LOCAL JOBS FIRST

ANNUAL REPORT
2025-26



VICTORIA
State Government

COVER IMAGE

St Kilda Pier

ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Traditional Aboriginal Owners of Country throughout Victoria, their ongoing connection to this land, and we pay our respects to their culture and their Elders past, present and future.

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Authorised by the Victorian Government Department of Jobs, Skills, Industry and Regions

121 Exhibition St, Melbourne Victoria 3000

Telephone: 13 22 15

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Minister's Foreword

On behalf of the Victorian Government, I am pleased to present the 2025-26 Local Jobs First Annual Report.

Local Jobs First remains central to ensuring that the benefits of government investment stay here in Victoria, supporting local workers, local businesses and local manufacturers. Every dollar invested in major projects creates opportunities for the workers, suppliers and businesses that keep our economy strong, while helping to build the capability and resilience of Victorian industry. From December 2014 to 30 June 2026, local content requirements were set for 426 Strategic Projects, supporting over 94,000 local jobs.

This has been a landmark year for Local Jobs First. On 1 July 2026, a package of reforms to the *Local Jobs First Act 2003* (the Act) came into effect, marking a significant update to the legislation and Local Jobs First scheme. This will ensure government investment continues to deliver lasting benefits for Victorian workers, businesses and industry.

Victoria is proud to be home to the first and longest-standing industry participation legislation of any jurisdiction in Australia. For more than two decades, Local Jobs First has been instrumental in supporting local capability, creating jobs and keeping the benefits of public spending within our communities.

The reforms deliver on the Victorian Government's 2022 commitment to strengthen the Act and boost opportunities for local business and workers. They provide the Local Jobs First Commissioner with stronger compliance and enforcement powers to make sure contractors are meeting their commitments to use local workers, products and services on government projects.

The reforms clarify suppliers' Local Jobs First obligations and establish new tools for the Local Jobs First Commissioner to investigate, monitor and report on compliance with Local Jobs First. To complement these changes, there are stronger consequences for non-compliance with Local Industry Development Plans (LIDPs) and Local Jobs First, including a deprioritisation scheme and civil penalties for non-compliance with some of the Local Jobs First Commissioner's powers.

Collectively, the reforms will drive stronger compliance outcomes and reinforce the Victorian Government's commitment to ensuring that government procurement doesn't just deliver the infrastructure and services our community needs but helps to grow local industry, support skilled jobs and build the capability of Victorian businesses.

In addition to driving economic participation throughout Victoria's supply chains, Local Jobs First is helping build the workforce our state needs for the future through the Major Projects Skills Guarantee (MPSG). The MPSG creates opportunities for apprentices, trainees and cadets to gain valuable experience on high-value government construction projects.

Since the introduction of the MPSG, apprentices, trainees and cadets have benefited from more than 22,500 employment opportunities, and more than 27.6 million hours of work experience on government projects. This includes 140 regional projects that have delivered more than 3.1 million hours of work and supported over 4,000 apprentice, trainee and cadet employment opportunities.

Local Jobs First is also creating more pathways for First Peoples businesses, regional enterprises and small and medium-sized enterprises (SMEs) to contribute to major projects and government procurement. Building on the success of the Aboriginal Business Support initiative delivered in 2024-25, amendments to the Act that came into effect on 20 August 2025 strengthen support for First Peoples businesses, regional businesses and Victorian SMEs.

This year also saw the continued delivery of Local Jobs First in partnership with the Industry Capability Network (ICN) Victoria. ICN Victoria supports Local Jobs First by connecting contractors with local suppliers and manufacturers and providing advice to businesses on Local Jobs First requirements. I thank ICN Victoria for its ongoing contribution to the delivery of Local Jobs First.

I also thank the office of the Local Jobs First Commissioner for its continued leadership and engagement with businesses, suppliers, industry and government agencies. The office of the Local Jobs First Commissioner plays a critical role in monitoring suppliers' compliance with Local Jobs First and LIDPs and identifying emerging issues and risks. The office's work is essential to ensuring Local Jobs First delivers on its purpose, continues to create opportunities for Victorian businesses and workers, and holds suppliers accountable for delivering on their Local Jobs First commitments.

Finally, I wish to acknowledge the significant contribution of local businesses, workers, apprentices, trainees and cadets, whose skill and dedication continue to strengthen Victoria's economy and support a more competitive and resilient manufacturing and industry sector.



The Hon. Melissa Horne MP

Minister for Industry and Advanced Manufacturing

Minister for Jobs

Minister for Defence Industry

1. About Local Jobs First

1.1. Purpose of Local Jobs First

Local Jobs First is a legislated industry participation policy that supports Victorian businesses and workers by ensuring that small and medium-sized enterprises (SMEs) are given a full and fair opportunity to compete for both large and small government contracts, helping to create job opportunities, including for apprentices, trainees and cadets (ATCs).

The Local Jobs First scheme is established under the *Local Jobs First Act 2003* (the Act) and is set out in the Act, any regulations made under the Act and the Local Jobs First Policy. For the purposes of the Act, the Local Jobs First Policy includes the Local Jobs First Agency Guidelines and the Local Jobs First Supplier Guidelines. Together, these documents provide the regulatory framework, procedures and guidance for the implementation of Local Jobs First.

Local Jobs First comprises both the Victorian Industry Participation Policy (VIPP) and the Major Projects Skills Guarantee (MPSG).

- The 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 local businesses and workers.
- The MPSG focuses on providing opportunities to Victorian ATCs to work on high-value government construction projects.

Local Jobs First must be applied to rural and regional Victorian Government projects with a budget of $1 million or more, and statewide or metropolitan Melbourne Victorian Government projects with a budget of $3 million or more, unless a project exemption applies. Local content requirements are set by the Minister responsible for Local Jobs First for all Victorian Government projects with a budget of $50 million or more.

The MPSG applies automatically to Victorian Government construction projects valued at $20 million or more. Across all stages of a project – including design, planning, steel fabrication, welding, and plumbing – it requires contractors to invest in Victoria's future workforce by ensuring that Victorian ATCs are engaged for a minimum of 10% of the project's estimated total labour hours.

The Local Jobs First Commissioner (the Commissioner) is established under the Act and is responsible for advocating for Local Jobs First and facilitating greater involvement from local businesses, workers and ATCs. 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 under the Act.

During 2025–26, Local Jobs First was further strengthened through a series of legislative reforms. These reforms are outlined below.

1.2. Policy Updates

A strengthened Act to better support local businesses and workers

The Victorian Government made significant reforms to the Act in the 2025-26 financial year, delivering on its 2022 commitment to strengthen the Act and ensure it remains fit for purpose.

The Local Jobs First Amendment Bill 2025 passed both houses of the Victorian Parliament and received Royal Assent on 19 August 2025. These reforms were the first update to the Act in seven years, reinforcing Local Jobs First as a key mechanism for supporting Victorian businesses and creating opportunities for local industry and Victorian ATCs.

The reforms ensure that Local Jobs First continues to maximise local benefits from major government projects. The amendments to the Act focus on the compliance and enforcement of Local Industry Development Plans (LIDPs) and strengthen the powers and functions of the Commissioner.

The first suite of reforms came into effect immediately after the Bill passed in 2025. They included the introduction of:

- a new provision enabling the Minister to set requirements for the use of a specified amount of locally sourced uniforms and personal protective equipment (PPE), to create additional opportunities for Victorian manufacturers and suppliers in the textile, clothing and footwear (TCF) sector
- new non-contestability and emergency procurement exemptions to the application of Local Jobs First to reduce the administrative burden on agencies and suppliers, and
- a new definition of 'Local Jobs First' as the scheme established under the Act and set out in the Act, the regulations and the Local Jobs First Policy.

