

A photograph of a construction site. In the foreground, a worker in a yellow hard hat and orange high-visibility shirt is leaning over a long, corrugated metal pipe, possibly measuring or marking it. In the background, another worker in a white hard hat and orange shirt stands near a large piece of machinery, which appears to be a trencher or a similar earth-moving equipment. The scene is set outdoors on a dirt or gravel surface. A large red diagonal graphic element covers the left side of the image.

LOCAL JOBS FIRST

ANNUAL REPORT
2021-22

COVER IMAGE

Photo credit:
Major Transport Infrastructure Authority

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

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Minister for Industry Support and Recovery Foreword

On behalf of the Victorian Government, and together with the Minister for Employment, I am pleased to present the 2021-22 Local Jobs First Annual Report.

The Local Jobs First Policy has contributed significantly to the Victorian community and economy by securing Victorian jobs and helping drive investment across our state.

Since 2014, local content requirements have been set for 253 Strategic Projects with a combined value of more than \$115 billion, directly supporting more than 45,000 jobs.

It was a record year for local content in 2021-22, with requirements set for 55 Strategic Projects – beating the record of 41 set the previous year – that collectively equate to nearly \$20 billion.

A key contributor to this achievement is Victoria's Big Build, which is transforming the state's roads and public transport system while supporting local jobs through hundreds of new, locally built trains, trams and buses.

These results were accomplished despite challenging global conditions, including international supply chain shortages and high material costs.

These challenges have meant that engaging local businesses to deliver government projects is more important than ever.

The Local Jobs First Policy enables the Victorian Government to use its purchasing power to boost local industries and jobs, shoring up our resilience to future supply chain disruptions.

We are committed to delivering benefits to the state by maximising the local sourcing of goods, materials and labour where possible, so that local businesses can continue to have a full and fair opportunity to compete for both large and small government contracts.

We will also continue to support businesses through the Industry Capability Network's extensive supply chain expertise, and we will work with Local Jobs First Commissioner Moana Weir on compliance and enforcement, making sure that all agencies and contractors are delivering on their obligations.

By backing local businesses, workers, apprentices, trainees and cadets through the Local Jobs First Policy, the Victorian Government is using current projects to invest in the state's future.

I commend all the Victorian Government agencies that have applied the Local Jobs First Policy as well as the local businesses, workers, apprentices, trainees, and cadets who have helped, and continue to help, build our state through their active involvement.



A handwritten signature in blue ink that reads "Ben Carroll".

The Hon. Ben Carroll MP
Minister for Industry Support and Recovery

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

I am delighted to be presenting the 2021-22 Local Jobs First Annual Report on behalf of the Victorian Government with Minister Carroll.

It is wonderful that here in Victoria we have the Local Jobs First Policy including the Major Projects Skills Guarantee creating opportunities for our local workers. In this annual report, you will see the significant pipeline of Victorian projects that are implementing the Local Jobs First Policy.

Since the introduction of the Major Projects Skills Guarantee in 2016, it has been applied to 265 projects collectively worth \$117.4 billion, which have committed to more than 12.6 million contracted hours for 5,355 apprentices, trainees, and cadets.

Year after year, the Major Projects Skills Guarantee is supporting people just like Michaela, the case study on page 13 who is working on the Metro Tunnel project, by providing them with opportunities to work on high-value construction projects and gain the necessary skills to kickstart their new careers. It provides people starting out their career with the opportunity to learn from experienced tradespeople on the job.

On Major Projects Skills Guarantee projects under delivery during the 2021-22 financial year, opportunities for 1,976 apprentices, 1,090 trainees, and 966 cadets were supported. These workers have clocked the equivalent of over 1 million hours working on these projects.

This shows that the Major Projects Skills Guarantee is making a real difference by ensuring that for Victorian Government construction projects valued at \$20 million or above, 10 per cent of estimated labour hours are reserved for those starting out in their career.

These opportunities are not limited to jobs involved in the physical construction of projects but also for innovative positions including architects, designers, and engineers that are involved in the lifespan of each project.

That's why with Local Jobs First we are building Victoria's economy now and into the future.

We are strengthening our local supply chains by enhancing industry capability, developing local skills and creating new jobs here in Victoria. By backing our industries with a strong and resilient workforce, we are ensuring they can tackle global challenges head-on and capture opportunities now and into the future.



