

LOCAL JOBS FIRST

ANNUAL REPORT
2019–20



Local Jobs First at a glance

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

160 Strategic Projects*,
worth **\$87.6 billion**

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



Supported **4,049** local jobs



Covered **\$2.1 billion** of projects



Applied to **254** projects



Provided **5,441** opportunities
for SMEs on projects

In metropolitan Melbourne, the Local Jobs First Policy[#]



Supported **5,796** local jobs



Covered **\$4.3 billion** of projects



Applied to **236** projects



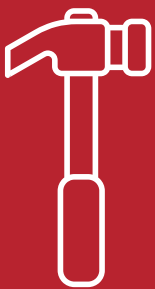
Provided **7,204** opportunities
for SMEs on projects

* Project value greater than \$50 million, to 30 June 2020

[#] Projects that commenced or were completed in the 2019–20 financial year

In 2019-20, **335 projects**
covered by Local Jobs First commenced,
239 were completed

Local Jobs First projects that
commenced in 2019-20 supported
6,902 jobs
10,627 opportunities
for SMEs and
1,528 opportunities
for apprentices, trainees and cadets[†]



90%

Average Local Content Committed for
projects that commenced in 2019-20

81%

Average Local Content Achieved for
projects that were completed in 2019-20

[†] Note that these figures include statewide projects. For further detail see page 24-25



CASE STUDY:

State Netball and Hockey Centre (SNHC) Redevelopment

Aimed at increasing women's participation in the construction industry, Kane Constructions and Development Victoria launched the 'Building Opportunities for Women in Construction' initiative at Parkville's State Netball and Hockey Centre Redevelopment – a Local Jobs First Strategic Project.

By June 2020, over 26,000 hours on the redevelopment project had been worked by women in a variety of roles including management, designers, contributing roles and trade. This represented just over 22 percent of all the hours worked on the project.

Information sessions, run by women working on the project, aim to show construction as a viable career path for girls and young women, as well as provide insights about pathways into the industry for those considering apprenticeships, traineeships and cadetships.



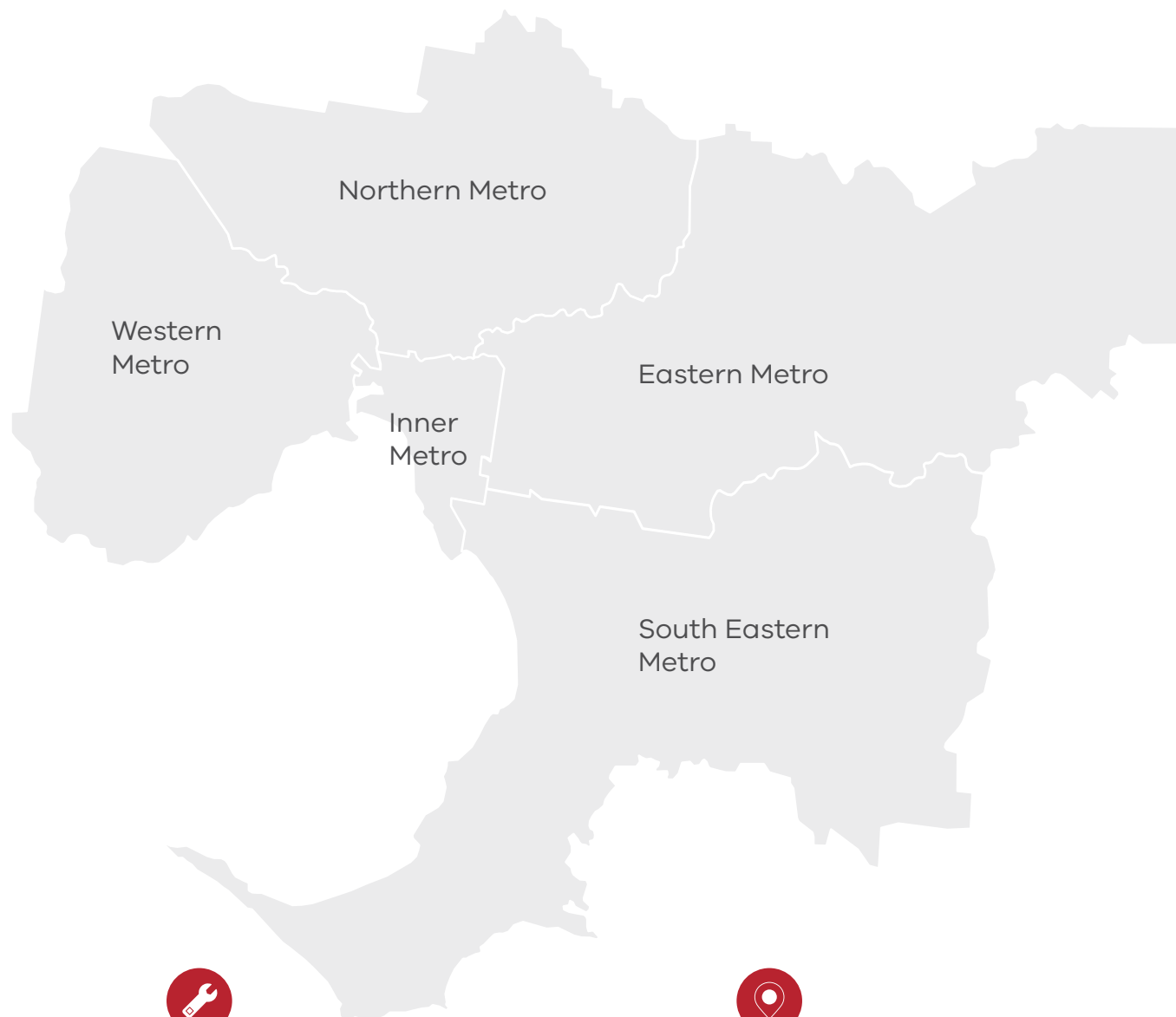
Minister Pakula visits the State Netball and Hockey Centre (SNHC) redevelopment site in Parkville, August 2019

Photo credit:
Kane Constructions /
HiVis Pictures

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Local Jobs First in metropolitan Melbourne 2019-20



5,796 jobs

supported
across
metropolitan
Melbourne



7,204

opportunities
for SMEs on
metropolitan
Melbourne
projects

Northern Metro

- 48 projects
- \$1.1 billion
- 1,362 jobs supported by projects
- 1,536 opportunities for SMEs
- 91% average local content

Inner Metro

- 77 projects
- \$960 million
- 1,291 jobs supported by projects
- 1,980 opportunities for SMEs
- 86% average local content

Eastern Metro

- 43 projects
- \$392 million
- 902 jobs supported by projects
- 973 opportunities for SMEs
- 92% average local content

Western Metro

- 25 projects
- \$171 million
- 644 jobs supported by projects
- 763 opportunities for SMEs
- 92% average local content

South Eastern Metro

- 43 projects
- \$1.7 billion
- 1,597 jobs supported by projects
- 1,952 opportunities for SMEs
- 90% average local content

The figures above include both commenced and completed projects. SME numbers include businesses in a project's supply chain.