Additional Local Jobs First objectives were incorporated into the Act to inform the development of the Local Jobs First Policy and the Minister in setting new requirements for projects. They include objectives to:

- provide equitable opportunity for the participation of Aboriginal businesses on Local Jobs First projects
- encourage the participation of SMEs based in regional areas in Local Jobs First projects
- encourage the use of local content at each stage of Local Jobs First projects
- promote the use of Australian standards on Local Jobs First projects, and
- ensure that the processes and mechanisms for tenders and procurements are structured and designed to provide fair and reasonable opportunities for local industry participation.

The second and final suite of reforms commenced on 1 July 2026. These changes to the Act significantly strengthen the Local Jobs First compliance and enforcement framework.

These reforms clarify suppliers' Local Jobs First compliance requirements, including the obligations to comply with their LIDP commitments in aggregate and to follow the significant diversion process if they are, or are likely to be, unable to meet any local content commitment in their LIDP.

The reforms also strengthen agencies' obligations to comply with Local Jobs First and to monitor and manage suppliers' compliance with their LIDPs and Local Jobs First obligations, including completion reporting requirements. From 1 July 2026, agencies must also include a contingent payment mechanism in contracts, tied to Local Jobs First deliverables, unless it is not practicable or appropriate to do so.

Together, these changes provide greater clarity to agencies and suppliers on their respective Local Jobs First compliance obligations, while reinforcing the requirement for suppliers to deliver on the commitments set out in their LIDPs.

Most significantly, from 1 July 2026, the reforms give the Commissioner new powers and strengthen some existing powers and functions. These changes clarify the Commissioner's compliance monitoring and reporting role and expand the Commissioner's powers to investigate non-compliance and, where necessary, to take enforcement action. The Commissioner has expanded enforcement powers under the Act to respond to Local Jobs First non-compliance, including the power to take action against suppliers under the new deprioritisation regime and to refer matters to a court in specific circumstances.

The Local Jobs First Policy, the Local Jobs First Agency Guidelines and the Local Jobs First Supplier Guidelines were updated in August 2025 and again in July 2026 to support the implementation of each suite of reforms. These updates included practical guidance for agencies and suppliers to ensure that the new Local Jobs First requirements are being applied consistently across government. New Local Jobs First Model Clauses were developed and released for use in all Local Jobs First-applicable Approach to Market documents released on or after 1 July 2026 to inform bidders of Local Jobs First requirements and obligations. The Local Jobs First Model Clauses are the mechanism through which Local Jobs First is included in Victorian Government project documents. These documents are publicly available on the Local Jobs First website.

The changes to the Act, including the new deprioritisation regime, are supported by two sets of regulations. The Local Jobs First (*Local Jobs First Amendment Act 2025*) Transitional Regulations 2026 help manage the shift from the old rules to the new rules for Local Jobs First projects that are in different stages of development or delivery on 1 July 2026. The Local Jobs First Regulations 2026 set out the procedural details and requirements for matters related to the deprioritisation of suppliers under the Act.

These reforms mark an important step in strengthening the effectiveness of the Local Jobs First scheme. By modernising the Act, clarifying obligations, and enhancing compliance and enforcement mechanisms, Local Jobs First will continue to lead the way as Australia's longest standing industry participation legislation. The reforms ensure that Victorian Government procurement will continue to support local workers and businesses, while improving accountability for the delivery of Local Jobs First commitments.

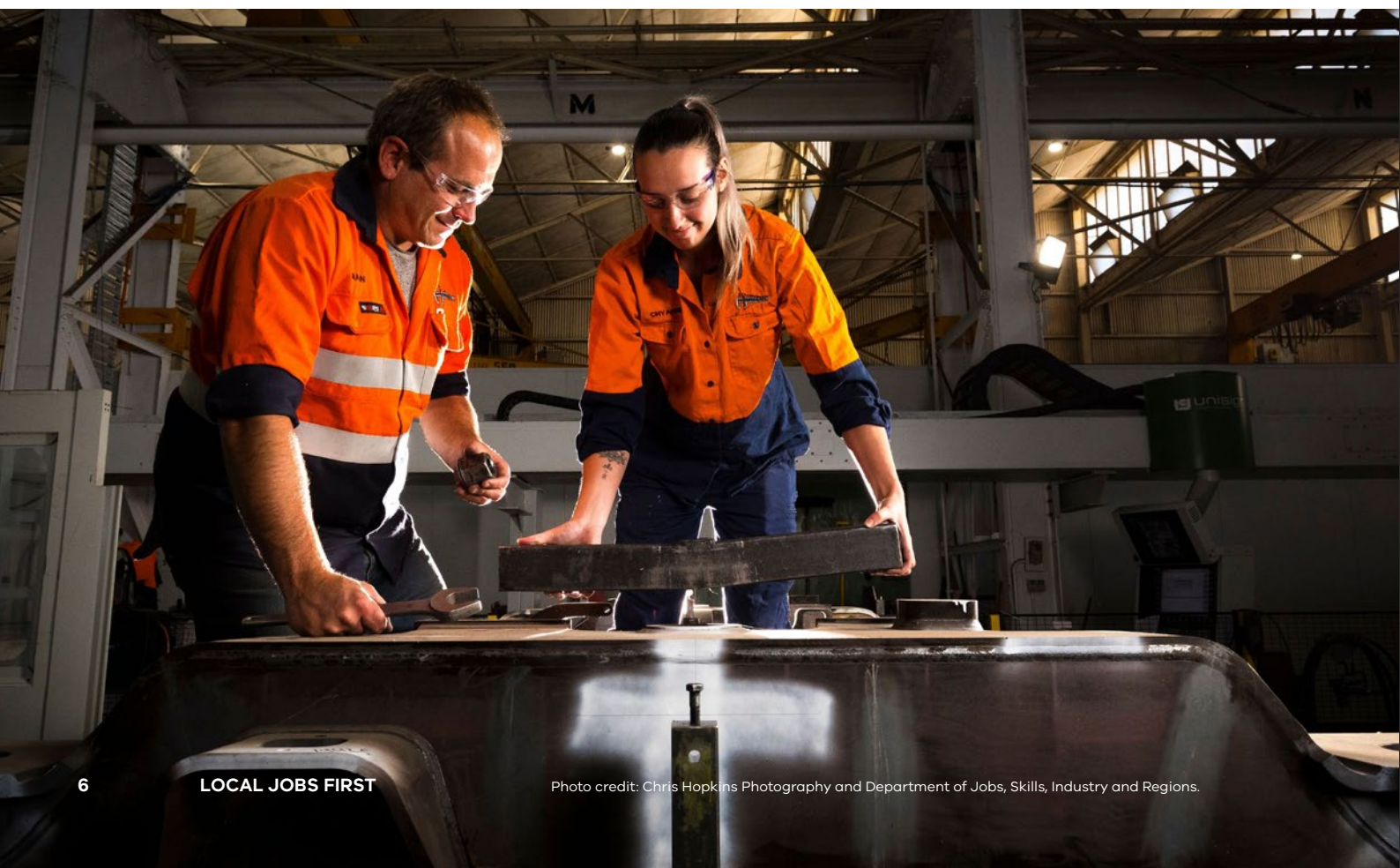


Photo credit: Chris Hopkins Photography and Department of Jobs, Skills, Industry and Regions.



Alegra Weber and Andrew Micallef. Alegra Weber studying her electrical apprenticeship.

