LOCAL JOBS FIRST

ANNUAL REPORT 2020–21



COVER IMAGE

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

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

Contents

Minister for Industry Support and Recovery Foreword	2
Minister for Employment Minister for Innovation, Medical Research and the Digital	
Economy Foreword	3
1. Local Jobs First Overview	
1.1. Local Jobs First Act 2003	
1.2. Local Jobs First Policy	8
1.3. Major Projects Skills Guarantee	
2. Local Jobs First Implementation	12
2.1. Local Jobs First Commissioner	12
2.2. Message from the Acting Local Jobs First Commissioner	12
2.3. Industry Capability Network (Victoria)	14
2.4. Department of Jobs, Precincts and Regions	14
3. Local Jobs First Outcomes in 2020-21	16
3.1. Victorian Industry Participation Policy – Local Content	16
3.2. Local Jobs First Standard Projects	16
3.3. Local Jobs First Strategic Projects	
3.4. Local Jobs First Strategic Projects – completed	
3.5. Major Projects Skills Guarantee	
3.6. Grants	
3.7. COVID-19 Response Exemptions	
3.8. Engagement and awareness, compliance	19
4. Spotlight on the Latrobe Valley region	21
4.1. Gippsland Regional Aquatic Centre	21
4.2. Gippsland Regional Indoor Sports Stadium	
4.3. Morwell Innovation Centre	
5. Local Jobs First Trends and Analysis	23
5.1. Value of setting local content targets on projects	23
5.2. New local content requirements set for Strategic Projects	
5.3. How Standard Projects work	
Appendix A	28
Appendix B	43

Minister for Industry Support and Recovery Foreword

Since the commencement of the Local Jobs First Policy in 2014, the Victorian Government has set local content requirements for almost 200 Strategic Projects with a combined value of nearly \$100 billion, directly supporting more than 40,000 jobs across the state.

Local job creation and investment has never been more important as the state recovers from the COVID-19 pandemic. The Local Jobs First Policy remains a critical part of the Victorian Government's plan to ensure the ongoing resilience of the Victorian economy.

The Victorian Government's record infrastructure spending, including the \$2.7 billion Building Works package, is ensuring that the impact of the Local Jobs First Policy continues to grow and deliver for thousands of Victorians. By leveraging significant investments, the Local Jobs First Policy continues to strengthen local businesses, build local industry's sovereign capabilities and secure local employment opportunities.

To deliver these outcomes, the Local Jobs First Policy requires 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 and local jobs 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.

Over the past year, 342 Local Jobs First Projects have commenced, valued at \$7.2 billion. This includes 28 Strategic Projects, which have injected \$5.2 billion into the local economy to the benefit of Victorian businesses and workers. The Policy has also supported 10,164 Victorian jobs – playing a vital role in building our economy and setting up a strong foundation for the future. Beyond these figures, the engagement of local businesses in government procurement enhances their long-term capabilities and grows Victoria's sovereign capabilities, reducing the state's vulnerability to international supply chain disruptions. Delivering local opportunities for local suppliers has been vital during the pandemic as international delays and disruptions become more frequent.

Local purchasing has supported the growth in Victoria's capability and capacity to locally manufacture medical products, devices, equipment and medical grade personal protective equipment, supporting our ability to respond to the COVID-19 pandemic.

The Industry Capability Network (Victoria) (ICN) has continued to support bidders on Local Jobs First projects. Drawing on their extensive supply chain expertise, ICN collaborates closely with bidders on local content planning to maximise industry and job outcomes.

I would like to acknowledge the work of Mr Don Matthews, who retired as the inaugural Local Jobs First Commissioner this year. Don has been an exceptional advocate and has ensured that countless local businesses and workers will continue to benefit from Victorian Government procurement. I would also like to thank Mr Greg Wilson for his efforts acting in the Commissioner role and continuing to deliver this important service to a high standard.

The Victorian Government is backing our local businesses to provide more jobs for more Victorians. The Local Jobs First Policy will continue to play a vital role in ensuring local businesses, workers, apprentices, trainees and cadets benefit from the Victorian Government's investment in goods and services and its unprecedented construction pipeline.



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

Minister for Employment Minister for Innovation, Medical Research and the Digital Economy Foreword

In July 2020, I was delighted to be made jointly responsible for the *Local Jobs First Act 2003*. It is with great pleasure that I present this Local Jobs First Annual Report, with Minister Pakula.

Year after year, the Victorian Government's Local Jobs First Policy is making a difference by creating opportunities for local workers.

The Victorian Government is providing opportunities for Victorian apprentices, trainees and cadets to work on game changing construction projects across the state through the Local Jobs First Policy and the Major Projects Skills Guarantee (MPSG).

The MPSG requires that 10 per cent of estimated labour hours are reserved for apprentices, trainees and cadets on Victorian Government construction projects valued at \$20 million or above.

This year the MPSG has provided opportunities for 854 apprentices, trainees and cadets to grow their skills across 44 projects. We have set some further requirements for Strategic Projects, mandating consultation with Apprenticeships Victoria, a new body dedicated to promoting and improving the experience of apprentices and trainees, to ensure we are maximising opportunities Victorians at the start of their career. While our young people are developing skills that equip them for today, Local Jobs First is making sure we have local skills among our next generation of workers – preparing Victoria for the economy of tomorrow and making a difference to the lives of young people, as demonstrated by the case study on page 11 of this report with Tshering gaining an opportunity on the Glenroy Level Crossing Removal project.

Local Jobs First is also supporting innovation and strengthening capabilities within local supply chains. This year, extra requirements have been also set on some Strategic Projects to make sure relevant projects identify local businesses to supply our hospitals in collaboration with the new Australian MedTech Manufacturing Centre.

There has never been a more important time to back local workers, develop local skills and create local jobs. I'm proud to jointly present this annual report for the Local Jobs First policy, which demonstrates strong progress for the future as we build Victoria's economy.



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The Hon Jaala Pulford MP Minister for Employment Minister for Innovation, Medical Research and the Digital Economy

1998 STRATEGIC 1980 STRATEGIC 18 METRO PROJECTS 17 REGIONAL PROJECTS 3 STATEWIDE PROJECTS WORTH \$97.6 BILLION CUMULATIVE STRATEGIC PROJECTS AND VALUE



Strategic Projects are valued \$50 million and above.

Since 2015, the Local Jobs First Policy has been applied to

1,924 STANDARD PROJECTS 783 METRO PROJECTS 63 REGIONAL PROJECTS 78 STATEWIDE PROJECTS WORTH \$14.7 BILLION

CUMULATIVE STANDARD PROJECTS AND VALUE



Standard Projects are valued above \$1 million in regional Victoria, and \$3 million in metro Melbourne and Statewide.

Key highlights 2020-21



* This figure represents the metro Melbourne, regional Victoria and Statewide figures rounded up.



Since 2016 until 30 March 2021¹, the Major Projects Skills Guarantee for apprentices, trainees and cadets (ATCs) has so far been applied to



1. MPSG Commitments and outcomes are reported separately to the annual report and includes pre-award, commenced, ongoing and completed projects. Unlike the rest of this report, these figures are cumulative and are not exclusively from the 2020-21 financial year. These numbers are separate from the rest of the data in this report and are not to be compared or added together with other sections.

Photo credit: Latrobe Valley Authority

1. Local Jobs First Overview

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 provide opportunities for 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 and established the Local Jobs First Commissioner and brought the MPSG under the Local Jobs First banner.

Changes to administrative arrangements for the Act came into effect in July 2020 with three ministerial portfolios (Industry Support and Recovery, Employment Innovation, Medical Research and the Digital Economy) having joint responsibility for the Act.

The Act specifies the minimum local content that can be set on certain Strategic Projects. These minimum requirements are:

- 90 per cent for construction Strategic Projects
- 80 per cent for services or maintenance Strategic Projects
- 80 per cent for the maintenance or operations phase of a Strategic Project.