\$3.2 billion

worth of projects commenced in metropolitan Melbourne

\$1.1 billion

worth of projects completed in metropolitan Melbourne

158 projects

commenced in metropolitan Melbourne

147

Standard Projects

AND

11

Strategic Projects

commenced in 2019-20

78 projects

completed in metropolitan Melbourne

74

Standard Projects

AND

4

Strategic Projects

completed in 2019-20

Minister's Foreword



On behalf of the Victorian Government, I am pleased to present the 2019-20 Local Jobs First Annual Report.

The Victorian Government is strengthening opportunities for local businesses and workers to benefit from our record infrastructure spending.

Harnessing the government's buying power to deliver local industry outcomes has never been more critical, as Victoria navigates the challenges presented by the COVID-19 global pandemic.

The Local Jobs First Policy requires tenders for all Victorian Government projects valued at \$1 million or more in regional Victoria or \$3 million or more in metropolitan Melbourne to identify local content to be used on projects. For Strategic Projects valued at or above \$50 million, a minimum local content requirement is also set, driving greater opportunities for local industries.

Through this policy, local content planning is embedded in the tender process, ensuring bidders work in close collaboration with the Industry Capability Network (ICN) to demonstrate how the project can drive industry development and job outcomes.

Looking back on the past year, I am pleased to report that requirements were set for 34 Strategic Projects valued at over \$22.6 billion, which will deliver an average of 90 per cent local content. This represents a \$14.5 billion increase in the value of new Strategic Projects, compared to the previous year.

Additionally, 2019-20 saw 233 Standard Projects completed. Worth a total value of \$1.8 billion, these completed Projects supported more than 6400 jobs.

The Major Projects Skills Guarantee (MPSG) is ensuring that apprentices, trainees and cadets are provided an opportunity to work on Victoria's biggest infrastructure projects, with more than 3 million hours completed by apprentices, trainees and cadets to date on applicable projects.

In June 2020 we introduced changes to the Local Jobs First Policy to improve ease of use and encourage smaller businesses and sole traders to apply for government contracts across construction, goods and services. Ensuring compliance with the Local Jobs First Policy will get the best results for Victorian businesses and employees going forward.

I would like to thank the Local Jobs First Commissioner, Don Matthews, for continuing to advocate on behalf of businesses, workers, apprentices, trainees and cadets on government procurement matters and ensuring that suppliers uphold their local content and jobs commitments.

The Victorian Government is committed to providing certainty for industry and confidence for Victorians about government investments. Local Jobs First will help to drive new economic activity and jobs with hundreds of new projects supported across the state through the \$2.7 billion Building Works stimulus package announced in May 2020.

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

The Hon. Martin Pakula MP
Minister for Industry Support and Recovery

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 legislation requires 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 2019-20 financial year. It reflects the available data provided by departments and agencies for the financial year.

The Act is administered by 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, DJPR 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 Policy

Local Jobs First 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.

The Local Jobs First Policy is mandatory and must be applied by all Victorian Government departments and agencies as well as contractors supplying into projects that fall within the scope of the Policy.

Local Jobs First 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 Industry Support and Recovery.

Local Jobs First also comprises the Major Projects Skills Guarantee (MPSG), a workforce development policy that is designed to ensure job opportunities for apprentices, trainees and cadets on Victorian Government construction projects. The 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.

1.3. Local Jobs First Policy – 2020 Policy Update

The Local Jobs First Policy was updated on 1 June 2020 to ensure ease of use for suppliers and encourage participation on government projects across construction, goods and services. The most important changes were improvements to the administration of Local Industry Development Plans (LIDPs), an evaluation requirement on all Local Jobs First applicable projects. This included introducing an online LIDP system, with questions customised to each project, and providing consistency for all agencies and supplier contracts by removing LIDP exemption provisions. The changes also prepared for the transition to a new reporting system through the Victorian Local Jobs First Management Centre (VMC), which is planned for 2020-21.

A full list of changes to the Policy and supporting documents can be found at localjobsfirst.vic.gov.au/news/news-items/policy-enhancements

1.4. 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 the Policy.

The ICN plays a key role in liaising with Victorian Government departments, agencies and industry by providing support to businesses to complete their LIDPs. The ICN also supports the link between principal contractors and local SMEs.

The ICN engages with local SMEs in a number of ways, including meetings 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.

Additional funding to the ICN has been made to resource the application of Local Jobs First Policy requirements to the Building Works infrastructure stimulus package.

1.5. Local Jobs First Commissioner

The Local Jobs First Commissioner champions 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.

The Local Jobs First Commissioner's responsibilities and functions are applicable to all projects from 16 August 2018 onwards. Don Matthews was appointed as the inaugural Commissioner in October 2018 and was re-appointed to the role in December 2019 until May 2023.

The Local Jobs First Local Industry Development Plan was updated on 1 June 2020 to ensure ease of use

1.5.1. Message from the Local Jobs First Commissioner

It has no doubt been a difficult year for industries across the board as we adjusted to the new working norms during COVID-19.

During this time, I continued my advocacy work meeting digitally with an array of stakeholders from across local industry, unions, government departments and industry associations.

The main focus of the Office this year was to engage with different sectoral groups across industry and identify specific issues relating to government procurement in the different sectors, including ways those issues may be addressed.

One particular issue that has been at the forefront through my interactions, is the substitution of locally manufactured goods by offshore products.

Victoria has outstanding capabilities to manufacture and offer similar products like those offered offshore. As such, I have engaged with several government departments, agencies and contractors to highlight this issue including the capacity and capabilities of the local industry.

As Victoria's inaugural Local Jobs First Commissioner, I will continue to advocate for the use of Victorian goods and services on government procurement projects.