CASE STUDY:

Tradie Bootcamp Pathway Program

Tradie Bootcamp is an innovative workforce pathway developed through a partnership between Apprenticeships Victoria and Lendlease Australia to address skilled labour shortages on Victorian major construction projects while supporting delivery of the Local Jobs First Policy and the MPSG.

The initiative combines employer recruitment, candidate pre-screening, pre-employment training and apprenticeship offers into a single pathway linked directly to major projects. It focuses on increasing women's participation in traditionally male-dominated construction apprenticeships while helping contractors access job-ready candidates.

For participants, Tradie Bootcamp offers a practical and supported entry point into an industry that can be difficult to access without connections, confidence or a clear pathway to employment. By linking training directly to real apprenticeship opportunities, the initiative helps women take the next step into construction careers that may otherwise seem out of reach.

Increasing women's participation in construction is important not only from an equity perspective, but also for the long-term sustainability of the industry. Broadening participation helps address workforce shortages, brings new talent into priority trades and supports more inclusive workplaces across Victoria's major projects.

The program has evolved through three successive iterations using a continuous improvement approach informed by feedback from employers, training providers and participants. The inaugural program delivered in 2024 provided a two-week job readiness experience for women who had already completed pre-apprenticeship training. In 2025, delivery transitioned to TAFE and Adult Community and Further Education (ACFE) providers, strengthening the training model and improving alignment between recruitment, training and employment outcomes.

The third iteration, delivered in 2026, was developed through a partnership between Apprenticeships Victoria, Lendlease Australia, Djerriwarrh Community and Education Services (Learn Local) and Bendigo Kangan Institute. An integrated recruitment model was established through the Victorian TAFE Network with Skills and Jobs Centres to identify enrolled and recently completed pre-apprenticeship students and connect them directly with apprenticeship opportunities on Local Jobs First projects including the Melbourne Arts Precinct Project and the New Melton Hospital.

The 2026 program achieved its strongest employment outcome to date, with 16 women commencing apprenticeships. Since the program commenced in 2024, Tradie Bootcamp has facilitated 36 apprenticeship placements for women, with 31 participants retained, representing an 86% retention rate as at July 2026. These outcomes demonstrate the program's value as a practical pathway into apprenticeships and as a model that can be strengthened and applied across major government construction projects with MPSG requirements.

1.3. Scope of the report

Prepared under section 10 of the Act, this report provides an overview of the implementation of Local Jobs First during the 2025–26 financial year.

The report draws on information provided by Victorian Government agencies for annual reporting to Parliament. Under the Act, agencies are required to report on their compliance with Local Jobs First in the relevant financial year and to provide the information necessary to support the preparation of this annual report.

This report presents a consolidated account of Local Jobs First activity across government in 2025–26. It covers the application of Local Jobs First to Strategic Projects and Standard Projects, including commenced and completed projects, LIDP commitments, MPSG outcomes, contestability assessments, grants and exemptions.

Where relevant, information is presented by project type and region, including metropolitan, regional and statewide projects. The report also includes cumulative data to provide context on the operation of Local Jobs First over time.

Data in this report is based on agency reporting for 2025–26. Some figures may be rounded, and project information may reflect project status at the time of reporting.

1.4. Agency reporting obligations

The Act requires all departments and agencies subject to the *Financial Management Act 1994* to 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.



Photo credit: Chris Riordana and Department of Jobs, Skills, Industry and Regions.

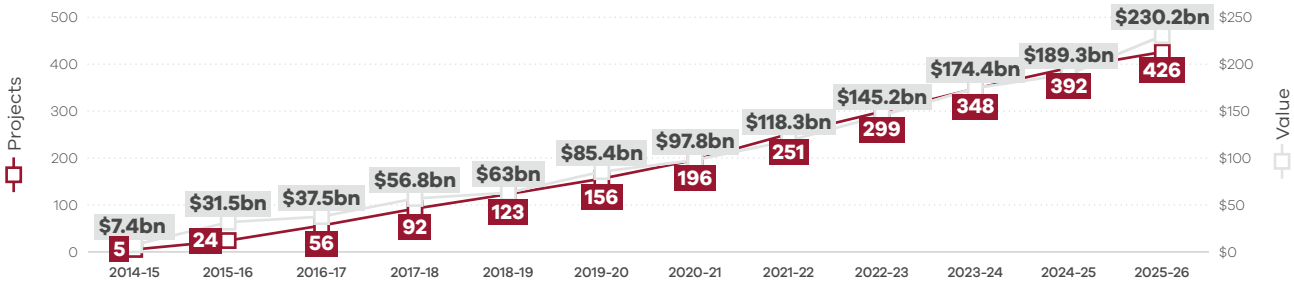
From 2014 to 30 June 2026, Local Jobs First has been applied to:

426 STRATEGIC PROJECTS[1]

237 METRO PROJECTS
88 REGIONAL PROJECTS
101 STATEWIDE PROJECTS

WORTH $230.27 BILLION IN TOTAL

CUMULATIVE STRATEGIC PROJECTS AND VALUE



Ministerial requirements

88%	AVERAGE MINIMUM LOCAL CONTENT REQUIREMENT SET ACROSS ALL STRATEGIC PROJECTS INCLUDING GOODS AND SERVICES PROJECTS
91%	AVERAGE MINIMUM LOCAL CONTENT REQUIREMENT SET ACROSS ALL STRATEGIC CONSTRUCTION PROJECTS
159	STRATEGIC PROJECTS WITH A LOCAL STEEL REQUIREMENT

Local Industry Development Plan (LIDP) commitments

80%[2]	AVERAGE LOCAL CONTENT COMMITTED IN LIDPs ACROSS ALL STRATEGIC PROJECTS INCLUDING GOODS AND SERVICES PROJECTS
84%[2]	AVERAGE LOCAL CONTENT COMMITTED IN LIDPs ACROSS ALL STRATEGIC CONSTRUCTION PROJECTS
91%	AVERAGE LOCAL STEEL CONTENT COMMITTED IN LIDPs ACROSS ALL STRATEGIC PROJECTS WITH LOCAL STEEL REQUIREMENTS
94,470	JOBS COMMITTED IN LIDPs ACROSS ALL STRATEGIC PROJECTS

A Strategic Project is a project with a budget of $50 million or more or a project that has been declared to be a Strategic Project by the Minister responsible for Local Jobs First.

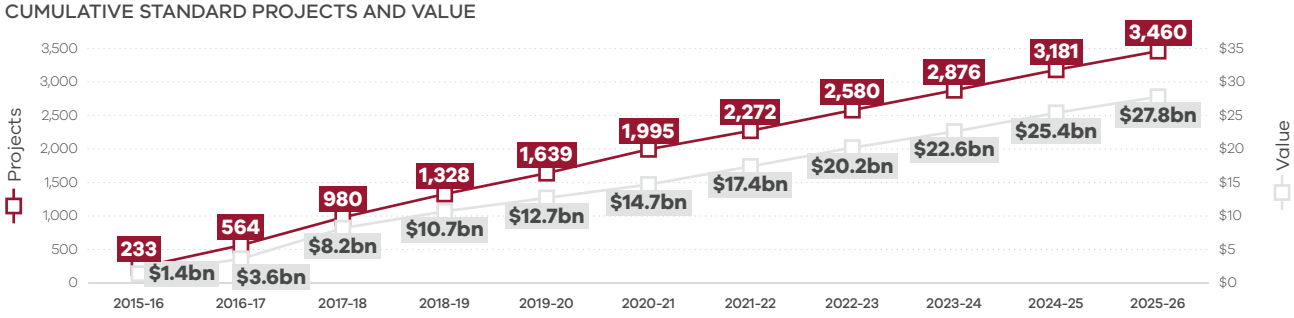
Since 2015, Local Jobs First has been applied to:

3,460 STANDARD PROJECTS

1,362 METRO PROJECTS
1,568 REGIONAL PROJECTS
530 STATEWIDE PROJECTS

WORTH $40.09 BILLION IN TOTAL

CUMULATIVE STANDARD PROJECTS AND VALUE



LIDP commitments

78%	AVERAGE LOCAL CONTENT COMMITTED IN LIDPs ACROSS ALL STANDARD PROJECTS
59,115	JOBS COMMITTED IN LIDPs ACROSS ALL STANDARD PROJECTS
102,458	OPPORTUNITIES FOR SMEs IDENTIFIED IN LIDPs ACROSS ALL STANDARD PROJECTS

A Standard Project is a project with a budget of $1 million or more in rural or regional Victoria, or $3 million or more statewide or in metropolitan Melbourne, but less than $50 million.