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' required annual reporting arrangements
- a consolidated report to the responsible Ministers to enable the Ministers 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 2020-21 financial year. It reflects the available data provided by departments and agencies for the financial year.

1.2. Local Jobs First Policy

The Local Jobs First Policy supports Victorian businesses and workers by ensuring that SMEs are given a full and fair opportunity to compete for both large and small government contracts, such as the construction of hospitals, schools, road projects and the delivery of services or the provision of goods. It also helps to create opportunities for apprentices, trainees and cadets. The Local Jobs First policy comprises:

- Local Jobs First Victorian Industry Participation Policy (VIPP), is a local industry development policy promoting employment and business growth by expanding market opportunities for local industry and providing contractors with increased access to, and raised awareness of, local industry capability. This encourages supporting local supply chains and providing onshoring opportunities for goods and services, creating a more sustainable purchasing environment.
- Local Jobs First Major Projects Skills Guarantee (MPSG), a workforce development policy that is designed to ensure job opportunities for apprentices, trainees and cadets on high value Victorian Government construction projects. This policy is about growing the next generation of skilled workers in Victoria and providing opportunities for individuals. 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.

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 implement the Policy 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.



CASE STUDY:

Chisholm Road Prison Project

More than 1,000 workers are currently on site to deliver a new prison at Chisholm Road, a project generating more than \$279 million of direct investment in the Geelong region.

The project is currently exceeding local content targets under the Local Jobs First Policy. More than 92 per cent of labour and materials being used for construction are sourced within Australia and New Zealand and 300,000 labour hours on the project are allocated to apprentices, trainees and cadets.

The project is also directing a total of \$16.3 million to social enterprises that support Aboriginal and disadvantaged Victorians and people with a disability. A further 30,000 labour hours are targeted at Victorians living in postcode areas with high unemployment.

The new prison is expected to be delivered in 2022 with construction led by the Community Safety Building Authority, which delivers infrastructure on behalf of the Department of Justice and Community Safety.

1.3. Major Projects Skills Guarantee

The Major Projects Skills Guarantee (MPSG) is designed to ensure job opportunities for apprentices, trainees and cadets on high value Victorian Government construction projects. Introduced on 1 January 2016, the MPSG was embedded in legislation when it was incorporated into the Act in August 2018.

Since its introduction, the MPSG has delivered opportunities on a broad range of project types including, roads, rail, tunnels, bridges, schools, hospitals, TAFEs, water infrastructure, prisons and stadiums.

The MPSG has been a critical policy in ensuring the economy recovers strongly in the wake of the COVID-19 pandemic. By securing jobs for apprentices, trainees and cadets within the Victorian Government's record-breaking infrastructure pipeline, the MPSG continues to enable Victorians to reskill or kickstart their career even during a global economic downturn.

In addition, the MPSG has been playing a pivotal role in supporting other policies and programs to maximise public value from government spending. One such program is Big Build Apprenticeships (BBA), which leverages and enhances opportunities created by the MPSG. BBA is a transformative approach that will leverage Group Training Organisations and Victoria's infrastructure program to create up to 1,500 high-quality skills pathway opportunities for apprentices and trainees each year, including for women and other priority cohorts, and secure a pipeline of skilled workers in critical areas. The BBA (alongside a portfolio of other programs and policies) is managed by Apprenticeships Victoria, a new body dedicated to promoting and improving the experience of apprentices and trainees. The Minister for Industry Support and Recovery has also been setting additional requirements to ensure that Apprenticeships Victoria is consulted as part of the MPSG implementation plan. This assists Apprenticeships Victoria to identify opportunities for local apprentices and trainees on these projects.

As the policy owner and administrator of MPSG, the Department of Jobs, Precincts and Regions (DJPR) works with stakeholders to ensure it continues to function effectively. This includes:

- resolving enquiries from many stakeholders, including various departments and agencies, contractors, training providers and industry providers, about the scope and requirements of the MPSG; and
- liaising with the Industry Capability Network (ICN) and procuring agencies to consolidate and report on MPSG outcomes.

The MPSG has been playing a pivotal role in supporting other policies and programs to maximise public value from government spending.



CASE STUDY:

Glenroy Level Crossing Removal

Tshering moved to Australia in 2016 from Bhutan to expand her skills as an engineer after working on a major hydro-electric project in the Himalayas. After losing her job when COVID-19 hit, she started working as a cleaner at a level crossing removal site office. While there, she asked about opportunities to use her engineering skills – which led to an internship on the Glenroy level crossing removal site, part of the Level Crossing Removal – North Western Program Alliance Strategic Project. Now one of the project's star junior engineers, Tshering is helping safely move the tracks under Glenroy Road and build a new station. She says she has gained a wealth of experience from the Glenroy team:

"Since joining the project team, I have learned a lot of things, especially how construction projects are executed on site. I'm learning a lot and I love it every day."

By providing opportunities to young Victorians like Tshering, Local Jobs First Projects help ensure that the next generation have access to good, secure jobs on some of Victoria's most important projects.

2. Local Jobs First Implementation

2.1. 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 inaugural Commissioner, Mr Don Matthews, retired from the position on 29 January 2021. Since this time, acting arrangements have been in place until a permanent replacement is appointed. Mr John Butler, Victoria's former Commissioner for the Middle East, Africa and Turkey, acted as Local Jobs First Commissioner from 1 February 2021 until 1 April 2021. Mr Greg Wilson, who has extensive experience in the Victorian public service, has been acting in the role since 2 April 2021.

2.2. Message from the Acting Local Jobs First Commissioner

We have had a number of changes to the Commissioner's office in the last twelve months as we transitioned to a hybrid working model due to COVID-19.

Building on the work of Mr. Don Matthews as the inaugural Local Jobs First Commissioner, I have continued to engage with SMEs across local industry with a strong focus on business recovery, while creating ongoing opportunities in government procurement.

As the Acting Local Jobs First Commissioner, I am committed to supporting the delivery of the Local Jobs First Policy and advocating on behalf of local industry.

To continue to support Victoria's manufacturing capabilities, it is vital, where possible, to use Victorian goods and services. This not only helps build jobs across the state but also provides many economic benefits to our state. All layers of the supply chain have an obligation to not only adhere to their contractual agreements but support the continued use of Victorian goods and services where possible.

The Office of the Local Jobs First Commissioner has had a strong focus on the different sectoral groups across the local industry, working in collaboration with them to advocate and to have a greater understanding of the issues facing the various groups.

These groups include the furniture, textile clothing, and footwear industry, as well as steel fabricators.

Through my interactions with industry, a common theme that has been identified across various sectors is the ongoing issue of the substitution of products with offshore items. Therefore, it is paramount, where possible, to use Victorian goods and services to support local industry.

Victoria has an array of manufacturing capabilities that can be utilised where projects permit, boosting jobs and the state's economic growth.

The Office has placed a strong emphasis on improving audit programs for both strategic and standard projects. This will significantly increase the audit coverage of projects under the Commissioner's remit in the coming months and year and assist in streamlining audit processes.

Furthermore, it will also enable us to bridge the gap between the local industry and government.

As such, we will continue to advocate and work with our stakeholders including local industry to support them in participating in government procurement.

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Greg Wilson Acting Local Jobs First Commissioner



CASE STUDY:

Winton Solar Farm: Regional Local Jobs First Strategic Project

The Winton Solar Farm project is part of the \$2.5 billion Victorian Renewable Energy Auction Strategic Project to support new renewable energy generation. ICN Victoria collaborated closely with Spanish company PVHardware (PVH) which was subcontracted by FRV Services Australia to supply and install the solar tracking system.

The solar tracking system had a high local steel requirement consisting of "C" sectioned posts, torque tubes and solar panel mounting frames and brackets. ICN Victoria's Shepparton office assisted PVH by arranging meetings with Bluescope Steel, Infrabuild and Australian Tube Mills. ICN Victoria's Shepparton based Industry Adviser also connected PVH with a Shepparton based company to help with steel galvanising requirements.