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

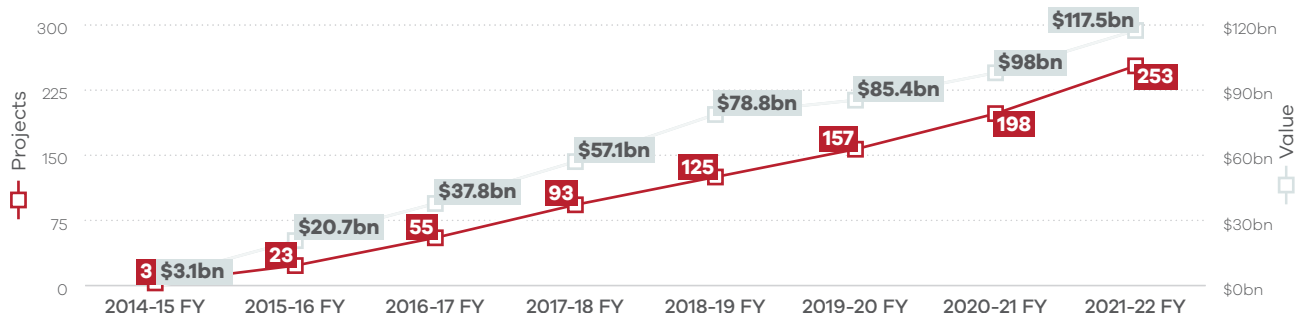
From 2014 until 30 June 2022, the Local Jobs First Policy has been applied to

253 STRATEGIC PROJECTS

146 METRO PROJECTS
57 REGIONAL PROJECTS
50 STATEWIDE PROJECTS

WORTH \$117.5 BILLION

CUMULATIVE STRATEGIC PROJECTS AND VALUE



Local Jobs First requirements set on Strategic Projects

- 89% AVERAGE MINIMUM LOCAL CONTENT**
- 73 PROJECTS WITH A LOCAL STEEL REQUIREMENT**

Local Jobs First commitments made by successful contractors

- 91% AVERAGE LOCAL CONTENT**
- 91% AVERAGE LOCAL STEEL CONTENT**
- 45,097 JOBS COMMITTED**

A Strategic Project is a project with a budget of \$50 million or more or that has been declared as a Strategic Project by the Minister for Industry Support and Recovery.

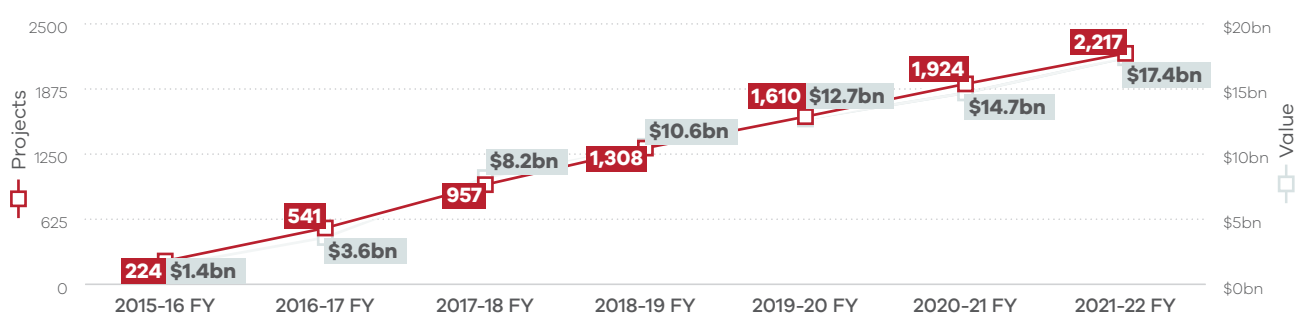
Since 2015, the Local Jobs First Policy has been applied to

2,217 STANDARD PROJECTS

910 METRO PROJECTS
991 REGIONAL PROJECTS
316 STATEWIDE PROJECTS

WORTH \$17.4 BILLION

CUMULATIVE STANDARD PROJECTS AND VALUE



Local industry development plan commitments

- 86.7% AVERAGE LOCAL CONTENT**
- 37,874 JOBS COMMITTED**
- 44,604 OPPORTUNITIES FOR SMALL TO MEDIUM ENTERPRISES (SMEs)**

A Standard Project is a project with a budget less than \$50 million and greater than \$1 million if it is regional, or greater than \$3 million if it is statewide or in metropolitan Melbourne