1. *One project was re-scoped during the 2023-24 financial year. However, the total number and value of Strategic Projects in that financial year remained unchanged to maintain consistency across years.*
2. *Ongoing enhancements to the Local Jobs First data collection framework have improved reporting capabilities, facilitating more precise and timely data capture across each reporting cycle. While LIDP commitments have not yet achieved full alignment with ministerial requirements, measurable progress continues to be made in narrowing the gap.*

Note: Local Jobs First data is reported based on information available at the annual reporting cut-off. As agencies continue to update project information after this date, historical project numbers and values may be revised to reflect the most complete and accurate information available.

Key highlights 2025-26:

302 COMMENCED LOCAL JOBS FIRST PROJECTS

WORTH $8.1 BILLION* IN TOTAL

109 METRO PROJECTS	**WORTH $5.4 BILLION**
157 REGIONAL PROJECTS	**WORTH $1.6 BILLION**
36 STATEWIDE PROJECTS	**WORTH $1.1 BILLION**

19 STRATEGIC PROJECTS

283 STANDARD PROJECTS

12,431 JOBS COMMITTED IN LIDPs ACROSS ALL COMMENCED PROJECTS

19,727 OPPORTUNITIES FOR SMEs IDENTIFIED IN LIDPs ACROSS ALL COMMENCED PROJECTS

86 COMPLETED LOCAL JOBS FIRST PROJECTS

36 METRO PROJECTS	**6 STRATEGIC PROJECTS**
46 REGIONAL PROJECTS	**80 STANDARD PROJECTS**
4 STATEWIDE PROJECTS	

WORTH $10.7 BILLION* IN TOTAL

10,110 JOBS COMMITTED IN LIDPs ACROSS ALL COMPLETED PROJECTS

6,791 OPPORTUNITIES FOR SMEs IDENTIFIED IN LIDPs ACROSS ALL COMPLETED PROJECTS

METRO MELBOURNE



36 COMPLETED PROJECTS

WORTH $10.5 BILLION

REGIONAL VICTORIA



46 COMPLETED PROJECTS

WORTH $165.6 MILLION

STATEWIDE



4 COMPLETED PROJECTS

WORTH $52.7 MILLION

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

2. Local Jobs First Implementation Functions

2.1. Local Jobs First Commissioner

The Commissioner promotes Local Jobs First across Victorian Government agencies and local industry, and advocates for the private sector and local government to procure local goods, employ local workers and enhance their skills. The Commissioner oversees compliance with Local Jobs First by agencies and suppliers and undertakes a range of compliance activities to ensure that suppliers are delivering their local content and jobs commitments, including for Local Jobs First projects tendered after August 2018, which comprise 329 Strategic Projects.

The Commissioner reports to the Minister responsible for Local Jobs First, with support provided by the Department of Jobs, Skills, Industry and Regions (DJSIR).

The Commissioner is appointed under the Act and has broad statutory functions and powers, including to:

- advocate for local businesses, workers and ATCs
- collaborate with departments and agencies to improve local industry and worker access to current and future government procurement opportunities
- monitor and report on compliance with Local Jobs First, including local content and job commitments on Local Jobs First projects, and
- take enforcement action in relation to breaches of Local Jobs First and LIDPs.

From 1 July 2026, the Commissioner has expanded compliance and enforcement powers. These include new investigation and reporting functions, a site inspection (with notice) power, and the ability to apply for civil penalty orders in some circumstances, and the power to deprioritise suppliers who fail to deliver the commitments in their LIDP or submit completion reporting at the end of a project.

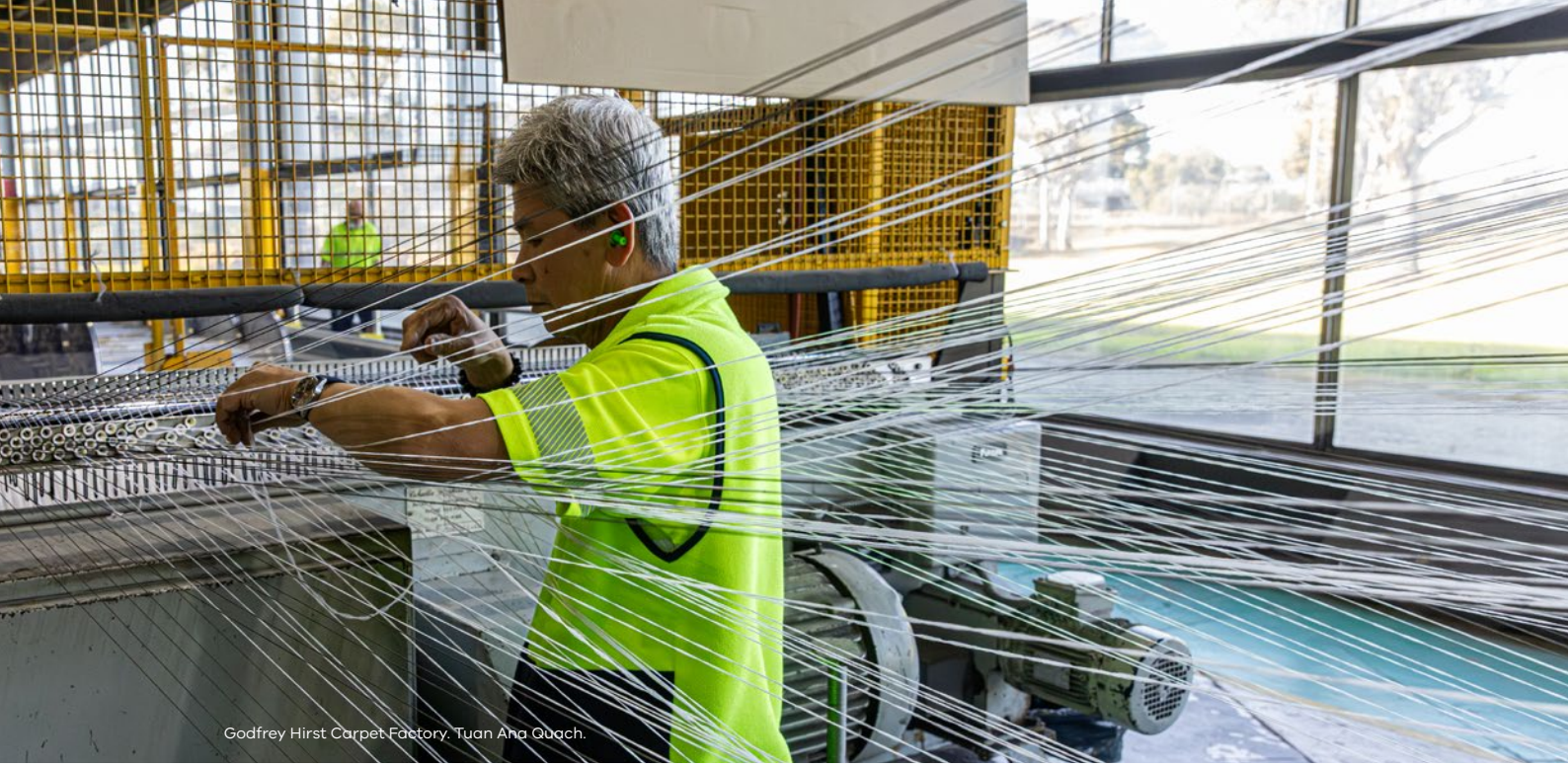
By connecting with local industry, contractors and government agencies applying Local Jobs First, the Commissioner educates stakeholders about Local Jobs First and assists with maximising outcomes for Victorian businesses and workers on government projects.