We all have a role to play in supporting Victorian SMEs and local industry, and this starts with all layers of the supply chain including agencies and head contractors.

As well as our advocacy and engagement functions, we are also ensuring agencies and head contractors are compliant with the Local Jobs First policy through our monitoring and compliance functions. Rather than viewing compliance as a simple tick in the box, we see it as an opportunity to have significant positive benefits on business operations whilst increasing local business participation in government procurement.

Our ongoing audit program will also highlight areas for improvement, which will no doubt further strengthen our monitoring and compliance functions, providing more transparency whilst ensuring contractors and SMEs are adhering to their contractual obligations while meeting local content targets.

I will continue to support, work together and advocate on behalf of the local industry whilst ensuring Local Jobs First compliance obligations are met; as well as continue to work with the department to strengthen the Local Jobs First policy – together we will continue to strengthen Victoria's local industry.



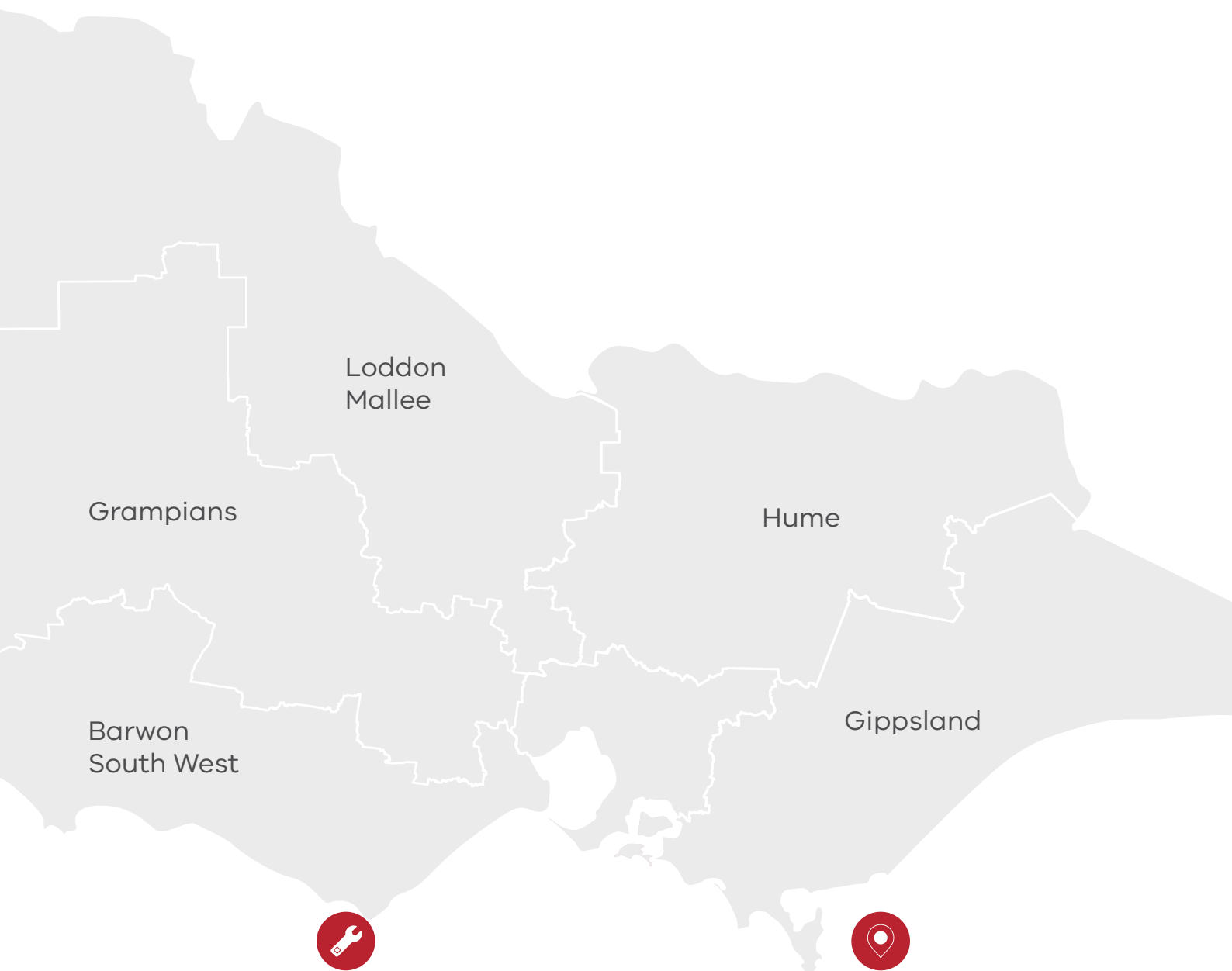
Don Matthews,
Local Jobs First Commissioner



▲
Local Jobs First
Commissioner visits
Armstrong flooring
in Braeside

Photo credit:
Local Jobs First
Commissioner's Office

Local Jobs First in regional Victoria 2019-20



4,049 jobs

supported
across
regional Victoria



5,441

opportunities for
SMEs to get involved
on projects across
regional Victoria

Loddon Mallee

- 54 projects
- \$474 million
- 680 jobs supported by projects
- 1,350 opportunities for SMEs
- 93% average local content

Grampians

- 37 projects
- \$199 million
- 412 jobs supported by projects
- 630 opportunities for SMEs
- 90% average local content

Barwon South West

- 49 projects
- \$522 million
- 1,454 jobs supported by projects
- 1,317 opportunities for SMEs
- 86% average local content

Hume

- 55 projects
- \$441 million
- 751 jobs supported by projects
- 1,109 opportunities for SMEs
- 91% average local content

Gippsland

- 59 projects
- \$481 million
- 752 jobs supported by projects
- 1,035 opportunities for SMEs
- 92% average local content

The figures above include both commenced and completed projects. SME numbers include businesses in a project's supply chain.

\$1.37 billion

worth of projects commenced
in regional Victoria

\$745 million

worth of projects completed
in regional Victoria

123 projects

completed in regional Victoria
(all Standard Projects)

131 projects

commenced
in regional Victoria

125 Standard Projects

AND

6 Strategic Projects

commenced in 2019–20

2. Local Jobs First – Outcomes in 2019-20

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 2019-20, 959 projects were registered with the ICN. A total of 3356 LIDPs were prepared by businesses in bidding for projects. This represents a 54 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 2019-20 have committed in LIDPs to using an average of 91 per cent local content.

