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Media Release**Supporting local jobs, boosting local businesses with Jobs First Commission and 'If not, why not' government spending rules**

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The Minns Labor Government will introduce a series of new measures to support NSW jobs and businesses and encourage the development of local industries, removing barriers to local growth.

These policy changes have the backing of workers and industry and will transform the way the government spends its precious procurement dollars on goods and services.

Working in partnership with local industry

Minister for Domestic Manufacturing and Government Procurement Courtney Houssos will on Tuesday instruct the NSW Procurement Board to axe the previous Liberal-National Government's prohibitions on local content rules.

Those rules made it unlawful for NSW government agencies to seek, or even consider, local employment and business growth opportunities at any stage of the procurement process, harming local businesses at a time when they needed access to valuable procurement opportunities.

NSW government agencies can now consider local content and local development opportunities when suppliers bid for government contracts.

'If not, why not' rules for local procurement

To ensure agencies embrace the policy reversal, Minister Houssos has issued a new direction to the NSW Procurement Board called 'If not, why not'.

Under this direction, the NSW Procurement Board will mandate that NSW Government agencies engage with local NSW suppliers before going to tender for projects worth more than \$7.5 million.

The new rules also mandate that if a contract worth more than \$7.5 million is awarded to a supplier outside of NSW, agencies will need to undergo a 'please explain' process prior to the contract being awarded, outlining why a local supplier was not successful

The definition of a 'local supplier' for the purposes of the 'If not, why not' direction is limited to NSW enterprises.

While upholding Australia's free trade obligations that prevent discriminating against suppliers because of where they're based or owned, this policy will refocus agencies on supporting jobs and local production in NSW.

This will assist with the Minns Labor Government's plans to boost the competitiveness of NSW industries and help rebuild the manufacturing sector decimated by the previous Liberal-National Government.

'Value for money'

Purchasing the cheapest goods and services does not always equate to 'value for money' for the people of NSW.

Under the previous Liberal-National Government, thousands of jobs and billions of dollars of major contracts were sent abroad. What came back were delays, cost blowouts and, ultimately, inferior products.

A more robust approach to 'value for money' considers factors like supporting employment opportunities and developing regional economies. With these changes, the NSW Government is delivering confidence to domestic and international investors and suppliers alike.

Establishing the Jobs First Commission

The Minns Labor Government will also legislate to create the Jobs First Commission to oversee the implementation and enforcement of local content measures. It will help grow domestic industries and jobs for local workers.

This includes enacting key measures including:

- A local content policy which will implement Labor's election commitment to apply a minimum 30% weighting to NSW Government tenders worth more than \$7.5 million that captures local content, job creation, small business and ethical supply chains.
- A Future Skills Guarantee with workforce targets, including that 20% of the trades workforce on NSW Government construction or infrastructure contracts valued above \$7.5 million are apprentices.
- An independent advisory board with representation from across industry, small business, unions, and the public sector to provide ongoing engagement with, and advice on, government procurement policies as well as local development and industry growth strategies.
- Appointing a Job First Commissioner conferred with 'name and shame' and other compliance and enforcement powers. This will ensure all parties, including NSW agencies, adhere to the government's procurement rules and standards, in particular the new tender weightings rules and local content and skills requirements.

The definition of 'local content' under the Jobs First Commission legislation will be any Australia or New Zealand-based enterprise.

In the seven years since implementing its Local Jobs First policy, the Victorian government has supported 40,000 Victorian jobs and demonstrated the potential impact of policies like these.

Last year the NSW Government spent approximately \$42 billion on goods and services.

Together, these initiatives will also direct more work to the more than 100,000 apprentices and trainees currently registered in NSW and encourage even more to pick up a trade.

This announcement complements the Minns Labor Government's ongoing procurement reforms.

The revocation of the previous government's anti-local content provisions will take effect within 45 days, while the 'If not, why not' direction will come into effect on 1 January 2025. Consultation on an exposure draft of legislation to establish the Jobs First Commission is targeted to be released by the end of the year.

Quotes attributable to Minister for Domestic Manufacturing and Government Procurement Courtney Houssos:

“Businesses and workers in NSW have so much to offer – not just to government but to all consumers.

“These changes will support our local industries and give them new opportunities to secure a larger slice of the NSW government’s \$42 billion procurement spend.

“Our announcement today delivers the next step on an important election commitment we made to support local jobs and local businesses.

“The former government’s ideological zealotry harmed local industries, local businesses and local workers.”

Quotes attributable to Minister for Industry and Trade Anoulack Chanthivong:

“NSW has the most innovative and dynamic businesses in the nation. It makes sense for the NSW Government to invest in those companies.

“Our state has all the ingredients to be a manufacturing powerhouse, but we need to pull all of the levers available to realise that ambition. Government procurement is a powerful tool to boost industry growth.

“When boardrooms are making big investment decisions, they need to know that NSW has the skills and capabilities for manufacturing and these changes will send a powerful signal.”

Quotes attributable to Minister for Skills, TAFE and Tertiary Education Steve Whan:

“Alongside our commitment to deliver 1,000 additional apprentices and trainees across NSW Government agencies, this announcement demonstrates our commitment to developing the skilled workforce for the state’s future.

“Local industry and business represent key players in workforce development across the state. Through this initiative we will open up more opportunities for young people to secure highly skilled, well-paid and secure jobs within their local area.”

Quotes attributable to Business NSW CEO Dan Hunter:

“Not only will this decision supercharge our manufacturing base, it will also boost local skills development and drive innovation.

“NSW has the biggest and most sophisticated private enterprise economy in the country, and this decision will go some way to ensuring we remain the best place to start and develop a business.

“NSW’s small and medium businesses have always been happy to compete with the big players when it comes to winning government contracts – they just need a level playing field.”

Quotes attributable to Unions NSW Secretary Mark Morey:

“For too long, we’ve seen valuable contracts and opportunities sent offshore, at the expense of local workers and industries. The new ‘Jobs First’ approach, with its focus on local content policy and skills, will help ensure NSW public spending directly benefits our communities, workers, and apprentices.

“Unions pushed hard for a Jobs First Commission with oversight and enforcement powers, because it’s vitally important that local industry is supported to create sustainable, skilled jobs for NSW workers. We particularly welcome the targets for apprentices and trainees on major projects, which will help build the skilled workforce of tomorrow.

“This is a profoundly important policy shift which recognises that supporting local jobs and businesses sets us up for the future. This fosters innovation and stronger industrial capability, creating solid opportunities for the next generation of NSW workers.”

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