The Commissioner must exercise the powers and perform the functions of the Commissioner under the Act, subject to any further written direction issued by the Minister.

2.2. Department of Jobs, Skills, Industry and Regions

DJSIR is responsible for administering the Act and Local Jobs First. This includes developing the Local Jobs First Policy, maintaining and updating guidelines and model clauses, and establishing structures to support the delivery of Local Jobs First across Victorian Government agencies.

DJSIR advises, monitors and reports on the implementation of Local Jobs First and provides regular advice and reporting to the Minister responsible for Local Jobs First and the Victorian Government on the operation of Local Jobs First.



Godfrey Hirst Carpet Factory. Tuan Anh Quach.

In addition, DJSIR is responsible for:

- working with Victorian Government agencies to set Local Jobs First requirements on Strategic Projects
- managing the services delivered by ICN Victoria to support Local Jobs First implementation
- leading engagement with the Commonwealth Government, other states and territories, and international bodies on Local Jobs First, and
- preparing this whole-of-government Annual Report on the implementation of Local Jobs First.

In the 2025–26 financial year, DJSIR, ICN Victoria and the office of the Local Jobs First Commissioner engaged with 753 industry stakeholders in relation to the Local Jobs First Policy.

DJSIR is also responsible for advising on and implementing amendments to the Act, including the *Local Jobs First Amendment Act 2025*.

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

2.3. Industry Capability Network Victoria

ICN Victoria is an independent, not-for-profit organisation that supports DJSIR with the day-to-day implementation of Local Jobs First.

The key activities ICN Victoria manages include preparing local content recommendations for DJSIR, managing project and tender registrations in the Victorian Management Centre (VMC), including determining tender contestability, assessing LIDPs submitted by tenderers, and collecting and assessing contractors' project reporting.

ICN Victoria also supports bidders and agency users in understanding their Local Jobs First obligations and how to use the VMC. During 2025–26, it responded to more than 24,600 enquiries and delivered 14 training sessions for agencies and industry, attended by over 1,000 industry participants and over 800 agency participants. It also connects SMEs with bidders and lead contractors through Gateway pages, events and sector directories.



Traralgon Station Upgrade

CASE STUDY:

Gippsland Line Upgrade

The Gippsland Line Upgrade, a Strategic Project, has created significant opportunities for local Victorian businesses during the construction phase, with more than 30 businesses engaged across the supply chain.

The upgrade will enable more frequent and reliable services, including trains operating every 40 minutes between peak periods on the Traralgon-Melbourne corridor. The Gippsland Line Upgrade includes track duplication, extension of the Morwell crossing loop, upgrades to level crossings and signalling, and the addition of second platforms at Bunyip, Longwarry, Morwell and Traralgon stations.

The project has already delivered VLocity trains to Bairnsdale, and trains are travelling faster over the new Avon River Bridge in Stratford.

The Gippsland Line Upgrade was projected to create more than 500 jobs and has established a local project office in Princes Drive in Morwell. The Victorian and Australian governments have invested more than $4 billion in Regional Rail Revival, upgrading every regional passenger line in Victoria and creating 3,000 jobs across the state.

As a Strategic Project, its local content requirements were 96% for construction and 68% for signalling. The MPSG also applied to this project.

The major package of works for the Gippsland Line Upgrade is being delivered by the VicConnect Alliance, a consortium comprising UGL Limited, Decmil, and Arup, on behalf of Rail Projects Victoria.

3. Local Jobs First Key Activities and Impact: 2025-26

3.1. Strategic Projects

Between November 2014 and 30 June 2026, minimum local content requirements have been set on a total of 426 Strategic Projects, with a combined value of more than $230 billion. These projects are expected to deliver an average of at least 88% local content, with commitments to deliver more than 94,470 jobs and over 46,203 opportunities for local SMEs to participate in large Victorian Government projects.

In 2025-26, the Victorian Government set local content requirements for 34 new Strategic Projects with a combined value of more than $41 billion. The average minimum local content requirement set across these projects was 88%.

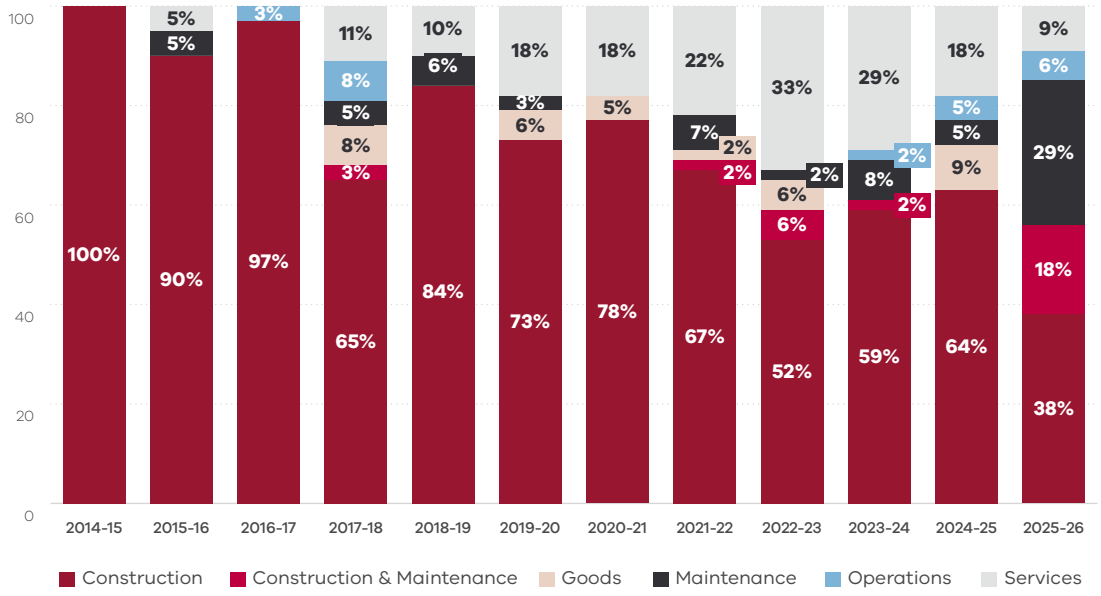
Ministerial requirements were set for Strategic Projects across a diverse range of industries. Of the 34 new Strategic Projects for which minimum requirements were set, 3 (9%) were services projects, while construction and construction and maintenance projects continued to account for the majority of Strategic Projects in 2025-26, representing 19 (56%) of all projects. An average minimum local content requirement of 91% was set across these projects, which is consistent with the average minimum local content requirement in previous years.

