



Deprioritisation regime

From 1 July 2026, the *Local Jobs First Act 2003* (the Act) includes a new deprioritisation regime to enforce Local Jobs First. It applies to Local Jobs First projects which go to tender on or after 1 July 2026. This factsheet provides an overview of the deprioritisation regime.

What is the deprioritisation regime?

The Act now includes a deprioritisation regime which empowers the Local Jobs First Commissioner (the Commissioner) to deprioritise suppliers.

If a supplier is subject to a deprioritisation determination, it will impact the Local Jobs First weighting that agencies apply to future bids by the deprioritised supplier.

The deprioritisation regime only applies to Local Jobs First projects which go out to tender on or after 1 July 2026.

What leads to deprioritisation?

The Commissioner may issue a deprioritisation notice if a supplier fails to:

- provide completion reporting within 90 days of practical completion for the project, or
- fulfil any Local Industry Development Plan (LIDP) commitment.

In cases where a supplier has failed to provide completion reporting, the Commissioner can issue a notice of intention prior to issuing a deprioritisation notice.

Suppliers can seek a review of a deprioritisation notice, outlining reasons or mitigating factors to explain why they were not able to submit the completion report or fulfil their LIDP commitments.

The Commissioner will consider the supplier's application for review as well as other relevant information. If the deprioritisation notice is confirmed, the Commissioner will make a deprioritisation determination against the supplier.

What is in a deprioritisation determination?

The Commissioner must make a deprioritisation determination in accordance with the Act and [Local Jobs First Regulations 2026](#) (the Regulations).

The Regulations give the Commissioner discretion to set the parameters of a deprioritisation determination.

The determination must include:

- a specific percentage deduction of no less than 5 percentage points and no greater than 20 percentage points to apply in the evaluation of any tender for a Local Jobs First project while the determination is in force, and
- a period of no less than 6 months and no greater than 18 months for the determination to remain in force.

An example of a deprioritisation determination and how to apply it to a tender evaluation is provided below.

Does deprioritisation impose new obligations on suppliers?

No. The deprioritisation regime enforces existing LIDP commitments but does not change what suppliers must deliver.

The deprioritisation regime is linked to existing Local Jobs First obligations. Suppliers must already comply with each commitment in their LIDP and report against these when a project is complete.

A factsheet on LIDPs is available at the [Local Jobs First Factsheets](#) page.

Can a deprioritised supplier still bid for Local Jobs First projects?

Yes. If a supplier is subject to a deprioritisation determination they can still bid for government projects.

Where can I find information on deprioritised suppliers?

The Commissioner must maintain a deprioritisation register which includes all deprioritised suppliers.

The Act does not provide for the register to be published. Disclosure is limited to anyone prescribed in regulations.

How do agencies evaluate a bid by a deprioritised supplier?

Agencies will receive a notification and detailed instructions on how to evaluate the tender for a Local Jobs First project if a bidder is subject to a deprioritisation determination.

The agency must deduct the deprioritisation determination percentage set by the Commissioner if a deprioritisation determination is in force at the time of the tender closure.

An example of how to evaluate a tender from a deprioritised supplier is provided to demonstrate the key steps.

Example of how to evaluate a tender by a deprioritised supplier

1. Under the Act, when evaluating a tender an agency must give a 10% weighting for industry development and 10% weighting for job outcomes.
2. An agency evaluates tenders for a standard project using a 50-point scale, with 10 points available for commitments to Local Jobs First.
3. A supplier's tender for the project receives a preliminary score of 4 out of 5 for industry development and 5 out of 5 for job outcomes, a total of 9 out of 50 (or 18 percentage points) for commitments to Local Jobs First.
4. The Commissioner has determined that the supplier will be subject to a deprioritisation determination percentage of 10 percentage points.
5. If the deprioritisation determination is in force at the time of tender closure, the agency must deduct 10 percentage points from the tender's total score for commitments to Local Jobs First.
6. The tender would receive a score of 4 out of 50 (or 8 percentage points) for commitments to Local Jobs First.

Where can I find more information?

The Act can be found on the [Victorian Legislation](#) page.

Updated Local Jobs First Policy, Local Jobs First Supplier Guidelines and Local Jobs First Agency Guidelines are on the [Key Documents](#) page.

Additional factsheets on Local Jobs First and changes to the Act, as well as other useful information, can be found on the [Local Jobs First Factsheets](#) page.



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