

Local Jobs First Policy Updates

Summary of key changes - October 2022

The *Local Jobs First Policy, Agency Guidelines and Supplier Guidelines* have been updated and refreshed to strengthen policy outcomes and simplify application for agencies and industry.

Theme	Key changes
Major Projects Skills Guarantee (MPSG)	<ul style="list-style-type: none">• New MPSG Policy Statement now available, to complement the Local Jobs First Policy (LJF). The MPSG Policy Statement describes MPSG’s core purpose, how it works, and how it benefits workers and industry and interacts with other policies.• Approach to calculating the minimum MPSG requirement for all new MPSG projects is being simplified from 31 January 2023. From this date, contractors will no longer be required to use the Deemed Hours Formula to estimate labour hours when bidding for MPSG projects.• Updated definitions of apprentices, trainees and cadets clarify who can be counted towards MPSG:<ul style="list-style-type: none">- MPSG is for entry level roles only- Work must be directly tied to their associated tertiary qualification- Professional traineeships cannot count towards MPSG• Clarified guidance for how hours worked off-site to deliver inputs to a project, such as prefabricated or modular components, can count towards the MPSG requirement. Bidders are encouraged to contact their off-site suppliers to understand their apprentice, trainee and cadet use on the project.
Grants and loans	<ul style="list-style-type: none">• Expanded guidance for LJF application to grants and loans.• Highlighted that LJF applies to grants to local governments.• Clarified that grant or loan recipients are considered as suppliers for LJF purposes.• Clarified that grants and loans with a state contribution of \$50 million or above may be treated as Strategic Projects and agencies must first contact DJPR to confirm how LJF will apply.

Panels (including sole supplier standing offer contracts)	<ul style="list-style-type: none"> • Panels guidance expanded to better explain types of panels including State Purchase Contracts (SPCs) and Sole Entity Purchase Contracts (SEPCs). • Updated process for applying LJF when an agency is establishing or renewing an SPC or SEPC and the estimated or historical contract spend meets the LJF thresholds: <ul style="list-style-type: none"> – Agency must consult with the Department of Jobs Precincts and Regions (DJPR) prior to contract establishment / market approach to determine how LJF will apply – This includes SPCs or SEPCs where the contract may be awarded to a sole supplier – DJPR may advise that the contract should follow the LJF Standard or Strategic Project process, including preparation of a Local Industry Development Plan.
Local Jobs First Administrators	<ul style="list-style-type: none"> • Updated description of the LJF Administrator role. • Functions of the LJF Administrator role are expanded to include: <ul style="list-style-type: none"> – Championing LJF application within the agency and providing general information on the policy – Acting as a coordination point for LJF communications – Supporting project teams with LJF processes including market approaches and contracting, if deemed appropriate by the agency • Areas of confusion are clarified, including which functions an agency's Chief Procurement Officer must perform.
Local sourcing changes on Strategic Projects	<ul style="list-style-type: none"> • Reflected new process for agencies and suppliers to follow where proposed changes to local sourcing compared to commitments made in Local Industry Development Plans, including the requirement to inform the Industry Capability Network (Victoria) and DJPR if there has been a significant diversion (introduced in June 2022).
Other	<p>Other clarifications to address areas of confusion, including reporting requirements and timeframes, Local Industry Development Plan submission process and scoring guidance, market led proposals, and inclusion of Statutory Declaration template.</p>

Updated *Local Jobs First Policy, Agency Guidelines and Supplier Guidelines* and other supporting documents including FAQs are available now on the [Local Jobs First website](#).