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| FRD 25D |  |  | Local Jobs Disclosures in the Report of Operations (April 2019) |
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| Purpose |  | 1.1 | To prescribe the disclosure requirements for the Local Jobs First in the report of operations in accordance with section 9 of the *Local Jobs First Act 2003*. |
| Application |  | 2.1 | Applies to all entities defined as either a public body or a department under section 3 of the *Financial Management Act 1994*. |
| Operative date |  | 3.1 | Reporting periods commencing on or after 1 July 2018. |
|  |  | 3.2 | FRD 25C *Victorian Industry Participation Policy Disclosures in the Report of Operations* is withdrawn and superseded effective 15 August 2018. |
| Transitional Arrangement |  | 4.1 | Transitional arrangements for projects at tender or in contract to 15 August 2018   * The *Victorian Industry Participation Policy Act 2003*, and the VIPP agency and supplier guidelines (2016), including model clauses, will continue to apply to projects where contracts have been entered into by 15 August 2018. * The Major Projects Skills Guarantee (MPSG) guidelines (2016) will continue to apply to MPSG applicable projects where contracts have been entered into by 15 August 2018. * All agencies must continue to ensure that contractors deliver their commitments as specified in VIPP Plans, Local Industry Development Plans (LIDP), and MPSG Compliance Plans within existing contracts.   For projects tendered from 15 August 2018   * The *Local Jobs First Act 2003*, the Local Jobs First Policy and related Local Jobs First Guidelines (including model clauses) will apply to all projects put to tender from 15 August 2018. The Local Jobs First Policy encompasses both VIPP and MPSG, which were previously administered separately. |
| Requirements |  | 5.1 | The accountable officer must disclose the details of the implementation of the Local Jobs First in the entity’s report of operations. |
|  |  | 5.2 | The accountable officer of each entity is responsible for ensuring all projects to which the Local Jobs First applies are reported on in summary form. |
|  |  |  | **Reporting on all Local Jobs First Projects except those related to grants** |
|  |  | 5.3 | The report of operations should contain the following information for projects *commenced and/or completed* to which Local Jobs First applied in the reporting period: |
|  |  |  | 1. the number of projects and total value of both Local Jobs First Strategic and Local Jobs First Standard projects commenced and/or completed in the reporting period to which a VIPP Plan (only from 1 July 2018 to 15 August 2018) or Local Industry Development Plan (LIDP) was required; 2. The number of projects that the Major Projects Skills Guarantee has been applied on (from 16 August 2018), the total number of hours completed or to be completed by apprentices, trainees or cadets on these projects, and the total number of opportunities created for apprentices, trainees and cadets on these projects. 3. the number of projects and percentage of ‘local content’ committed under projects that commenced and/or completed in the reporting period to which LIDP was required, split by:    1. metropolitan;    2. regional; and    3. statewide. 4. for projects commenced, a statement of total LIDP commitments (local content, employment and engagement of apprentices, trainees and cadets) committed as a result of these projects; 5. for projects completed, a statement of total VIPP Plan or LIDP outcomes (local content, employment and engagement of apprentices/trainees) achieved as a result of these contracts; and 6. the total number, across all projects commenced or completed by the department, of small and medium sized businesses engaged as either the principle contractor or as part of the supply chain. |
|  |  |  | **Reporting on grants provided** |
|  |  |  | 1. The total number of conversations with the Industry Capability Network that correspond with the registration and issue of an Interaction Reference Number. |
| Definitions |  | 6.1 | For a complete glossary of terms related to Local Jobs First Policy and Guidelines refer to localjobsfirst.vic.gov.au. |
|  |  | 6.2 | **Annualised Employee Equivalent (AEE)** – Annualised Employee Equivalent (AEE) is calculated by dividing the total number of ordinary working hours that an employee worked over the reporting period by the total number of full-time working hours paid per annum (this is generally 38 hours per week for 52 weeks per year). The employee’s working hours include paid leave (e.g. sick leave, paternity leave, recreation leave, long service leave etc.) but *not* unpaid leave. |