325 COMMENCED PROJECTS

WORTH *\$32.2 BILLION



147 METRO PROJECTS

132 REGIONAL PROJECTS

46 STATEWIDE PROJECTS

32 STRATEGIC PROJECTS

293 STANDARD PROJECTS

WORTH \$29.5 BILLION

WORTH \$2.7 BILLION



8,158 JOBS COMMITTED



22,990 OPPORTUNITIES FOR SMES

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

113 COMPLETED PROJECTS

63 METRO PROJECTS

41 REGIONAL PROJECTS

9 STATEWIDE PROJECTS

12 STRATEGIC PROJECTS

101 STANDARD PROJECTS



WORTH *\$3.6 BILLION



2,661 JOBS COMMITTED



33,558 OPPORTUNITIES FOR SMES

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

METRO MELBOURNE



63 COMPLETED PROJECTS

WORTH \$3.1 BILLION

REGIONAL VICTORIA



41 COMPLETED PROJECTS

WORTH \$434 MILLION

STATEWIDE



9 COMPLETED PROJECTS

WORTH \$97.9 MILLION

Between its introduction in 2016 and 30 March 2022¹, the MPSG has been applied to 265 projects worth \$117.4 billion and supported



3,716 APPRENTICES

1,544 TRAINEES

1,357 CADETS

265 MPSG PROJECTS

ACHIEVED



6,617 TOTAL ATCs



7.9 MILLION HOURS TO DATE



METRO MPSG PROJECTS HAVE SUPPORTED



4,393 APPRENTICES, TRAINEES AND CADETS (ATCs)



6.6 MILLION HOURS TO DATE



REGIONAL MPSG PROJECTS HAVE SUPPORTED



1,360 ATCs



901,604 HOURS TO DATE



STATEWIDE MPSG PROJECTS HAVE SUPPORTED



455 ATCs



266,272 HOURS TO DATE

1. MPSG Commitments and outcomes are reported separately to the annual report and include pre-award, commenced, ongoing and completed projects. Unlike figures elsewhere in this report, these figures are cumulative and are not exclusively from the 2021-22 financial year. The region type (metro, regional or statewide) was not available for six projects. These six projects achieved 409 ATC positions and 93,367 hours to date.



▲
Photo credit:
Major Transport
Infrastructure Authority

1. About Local Jobs First

The Local Jobs First Policy is designed to:

- promote employment and business growth by expanding market opportunities for local industry;
- provide contractors with increased access to, and raised awareness of, local industry capability;
- expose local industry to world's best practice in workplace innovation, e-commerce and use of new technologies and materials; and
- develop the international competitiveness and flexibility of local industry to respond to changing global markets by providing it with a fair opportunity to compete against foreign suppliers.

The Minister for Industry Support and Recovery is jointly responsible for the *Local Jobs First Act 2003* (the Act) along with the Minister for Employment and the Minister for Innovation, Medical Research and the Digital Economy. The Local Jobs First Policy is also established under the Act and comprises both the Victorian Industry Participation Policy (VIPP) and Major Projects Skills Guarantee (MPSG).

- VIPP: focuses on creating opportunities for local suppliers to compete for work on all types of government contracts, helping to create and sustain opportunities for Victorian businesses and workers.
- MPSG: focuses on providing opportunities to Victorian apprentices, trainees, and cadets to work on high value government construction projects.

In combination, these two policies support Victoria's sovereign capability and local supply chains, driving the continued growth and development of local businesses and workers.

Local Jobs First must be applied to regional projects worth more than \$1 million, and statewide or metro Melbourne projects worth at least \$3 million. Under VIPP, local content requirements are set by the Minister for Industry Support and Recovery for all government projects worth \$50 million or more.

The MPSG automatically applies to construction projects at or over \$20 million in value. From design and planning to steel fabrication, welding, and plumbing, MPSG requires government suppliers to invest in our future workforce by ensuring that apprentices, trainees, or cadets are engaged for a minimum of 10 per cent of the total number of estimated hours of work on the project.

The Local Jobs First Commissioner is also established under the Act. The Commissioner has responsibility for advocating for the Local Jobs First Policy and facilitating greater involvement from local businesses, workers, apprentices, trainees, and cadets. The Commissioner's compliance and enforcement powers also help to ensure that agencies and contractors involved in government procurement understand and deliver on their obligations.

The Local Jobs First legislation requires that all departments and agencies subject to the *Financial Management Act 1994* report on their implementation of Local Jobs First by providing:

- a detailed report on Local Jobs First implementation as part of their required annual reporting arrangements; and
- 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.

Using the data provided by departments and agencies, this Annual Report presents the outcomes as they relate to Local Jobs First activities for the 2021-22 financial year.



CASE STUDY:

Victoria's rolling stock

McConnell Seats Australia is based in Broadmeadows and specialises in public transport seating. McConnell sees great value in Victoria's Local Jobs First Policy and the minimum local content requirements set for Victoria's rolling stock projects as they benefit the entire supply chain and support rolling stock manufacturing in Victoria.