2.2. Local Jobs First Standard Projects

Local Jobs First Standard Projects are 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.

Overall, in 2019-20, 317 Standard Projects commenced worth a total of \$2.1 billion, with 125 being delivered in regional Victoria. These projects will provide opportunities for 7097 local SMEs and support 4287 jobs.

A total of 233 Standard Projects, valued at \$1.8 billion, were completed in 2019-20, delivering more than 6400 jobs, including 1000 apprenticeships, traineeships and cadetships and providing opportunities for 3380 local SMEs. Of these completed projects, 123 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 Industry Support and Recovery. 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 2020, a total of 160 Local Jobs First Strategic Projects had commenced since November 2014, with a combined value of \$87.6 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 2019-20, the government set local content requirements for 34 Strategic Projects at a minimum average of 90 per cent, worth over \$22.6 billion collectively. This includes 11 projects in regional Victoria.



CASE STUDY:

Ballarat GovHub: Regional Local Jobs First Strategic Project

The ICN collaborated closely with all relevant stakeholders throughout the life cycle of the Ballarat GovHub project to ensure that local businesses were given full, fair and reasonable opportunity to get engaged with this important investment for the region. This included providing dedicated support to each bidder during the tendering process and ongoing engagement with successful tenderer, local industry and the local supply chain. This has resulted in contracts being awarded to businesses from Ballarat, Colac, Geelong and Bendigo as well as those in Melbourne.

With industry advisers based throughout regional Victoria, the ICN is well placed to support regional businesses looking to engage with government procurement. Annual regional project showcases bring together project proponents, government agencies, other support organisations and local industry in a forum that is aimed at providing opportunities for engagement. These have resulted in increased opportunities for SMEs on other projects such as Goulburn Valley Hospital, Bendigo City Campus Revitalisation and Chisholm Road Prison.



Ballarat GovHub site
during construction

Photo credit:
Nicholson Construction

Table 1 sets out the Strategic Projects that have had local content commitments set during 2019-20 and projects that commenced in previous years where delivery is ongoing. Please refer to the Local Jobs First website for full project details at localjobsfirst.vic.gov.au/projects/strategic-projects.

Table 1: Local Jobs First new and ongoing Strategic Projects – status at 30 June 2020

Project and Local Jobs First requirements	Minimum local content %	Location
STRATEGIC PROJECTS – LOCAL CONTENT SET IN 2019-20		
Asset Maintenance Services Contract	96	Metropolitan Melbourne
Barwon Prison (Prison Infill Expansion Program)	90	Barwon South-West Region
Broderick Road Large Stockpile Waste Removal Project	97	Barwon South-West Region
Cairnlea Mixed Use Development	90	Metropolitan Melbourne
County Court PPP Contract Renewal Project		Metropolitan Melbourne
<i>Operations and maintenance</i>	80	
<i>Capital Works</i>	90	
Dame Phyllis Frost Centre Expansion	92	Metropolitan Melbourne
East Grampians Pipeline Project		Grampians Region
<i>Main trunk backbone, pump stations and storages</i>	80	
<i>Distribution mains, including project management</i>	98	
Fitzroy Gasworks Secondary School and Indoor Sports Centre	91	Metropolitan Melbourne
Gippsland and Bendigo Line Upgrades		Gippsland and Loddon Mallee Regions
<i>Construction</i>	96	
<i>Signalling</i>	68	
Greater Shepparton College	91	Hume Region
Hobsons Bay Main Yarra Sewer Crossing Duplication – Design Stage	97	Metropolitan Melbourne
Hopkins Correctional Centre (Prison Infill Expansion Program)	90	Grampians Region
ICT Managed Services	80	Statewide
Kardinia Park Stage 5 Redevelopment	91	Barwon South-West Region
Landfill Services Project	97	Metropolitan Melbourne
Latrobe Regional Hospital Redevelopment – Stage 3A	90	Gippsland Region
Marngoneet Correctional Centre (Prison Infill Expansion Program)	90	Barwon South-West Region
Melbourne Arts Precinct Transformation	90	Metropolitan Melbourne
<i>Designers, including but not limited to architects, engineers and other specialists, must endeavour to specify locally developed and manufactured materials, products and technology to avoid designing out local suppliers as far as possible.</i>		
Melbourne Water Professional Engineering Services	92	Metropolitan Melbourne
Metropolitan Remand Centre (Prison Infill Expansion Program)	90	Metropolitan Melbourne
Middleton Prison (Prison Infill Expansion Program)	90	Loddon Mallee Region

Project and Local Jobs First requirements	Minimum local content %	Location
New Footscray Hospital		Metropolitan Melbourne
Overall project including but not limited to, design, construction, furniture, fixtures and equipment	90	
Operation and maintenance phase	80	
Designers, including but not limited to architects, engineers and other specialists, must endeavour to specify locally developed and manufactured materials, products and technology to avoid designing out local suppliers as far as possible.		
New Schools 2022 Program	92	Statewide
North East Link		Metropolitan Melbourne
Project development activities	90	
Maintenance activities	90	
Maximise the use of locally manufactured or fabricated steel products made from locally milled steel.		
A detailed Local Industry Engagement and Sourcing Plan (LIESP) which forms an attachment to the Local Industry Development Plan demonstrating in detail how the bidder will deliver on its Local Jobs First Policy commitments and support local industry and jobs growth.		
Quarterly reporting provided to North East Link Project and DJPR on implementation and progress against the LIESP. If steel is to be sourced internationally then additional documented evidence will be required on the history of engagement with Victorian suppliers, including fabricators and manufacturers. All other Local Jobs First reporting requirements continue to apply.		
Optimise the use of local products and materials with recycled inputs.		
Personal Protective Clothing, Uniform, Stationwear and Specialised Garments	63	Metropolitan Melbourne
The Metropolitan Fire and Emergency Services Board (MFB) and its contractor(s) will work with local industry, DJPR, ICN and the Uniforms and Personal Protective Equipment (PPE) Monitor to grow the local supply chain over the life of the contract consistent with its Operational Staff Enterprise Agreement.		
Shepparton Corridor Upgrade		Hume Region
Construction	96	
Signalling	68	
Solution Delivery Panel 2	80	Statewide
St Kilda Pier Redevelopment	93	Metropolitan Melbourne
Sunshine North Residential Project	92	Metropolitan Melbourne
Supply and Delivery of Bitumen and Bituminous Products		Metropolitan Melbourne
Supply of Class 170 Bitumen excluding freight and delivery	48	
Supply of bituminous products excluding freight and delivery	70	
Wantirna Aged Care	90	Metropolitan Melbourne
Water and Sewerage 2020 Program (WASP)	92	Metropolitan Melbourne