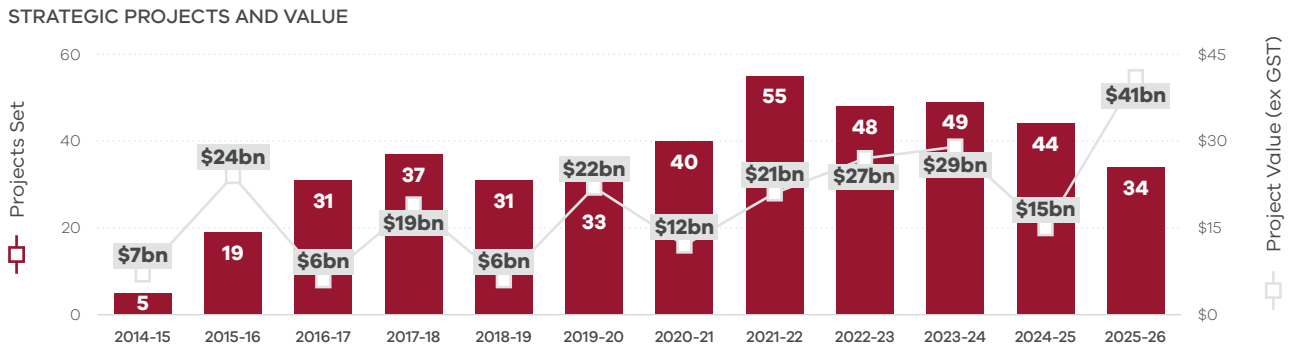
3.2. Standard Projects

Between November 2014 and 30 June 2026, Local Jobs First has been applied to a total of 3,460 Standard Projects with a combined value of $27.8 billion.

In 2025-26, Local Jobs First has been applied to 283 projects with a combined value of $2.4 billion.

PROJECTS WITH REQUIREMENTS BY FINANCIAL YEAR AND TYPE OF PROJECT





Breakdown of Metro, Regional and Statewide Projects over 2025-26:

METRO MELBOURNE



109 COMMENCED PROJECTS	36 COMPLETED PROJECTS
12 STRATEGIC PROJECTS	6 STRATEGIC PROJECTS
97 STANDARD PROJECTS	30 STANDARD PROJECTS
WORTH $5.4 BILLION IN TOTAL	WORTH $10.5 BILLION IN TOTAL
5,015 JOBS COMMITTED IN LIDPs ACROSS ALL COMMENCED METRO PROJECTS	**9,799** JOBS COMMITTED IN LIDPs ACROSS ALL COMPLETED METRO PROJECTS
3,785 OPPORTUNITIES FOR SMEs IDENTIFIED IN LIDPs ACROSS ALL COMMENCED METRO PROJECTS	**4,736** OPPORTUNITIES FOR SMEs IDENTIFIED IN LIDPs ACROSS ALL COMPLETED METRO PROJECTS
75.6% AVERAGE LOCAL CONTENT COMMITTED IN LIDPs ACROSS ALL COMMENCED METRO PROJECTS*	**82.4%** AVERAGE LOCAL CONTENT COMMITTED IN LIDPs ACROSS ALL COMPLETED METRO PROJECTS*

REGIONAL VICTORIA



157 COMMENCED PROJECTS	46 COMPLETED PROJECTS
3 STRATEGIC PROJECTS	0 STRATEGIC PROJECTS
154 STANDARD PROJECTS	46 STANDARD PROJECTS
WORTH $1.6 BILLION IN TOTAL	WORTH $165.6 MILLION IN TOTAL
1,515 JOBS COMMITTED IN LIDPs ACROSS ALL COMMENCED REGIONAL PROJECTS	**249** JOBS COMMITTED IN LIDPs ACROSS ALL COMPLETED REGIONAL PROJECTS
15,760 OPPORTUNITIES FOR SMEs IDENTIFIED IN LIDPs ACROSS ALL COMMENCED REGIONAL PROJECTS	**1,914** OPPORTUNITIES FOR SMEs IDENTIFIED IN LIDPs ACROSS ALL COMPLETED REGIONAL PROJECTS
88.5% AVERAGE LOCAL CONTENT COMMITTED IN LIDPs ACROSS ALL COMMENCED REGIONAL PROJECTS*	**90.9%** AVERAGE LOCAL CONTENT COMMITTED IN LIDPs ACROSS ALL COMPLETED REGIONAL PROJECTS

STATEWIDE



36 COMMENCED PROJECTS	4 COMPLETED PROJECTS
4 STRATEGIC PROJECTS	0 STRATEGIC PROJECTS
32 STANDARD PROJECTS	4 STANDARD PROJECTS
WORTH $1.1 BILLION IN TOTAL	WORTH $52.7 MILLION IN TOTAL
5,901 JOBS COMMITTED IN LIDPs ACROSS ALL COMMENCED STATEWIDE PROJECTS	**62** JOBS COMMITTED IN LIDPs ACROSS ALL COMPLETED STATEWIDE PROJECTS
182 OPPORTUNITIES FOR SMEs IDENTIFIED IN LIDPs ACROSS ALL COMMENCED STATEWIDE PROJECTS	**141** OPPORTUNITIES FOR SMEs IDENTIFIED IN LIDPs ACROSS ALL COMPLETED STATEWIDE PROJECTS
91.9% AVERAGE LOCAL CONTENT COMMITTED IN LIDPs ACROSS ALL COMMENCED STATEWIDE PROJECTS	**90.4%** AVERAGE LOCAL CONTENT COMMITTED IN LIDPs ACROSS ALL COMPLETED STATEWIDE PROJECTS

* Projects commencing in the 2025-26 financial year recorded a lower average local content because of the higher-than-average service projects commencing, with service projects usually recording lower local content than construction projects.

3.3. Commenced Projects

A total of 302 Local Jobs First projects worth $8.1 billion commenced during 2025-26. This includes 109 metropolitan projects, 157 regional projects and 36 statewide projects. Together, these projects have committed to delivering 12,431 jobs and providing opportunities for 19,727 local SMEs.

In 2025-26, 19 Strategic Projects worth a total of $5.7 billion commenced. These projects have committed to delivering 3,225 jobs and providing opportunities for 2,131 local SMEs. In 2025-26, 283 Standard Projects worth a total of $2.4 billion commenced. These projects have committed to delivering 9,205 jobs and providing opportunities for 17,596 local SMEs.

3.4. Completed Projects

A total of 86 Local Jobs First projects worth $10.7 billion were completed during 2025-26. This includes 36 metropolitan projects, 46 regional projects and 4 statewide projects. Together, these projects have committed to delivering 10,110 jobs and providing opportunities for 6,791 local SMEs.

In 2025-26, 80 Standard Projects worth a total of $0.43 billion were completed. These projects committed to delivering 573 jobs and providing opportunities for 3,882 local SMEs. In 2025-26, 6 Strategic Projects worth a total of $10.3 billion were completed. These projects committed to delivering 9,537 jobs and providing opportunities for 2,909 local SMEs.

3.5. Major Projects Skills Guarantee

Since its introduction in 2016, the MPSG has been applied to 530 projects, which led to 22,523 ATC employment opportunities, resulting in 27.6 million hours of ATC employment.

Of the 530 projects, 140 are regional projects and 60 are statewide projects that have committed to over 2.7 million and 1.6 million hours respectively for Victorian ATCs.



Epping Road Upgrade: Pine Park Drive.