PVH credits the assistance provided by ICN Victoria with helping them navigate the Australian steel supply chain, ensuring local steel production and supply for the project. PVH has gained considerable knowledge and experience of the Australian steel supply chain and is now working with local steel producers on future projects.

2.3. Industry Capability Network (Victoria)

The 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 Local Industry Development Plans (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 has been provided to the ICN to help apply Local Jobs First Policy requirements to the Building Works infrastructure stimulus package.

2.4. Department of Jobs, Precincts and Regions

The Act is administered by 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 and reporting related to the Local Jobs First Policy. It provides advice and regular reporting to the responsible Ministers and the Victorian Government.

In addition, DJPR is responsible for:

- managing the services delivered by the ICN under the Policy
- leading engagement with the Commonwealth Government, other states and territories, and internationally on the Policy
- preparing whole of government Local Jobs First reporting on the application of the Policy.

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



CASE STUDY:

Geelong Arts Centre Little Malop Street Redevelopment and Wamarra

Funded by the Victorian Government, the \$140 million Little Malop Street Redevelopment will significantly expand the capacity of the Geelong Arts Centre with multiple new performance venues, an upgraded box office and refurbished back-of-house and administration facilities. More dining options and an outdoor atrium are also being considered in the design. A Local Jobs First Strategic Project, this stage of the Geelong Arts Centre project will completely transform the existing Little Malop Street building.

The project is creating around 600 construction jobs and more than 300 ongoing local jobs in the tourism and service industries. Work started in 2020 and is expected to be completed by the end of 2023.

Aimed at unlocking employment and procurement opportunities for Aboriginal Victorians, project partners Development Victoria, Creative Victoria, Lendlease and the Geelong Arts Centre engaged Wamarra, a Victorian Aboriginal business, to undertake site establishment works on the project.

Wamarra is an Aboriginal owned and operated Victorian-based civil contractor, providing meaningful long-term and sustainable career opportunities for Aboriginal people, and civil solutions for their clients. Wamarra was awarded \$150,000 of site establishment works for the Little Malop Street redevelopment. Winning the contract on the Geelong-based redevelopment and working with Lendlease have helped Wamarra to employ more people and provide a fantastic training ground for their employees to gain new skills in a range of construction areas.

3. Local Jobs First Outcomes in 2020-21

3.1. Victorian Industry Participation Policy – 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 2020-21, 1,437 tenders were registered with the ICN. A total of 4,253 LIDPs were prepared by businesses in bidding for projects. This represents a 27 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 2020-21 have committed in LIDPs to using an average of 86 per cent local content.

3.2. Local Jobs First Standard Projects

Overall, in 2020-21, 314 Standard Projects commenced worth a total of \$2 billion, with 111 being delivered in regional Victoria. These projects will provide opportunities for 17,604 SMEs and support 3,990 jobs.

A total of 176 Standard Projects, valued at \$1 billion, were completed in 2020-21, which supported 3,753 jobs, including 627 apprentices, trainees and cadets and providing opportunities for 5,333 SMEs. Of these completed projects, 75 were in regional Victoria.

3.3. Local Jobs First Strategic Projects

As at 30 June 2021, a total of 198 Local Jobs First Strategic Projects have had minimum local content requirements set by the Minister since November 2014, with a combined value of \$97.6 billion. These projects are expected to deliver an average of 90 per cent local content, provide opportunities for SMEs and support tens of thousands of jobs.

In 2020-21, the government set local content requirements for 41 Strategic Projects at a minimum average of 90.9 per cent, worth over \$12.4 billion collectively. This includes four projects in regional Victoria.

Appendix A sets out the Strategic Projects that have had local content commitments set during 2020-21 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**.



CASE STUDY:

Avon River Rail Bridge Upgrade

The Avon River Rail Bridge Upgrade Strategic Project demonstrates how Local Jobs First and the Victorian Government's Social Procurement Framework combine to deliver opportunities for local businesses. On this project, the Moogji Aboriginal Council East Gippsland (Moogji), an Orbost-based social enterprise, was employed to revegetate land surrounding the new rail bridge and adjacent Apex Park.

Moogji carefully selected, cultivated and planted approximately 40,000 individual plants, drawing on their specialised local knowledge of the area and its environmental conditions. Moogji's project manager, Chris Allen, said the revegetation project provided a welcome boost to the local Orbost economy in the wake of the devastating bushfires that ravaged the region in 2019 and 2020. The benefits reaped were twofold: first by Moogji members themselves who were employed on the project, and secondly, those returns were injected back into the local economy.

The project is part of the Regional Rail Revival program, which is upgrading every regional passenger line in Victoria. The Victorian and Australian governments have invested more than \$4 billion in the program which, with the support of Local Jobs First, will create 3,000 jobs.

3.4. Local Jobs First Strategic Projects – completed

During 2020-21, six Local Jobs First Strategic Projects were completed worth a total value of \$1.3 billion. These projects delivered an average of 92.1 per cent local content, provided opportunities for 2,031 SMEs, supported 1,487 local jobs and 561 apprenticeships, traineeships and cadetships.

This brings the total to 50 Local Jobs First Strategic Projects that have been reported as complete since November 2014, worth a combined value of \$10.4 billion. These 50 projects have delivered a local content average of 89.1 per cent, supporting 19,440 jobs and 2,883 apprenticeships, traineeships and cadetships.

Appendix 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.

3.5. Major Projects Skills Guarantee

Since its introduction in 2016, the MPSG has been applied to 185 projects worth collectively more than \$60.5 billion, which have committed to more than 6.29 million contracted hours for 4,111 apprenticeships, traineeships and cadetships. This includes 46 regional projects that have committed to just over 734,000 hours to 420 apprenticeships, traineeships and cadetships.

3.6. Grants

Victorian Government grants that meet the monetary thresholds are also required to apply the Local Jobs First Policy 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 2020-21, a total of 236 grants were registered with the ICN, an increase from 83 in the previous year.

3.7. COVID-19 Response 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 related to the response to the COVID-19 emergency from the Local Jobs First Policy, for the duration of the State of Emergency. During 2020-21, this exemption applied to 92 procurements conducted under these portfolios worth a total of \$1.13 billion. This was to allow the State's health services to expedite procurement to respond to the crisis.

3.8. Engagement and awareness, compliance

The Victorian Government recognises the value of a strong engagement and compliance framework to support the achievement of industry participation and job commitment outcomes.

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 12 project, policy or industry related briefing sessions and hosted one regional showcase during 2020-21, connecting more Victorian businesses to government project opportunities. Events were held in metropolitan Melbourne and regional cities such as Seymour, Morwell, Geelong and Bendigo (noting many events were virtual). Throughout 2020–21, the Local Jobs First Commissioner engaged 221 stakeholders. DJPR continued to engage with agencies across government on the application of Local Jobs First, in particular for Strategic Projects.

The Act provides the Local Jobs First Commissioner with specific compliance powers. It enables the Commissioner to monitor, review and enforce compliance of the Local Jobs First and related commitments and obligations of projects that commenced since August 2018. A robust compliance strategy was developed in February 2019 to outline how the Commissioner will encourage, monitor, and enforce compliance with the Act, Local Jobs First Policy and LIDPs. The Commissioner has completed seven audits to date. The Commissioner's 2021-22 Compliance Audit Program is currently underway.

In accordance with section 29 of the Act -Adverse Publicity Notices, the Local Jobs First Commissioner did not make any recommendations to issue any Adverse Publicity Notices during 2020-21.