Project and Local Jobs First requirements	Minimum local content %	Location
Water and Sewer Network Renewals Project		Metropolitan Melbourne
<i>Water main renewals</i>	85	
<i>Sewer system renewals</i>	85	
Western Treatment Plant (WTP) Sludge Drying Pan Augmentation	95	Metropolitan Melbourne
STRATEGIC PROJECTS – ONGOING IN 2019-20		
Alfred Hospital Urgent Infrastructure	92	Metropolitan Melbourne
Asbestos Removal Program		Statewide
<i>Permanent modular school buildings program</i>	90	
<i>Asbestos removal and reinstatement program</i>	95	
<i>Local steel</i>	Maximise	
Avon River Rail Bridge Project	94	Gippsland Region
Ballarat GovHub	91	Grampians Region
<i>Local steel</i>	Maximise	
Ballarat Line Upgrade		Grampians Region
<i>Construction</i>	92	
<i>Signalling</i>	65	
<i>Local steel</i>	Maximise	
Bendigo GovHub	90	Loddon Mallee Region
Bendigo Law Courts Development	92	Loddon Mallee Region
Boneo Water Recycling Plant Stage 4 Upgrade		Metropolitan Melbourne
<i>Design and construction</i>	82	
<i>Operations and maintenance</i>	88	
<i>Local steel</i>	Maximise	
Bus Infrastructure Project – Design, Supply, Installation and Maintenance		Statewide
<i>Construction</i>	95	
<i>Maintenance</i>	95	
Case Management System Project – Court Services	90	Statewide
Casey Hospital Expansion	85	Metropolitan Melbourne
Chandler Highway Upgrade	92	Metropolitan Melbourne
Chisholm Frankston TAFE Redevelopment – Stage 1	93	Metropolitan Melbourne
<i>Local steel</i>	Maximise	
Chisholm Road Prison Project	92	Barwon South-West Region
<i>Local steel</i>	Maximise	
CityLink-Tullamarine Freeway Widening – Bulla Road to Airport		Metropolitan Melbourne
<i>Construction</i>	95	
<i>Signalling</i>	80	
Dame Phyllis Frost Centre Expansion Project	92	Metropolitan Melbourne
<i>Local steel</i>	Maximise	
Drysdale Bypass Project	96	Barwon South-West Region
<i>Local steel</i>	Maximise	
Epping Main Sewer	91	Metropolitan Melbourne
<i>Local steel</i>	Maximise	
Fishermans Bend Secondary School	91	Metropolitan Melbourne

Project and Local Jobs First requirements	Minimum local content %	Location
Flinders Street Station Redevelopment – Heritage works (Phase 1 and 2)	87	Metropolitan Melbourne
Fulham Correctional Centre Expansion Project <i>Local steel</i>	92 Maximise	Gippsland Region
Geelong Convention and Exhibition Centre	90	Barwon South-West Region
Geelong Performing Arts Centre Stage 3 Redevelopment	90	Barwon South-West Region
Gippsland Hi-Tech Precinct <i>Local steel</i>	91 Maximise	Gippsland Region
Gippsland Regional Aquatic and Leisure Centre <i>Local steel</i>	90 Maximise	Gippsland Region
Goulburn Valley Health Redevelopment <i>Local steel</i>	85 Maximise	Hume Region
High Capacity Metro Trains – Train Maintenance Depot and Fleet <i>Depot</i> <i>Fleet</i>	80 # 50	Metropolitan Melbourne
Joan Kirner Women's and Children's Hospital	85	Metropolitan Melbourne
Latrobe Creative Precinct <i>Local steel</i>	90 Maximise	Gippsland Region
Level Crossing Removal Project – Melton Highway	93	Metropolitan Melbourne
Level Crossing Removal Project – North Eastern Program Alliance <i>Local steel</i>	89 100	Metropolitan Melbourne
Level Crossing Removal Project – North Western Program Alliance <i>Local steel</i>	89 100	Metropolitan Melbourne
Level Crossing Removal Project – Package 3 – Caulfield to Dandenong <i>Construction</i> <i>Signalling</i> <i>Local steel</i>	92 50 100	Metropolitan Melbourne
Level Crossing Removal Project – Package 5 – Thompsons Road Rail Grade Separation Project (Stage 1) <i>Local steel</i>	92 100	Metropolitan Melbourne
Level Crossing Removal Project – Southern Program Alliance <i>Construction</i> <i>Local steel</i>	93 100	Metropolitan Melbourne
Level Crossing Removal Project – Western Program Alliance <i>Construction</i> <i>Local steel</i>	93 100	Metropolitan Melbourne
Lockerbie Main Sewer	97	Metropolitan Melbourne
M80 Northern Sections (Plenty Rd to Edgars Rd)	95	Metropolitan Melbourne
M80 Ring Road Upgrade (Princes Freeway to Western Highway) <i>Local steel</i>	97 Maximise	Metropolitan Melbourne

This project may have been reported differently in previous annual reports.