An example of this is the new VLocity trains that were a part of a \$340 million investment for 18 new trains including six standard-gauge trains for the Albury line. The trains were constructed at Dandenong-based manufacturer Bombardier, supporting 100 direct local jobs and hundreds more through the local supply chain. This included McConnell Seats who designed and manufactured the passenger seating for the trains.

This has provided McConnell with the opportunity to increase local engineering and manufacturing skills that will improve its global competitiveness, ensuring that McConnell will be in a position to support the rolling stock industry over the coming years.

McConnell credits much of its' growth to the rolling stock strategy and the strong Local Jobs First requirements set on these projects.

2. Implementation of Local Jobs First

2.1. Local Jobs First Commissioner

The Local Jobs First Commissioner advocates for local businesses, workers, apprentices, trainees, and cadets, ensuring that they continue to benefit from Victorian Government procurement. By connecting with local industry, contractors, and government agencies applying the Local Jobs First Policy, the Commissioner educates stakeholders about the Policy and assists with maximising outcomes for Victorian businesses and workers on government projects.

As part of the role, the Commissioner undertakes compliance activities to ensure that local businesses and workers are provided with a full and fair opportunity to participate in projects and that suppliers are delivering on their stated local content and jobs commitments.

On 27 January 2022, Ms Moana Weir was appointed to the role of Local Jobs First Commissioner, after Mr Greg Wilson had been Acting Commissioner since 2 April 2021. Ms Weir, as an experienced lawyer with extensive corporate knowledge, brings a wealth of experience to the role and is the former Chair of the Victorian Equal Opportunity and Human Rights Commission.

Since undertaking the role, Ms Weir has strongly advocated for increased local industry and worker participation and expanded opportunities for Victorian businesses, including collaborating with the Industry Capability Network (ICN) and DJPR on a range of stakeholder engagement activities.

2.2. Message from the Local Jobs First Commissioner – Ms Moana Weir

Since commencing as Local Jobs First Commissioner at the end of January, I have greatly enjoyed meeting with many key stakeholders in the engagement and advocacy of the Local Jobs First Policy. It has been very valuable to promote and hear of the many opportunities to maximise local content and jobs in Victorian Government procurement as an important part of the economic recovery

and growth of the State. This will lift the productivity and capability of local industry and increase economic participation through the growth in employment of local apprentices, trainees, and cadets, and through social procurement. It will also help to build Victoria's workforce and skills capability for the long term.

There are a significant number of large Local Jobs First projects in infrastructure, manufacturing, and services already underway or in the pipeline that are likely to be impacted by the tight labour market and continuing disruptions in global supply chains. Given the potential opportunities and challenges that these projects could face, it is timely for government agencies to re-consider their engagement model with contractors on Local Jobs First projects to increase their level of regular project consultation. In enabling higher levels of collaboration and transparency, agencies and suppliers can ensure they continue to maximise local content and jobs, including through early notification of potential supply chain disruptions to minimise or avoid such impacts. This is a current focus of my office in seeking to deliver on the aims of the Local Jobs First Policy.

In addition to stakeholder engagement and advocacy work, our team in the Local Jobs First Commissioner's Office also supports the effective operation of the Local Jobs First Policy by performing our regulatory functions, including investigating complaints and auditing the delivery of Local Jobs First projects.

I look forward to continuing to lead the work of our office in engagement, advocacy, compliance, and regulation of the Local Jobs First Policy to enable growth in the capacity, capability, and resilience of local industry to deliver tangible economic and social benefits for all Victorians.



A stylized, handwritten signature in black ink, appearing to read 'Moana Weir'.

Moana Weir
Local Jobs First Commissioner

2.3. Industry Capability Network (Victoria)

The ICN is a not-for-profit organisation that supports DJPR with the implementation of the Local Jobs First Policy and assists Victorian Government departments, agencies, and businesses to comply with the requirements of the Policy.

The ICN plays a key role in liaising with Victorian Government departments, agencies, and industry. The ICN provides support to businesses completing Local Industry Development Plans (LIDPs) and also supports the link between principal contractors and local small and medium-sized enterprises (SMEs) through its' significant local industry knowledge.

The ICN's engagement with local SMEs via the ICN Gateway, an online portal for suppliers to register their interest in supplying into Local Jobs First projects, builds understanding of local industry capabilities. In addition, the ICN also manages the Victorian Local Jobs First Management Centre (VMC) where agencies register as well as monitor and report on Local Jobs First projects.

2.4. Department of Jobs, Precincts and Regions

DJPR's role in administering the Act includes developing the Local Jobs First Policy, guidelines, and model clauses as well as establishing structures to support delivery across Victorian Government departments and agencies. As part of this, DJPR monitors and reports on implementation of the Policy and provides regular advice and reporting to the responsible Ministers and the Victorian Government as a whole regarding operational matters.