Since its introduction in 2016 to 31 March 2026#, the MPSG has been applied to 530 projects and supported:

530 MPSG PROJECTS

14,295 APPRENTICES	3,728 TRAINEES	4,500 CADETS

22,523 TOTAL JOBS FOR ATCs*

27.6 MILLION HOURS WORKED BY ATCs



METRO MPSG PROJECTS HAVE SUPPORTED:

- **14,986** JOBS FOR ATCs (INCLUDING 8,550 JOBS FOR APPRENTICES, 3,002 JOBS FOR TRAINEES AND 3,434 JOBS FOR CADETS)
- **23.1 MILLION** HOURS WORKED BY ATCs



REGIONAL MPSG PROJECTS HAVE SUPPORTED:

- **4,024** JOBS FOR ATCs (INCLUDING 2,949 JOBS FOR APPRENTICES, 416 JOBS FOR TRAINEES AND 659 JOBS FOR CADETS)
- **2.8 MILLION** HOURS WORKED BY ATCs



STATEWIDE MPSG PROJECTS HAVE SUPPORTED:

- **3,492** JOBS FOR ATCs (INCLUDING 2,719 JOBS FOR APPRENTICES, 309 JOBS FOR TRAINEES AND 401 JOBS FOR CADETS)
- **1.6 MILLION** HOURS WORKED BY ATCs

 # MPSG commitments and outcomes are reported separately to the annual report and include pre-award, commenced, ongoing and completed projects.
** The region type (metro, regional or statewide) was not available for 2 projects. These 2 projects account for 84 jobs for ATCs and 64,13704 hours worked by ATCs.*

3.6. Local Industry Development Plans (LIDPs)

An LIDP outlines a supplier's commitments to meet the Local Jobs First requirements for a Local Jobs First project, including the expected local content and job outcomes.

All bidders for a Local Jobs First project must submit an LIDP. Agencies use each bidder's LIDP to inform the mandatory 20% Local Jobs First weighting applied during tender evaluation. A successful bidder's LIDP is incorporated into the contract, which requires the supplier to comply with Local Jobs First and the LIDP.

In 2025-26, 1,190 tenders were registered with ICN Victoria. A total of 3,948 LIDPs were prepared by businesses in bidding for Local Jobs First projects.

Agencies and suppliers are required to monitor and report on the delivery of LIDP commitments on all Local Jobs First projects.

Suppliers must comply with each commitment in their LIDP that relates to:

- local content
- job outcomes
- any additional requirements specified by the Minister responsible for Local Jobs First (e.g., a requirement to use a specified amount of steel products), and
- the MPSG, if applicable.

Under the Local Jobs First scheme, 'local' includes all suppliers producing Victorian, Australian or New Zealand goods or services, or suppliers that have added value to imported items, such as by providing a local employment outcome to an imported product.

Local content includes goods that are produced by local industry, services that are supplied by local industry, or construction activities carried out by local industry. Local content is intended to capture all suppliers producing Australian or New Zealand goods or services or when they have added value to imported items. Local assembly of imported materials, transport of goods, and local labour are all examples of local content or local added value.

For more information, please refer to the Local Jobs First website at **localjobsfirst.vic.gov.au**.

3.7. Grants

Grant and loan recipients are required to apply Local Jobs First where the value of the grant meets the Local Jobs First financial thresholds, and the recipient is not a State or Commonwealth Government agency.

If requested, ICN Victoria works with grant recipients to help them to understand and identify local capability.

In 2025-26, a total of 179 grants were registered with ICN Victoria.

3.8. Contestability assessments

From 20 August 2025, agencies must obtain a determination as to whether a Local Jobs First applicable project is contestable or non-contestable before undertaking a tender process. This is a mandatory requirement under the Act.

For the purposes of Local Jobs First, goods and services are usually non-contestable where there is only a local supplier or only international suppliers, but not both.

If the project is determined to be non-contestable, the agency is not required to apply Local Jobs First to the project.

From 20 August 2025 to 30 June 2026, 1,232 contestability assessments were undertaken. A total of 152 projects were determined to be non-contestable, with a further 91 tenders for contestable projects also determined to be non-contestable.

3.9. Exemptions

Under section 4A(3) of the Act, the Minister responsible for Local Jobs First may exempt an agency from the requirements of Local Jobs First for a project if satisfied that exceptional circumstances apply.

Since 20 August 2025, section 4C of the Act also provides that Local Jobs First does not apply to projects undertaken for emergency response or recovery, as defined in the *Emergency Management Act 2013*. This exemption applies only where procurement for the project is conducted under the agency's Emergency Procurement Plan.

There were no exemptions from the application of Local Jobs First due to an emergency or exceptional circumstances during 2025–26.



Nyaal Banyul Geelong Convention and Event Centre. Joel Williamson, Christine Couzens MP and Adam Grant.

CASE STUDY:

Godfrey Hirst Australia

The 2025 Victorian Manufacturing Hall of Fame Awards, held in Melbourne on 9 October 2025, recognised manufacturing excellence and the strength of regional manufacturing in Victoria, with Godfrey Hirst Australia named the winner of the 'Manufacturer of the Year – Regional Business' award.

Based in North Geelong, South Geelong and Breakwater, Godfrey Hirst celebrated 160 years of manufacturing in Victoria in 2025. The business has a long connection to Geelong, dating back to 1865, and has grown into a major local manufacturer with 3 Geelong-based manufacturing facilities and 2 Melbourne-based warehousing and distribution centres.

Godfrey Hirst employs more than 500 people and produces more than 16,000 metres of carpet per day, supporting markets across residential, workspace, retail, hospitality, healthcare, education, public space and multi-residential sectors. Its local investment in people, manufacturing, warehousing and distribution supports end-to-end supply chain capability from product design through to delivery.

Sustainability is central to the company's operations, with a focus on high standards in product design and reducing environmental impacts across the product lifecycle.

This recognition highlights Godfrey Hirst's longstanding contribution to regional jobs, manufacturing capability and local supply chains in Victoria.

Godfrey Hirst produced 6,000 m^2 of carpet for the Nyaal Banyul Geelong Convention and Event Centre, a $449 million Strategic Project with a 90% minimum local content requirement, officially opened in June 2026.

Godfrey Hirst is also a supplier to several other Local Jobs First projects recognised in this year's report, including the Stawell Secondary College project, the Ambulance Victoria Capital Program, the GOTAFE Wangaratta Tech School Construction project and the New Melton Hospital project. Its involvement across these projects reflects both the breadth of Local Jobs First and the important role local manufacturers play in supporting Victorian industry capability and jobs across Victoria.

4. Local Jobs First Approach and Insights

4.1. Local Jobs First requirements set for Strategic Projects

In accordance with the Act, the Minister responsible for Local Jobs First must set minimum local content and other Local Jobs First requirements.

These requirements ensure local SMEs and workers have the opportunity to participate in major government projects.

During 2025-26, minimum local content and other requirements were set by the Minister for 42 Strategic Projects, comprising 34 new Strategic Projects worth more than $41 billion, and 8 existing Strategic Projects with requirements set for additional stages.

4.2. Additional requirements set for Strategic Projects

Under the Act, the Minister responsible for Local Jobs First may set any additional requirements deemed appropriate to ensure local SMEs have a full and fair opportunity to participate in Victorian government projects.

During 2025–26, the focus on steel and furniture, fixtures and equipment (FF&E) continued and new requirements were introduced to increase the focus on support for modern methods of construction (MMC) and encourage the use of more locally manufactured bitumen and asphalt products, including bitumen replacement products, wherever possible.