Project and Local Jobs First requirements	Minimum local content %	Location
M80 Ring Road Upgrade (Sunshine Avenue to Calder Freeway)	95	Metropolitan Melbourne
Macalister Irrigation District 2030 Phase 1B – Southern Tinamba Modernisation Project		Gippsland Region
<i>Pipes</i>	70	
<i>Installation</i>	97	
<i>Local steel</i>	Maximise	
Maintenance of Freeway Integrated Transport System (ITS) Assets and Communications Network Project		Metropolitan Melbourne
<i>Communication network</i>	70	
<i>ITS assets</i>	96	
<i>Local steel</i>	Maximise	
Marvel Stadium Redevelopment	90	Metropolitan Melbourne
McKinnon Secondary College	92	Metropolitan Melbourne
Melbourne Convention and Exhibition Centre Expansion	60	Metropolitan Melbourne
Melbourne Metro Tunnel Project – Core Package	84	Metropolitan Melbourne
<i>Local steel</i>	Maximise	
Melbourne Metro Tunnel Project – Early Works	88	Metropolitan Melbourne
Melbourne Metro Tunnel Project – Independent Reviewer	85	Metropolitan Melbourne
Melbourne Metro Tunnel Project – Rail Infrastructure Alliance	96	Metropolitan Melbourne
<i>Local steel</i>	Maximise	
Melbourne Metro Tunnel Project – Rail Systems Alliance – Control Systems & Signalling	65	Metropolitan Melbourne
Melbourne Metropolitan Train Network Project (MR4)	84	Metropolitan Melbourne
<i>Local steel</i>	Maximise	
Melbourne Metropolitan Tram Network Project (MR4)	85 [#]	Metropolitan Melbourne
<i>Local steel</i>	Maximise	
Melbourne Park Redevelopment – Stage 3	90	Metropolitan Melbourne
Melbourne Underground Rail Loop Fire and Life Safety Upgrade – Stage 2	70	Metropolitan Melbourne
<i>Local steel</i>	Maximise	
Metropolitan Bus Project		Metropolitan Melbourne
<i>Bus assets</i>	60	
<i>Bus operations</i>	86	
Metropolitan Road Assets Maintenance Services	98	Metropolitan Melbourne
<i>Local steel</i>	Maximise	
Monash Freeway (M1) Upgrade – Stage 2	96	Metropolitan Melbourne
Monash Medical Centre – Emergency Department and Traffic Improvement Project	90	Metropolitan Melbourne
Mordialloc Freeway	96	Metropolitan Melbourne
<i>Local steel</i>	Maximise	
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	
<i>Local steel</i>	Maximise	

This project may have been reported differently in previous annual reports.

Project and Local Jobs First requirements	Minimum local content %	Location
New Schools 2021 Program	91	Statewide
New Schools Public Private Partnership	90	Statewide
New Victoria Police Centre	82	Metropolitan Melbourne
New Youth Justice Centre (Cherry Creek) <i>Local steel</i>	90 Maximise	Metropolitan Melbourne
North East Link Early Works	93	Metropolitan Melbourne
Northern Hospital Stage 2 – Inpatient Expansion Project <i>Local steel</i>	90 Maximise	Metropolitan Melbourne
Northern Roads Upgrade Project <i>Project</i> <i>Maintenance</i>	96 98	Metropolitan Melbourne
O’Herns Road-Hume Freeway Interchange Project <i>Local steel</i>	96 Maximise	Metropolitan Melbourne
Orygen Youth Health Development <i>Local steel</i>	90 Maximise	Metropolitan Melbourne
Parkville and Malmsbury Youth Justice Expansion Project <i>Local steel</i>	92 Maximise	Metropolitan Melbourne
Penguin Parade Visitor Centre Redevelopment <i>Local steel</i>	89 Maximise	Gippsland Region
Personal Alert Victoria	85	Statewide
Plenty Road Upgrade – Stage 2 (South Morang) <i>Local steel</i>	97 Maximise	Metropolitan Melbourne
Police Assistance Line and Online Reporting	98	Statewide
Police Aviation Capability Program	85	Statewide
Princes Highway East Duplication – Stage 2 – Traralgon to Sale	95 #	Gippsland Region
Princes Highway East Duplication – Stage 3 – Traralgon to Sale <i>Nambrok</i> <i>Traralgon East</i>	95 # 91 #	Gippsland Region
Princes Highway West Duplication – Section 2 – Armytage to Warncoort	95	Barwon South-West Region
Princes Highway West Duplication – Section 3 – Warncoort to Colac East <i>Local steel</i>	96 Maximise	Barwon South-West Region
Public Housing Renewal Program Stage 1 <i>Local steel</i>	91 Maximise	Metropolitan Melbourne
Route 96 Accessible Tram Stop Upgrade <i>Local steel</i>	91 Maximise	Metropolitan Melbourne
Safe System Road Infrastructure Program – Pedestrian and Bicyclist <i>Local steel</i>	95 Maximise	Statewide

This project may have been reported differently in previous annual reports.

Project and Local Jobs First requirements	Minimum local content %	Location
Safe System Road Infrastructure Program – Road Departure Barriers		Statewide
<i>Wire rope barrier and w-beam guardrail system</i>	95	
<i>Pre and installation works</i>	97	
Shepparton Law Courts Redevelopment	85	Hume Region
South East Water Reliability Program		Metropolitan Melbourne
<i>Project</i>	80	
<i>Manufacture and supply of pipes</i>	70	
South Eastern Roads Upgrade Project		Metropolitan Melbourne
<i>Project</i>	96	
<i>Maintenance</i>	98	
South-West Loddon Rural Pipeline Project		Loddon Mallee Region
<i>Stage 1</i>	88	
<i>Stage 2</i>	87	
<i>Stage 3</i>	86	
<i>Local steel</i>	Maximise	
State Basketball Centre Redevelopment	90	Metropolitan Melbourne
State Netball and Hockey Centre Redevelopment	91	Metropolitan Melbourne
<i>Local steel</i>	Maximise	
Streamlining Hoddle Street	95	Metropolitan Melbourne
<i>Local steel</i>	Maximise	
Technical Advisory Services – Major Road Projects Victoria	95	Statewide
Thompsons Road, Cranbourne Road Duplication Project – Stage 2	91	Metropolitan Melbourne
Ticketing Services Retender	70	Metropolitan Melbourne
Traralgon Indoor Sports and Entertainment Complex Upgrade	91	Gippsland Region
<i>Local steel</i>	Maximise	
Upper Yarra Reservoir Safety Upgrade	96	Metropolitan Melbourne
Victorian Heart Hospital		Metropolitan Melbourne
<i>Design services</i>	99	
<i>Engineering services</i>	98	
<i>Construction</i>	90	
<i>Local steel</i>	Maximise	
Victorian Rail Infrastructure Program – Legal Services	98	Statewide
Victorian Rail Infrastructure Program – Technical and Financial Advisory Services		Statewide
<i>Technical services</i>	96	
<i>Commercial and financial advisory services</i>	98	
Victorian Renewable Energy Auction		Statewide
<i>Projects</i>	64	
<i>Operations phase</i>	90	
<i>Local steel</i>	90	
VLocity 2018 Trains	65	Metropolitan Melbourne
Warrnambool Line Upgrade		Barwon South-West Region
<i>Preconstruction and construction</i>	93	
<i>Signaling</i>	68	

Project and Local Jobs First requirements	Minimum local content %	Location
West Gate Tunnel Project		Metropolitan Melbourne
<i>Project</i>	89	
<i>Lane use management system</i>	82	
<i>Local steel</i>	Maximise	
Western Highway Duplication – Section 2B – Buangor to Ararat	95	Grampians Region
Western Suburbs Road Package		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)	80	Metropolitan Melbourne
Western Water Engineering Services	92	Metropolitan Melbourne
Wonthaggi Hospital Expansion	90	Gippsland Region
X'Trapolis 2018 Metropolitan Trains	43.6	Grampians Region
Yan Yean Road Upgrade Project	95	Metropolitan Melbourne
<i>Local steel</i>	Maximise	

2.4. Local Jobs First Strategic Projects – completed

During 2019–20, six Local Jobs First Strategic Projects were completed worth a total value of \$905 million. These projects delivered an average of 87 per cent local content, provided 1,959 opportunities for SMEs, supported 1,876 local jobs and 476 apprenticeships, traineeships and cadetships.