In addition, DJPR is responsible for:

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

For further details, please refer to the Local Jobs First website at localjobsfirst.vic.gov.au.

3. Local Jobs First Outcomes in 2021-22

Under Local Jobs First, each project is designated as either a Standard Project or a Strategic Project based on the project value and/or Ministerial determination.

As Victoria's infrastructure spending has increased in recent years, the number and value of Local Jobs First Standard and Strategic Projects has reached record levels. The strong pipeline of current and future projects will continue to generate opportunities for local industry over the next decade and beyond.

3.1. Strategic Projects

As at 30 June 2022, minimum local content requirements have been set on a total of 253 Local Jobs First Strategic Projects since November 2014, with a combined value of \$117.5 billion. These projects are expected to deliver an average of 91 per cent local content, provide more than 45,000 jobs, and provide tens of thousands of opportunities for local SMEs to get involved in large Victorian Government projects.

In 2021-22, the government set local content requirements for 55 Strategic Projects. This is a new record and is 14 more than the previous record, set last year in 2020-21 where 41 Strategic Projects had Local Jobs First requirements set. The 55 Strategic Projects are worth nearly \$20 billion collectively and received an average minimum local content requirement of 87.3 per cent.

It was also a record-breaking year for regional Victoria with the highest value for Strategic Projects recorded with more than \$2.4 billion in regional Strategic Projects having their requirements set throughout 2021-22. In addition, the greatest yearly number of statewide and metro Melbourne Strategic Projects had requirements set (17 and 28 respectively) with statewide projects also reaching the highest ever estimated project value for a year at \$9.5 billion.

Please refer to the Local Jobs First website for full project details at: localjobsfirst.vic.gov.au/projects/strategic-projects.

3.2. Standard Projects

Since 2015, the Local Jobs First Policy has been applied to 2,217 Standard Projects worth \$17.4 billion. In 2021-22, 293 Standard Projects worth a total of \$2.7 billion were registered with the ICN, with 128 of these being delivered in regional Victoria. These projects will provide opportunities for 17,247 local SMEs and support 3,846 jobs.

A total of 101 Standard Projects, valued at \$774 million, were completed in 2021-22. Of these completed projects, 39 were in regional Victoria.

3.3. Major Projects Skills Guarantee

Since its introduction in 2016, the MPSG has been applied to 265 projects collectively worth \$117.4 billion, which have committed to more than 12.6 million contracted hours for 5,355 apprentices, trainees, and cadets. This includes 67 regional projects that have committed to over 845,000 hours for 528 apprentices, trainees, and cadets.

On MPSG projects under delivery in the 2021-22 financial year, opportunities for 1,976 apprentices, 1,090 trainees, and 966 cadets were supported. This is the equivalent of 1,057,327 hours.

3.4. Commenced projects

A total of 325 Local Jobs First projects worth \$32.2 billion commenced during 2021-22. This includes 147 metro Melbourne projects, 132 regional projects and 46 statewide projects. Of the 325 projects, 32 were Strategic Projects worth \$29.5 billion and 293 were Standard Projects worth \$2.7 billion. Together, these projects have committed to delivering 8,158 jobs and 22,990 opportunities for local SMEs.



CASE STUDY:

Major Projects Skills Guarantee

Michaela is an Apprenticeships Victoria Ambassador for the Department of Education and Training and is currently working on a Local Jobs First Strategic Project—and one of Victoria's largest infrastructure projects—the Metro Tunnel. Michaela enjoys many aspects of being an apprentice plumber and is contributing to the work being undertaken on the project including the installation of stormwater pits and drains.

Michaela says one of the best parts of the job is learning from experienced tradespeople and adapting the knowledge gained through these interactions to grow as a plumber. Michaela is excited to be able to share this knowledge and experience with others in the near future:

"After I finish my apprenticeship, I can't wait to be able to teach other apprentices how to do it, and I'm excited for it."

The MSPG aims to support apprentices, trainees, and cadets just like Michaela by providing them with opportunities to work on high-value construction projects and gain the necessary skills to kickstart their new careers.

3.5. Completed Strategic Projects

During 2021-22, 12 Local Jobs First Strategic Projects worth a total of \$2.8 billion were completed.

This brings the total to 62 Local Jobs First Strategic Projects that have been reported as complete by agencies since November 2014, worth a combined value of \$13.2 billion.

Please see Appendix A for a list of the completed Strategic Projects throughout 2021-22.

