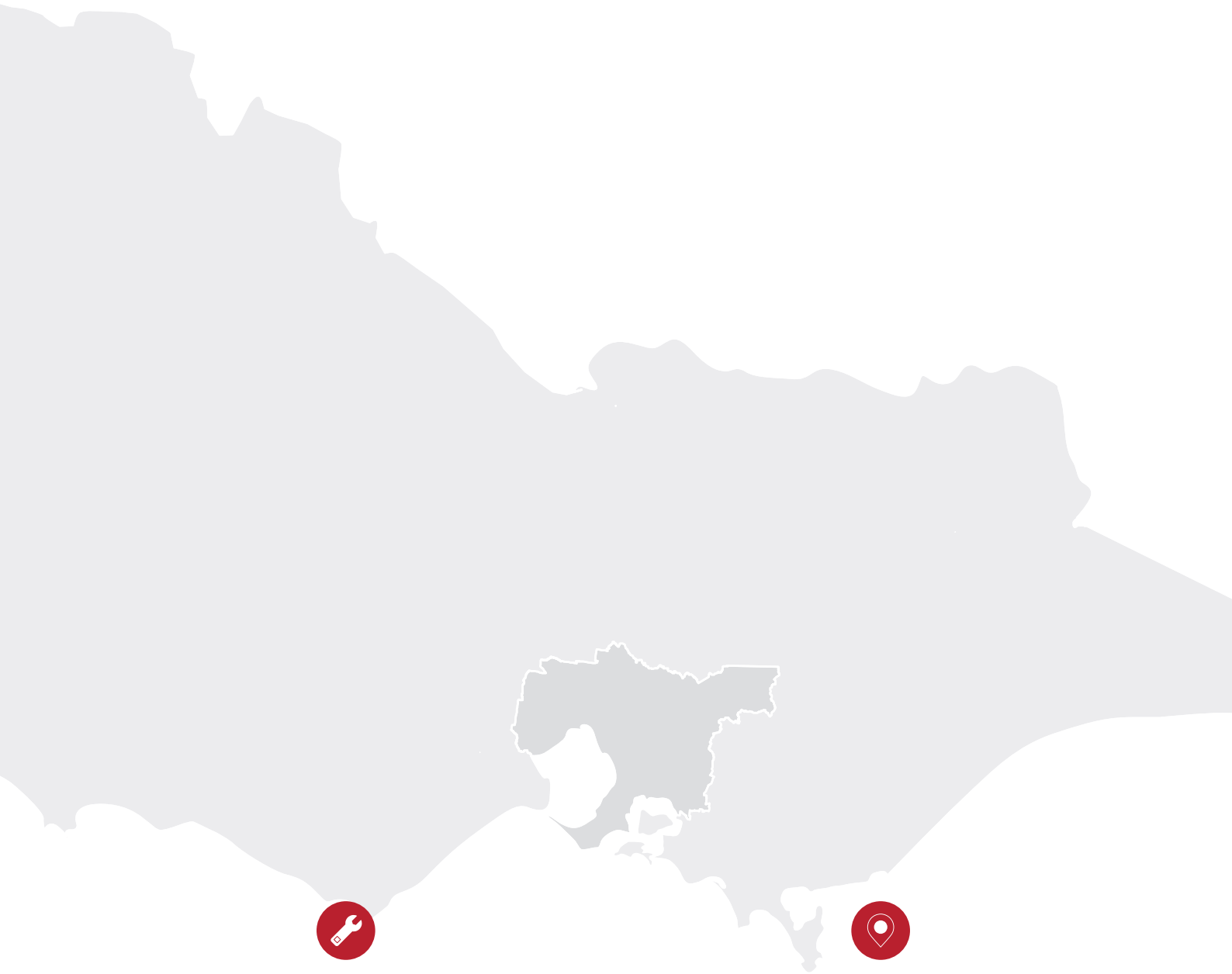


Britex is a Victorian manufacturer that was part of the supply chain for the Victorian New Schools PPP Local Jobs First Strategic Project. Britex manufactured and installed various custom fabricated stainless-steel fixtures such as water fountains, laboratory sinks and toilets.

The schools that benefited from these locally manufactured products include Point Cook South Prep – Year 9, Epping North Primary School, Pakenham South West Primary School and Heather Grove Primary School.