This brings the total to 19 Local Jobs First Strategic Projects that have been reported as complete since November 2014, worth a combined value of \$3.7 billion. These 19 projects have delivered a local content average of 90.7 per cent, supporting 6,482 jobs and 887 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 2020

Project and Local Jobs First requirements	Minimum local content %	Local content achieved %	Region	Year completed
Level Crossing Removal Project – Package 1 *	93.9	95.8	Metropolitan Melbourne	2016-17
<i>Local steel</i>	Maximise	100		
Level Crossing Removal Project – Package 2	90	95.7	Metropolitan Melbourne	2016-17
<i>Local steel</i>	Maximise [†]	100		
Level Crossing Removal Project – Package 4	90	97.3	Metropolitan Melbourne	2016-17
<i>Local steel</i>	Maximise [†]	100		
Bendigo Hospital *	90	90	Loddon Mallee Region	2017-18
Calder Highway (Ravenswood) Interchange	96 [†]	97.5	Loddon Mallee Region	2017-18
Latrobe Regional Hospital	85	85.4	Gippsland Region	2017-18
Monash Freeway Upgrade Stage 1			Metropolitan Melbourne	2017-18
<i>Construction</i>	95	96.5		
<i>Lane use management system</i>	81 *	89.9		
Princes Highway West Duplication-Winchelsea to Armutage (Section 1)	95 [†]	100	Barwon South West Region	2017-18
West Gate Distributor – Northern Section Stage 1	93 [†]	95.5	Metropolitan Melbourne	2017-18
<i>Local steel</i>	-	100		
Werribee Mercy Hospital Stage 1C	85	87.9	Metropolitan Melbourne	2017-18
Mernda Rail Extension Project	92	97	Metropolitan Melbourne	2018-19
Provision of Managed Services to HealthSMART	80 [†]	85	Statewide	2018-19
Safe System Road Infrastructure Program	90	99	Statewide	2018-19

* Commenced prior to November 2014.

[†] Local Content as set by the Minister may vary from previous years as reporting was based on the LIDP commitments.

Project and Local Jobs First requirements	Minimum local content %	Local content achieved %	Region	Year completed
Casey Hospital Expansion Project	85	86	Metropolitan Melbourne	2019-20
Craigieburn Sewerage Hub	80	86	Metropolitan Melbourne	2019-20
Growth Areas School Project <i>Local steel</i>	91 Maximise	99 99	Statewide	2019-20
Melbourne Park Redevelopment Stage 2 Rod Laver Arena Refurbishment Project	82	87	Metropolitan Melbourne	2019-20
New Schools 2020 <i>Local steel</i>	91 Maximise	95 -	Statewide	2019-20
State Library of Victoria Redevelopment	80	85	Metropolitan Melbourne	2019-20

[†] Local Content as set by the Minister may vary from previous years as reporting was based on the LIDP commitments.

2.5. Local Jobs First – Major Projects Skills Guarantee

Since its introduction in 2016, the MPSG has been applied to 137 projects worth collectively more than \$53 billion, which have committed to more than 4.5 million contracted hours for 3389 apprenticeships, traineeships and cadetships. This includes 42 regional projects that have committed to just under 500,000 hours to 334 apprenticeships, traineeships and cadetships.

MPSG has
been applied
to 137 projects
worth collectively
more than
\$53 billion*

2.6. Grants

Victorian Government grants that meet the monetary thresholds are also required to apply Local Jobs First to ensure that procurement activities within the grants 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 2019-20, a total of 83 grants were registered with the ICN compared to 46 in the previous year.

* Due to improved data and reporting, the value of MPSG applicable projects has been revised from the 2018-19 annual report.