3.6. Local Content

All Local Jobs First projects require a Local Industry Development Plan (LIDP) that outlines the items that are contestable (both international and local providers) and the businesses that will be engaged to deliver different elements of the project, providing opportunities for local industry and workers. Local content includes goods produced, services supplied, and construction activities carried out, by local industry. The local assembly of imported materials, transport of goods, and local labour are all examples of local content or local added value.

'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 2021-22, 1,584 tenders were registered with the ICN. A total of 5,070 LIDPs were prepared by businesses in bidding for projects. This represents a 13 per cent increase in the number of LIDPs reviewed by ICN over the same period last year.

3.7. Grants

Grant recipients are subject to Local Jobs First where the value of the grant meets the Local Jobs First financial thresholds. Recipients of the relevant grants must engage with the ICN to discuss opportunities for local SME involvement.

During 2021-22, a total of 255 grants were registered with the ICN, an 8 per cent increase from the 236 grants registered in 2020-21.

3.8. Exemptions

Under section 4A (3) of the Act, the Minister for Industry Support and Recovery may exempt a government department or agency from the requirements of the Local Jobs First Policy if exceptional circumstances apply.

On 16 March 2020, under the *Public Health and Wellbeing Act 2008*, the Premier and Minister for Health declared a State of Emergency throughout Victoria. In response, on 27 March 2020, the Minister for Industry Support and Recovery exempted from the Local Jobs First Policy all procurement under the Health and Ambulance Services portfolios related to the COVID-19 response, for the duration of the State of Emergency. During 2021-22, this exemption applied to 40 procurement transactions conducted under these portfolios, with a total value of \$733.04 million. This was to allow the State's health services to expedite procurement to respond to the crisis.

On 22 September 2021 and again on 21 February 2022, the Minister for Industry Support and Recovery exempted the Department of Education and Training (DET) from the requirements of the Local Jobs First Policy in relation to their procurement of portable air purifiers for Victorian schools. Both of these DET exemptions were given under Critical Incident Protocols due to the urgent need for the air purifiers as part of the State's COVID-19 response.



CASE STUDY:

Stable Engineering

Stable Engineering Services (Stable) is located in Morwell in the Latrobe Valley and has been in business since 1980, contributing to more than 4,000 projects across Victoria and nationwide. Stable provides specialty services including high-pressure parts work, turbine overhauls, process plant installation, pipe spooling, and heavy engineering fabrication including the manufacture and supply of bog mats (temporary foundations that prevent heavy machinery from damaging existing surfaces).

Stable has been able to participate in Local Jobs First projects thanks to the strong relationship it has with ICN Victoria. Through Stable's registration on the ICN Gateway, Industry Advisers made Stable aware of Local Jobs First projects to which it has been able to provide its' services, and this has benefited its operations and the local workforce. For example, Stable was selected to manufacture and supply bog mats on the West Gate Tunnel Project and Level Crossing Removal Project.

On the West Gate Tunnel Project, all of Stable's project inputs were locally sourced including steel, welding consumables, safety equipment, and the transport of bog mats to the project. The Local Jobs First Policy continues to provide opportunities for businesses like Stable to participate in government projects, which enables them to provide secure employment to their workforce and help to deliver the next generation of Victorian workers.


3.9. Engagement and 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 continued increase in Local Jobs First projects this year, the ICN reported a continuation of strong engagement activities with local SMEs, departments, and agencies including project contestability assessments and LIDP acknowledgements. ICN delivered 11 project industry and policy briefing sessions in 2021-22, connecting more Victorian businesses to government project opportunities. Events were held in metro Melbourne and Geelong both virtually and in person. The briefings also included the launch of the Building Equality Policy.

The the Act provides the Local Jobs First Commissioner with specific compliance powers. For projects that commenced since August 2018, it enables the Commissioner to monitor, review and enforce compliance of the Local Jobs First Policy and related commitments and obligations. 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.

In accordance with section 29 of the Act – Adverse Publicity Notices, the Local Jobs First Commissioner did not make any recommendations to issue any such notices during 2021-22.



Azizeh (pictured) is a refugee and engineering cadet for RNA thanks to the work of social enterprises; CareerSeekers and MCS.

Photo credit:
Rail Network Alliance

CASE STUDY:

Multicultural Consulting Services

The Rail Network Alliance (RNA) comprising John Holland, CPB Contractors, AECOM, Alstom, Metro Trains Melbourne, and Rail Projects Victoria is delivering works that will enable operation of the Metro Tunnel and the High-Capacity Metro Trains. Strong Local Jobs First requirements are in place for these projects that will benefit a significant number of local businesses and workers.

One of these businesses is the Victorian social enterprise Multicultural Consulting Services (MCS), who the RNA first engaged in 2018 to facilitate engagement and support for local priority jobseekers. Since then, MCS has provided RNA with 28 cadets and 3 trainees who have contributed over 55,000 hours to the project under the MPSG.