Photo credit: Department of Justice and Community Safety

Chisholm Road Prison Project

Breakdown of Metro, Regional and Statewide Projects over 2020-21



REGIONAL VICTORIA



ĨШ	177 COMMENCED PROJECTS			
162 STANDARD PROJECTS				
	15 STRATEGIC PROJECTS			
	WORTH \$4.3 BILLION			
	6,649 JOBS COMMITTED			
Ħ	13,384 OPPORTUNITIES FOR SMES			
0	93.1% AVERAGE LOCAL CONTENT			
•	86 COMPLETED PROJECTS			
•	86 COMPLETED PROJECTS 84 STANDARD PROJECTS			
•				
•	84 STANDARD PROJECTS			
••••••••••••••••••••••••••••••••••••••	84 STANDARD PROJECTS 2 STRATEGIC PROJECTS			
	84 STANDARD PROJECTS 2 STRATEGIC PROJECTS WORTH \$1.1 BILLION			

ĩ曲	121 COMMENCED PROJECTS
	111 STANDARD PROJECTS
	10 STRATEGIC PROJECTS
	WORTH \$1.7 BILLION
44	2,067 JOBS COMMITTED
B	9,719 OPPORTUNITIES FOR SMES
0	91.9% AVERAGE LOCAL CONTENT
•	78 COMPLETED PROJECTS
•	78 COMPLETED PROJECTS 75 STANDARD PROJECTS
•	
•	75 STANDARD PROJECTS
•	75 STANDARD PROJECTS 3 STRATEGIC PROJECTS
	75 STANDARD PROJECTS 3 STRATEGIC PROJECTS WORTH \$713.3 MILLION

<u>î.</u>	44 COMMENCED PROJECTS
	41 STANDARD PROJECTS
	3 STRATEGIC PROJECTS
	WORTH \$1.1 BILLION
44	1,449 JOBS COMMITTED
Ħ	1,533 OPPORTUNITIES FOR SMES
0	95.6% AVERAGE LOCAL CONTENT
•	18 COMPLETED PROJECTS
•	18 COMPLETED PROJECTS 17 STANDARD PROJECTS
•	
•	17 STANDARD PROJECTS
•	17 STANDARD PROJECTS 1 STRATEGIC PROJECT
	17 STANDARD PROJECTS 1 STRATEGIC PROJECT WORTH \$458.9 MILLION

4. Spotlight on the Latrobe Valley region

The Latrobe Valley is located within the Gippsland region of Victoria and includes the three Local Government Areas (LGAs), Latrobe City Council, Baw Baw Shire Council and Wellington Shire Council. The Latrobe Valley Authority (LVA) was established by the Victorian Government in November 2016 in response to the closure of the Hazelwood mine and power station to support the transition of the Latrobe Valley region to a more prosperous and diverse economy.

Since 2014, a total of 9 projects have had local content requirements set worth a total of \$791 million with an average of 92.2 per cent local content. These projects have created a total of 613 opportunities for SMEs, 446 jobs and 51 apprentices, trainees and cadets. Three of these projects are highlighted below.

4.1. Gippsland Regional Aquatic Centre

Opened on 23 March 2021, the \$57 million Gippsland Regional Aquatic Centre Strategic Project delivered a world-class aquatic centre capable of catering for competitive swimming and training, leisure swimming, general community use and major events. The project is the centrepiece of the Victorian Government's \$85 million Latrobe Valley Sports and Community Initiative and was led by Latrobe City Council through ADCO Constructions.



In line with Local Jobs First requirements, the ICN and Growing Regional Opportunities for Work (Gippsland) (GROW) were consulted extensively to maximise local content on the project and support local company engagement. As a result, the project build provided an economic boost for a host of local contractors with more than 500 workers engaged in over 10,000 hours of work at the site.

Gippsland's own Drilltec (Morwell), Millers Plumbing (Morwell), Laser Plumbing (Sale) and AusGeo-thermal (Traralgon), contributed to the delivery of an innovative geothermal heating system for the pools. This involved drilling a deep bore to tap an aquifer 600 metres below the ground, installing the bore head, fitting the plant room and laying specialist pipework for the project. The system is a first for Victorian public aquatic centres and will deliver energy savings of over \$200,000 per annum.



4.2. Gippsland Regional Indoor Sports Stadium

Led by Latrobe City Council through Becon Constructions (Aust) Pty Ltd, the \$19 million Gippsland Regional Indoor Sports Stadium (GRISS) is another key project within the Victorian Government's \$85 million Latrobe Valley Sports and Community Initiative (LVSCI).

GRISS was opened on 17 December 2020 following a redevelopment at its site in Traralgon. The building now features nine courts including a 3,000-seat capacity show court. Now the largest event complex east of Melbourne, the stadium caters for netball, basketball, badminton and other indoor sports. It is also capable of hosting largescale events and is one of Basketball Victoria's seven high performance training hubs and a home to elite pathway programs.

As a Local Jobs First Project, maximising opportunities for local businesses and workers was a key priority. With the assistance of the ICN and GROW the project supported local industry with participation from scores of local businesses. For example, local contractor WELDTEK erected the structural frame of the building while a total of 57 kilometres of Victorian Ash timber flooring was sourced from Heyfield's Australian Sustainable Hardwoods.

4.3. Morwell Innovation Centre

The Victorian Government supported the development of the \$17 million Morwell Innovation Centre, a purpose-built hub to promote innovation, productivity and iob creation. Managed by Federation University Gippsland in partnership with Regional Development Victoria and the Latrobe Valley Authority, the hub will drive innovation in the health, food and fibre, advanced manufacturing and new energy sectors. The centre incorporates a range of cost saving sustainability features, a 100-seat conference facility, office space for commercial tenancies and an Innovation Hub designed to promote creative thinking and practice within Gippsland.

The final building design was completed by Williams Ross Architects and constructed by Becon Constructions (Aust) Pty Ltd which utilised 23 local suppliers and contractors for the work. The project injected \$6 million into the Gippsland economy providing strong support for the local construction sector and its broader supply chain.

The new centre forms part of the Hi-Tech Precinct Gippsland, an initiative that brings together education, research and industry to collaborate, innovate and transform industries that will shape an exciting new future for the region.



22

5. Local Jobs First Trends and Analysis

5.1. Value of setting local content targets on projects

Setting minimum local content requirements for Strategic Projects ensures opportunities for local businesses and workers are maximised and leads to greater awareness and use of local suppliers by major contractors.

Over the past four years, there has been a 5-10 per cent increase (and up to 18 per cent for targeted categories) in minimum local content requirements, which is a testament to Local Jobs First's ability to assist with the development of market capability. Setting ambitious local content targets on projects over the medium term also allows the market to respond to similar projects over time, which ultimately leads to industry's ability to exceed local content requirements over time and encourages higher bids, as well as increasing the integration of local businesses into supply chains.

The success of increasing local content over time is evident in such sectors as the construction and upgrading of railways, with the ability of the local supply chain to manufacture signalling products increasing over time. In late 2015, ICN's benchmarking for signalling was around 50 per cent local content, which has since grown to now achieve around 68 per cent. There have also been instances where industry has been able to exceed this, such as the Warrnambool Line Upgrade Project where the Minister for Industry Support and Recovery set signalling at 68 per cent, and the project committed an overall 77 per cent local content for signalling as part of the LIDP. This demonstrates the rapidly growing local capability in this category and may enable rail signalling projects to have their minimum local content requirements set even higher in the future.

Another such example of local content increasing over time is evident in hospital and medical facilities projects. In 2015-16, the average requirement set for hospitals was 86.3 per cent. This has now increased to be typically around 91.7 per cent. Alongside these Ministerial requirements, the average commitments made by bidders has also generally increased by around 2.7 per cent. These figures represent millions of dollars of local content now routinely delivered on hospital projects supporting local jobs and businesses. Local Jobs First for hospitals, medical centres and aged care facilities since 2015-16 until 30 June 2021





NUMBER AND VALUE OF COMMENCED HOSPITALS, MEDICAL CENTRES AND AGED CARE FACILITIES PROJECTS



AVERAGE LOCAL CONTENT FOR HOSPITALS, MEDICAL CENTRES AND AGED CARE FACILITIES PROJECTS

5.2. New local content requirements set for Strategic Projects

The Minister for Industry Support and Recovery is increasingly setting additional Local Jobs First requirements on Strategic Projects to support the increased use of local goods and services. This includes working with and leveraging other industry participation and development policies and programs.