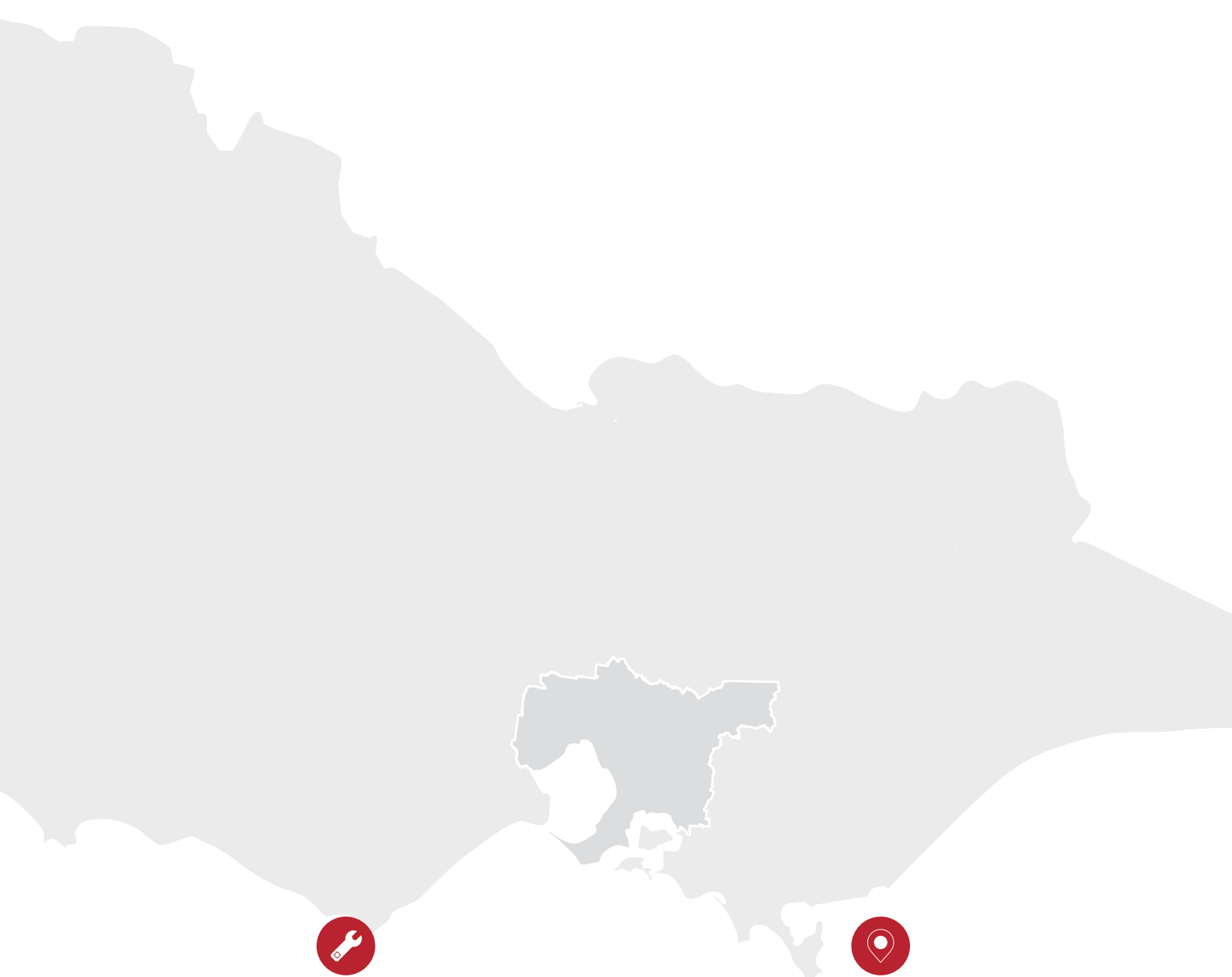
CASE STUDY:

Victorian Heart Hospital

The Victorian Heart Hospital, a Local Jobs First Strategic Project, will be Australia's first state-of-the-art, specialist cardiac hospital. Major construction commenced in November 2019, with the project expected to create 1,700 jobs during the build. This project includes a Local Jobs First requirement to maximise the use of steel products made from locally milled steel. InfraBuild, Australia's largest integrated manufacturer and supplier of long steel products and solutions, is supplying steel products including reinforcement being used in construction of capping beams, piles, shotcrete walls and ground slabs. To date, all steel products have been made from 100 per cent locally milled steel from its Laverton North facility.

▲
Construction
at the Victorian
Heart Hospital site
Photo credit:
John Holland

Local Jobs First statewide 2019-20



\$845 million

of statewide projects
were completed
in 2019-20

\$731 million

of statewide projects
commenced
in 2019-20

5,420 jobs

supported by statewide projects

3,321

opportunities for SMEs through statewide projects

62%

average local content for statewide projects

84

statewide projects*

36 statewide

Standard Projects

— **AND** —

2 statewide

Strategic Projects
were completed in 2019-20

45 statewide

Standard Projects

— **AND** —

1 statewide

Strategic Project
commenced in 2019-20

* Projects that were completed or commenced in 2019-20

3. Local Jobs First – Compliance

3.1. Engagement and awareness

The Victorian Government recognises the value of a strong engagement and compliance framework to support the achievement of industry participation and job commitments and outcomes. Throughout 2019–20, DJPR and the Local Jobs First Commissioner continued to deliver activities to increase awareness of Local Jobs First by presenting in over 22 forums throughout metropolitan and regional Victoria.

With the significant increase in the number and type of Local Jobs First applicable projects, the ICN reported a continuation of strong engagement activities with local SMEs, departments and agencies on the implementation of Local Jobs First, including project contestability assessments and LIDP acknowledgements. The ICN delivered ten project, policy or industry related briefing sessions and hosted one regional showcase during 2019–20, connecting more Victorian businesses to government project opportunities. Events were held in metropolitan Melbourne and regional cities such as Seymour, Morwell, Geelong and Bendigo.

3.2. Exemptions

On 16 March 2020 the Premier and Minister for Health declared a State of Emergency throughout Victoria under the *Public Health and Wellbeing Act 2008*. In response on 27 March 2020 the Minister for Industry Support and Recovery exempted all procurement under the Health and Ambulance Services portfolios from the Local Jobs First Policy related to the response to the COVID-19 emergency, for the duration of the State of Emergency. This was to allow the State's health services to respond in the timeliest manner possible to the crisis.

3.3. Compliance reporting

Compliance as reported by departments and agencies continues to be high.

Overall, agencies reported three non-compliant projects or grants in 2019–20, compared to three in 2018–19, six in 2017–18, 26 in 2016–17, 28 in 2015–16 and 125 in 2014–15.

DJPR continues to conduct compliance audits into how Local Jobs First has been applied on projects around the state. The compliance audits seek to understand current processes and inform future policy development, helping ensure that agencies and suppliers are engaging with best practice and achieving their commitments. Eighteen project audits were completed by DJPR in 2019–2020 and 22 project audits will be completed in 2020–21.

The Act also provides the Local Jobs First Commissioner with specific compliance functions. A robust and transparent compliance framework was established in 2018–19. The Commissioner undertook two audits in 2019–20.

The Local Jobs First Commissioner did not make any recommendations to the Minister for Industry Support and Recovery to issue any Adverse Publicity Notices in accordance with section 29 of the Act during 2019–20.



CASE STUDY:

Warrnambool Line Upgrade

As part of the delivery of the Waurin Ponds Station and the Warrnambool line upgrades, Rail Projects Victoria (RPV) and its construction contractor Downer have engaged with local industry to ensure that regional economies benefit during construction. Family-owned Colac business R Slater & Sons is delivering earth moving works to relocate a water main pipe from the rail corridor to make way for the second platform at Waurin Ponds Station. It is the first rail project in Victoria for R Slater & Sons, and the company has appreciated the opportunity to gain valuable experience within the Victorian rail industry.

▲
R Slater & Sons secured its first Victorian rail project on the Warrnambool Line Upgrade

Photo credit:
Rail Projects Victoria

COVER IMAGE

Photo credit:
Kane Constructions / HiVis Pictures

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Authorised by the Victorian Government
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