RNA has spent over \$2.5 million with MCS to provide employment, training and development opportunities for 37 people – including Aboriginal people, asylum seekers, disengaged young people, and women who have experienced family violence – who previously faced significant barriers to employment.

The MPSG provides significant opportunities for local apprentices, trainees and cadets to work on high-value construction projects. The Metro Tunnel is a strong example of this where contractors are creating or retaining more than 1,100 apprentices, trainees, and cadets on the project, which equates to more than 1.5 million total hours.

Breakdown of Metro, Regional and Statewide Projects over 2021-22









METRO MELBOURNE



	147 COMMENCED PROJECTS
	127 STANDARD PROJECTS
	20 STRATEGIC PROJECTS
	WORTH \$25 BILLION
	5,168 JOBS COMMITTED
	13,967 OPPORTUNITIES FOR SMES
	64.3% AVERAGE LOCAL CONTENT
	63 COMPLETED PROJECTS
	53 STANDARD PROJECTS
	10 STRATEGIC PROJECTS
	WORTH \$3.1 BILLION
	1,850 JOBS COMMITTED
	29,999 OPPORTUNITIES FOR SMES
	88.2% AVERAGE LOCAL CONTENT





REGIONAL VICTORIA



	132 COMMENCED PROJECTS
	128 STANDARD PROJECTS
	4 STRATEGIC PROJECTS
	WORTH \$5.2 BILLION
	1,616 JOBS COMMITTED
	7,083 OPPORTUNITIES FOR SMES
	67% AVERAGE LOCAL CONTENT
	41 COMPLETED PROJECTS
	39 STANDARD PROJECTS
	2 STRATEGIC PROJECTS
	WORTH \$434 MILLION
	629 JOBS COMMITTED
	3,434 OPPORTUNITIES FOR SMES
	89.3% AVERAGE LOCAL CONTENT

STATEWIDE



	46 COMMENCED PROJECTS
	38 STANDARD PROJECTS
	8 STRATEGIC PROJECTS
	WORTH \$2 BILLION
	1,373 JOBS COMMITTED
	1,940 OPPORTUNITIES FOR SMES
	62.3% AVERAGE LOCAL CONTENT
	9 COMPLETED PROJECTS
	9 STANDARD PROJECTS
	NO STRATEGIC PROJECTS
	WORTH \$98 MILLION
	182 JOBS COMMITTED
	125 OPPORTUNITIES FOR SMES
	33% AVERAGE LOCAL CONTENT

4. Local Jobs First highlights

4.1. Strategic Project records and milestones

It was a record year in 2021-22 with requirements set for 55 Local Jobs First Strategic Projects, exceeding the previous record of 41 set in 2020-21. These 55 projects, collectively valued at nearly \$20 billion, provide a significant opportunity for local businesses and workers, including local apprentices, trainees, and cadets, to be involved and benefit from this significant investment.

In 2021-22, Victoria passed \$100 billion in Strategic Projects that have applied the Local Jobs First Policy since 2014 with 253 Strategic Projects valued at \$117.5 billion as at 30 June 2022. These projects have committed to support more than 45,000 jobs. When combined with Standard Projects, commitments have been made to provide 12.6 million hours of on-the-job experience to 5,355 apprentices, trainees, and cadets who have performed 12.6 million contracted hours and will help form the next generation of skilled Victorian workers.

A significant contributor to these outcomes is Victoria's Big Build that is transforming Victoria's roads and public transport system and will support local jobs through a pipeline of hundreds of new locally built trains, trams, and buses. The focus in setting strong Local Jobs First requirements on Strategic Projects, like the projects included in Victoria's Big Build, is strengthening local supply chains, boosting local business investment, and setting up our future workforce.

During 2021-22, a further 8,158 Victorian jobs were committed on Local Jobs First projects (both Strategic and Standard) that will drive local economic activity despite challenging global market conditions. Those conditions, including recent international supply chain



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Department of Justice
and Community Safety

shortages combined with significantly higher global material costs, have made the engagement of local businesses to support the delivery of government projects more important than ever and this will remain true for 2022-23 and into the foreseeable future.

Importantly, of the \$117.5 billion in Strategic Projects that have had requirements set since 2014, only \$13.2 billion of these projects have officially been completed. This means there is currently more than \$100 billion in projects that are currently underway. This will ensure a strong future pipeline of opportunities for local businesses and workers.

4.2. Additional requirements set for Strategic Projects

Where opportunities to support the increased use of local goods and services are available, the Minister for Industry Support and Recovery sets additional Local Jobs First requirements for Strategic Projects. This includes working with, and leveraging, other industry participation and development policies and programs.