In 2020-21, additional local content requirements have been set for a total of 15 projects. These additional requirements are ensuring locally developed products and research are incentivised throughout the life of Local Jobs First projects.

These additional requirements include:

- minimum local content for steel and fittings, fixtures and equipment (FFE)
- placing requirements on consultants and architects to maximise the use of local products in construction
- export and research and development bonuses
- requiring consultation with other Victorian Government programs and policies such as Apprenticeships Victoria and the new Australian MedTech Manufacturing Centre (AMMC).

An example of these additional requirements is the minimum local content of 85 per cent for FFE to be used in the Public Housing Development Wave 1 Strategic Project, part of the Big Housing Build announced in the November 2020 budget. This requirement highlights the government's commitment to local manufacturers and suppliers of FFE and the significant opportunities Victorian Government procurements offer for further supporting this industry locally in the coming years. Funding the AMMC will be Victoria's MedTech manufacturing growth catalyst that works with the sector to identify and develop opportunities to grow MedTech manufacturing in Victoria.

To capitalise on this, requirements have been set on a number of Strategic Projects, including the Ballarat Base Hospital Redevelopment and Frankston Hospital Redevelopments for respondents to consult with the soon-to-be-established AMMC to provide more opportunities for local businesses and suppliers.

As well as the AMMC requirement, additional requirements for FFE were set on each of these projects with consultants being required to preference local solutions and to consult with ICN at particular intervals throughout the life of the project development to ensure local materials, finishes, products, goods and services are maximised wherever possible.

The Next Generation Trams Strategic Project contains additional requirements for the contractors to proactively work with the State to identify research and development, innovation, and export opportunities for their local supply chains.

Additional Requirements since 2015-16

71 ADDITIONAL REQUIREMENTS

ON 45 STRATEGIC PROJECTS

WORTH \$40.7 BILLION OF GOVERNMENT INVESTMENT

Additional Requirements set has grown

2015-16

3 ADDITIONAL REQUIREMENTS

ON 3 STRATEGIC PROJECTS

2020-21

25 ADDITIONAL REQUIREMENTS

ON 15 STRATEGIC PROJECTS

Average minimum set for additional requirements

3.8% SINCE 2015-16



5.3. How Standard Projects work

As the number of Local Jobs First Strategic Projects increases every year, so too does the number of Standard Projects. These smaller value projects (between \$1 million and \$50 million) are equally important to the Local Jobs First Policy, and as of 2020-21 have totalled 1,924 projects valued at \$14.7 billion.

While Strategic Projects have Local Jobs First requirements set by the Minister for Industry Support and Recovery that the successful contractor must meet, Standard Projects involve a more market-led approach. Bidders must respond to a Standard Project request for tender outlining how they will each address:

- the industry development commitments (VIPP commitments) (local content, technology transfer, supply chain engagement)
- the jobs outcomes commitments (new and retained jobs, training), including the MPSG commitments, where applicable

- how the LIDP will be implemented and management of risks, including industry engagement strategies and selection and benchmarking of local content
- monitoring and reporting requirements, including those to be delivered as part of normal project management procedures
- the number of SMEs that will be engaged as part of the contract.

The ICN are involved in the process and can actively work with bidders to enable them to respond to the State's tenders with LIDPs that maximise local content and jobs.

26

As well as assisting bidders to complete the LIDPs, the ICN also review the LIDPs once completed. These reviews are then used by Victorian Government agencies to help inform who will be awarded the contract, with the two mandatory 10 per cent weightings for industry development and jobs outcomes ensuring that bids with ambitious Local Jobs First proposals are more likely to be successful. The LIDP commitments are then incorporated into the contract as project deliverables.

An example of this process in action is the Docklands Studios Melbourne Sound Stage 6 project, a Local Jobs First Standard Project managed by Development Victoria. As part of the Local Jobs First Standard Project process, Development Victoria registered the project with the ICN, which allowed for a contestability assessment to be completed and the market to respond with bids that supported local industry and worker participation.

Durra Panel by Ortech is being utilised for the acoustic insulation at Docklands Studios Melbourne Sound Stage 6. Not only is it a locally manufactured product, but it is made from reclaimed wheat straw, a natural and renewable source that is recyclable and biodegradable. Durra Panel is locally manufactured in Bendigo.

Kane Constructions identified the opportunity to substitute the acoustic roller doors for an overseas manufacturer to a local one, now supplied by a local company, Acram Engineering. In addition to helping meet Local Jobs First requirements, sourcing from a local supplier has eliminated issues around procuring overseas items.

Appendix A

Local Jobs First new and ongoing Strategic Projects – status at 30 June 2021

Project and Local Jobs First requirements	Minimum local content %	Location	
STRATEGIC PROJECTS – LOCAL CONTENT SET IN 2020-21			
Ambulance Victoria Capital Program	93	Statewide	
Consultancy services only	98		
Furniture, fixtures and equipment	80		
All consultants, including but not limited to architects, designers, engineers and other advisers must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.			
Ballarat Base Hospital Redevelopment	91	Ballarat Region	
Furniture, fittings and equipment	40		
All consultants including but not limited to architects, designers, engineers and other advisors must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.			
The project design team (including architects, designers, engineers and other specialists, etc.) must engage with the ICN (industry advisor) at both the 25 per cent and 80 per cent design development stages to ensure the use of local materials, finishes, products, goods and services including fittings, fixtures and equipment is maximised wherever possible.			
The respondent must consult with the AMMC to identify opportunities for local businesses to supply the hospital.			
Barwon Heads Road Duplication	96	Geelong Region	
Package 1	96		
Package 2	97		
Package 3	96		
Belgrave Multi Level Carpark	94	Metropolitan Melbourne	
All consultants including but not limited to architects, designers, engineers and other advisors must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.			
Bendigo Health Day Rehabilitation Centre	90	Bendigo Region	

Project and Local Jobs First requirements	Minimum local content %	Location	
STRATEGIC PROJECTS – LOCAL CONTENT SET IN 2020-21			
Bridge Inn Road Upgrade	96	Metropolitan Melbourne	
All consultants including but not limited to architects, designers, engineers and other advisors must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.			
Childs Road Upgrade	95	Metropolitan Melbourne	
Chisholm Frankston Redevelopment – Stage 2		Metropolitan Melbourne	
Consulting services	97		
All consultants including but not limited to architects, designers, engineers and other advisers must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.			
Craigieburn Road Upgrade	96	Metropolitan Melbourne	
All consultants including but not limited to architects, designers, engineers and other advisors must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.			
Early Parenting Centres		Statewide	
Design phase only	97		
Construction and refurbishment works phase of the Project	91		
Furniture, fixtures and equipment components of the Project	80		
All consultants, including but not limited to architects, designers, engineers and other advisers must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.			
Epping Road Upgrade	96	Metropolitan Melbourne	
All consultants including but not limited to architects, designers, engineers and other advisors must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.			
Fitzsimons Lane Upgrade	95	Metropolitan Melbourne	
Fixed-wing Air Ambulance Services	80	Statewide	
All consultants including but not limited to architects, designers, engineers and other advisors must preference solutions that maximise the use of local materials, wherever possible.			