(Photo credit: Brave)

Local Jobs First Statewide 2018–19



\$707 million

of statewide projects
that were completed
in 2018–19

\$1.5 billion

of statewide projects
that commenced
in 2018–19

* Projects that were completed or commenced in 2018–19

1,572 jobs

supported by statewide projects

119 SMEs

getting work thanks to statewide projects

59%

is the average local content
for statewide projects

100 projects

that were statewide*

33 Statewide

Standard Projects

— AND —

1 Statewide

Strategic Project
were completed in 2018-19

60 Statewide

Standard Projects

— AND —

6 Statewide

Strategic Projects
commenced in 2018-19

3. Local Jobs First – compliance

3.1 Engagement and awareness

The commencement of the new Act in August 2018 has enabled a stronger Local Jobs First compliance framework. The Local Jobs First Commissioner has been actively ensuring compliance with Local Jobs First, engaging government departments and agencies, and local businesses to ensure agreed commitments are met.

Throughout 2018-19, DJPR and the Local Jobs First Commissioner increased awareness of Local Jobs First through organising seven Local Jobs First forums for suppliers and agencies and presenting at other organisation's events around Victoria on a regular basis.

With the significant increase in the number and type of Local Jobs First applicable projects, the ICN has reported a large increase in engagement activities with local SMEs, departments and agencies on the implementation of Local Jobs First, including project assessments and LIDP acknowledgements.

ICN also delivered eight project related briefing sessions and hosted three regional showcases during 2018-19, connecting more Victorian businesses to government project opportunities. Events were held in metropolitan Melbourne and regional cities such as Shepparton, Bendigo and across Gippsland.

3.2 Compliance reporting

There was improvement in reported compliance by departments and agencies compared to 2017-18.

Overall, agencies reported three non-compliant projects or grants in 2018-19, compared to six in 2017-18, 26 in 2016-17, 28 in 2015-16 and 125 in 2014-15.

Thirty project audits will be undertaken by DJPR in 2019-20, helping to inform future improvements of Local Jobs First.

The Act provides the Local Jobs First Commissioner with specific compliance functions. A robust and transparent compliance framework was established in 2018-19.

The Local Jobs First Commissioner did not make any recommendations to the Minister for Jobs, Innovation and Trade to issue any Adverse Publicity Notices in accordance with section 29 of the Act during 2018-19.



**Gippsland Hi-Tech Precinct:
Regional Local Jobs First
Strategic Project**

The Gippsland Hi-Tech Precinct will be a centre for research, business incubation, new product development, start-up support, plus education and training.

The new Innovation Centre will incorporate creative and innovative spaces to promote design thinking and practice. It will support the growth of local industry and play an important role in supporting the expansion of the region's growth sectors – health, food and fibre, advanced manufacturing and new energy.

(Photo credit: Latrobe Valley Authority)

COVER IMAGE

Viscount Rotational Mouldings, a local Carrum Downs based manufacturer, has developed new innovative noise walls that have been used on the Monash Freeway Redevelopment and the Caulfield to Dandenong Level Crossing Removal Project Local Jobs First Strategic Projects.

The new noise walls have a lower carbon footprint than traditional concrete walls, made from locally supplied resins and are fully recyclable at end of life.

Photo credit: Pact Group

DISCLAIMER

This publication may be of assistance to you, but the State of Victoria and its employees do not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

While every effort has been made to ensure the currency, accuracy or completeness of the content we endeavour to keep the content relevant and up to date and reserve the right to make changes as require. The Victorian Government, authors and presenters do not accept any liability to any person for the information (or the use of the information) which is provided or referred to in the report.

Authorised by the Victorian Government
Department of Jobs, Precincts and Regions

121 Exhibition St, Melbourne Victoria 3000

Telephone: 13 22 15

Prepared under section 10
of the *Local Jobs First Act 2003*

November 2019

© State of Victoria 2019

Unless indicated otherwise, this work is made available under the terms of the Creative Commons Attribution 3.0 Australia Licence.

To view a copy of this licence, visit
creativecommons.org/licenses/by/3.0/au.

It is a condition of this Creative Commons Attribution 3.0 Licence that you must give credit to the original author who is the State of Victoria.

This document is available in PDF
and accessible Word format at
localjobsfirst.vic.gov.au

 **LOCAL JOBS FIRST**

 **VICTORIA**
State
Government