Additional requirements were also revised to place a stronger focus on sustainability through consideration of materials and products that:

- improve resource efficiency
- minimise waste
- enhance performance
- use recycled content, and
- reduce embodied carbon.

These revisions were made to ensure the policy supports innovation and that new and emerging products and SMEs are considered in project supply chains.

The steel requirement was also revised to encourage the use of products that have high recycled content, are fully recyclable at end of life, and/or deliver a lower embodied carbon solution.

During 2025-26, 21 Strategic Projects had additional requirements set. This included:

- 20 projects with a targeted steel requirement
- 11 projects with an FF&E requirement, and
- 3 projects with requirements to support MMC.

4.3. Approach to Standard Projects

Standard Projects continue to provide significant opportunities for Victorian businesses and workers.

Under the Act, suppliers tendering for contestable Standard Projects must submit an LIDP demonstrating the level of local content they commit to provide as part of their tender.

Unlike Strategic Projects, where Local Jobs First requirements are set by the Minister responsible for Local Jobs First, Standard Projects use a market-led approach. Bidders are comparatively assessed against the Local Jobs First 20% weighting, comprising 10% for industry development and 10% for jobs.

The successful bidder's LIDP commitments are then incorporated into the contract.



CASE STUDY:

Maidstone Tram Maintenance Facility

A new tram maintenance and stabling facility was built on part of the old Victoria University site at the corner of Williamson and Hampstead Roads in Maidstone. The facility is used to maintain, clean and stable the new G Class trams, and will also house tram operations.

The project was delivered by John Holland Pty Ltd for the Victorian Infrastructure Delivery Authority (VIDA). Under the LIDP, the contractor committed to 94.2% local content for the project overall, 92.5% for signalling, 94.6% for steel and 29.9% for specialist equipment.

The project exceeded its local content commitments, achieving 98% local content for the project, 100% for signalling, 100% for steel and 100% for specialist equipment. It also surpassed its MPSG target, achieving 15.41% against a 10% commitment.

The Local Jobs First approach supported the contractor in identifying and engaging local suppliers and subcontractors, with the contractor working closely with ICN Victoria and procurement teams to confirm suitable local capability. This contributed to the project exceeding all stated local content commitments.

Local suppliers engaged in the project included Lee Brothers for fencing and gates, Plastic Solutions Australia for plastic wedges, NLA Trucking for cartage and Yarra Contracting for landscaping. Engagement with Kinaway helped identify suitable work packages to support First Peoples business participation and First Peoples employment outcomes.

The project also delivered workforce development outcomes through the MPSG, including approximately 40,000 apprenticeship hours. The contractor also worked with Group Training Organisations to support the flexible deployment of apprentices and trainees across the project. Apprentices were supported with supervision and mentoring, employed for the duration required on the project, and then transitioned to other contractors to support ongoing skills development and continuity of employment.

The contractor also participated in VIDA Rail's Engineering Pathway Industry Cadets (EPIC), an 18-month employment pathway program that supports refugee and asylum-seeker engineers as cadets to gain local industry experience on major transport infrastructure projects.

Overall, the contractor achieved 83,993 MPSG labour hours.

Additional supply chain impact was demonstrated through the First Peoples business, NLA Trucking. The project increased NLA Trucking's visibility across the transport program, and the business subsequently secured additional contracts, including with North West Program Alliance.

Appendix A: Completed Strategic Projects for 2025–26

Project	Local Jobs First requirements	Region
Epping Road Upgrade	96% minimum local content for the project 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	Metro
Frankston and Greensborough Multideck Carparks	92% minimum local content for the project 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 furniture, fixtures and equipment wherever possible The contractor must advise Level Crossing Removal Project, Industry Capability Network and the Department of Jobs, Precincts and Regions of any proposed significant diversion from the local content of any items listed in their approved LIDP	Metro
Melbourne Metro Tunnel Project – Core Package (Tunnels and Stations PPP)	84% minimum local content for the project Maximise local steel	Metro
St Kilda Pier Redevelopment	93% minimum local content for the project	Metro
West Gate Tunnel Project	89% minimum local content for the project 82% Lane Use Management System (LUMS) Maximise local steel	Metro
Pakenham LXs – removing 3 level crossings at Racecourse Rd, Main St and McGregor	90% minimum local content for the project 100% local steel	Metro

Definitions

Terms used in this Local Jobs First Annual Report that are not defined below have the same meaning as is given to those terms in the Act. For further definitions, please refer to the **Local Jobs First – Glossary**.

Apprentices, Trainees and Cadets (ATCs)

Refers to entry-level roles under a training contract, or through a combination of formal tertiary training with paid practical work experience. See the individual definitions of an apprentice, trainee and cadet in the **Local Jobs First – Glossary** for more information.

Local Content

Local Content refers to the goods that are produced by local industry, services that are supplied by local industry, or construction activities carried out by local industry. Local Content is intended to capture all suppliers producing Australian or New Zealand goods or services or when they have added value to imported items. Local assembly of imported materials, transport of goods, and local labour are all examples of local content or local added value.

Local Industry Development Plan (LIDP)

Refers to a document prepared by the supplier as part of the Expression of Interest, Request for Tender and/or tender submission for a Local Jobs First project. The LIDP details the supplier's commitment to address the Local Jobs First requirements and details the expected local content and job outcomes, including how the supplier will comply with the commitments made in the LIDP. If a supplier's tender is accepted, the supplier must comply with the LIDP. The LIDP commitments must be incorporated into the contract with the supplier as a contract deliverable.

Local Jobs First Policy

Comprises the Victorian Industry Participation Policy and the Major Projects Skills Guarantee. The Local Jobs First Policy may include any guidelines or material prepared by the Minister responsible for Local Jobs First regarding the application of, and procedures to be followed in complying with the Act, any regulations or the policy. For the purposes of the Act, the Local Jobs First Policy includes the Local Jobs First Policy document, Local Jobs First Supplier and Local Jobs First Agency Guidelines.

Major Projects Skills Guarantee (MPSG)

The policy that provides job opportunities for apprentices, trainees and cadets on high value construction and infrastructure projects. The MPSG applies to all construction projects valued at $20 million or more.

SMEs

SMEs are small to medium-sized enterprises.

Standard Project

A Standard Project is a project that meets or exceeds the thresholds but is under $50 million budget. The Minister responsible for Local Jobs First can also declare a project with a budget of less than $3 million to be a Standard Project.

Strategic Project

A Strategic Project is a project that has a total budget of $50 million or over. The Minister responsible for Local Jobs First can also declare a project with a budget of less than $50 million to be a Strategic Project.

Victorian Management Centre (VMC)

The Victorian Management Centre is an online system hosted by ICN Victoria and used by agencies and suppliers for Local Jobs First project registration, reporting and completion.

Data notes and methodology

Data in this report is based on agency reporting for 2025–26 and is current at the time of publication. Some figures may be rounded, project information may reflect project status at the time of reporting, and data or other information may be revised as reporting is finalised or updated information becomes available. Totals may not sum due to rounding.

Differences between the Ministerial requirements, LIDP commitments for Strategic Projects, and the LIDP commitments reported to date reflect the timing of the procurement and contracting process. The Minister sets local content requirements before contracts are awarded, while LIDP commitments are confirmed during contracting. Because there can be a delay between these stages, not all projects, or tenders within projects, have yet reached the commitment stage. As contracting progresses, total LIDP commitments are expected to meet or exceed the local content requirements set by the Minister based on historical trends and analysis.

Contact

For more information, visit
localjobsfirst.vic.gov.au

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