Project and Local Jobs First requirements	Minimum local content %	Location
STRATEGIC PROJECTS – LOCAL CONTENT SET IN 2020-21		
Frankston Hospital Redevelopment	91	Metropolitan Melbourne
Furniture, fittings and equipment	40	
Operations and maintenance phase	80	
All consultants including but not limited to architects, designers, engineers and other advisors must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.		
The project design team (including architects, designers, engineers and other specialists, etc.) must engage with the ICN (industry advisor) at both the 25 per cent and 80 per cent design development stages to ensure the use of local materials, finishes, products, goods and services including fittings, fixtures and equipment is maximised wherever possible.		
The respondent must consult with the AMMC to identify opportunities for local businesses to supply the hospital.		
Golf Links Road Upgrade	97	Metropolitan Melbourne
All consultants including but not limited to architects, designers, engineers and other advisors must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.		
Hallam North and Heatherton Road Upgrade	95	Metropolitan Melbourne
nformation Technology Services for Registration and Licensing project	98	Statewide
Kingston Residential Aged Care		Metropolitan Melbourne
Preconstruction consulting services	97	
All consultants including but not limited to architects, designers, engineers and other advisers must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.		
Lathams Road Upgrade	95	Metropolitan Melbourne
Manufacture, Supply and Distribution of Victorian Vehicle Number Plates	67	Statewide

Project	and Local Jobs First requirements	Minimum local content %	Location
STRATE	GIC PROJECTS - LOCAL CONTENT SET IN 2020-21		
Metropo	litan Bus Franchise (MBF2)		Statewide
0	perations	90	_
F/	eet (supply and manufacture of buses)	60	
	nortlisted Respondents for the project must include their Local Industry Development Plan:		
1.	a plan, to be updated annually, for how the Shortlisted Respondent and its bus suppliers will increase skills and workforce development, which must include as a minimum how it will:		
	 increase opportunities for apprentices, trainees and cadets (ATCs) 		
	 increase gender diversity in the workforce including for ATCs, for example in key maintenance roles such as diesel mechanics. 		
	 identify new and emerging opportunities for ATCs in the manufacture and maintenance of low and zero emission vehicles. 		
2.	a plan for how the Shortlisted Respondent's bus suppliers will work towards increasing levels of local content during the manufacture of vehicles		
3.	a plan for how the Shortlisted Respondent's bus suppliers will maximise recyclable and recovered content		
4.	an outline of how the Shortlisted Respondent and its bus suppliers will connect Victorian businesses with national or global opportunities		
5.	an outline of how the Shortlisted Respondent and its bus suppliers will drive innovation, research and development over the next decade including investment towards a zero-emission bus fleet.		
Meter Co	ommercialisation	59	Statewide
m	reference solutions that maximise the use of local aterials, finishes, products, goods, services and quipment, wherever possible.		
Narre W	arren North Road Upgrade	96	Metropolitan Melbourne
de	l consultants including but not limited to architects, esigners, engineers and other advisors must reference solutions that maximise the use of local aterials, wherever possible.		
New Sch	ools 2022 Program	92	Statewide

Project and Local Jobs First requirements	Minimum local content %	Location	
STRATEGIC PROJECTS – LOCAL CONTENT SET IN 2020-21			
Next Generation Trams	60	Metropolitan Melbourne	
Participants are required to proactively work with the State's Representative to identify research and development opportunities for the local supply chain and research institutions to the satisfaction of the State's Representative. This will include timeframes for such opportunities during and beyond the Project. This may, for example, include the development of a Research and Development Plan.			
Participants are required to proactively work with the State's Representative to identify innovation opportunities for the Project to the satisfaction of the State's Representative. This may, for example, include the identification of technologies that could be implemented during the procurement, manufacture and delivery of Next Generation Trams including time frames.			
Participants will be eligible for the additional Local Jobs First research and development bonus of 35 per cent of the value of approved research and development investment in collaboration with Victorian Universities and businesses where they exceed the minimum local content requirement committed in the LIDP.			
Participants are required to proactively work with the State's Representative to identify both export opportunities for local suppliers and foreign direct investment opportunities into Victoria to the satisfaction of the State's Representative.			
Participants will be eligible for the additional Local Jobs First export bonus of 40 per cent of the value of approved exports where they exceed the minimum local content requirement committed to in the LIDP. Exports are deemed to be international exports out of Victoria that generate employment and capability outcomes.			
North East Link Project Provision of Strategic Technical Advisory Services	96	Metropolitan Melbourne	
All consultants including but not limited to architects, designers, engineers and other advisers must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction inducing fittings, fixtures and equipment wherever possible.			
North Melbourne Hill Primary School – Main Contractor	92	Metropolitan Melbourne	
Furniture, fittings and equipment	80		
All consultants including but not limited to architects, designers, engineers and other advisors must preference solutions that maximise the use of local materials, wherever possible.			

Project and Local Jobs First requirements	Minimum local content %	Location
STRATEGIC PROJECTS – LOCAL CONTENT SET IN 2020-21		
Pathway to 144 Mental Health Beds 91		Statewide
Furniture, Fittings and Equipment	42	
All consultants, including but not limited to architects, designers, engineers and other advisers must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.		
Pound Road West and Frankston-Dandenong Road Bridge Upgrade	96	Metropolitan Melbourne
All consultants including but not limited to architects, designers, engineers and other advisors must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.		
Princes Highway East Duplication – Stage 3 (Flynn, Kilmany and Kilmany East)	96	Gippsland Region
Public Housing Redevelopment – Wave 1	91	Metropolitan Melbourne
Preconstruction services	97	-
Early Works	95	
Furniture, fittings and equipment	85	-
All consultants, including but not limited to architects, designers, engineers and other advisers must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.		
The respondents on the Tarakan Street and Bill Street project sites must consult with Apprenticeships Victoria as part of the MPSG implementation plan to identify opportunities for local apprentices and trainees.		
Public Housing Redevelopment – Wave 2		Metropolitan Melbourne
Preconstruction services	97	
Early Works	95	
All consultants, including but not limited to architects, designers, engineers and other advisers must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.		

Project and Local Jobs First requirements	Minimum local content %	Location	
STRATEGIC PROJECTS – LOCAL CONTENT SET IN 2020-21			
Rail Projects Victoria Commercial and Financial Advisory Services	97	Statewide	
All consultants including but not limited to architects, designers, engineers and other advisors must preference solutions that maximise the use of local materials, wherever possible.			
Rail Projects Victoria Technical Advisory Services	90	Statewide	
All consultants including but not limited to architects, designers, engineers and other advisors must preference solutions that maximise the use of local materials, wherever possible.			
Suburban Rail Loop – Initial and Early Works	95	Metropolitan Melbourne	
All consultants including but not limited to architects, designers, engineers and other advisors must preference solutions that maximise the use of local materials, wherever possible.			
Sunbury Line Upgrade – Substations Package	90	Metropolitan Melbourne	
Sunbury Road Upgrade	96	Metropolitan Melbourne	
All consultants including but not limited to architects, designers, engineers and other advisors must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.			
Victorian Auditor-General's Office Financial Audit Services Panel	97	Statewide	
Victorian Melanoma and Clinical Trials Centre – Design Package and Early Works	gn Metropolitan M		
Design Package and Early Works	96		
All consultants, including but not limited to architects, designers, engineers and other advisers must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.			
Water and Sewerage Program 2021	91	Metropolitan Melbourne	
All consultants, including but not limited to architects, designers, engineers and other advisers must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.			
Wyndham Law Courts		Metropolitan Melbourne	
Pre-construction services	97		
All consultants including but not limited to architects, designers, engineers and other advisers must preference solutions that maximise the use of local materials, finishes, products, goods and services in construction including fittings, fixtures and equipment wherever possible.			
Project and Local Jobs First requirements	Minimum local content %	Location	
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STRATEGIC PROJECTS - ONGOING IN 2020-21			
Alfred Hospital Urgent Infrastructure	92	Metropolitan Melbourne	
Asset Maintenance Services Contract	96	Statewide	
Asbestos Removal Program		Statewide	
Permanent modular school buildings program	90		
Asbestos removal and reinstatement program	95		
Local steel	Maximise		
Avon River Rail Bridge Project	94	Gippsland Region	
Ballarat Line Upgrade		Grampians Region	
Construction	92		
Signalling	65		
Local steel	Maximise		
Barwon Prison (Prison Infill Expansion Program)	90	Barwon South-West Region	
Bendigo Law Courts Development	92	Loddon Mallee Region	
Broderick Road Large Stockpile Waste Removal Project	97	Barwon South-West Region	
Bus Infrastructure Project – Design, Supply, Installation and Maintenance		Statewide	
Construction	95		
Maintenance	95		
Cairnlea Mixed Use Development	90	Metropolitan Melbourne	
Case Management System Project – Court Services	90	Statewide	
Chandler Highway Upgrade	92	Metropolitan Melbourne	
Chisholm Frankston TAFE Redevelopment – Stage 1	93	Metropolitan Melbourne	
Local steel	Maximise		
Chisholm Road Prison Project	92	Barwon South-West	
Local steel	Maximise	Region	
CityLink-Tullamarine Freeway Widening – Bulla Road to Airport		Metropolitan Melbourne	
Construction	95		
Signalling	80		
County Court PPP Contract Renewal Project		Metropolitan Melbourne	
Operations and maintenance	80		
Capital Works	90		
Dame Phyllis Frost Centre Expansion Project B	92	Metropolitan Melbourne	
Drysdale Bypass Project	96	Barwon South-West	
Local steel	Maximise	Region	
East Grampians Pipeline Project		Grampians Region	
Main trunk backbone, pump stations and storages	80		
Distribution mains, including project management	98		