In 2021-22, additional requirements were set on a record 46 projects with a total of 101 additional requirements. This is in contrast to 2015-16 when 6 additional requirements were set on 5 Strategic Projects. These additional requirements are ensuring local production, businesses, research, and other valuable economic activities are incentivised and considered throughout the life of Local Jobs First projects.

These additional requirements include:

- minimum local content requirements and/or the development of an engagement or sourcing plan for steel
- minimum local content requirements for fittings, fixtures, and equipment
- requirements in the design stage of projects to maximise use of local goods and services in construction
- requiring consultation with other Victorian Government agencies such as Apprenticeships Victoria and the new Australian MedTech Manufacturing Centre.

Additional requirements since 2015-16

- 229 additional requirements on 111 Strategic projects worth \$66.2 billion.

Additional requirements set during 2021-22

- 101 additional requirements on 46 Strategic projects worth \$17.1 billion.

4.3. Local Jobs First Standard Projects

It was another strong year for Local Jobs First Standard Projects with 293 projects valued at \$2.7 billion being registered. As with Strategic Projects, Standard Projects also provide significant opportunities for local businesses and workers. As at 30 June 2022, the number of Standard Projects totalled 2,217 and were collectively valued at \$17.4 billion.

For Strategic Projects, the Minister for Industry Support and Recovery sets Local Jobs First requirements for Strategic Projects that successful contractors must meet. In contrast, Standard Projects involve a more market-led approach where bidders must outline in their tender response:

- industry development commitments (local content, technology transfer, supply chain engagement)
- jobs outcomes commitments (new and retained jobs, training) including MPSG commitments where applicable
- detailed information about how the LIDP will be implemented including the management of risks, industry engagement strategies, and the selection and benchmarking of local content
- monitoring and reporting requirements, including those to be delivered as part of project management procedures; and
- the number of SMEs that will be engaged as part of the contract.

The ICN can work with bidders to help them respond to tenders. The ICN also provides a range of other assistance to bidders, including helping them to identify local capability for a particular item or set of items, and advising bidders where further detail in the LIDP may be required.

Once all LIDPs for a tender are completed, a separate area of the ICN then reviews the LIDPs and provide a report to the Victorian Government delivery agency. The report must be used in the agency's tender evaluation process. Under Local Jobs First, two mandatory 10 per cent weightings for industry development and jobs outcomes must be incorporated by the agency into the tender evaluation to ensure bids with ambitious Local Jobs First proposals are more likely to be successful. Once a supplier is chosen to deliver the project, the commitments outlined in the supplier's LIDP are incorporated into the contract as project deliverables.

Further information about Standard Projects and the Local Jobs First Policy can be found at www.localjobsfirst.vic.gov.au.





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Major Transport
Infrastructure Authority

Appendix A: Completed Strategic Projects for 2021-22

Project	Local Jobs First requirements	Region
Barwon Capital Works - Part of Prison Infill Expansion Program	90% minimum local content for the project	Geelong
Ferguson Street Level Crossing Removal - Part of Western Program Alliance	89% minimum local content for the project 100% local steel	Metropolitan Melbourne
Level Crossing Removal Program: Additional Works Package 1 Park & Charman Road - Part of Southern Program Alliance	93% minimum local content for the project 100% local steel	Metropolitan Melbourne
Level Crossing Removal Program: Additional Works Package 2 Aviation Road - Part of Western Program Alliance	89% minimum local content for the project 100% local steel	Metropolitan Melbourne
Level Crossing Removal Program: Additional Works Package 2 Cardinia Rd - Part of Western Program Alliance	89% minimum local content for the project 100% local steel	Metropolitan Melbourne
Main Crossing for Echuca Moama Bridge Project	93% minimum local content for the project	Campaspe
Mordialloc Bypass	96% minimum local content for the project Maximise local steel	Metropolitan Melbourne
O'Herns Road Upgrade - Stage 2	96% minimum local content for the project Maximise local steel	Metropolitan Melbourne
Old Geelong Road and Werribee Street Level Crossing Removals - Part of Western Program Alliance	89% minimum local content for the project 100% local steel	Metropolitan Melbourne
Plenty Road Upgrade - Stage 2 (South Morang)	97% minimum local content for the project Maximise local steel	Metropolitan Melbourne
Western Roads Upgrade	92% minimum local content for the project 96% maintenance 97% independent reviewer Maximise local steel	Metropolitan Melbourne
Western Treatment Plant Sludge Drying Pan Augmentation	96% minimum local content for the project	Metropolitan Melbourne