Project and Local Jobs First requirements	Minimum local content %	Location
STRATEGIC PROJECTS – ONGOING IN 2020-21		
Fishermans Bend Secondary School	91	Metropolitan Melbourne
Fitzroy Gasworks Secondary School and Indoor Sports Centre	91	Metropolitan Melbourne
Flinders Street Station Redevelopment – Heritage works (Phase 1 and 2)	87	Metropolitan Melbourne
Fulham Correctional Centre Expansion Project	92	Gippsland Region
Local steel	Maximise	
Geelong Convention and Exhibition Centre	90	Barwon South-West Region
Geelong Performing Arts Centre Stage 3 Redevelopment	90	Barwon South-West Region
Gippsland and Bendigo Line Upgrades		Gippsland and Loddon
Construction	96	Mallee Regions
Signalling	68	
Gippsland Hi-Tech Precinct	91	Gippsland Region
Local steel	Maximise	
Gippsland Regional Aquatic and Leisure Centre	90	Gippsland Region
Local steel	Maximise	
Greater Shepparton College	91	Hume Region
High Capacity Metro Trains – Train Maintenance Depot and Fleet		Metropolitan Melbourne
Depot	80	
Fleet	50	
Hobsons Bay Main Yarra Sewer Crossing Duplication – Design Stage	93	Metropolitan Melbourne
Design Stage	97	
Hopkins Correctional Centre (Prison Infill Expansion Program)	90	Grampians Region
ICT Managed Services – Department of Education	80	Statewide
Kardinia Park Stage 5 Redevelopment	91	Barwon South-West Region
Landfill Services Project	97	Metropolitan Melbourne
Latrobe Creative Precinct	90	Gippsland Region
Local steel	Maximise	
Latrobe Regional Hospital Redevelopment – Stage 3A	90	Gippsland Region
Level Crossing Removal Project – Melton Highway	93	Metropolitan Melbourne
Local Steel	100	
Level Crossing Removal Project – Package 3 – Caulfield to Dandenong		Metropolitan Melbourne
Construction	92	
Signalling	50	
Local steel	100	

36

Project and Local Jobs First requirements	Minimum local content %	Location
STRATEGIC PROJECTS – ONGOING IN 2020-21		
Level Crossing Removal Project – North Eastern Program Alliance	89	Metropolitan Melbourne
Local steel	100	
Level Crossing Removal Project – Package 5 – Thompsons Road Rail Grade Separation Project (Stage 1)	92	Metropolitan Melbourne
Local steel	100	-
Level Crossing Removal Project – North Western Program Alliance	89	Metropolitan Melbourne
Local steel	100	-
Level Crossing Removal Project – Southern Program Alliance		Metropolitan Melbourne
Construction	93	
Local steel	100	-
Level Crossing Removal Project – Western Program Alliance		Metropolitan Melbourne
Construction	93	
Local steel	100	
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)	97	Metropolitan Melbourne
Local steel	Maximise	
M80 Ring Road Upgrade Sunshine Avenue to Calder Freeway)	95	Metropolitan Melbourne
Maintenance of Freeway Integrated Transport System (ITS) Assets and Communications Network Project		Statewide
Communication network	70	
ITS assets	96	
Local steel	Maximise	
Marngoneet Correctional Centre (Prison Infill Expansion Program)	90	Barwon South-West Region
Marvel Stadium Redevelopment	90	Metropolitan Melbourne
McKinnon Secondary College	92	Metropolitan Melbourne
Melbourne Arts Precinct Transformation	90	Metropolitan Melbourne
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.		
Melbourne Metro Rail Authority Technical and Financial Advisory Services		Statewide
Technical services	96	
Commercial and financial advisory services	98	
Melbourne Metro Tunnel Project – Core Package	84	Metropolitan Melbourne
Local steel	Maximise	

Project and Local Jobs First requirements	Minimum local content %	Location
STRATEGIC PROJECTS - ONGOING IN 2020-21		
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
Local steel	Maximise	
Melbourne Metro Tunnel Project – Rail Systems Alliance – Control Systems & Signalling	65	Metropolitan Melbourne
Melbourne Metropolitan Train Network Project (MR4)	84	Metropolitan Melbourne
Local steel	Maximise	
Melbourne Metropolitan Tram Network Project (MR4)	85	Metropolitan Melbourne
Local steel	Maximise	
Melbourne Park Redevelopment – Stage 3	90	Metropolitan Melbourne
Melbourne Underground Rail Loop Fire and Life Safety Upgrade – Stage 2	70	Metropolitan Melbourne
Local steel	Maximise	
Melbourne Water Professional Engineering Services	92	Metropolitan Melbourne
Metropolitan Bus Project		Metropolitan Melbourne
Bus assets	60	
Bus operations	86	
Metropolitan Remand Centre (Prison Infill Expansion Program)	90	Metropolitan Melbourne
Metropolitan Road Assets Maintenance Services	98	Metropolitan Melbourne
Local steel	Maximise	
Middleton Prison (Prison Infill Expansion Program)	90	Loddon Mallee Region
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
Local steel	Maximise	
Murray River Crossing Echuca-Moama Bridge		Loddon Mallee Region
Murray Valley Highway/Warren Street roundabout	94	
Warren Street upgrade	92	
Main bridge crossing	93	
Local steel	Maximise	
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.		

38

Project and Local Jobs First requirements	Minimum local content %	Location
STRATEGIC PROJECTS – ONGOING IN 2020-21		
New Schools 2022 Program	92	Statewide
New Youth Justice Centre (Cherry Creek)	90	Metropolitan Melbourne
Local steel	Maximise	
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. The LISEP, will include, but it not limited to the following:		
 details of how and when the bidder ('PPP Co') proposes to communicate with the local market 		
 an annual steel industry briefing other annual industry briefings as identified, for long lead items such as extractives, recycled product, bridge components and equipment 		
 a specific program of engagement with the local steel fabricators 		
 advance publication of the procurement schedule of steel and other long lead items including: 		
 project steel forecast by volume, updated quarterly over the entire project schedule 		
 steel by product (e.g., reinforcement structural steel, sheet piling) 		
 detailed evidence of commitments to provide the local market with the same access and timelines as the international market 		
 details of how the bidder will support capability and capacity growth within the local industry, including the steel industry, with the bidder to work with North East Link Project and DJPR to identify areas for Victorian industry expansion in order to meet the project needs. 		
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.		
North East Link Early Works	93	Metropolitan Melbourne
Northern Hospital Stage 2 – Inpatient Expansion Project	90	Metropolitan Melbourne
Local steel	Maximise	

Project and Local Jobs First requirements	Minimum local content %	Location
STRATEGIC PROJECTS – ONGOING IN 2020-21		
O'Herns Road-Hume Freeway Interchange Project	96	Metropolitan Melbourne
Local steel	Maximise	
Penguin Parade Visitor Centre Redevelopment	89	Gippsland Region
Local steel	Maximise	
Personal Alert Victoria	85	Statewide
Personal Protective Clothing, Uniform, Stationwear and Specialised Garments	63	Metropolitan Melbourne
The Metropolitan Fire and Emergency Services Board 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.		
Plenty Road Upgrade – Stage 2 (South Morang)	97	Metropolitan Melbourne
Local steel	Maximise	
Police Assistance Line and Online Reporting	98	Grampians Region
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		Gippsland Region
Nambrok	95	
Traralgon East	91	
Princes Highway West Duplication – Section 2 – Armytage to Warncoort	95	Barwon South-West Region
Princes Highway West Duplication – Section 3 – Warncoort to Colac East	96	Barwon South-West Region
Local steel	Maximise	
Public Housing Renewal Program Stage 1	91	Metropolitan Melbourne
Maintenance	80	
Local steel	Maximise	
Route 96 Accessible Tram Stop Upgrade	91	Metropolitan Melbourne
Local steel	Maximise	
Safe System Road Infrastructure Program – Pedestrian and Bicyclist	95	Statewide
Local steel	Maximise	
Safe System Road Infrastructure Program – Road Departure Barriers		Statewide
Supply and manufacture of Wire Rope Safety Barrier and W-beam guardrail systems	95	
Safety Barrier systems	97	

Project and Local Jobs First requirements	Minimum local content %	Location
STRATEGIC PROJECTS - ONGOING IN 2020-21		
Shepparton Corridor Upgrade		Hume Region
Construction	96	
Signalling	68	
Solution Delivery Panel 2	80	Statewide
South East Water Reliability Program		Metropolitan Melbourne
Project	80	
Manufacture and supply of pipes	70	
State Basketball Centre Redevelopment	90	Metropolitan Melbourne
Streamlining Hoddle Street	95	Metropolitan Melbourne
Local steel	Maximise	
St Kilda Pier Redevelopment	93	Metropolitan Melbourne
Sunshine North Residential Project	92	Metropolitan Melbourne
Supply and Delivery of Bitumen and Bituminous Products		Statewide
Supply of Class 170 Bitumen excluding freight and delivery	48	
Supply of bituminous products excluding freight and delivery	70	
Technical Advisory Services – Major Road Projects Victoria	95	Statewide
Thompsons Road, Cranbourne Road Duplication Project – Stage 2	91	Metropolitan Melbourne
Ticketing Services Retender	70	Statewide
Traralgon Indoor Sports and Entertainment Complex Upgrade	91	Gippsland Region
Local steel	Maximise	
Victorian Heart Hospital		Metropolitan Melbourne
Architectural Services	99	
Engineering services	98	
Construction	90	
Local steel	Maximise	
Victorian Rail Infrastructure Program – Legal Services	98	Statewide
Victorian Renewable Energy Auction		Statewide
Projects	64	
Operations phase	90	
Local steel	90	
VLocity 2018 Trains	65	Metropolitan Melbourne
Warrnambool Line Upgrade		Barwon South-West
Preconstruction and construction	93	Region
Signalling	68	
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
STRATEGIC PROJECTS - ONGOING IN 2020-21		
Water and Sewer Network Renewals Project		Metropolitan Melbourne
Water main renewals	85	-
Sewer system renewals	85	
West Gate Tunnel Project		Metropolitan Melbourne
Project	89	-
Lane use management system	82	-
Local steel	Maximise	-
Western Highway Duplication – Section 2B – Buangor to Ararat	95	Grampians Region
Vestern Suburbs Road Package		Metropolitan Melbourne
Construction	92	
Maintenance	93	-
Independent reviewer	96	
Western Treatment Plant (WTP) Sludge Drying Pan Augmentation	95	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
Local steel	Maximise	

Note: The South Eastern Roads Upgrade Project and Northern Roads Upgrade Project have been cancelled and the delivery model has been restructured.

Appendix B

All completed Local Jobs First Strategic Projects since November 2014, as at 30 June 2021

A total of 50 Strategic Projects have been reported as completed since 2014, though only 40 are listed here. This is because projects that commenced prior to 2014 that did not have minimum requirements set by a Minister are included in the number of completed projects.

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
Local steel	Maximise	100		
Level Crossing Removal Project – Package 2	90	95.7	Metropolitan Melbourne	2016-17
Local steel	Maximise	100		
Level Crossing Removal Project – Package 4	90	97.3	Metropolitan Melbourne	2016-17
Local steel	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	2017-18
Construction	95	96.5	Melbourne	
Lane use management system	81	89.9		
Princes Highway West Duplication- Winchelsea to Armytage (Section 1)	95	100	Barwon South West Region	2017-18
West Gate Distributor – Northern Section Stage 1	93	95.5	Metropolitan Melbourne	2017-18
Local steel	-	100		
Werribee Mercy Hospital Stage 1C	85	87.9	Metropolitan Melbourne	2017-18
Chisholm Frankston Redevelopment – Stage 1	93	92	Mornington Peninsula	2018-19
Local steel	Maximise	94		
Dame Phyllis Frost Centre Expansion Project A	92	92	Metropolitan Melbourne	2018-19
Local steel	Maximise			
Joan Kirner Women's and Children's Hospital	85		Metropolitan Melbourne	2018-19
Mernda Rail Extension Project	92	97	Metropolitan Melbourne	2018-19
Melbourne Convention and Exhibition Centre Expansion	60		Metropolitan Melbourne	2018-19

Project and Local Jobs First requirements	Minimum local content %	Local content achieved %	Region	Year completed
New Schools Public Private Partnership	90	87	Statewide	2018-19
Orygen Youth Health Development	90	81	Metropolitan	2018-19
Local steel	Maximise		Melbourne	
Parkville and Malmsbury Youth Justice Expansion Project	92	93	Metropolitan Melbourne	2018-19
Local steel	Maximise	98		
Provision of Managed Services to HealthSMART	80	85	Statewide	2018-19
Safe System Road Infrastructure Program	90	99	Statewide	2018-19
Shepparton Law Courts Redevelopment	85	85	Hume Region	2018-19
Western Treatment Plant – Treatment Capacity Upgrade (Stage 2 Augmentation Project)	80	88	Metropolitan Melbourne	2018-19
Boneo Water Recycling Plant Stage 4 Upgrade			Metropolitan Melbourne	2019-20
Design and construction	82	88	-	
Operations and maintenance	88	90		
Local steel	Maximise			
Casey Hospital Expansion Project	85	85	Metropolitan Melbourne	2019-20
Craigieburn Sewerage Hub	80	86	Metropolitan Melbourne	2019-20
Epping Main Sewer	91	97	Metropolitan	2019-20
Local steel	Maximise		Melbourne	
Growth Areas School Project	91	99	Statewide	2019-20
Local steel	Maximise	99		
Melbourne Park Redevelopment Stage 2 Rod Laver Arena Refurbishment Project	82	87	Metropolitan Melbourne	2019-20
New Schools 2020	91	95	Statewide	2019-20
Local steel	Maximise	-		
South-West Loddon Rural Pipeline Project			Loddon Mallee Region	2019-20
Stage 1	88		-	
Stage 2	87			
Stage 3	86			
Local steel	Maximise			
State Library of Victoria Redevelopment	80	85	Metropolitan Melbourne	2019-20

Project and Local Jobs First requirements	Minimum local content %	Local content achieved %	Region	Year completed
Ballarat GovHub	91	92	Grampians	2020-21
Local steel	Maximise	95	Region	
Bendigo GovHub	90	92	Loddon Mallee Region	2020-21
Goulburn Valley Health Redevelopment	85	85	Hume Region	2020-21
Local steel	Maximise			
Macalister Irrigation District 2030 Phase 1B – Southern Tinamba Modernisation Project			Gippsland Region	2020-21
Pipes	70	81		
Installation	97	98		
Local steel	Maximise			
New Victorian Police Centre	82	82	Metropolitan Melbourne	2020-21
New Schools 2021 Program	91	88	Statewide	2020-21
State Netball and Hockey Centre Redevelopment	91	93	Metropolitan Melbourne	2020-21
Local steel	Maximise	95		
Upper Yarra Reservoir Safety Upgrade	96		Metropolitan Melbourne	2020-21

DJPR13496_10/21