|  |  | 6.3 | **Industry Capability Network (ICN)** – means the organisation that manages the Local Jobs First Management Centre which administers the Local Jobs First on behalf of the Victorian Government at https://icn.org.au/content/victoria/local-jobs-first. |
|  |  | 6.4 | **Interaction Reference Number** – the Interaction Reference Number is used in the application of the Local Jobs First in grants. |
|  |  | 6.5 | **Local content** – the term ‘local content’ covers all suppliers producing Australian or New Zealand (ANZ) goods or services or when they have added value to imported items. Under Section 3(1) of the Local Jobs First Act 2003, local content means goods that are produced by local industry, or services that are supplied by local industry or construction activities carried out by local industry. |
|  |  | 6.6 | **Local Industry Development Plan (LIDP)** – means a document prepared by the supplier as part of the EOI, RFP 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. An LIDP must have an ICN acknowledgement letter from the ICN to be admissible. |
|  |  | 6.7 | **Local Jobs First Policy** – the Local Jobs First Policy is comprised of the Victorian Industry Participation Policy and the Major Projects Skills Guarantee. |
|  |  | 6.8 | **Local Jobs First Standard project** – is a project:  with a budget of $1 million or more in rural and regional Victoria;  with a budget of $3 million or more for state-wide projects or for projects in metropolitan Melbourne;  declared to be a standard project by the Minister under section 7A (1) of the Act. |
|  |  | 6.9 | **Local Jobs First Strategic project** – means a project with a budget of $50 million or more or any other project declared to be Strategic Project by the Minister under section 7A (2) of the Act. |
|  |  | 6.10 | **Major Projects Skills Guarantee** – means a policy that provides job opportunities for apprentices, trainees and cadets on high value construction projects ($20 million and above). |
|  |  | 6.11 | **Regional Victoria** – has the same meaning as in the *Regional Development Victoria Act 2002* refer to Act. |
|  |  | 6.12 | **Victorian Industry Participation Policy (VIPP)** – The Victorian Industry Participation Policy is an industry development policy designed to ensure small and medium-sized enterprises are given full and fair opportunity to compete for Victorian Government contracts. |
| Guidance |  | 7.1 | The Local Jobs First Policy is comprised of the Victorian Industry Participation Policy (VIPP) and the Major Projects Skills Guarantee (MPSG). |
|  |  | 7.2 | The objectives of the Local Jobs First are:  promoting employment and business growth by expanding market opportunities for local industry;  providing contractors with increased access to, and raised awareness of, local industry capability;  exposing local industry to world's best practice in workplace innovation, e-commerce and use of new technologies and materials; and  developing local industry's international competitiveness and flexibility in responding to changing global markets by giving local industry a fair opportunity to compete against foreign suppliers. |
|  |  | 7.3 | Departments and public bodies are required to apply Local Jobs First – to all projects over $3 million in metropolitan Melbourne or State-wide, and $1 million in regional Victoria. |
|  |  | 7.4 | The Local Jobs First Policy applies to the full range of Victorian Government projects that meet financial thresholds.  Local Jobs First applicable projects include but are not limited to:  purchase of goods and/or services, regardless of the method of procurement (including but not limited to individual project tenders, State Purchase Contracts, supplier panels)  construction projects (incorporating design and construction phases and all related elements), including but not limited to individual projects, Public Private Partnerships, Alliance Contracts, Market Led Proposals, supplier panels and auctions  grant and loan projects, including but limited to grant agreements or loan arrangements to private, non-government and local government organisations for a single or group of projects. |
|  |  | 7.5 | For each project commencing from 15 August 2018, where an LIDP is required, departments and public bodies are required to apply a minimum 10 per cent formal weighting for industry development, and 10 per cent for job outcomes. |
|  |  | 7.6 | **Illustrated example**  An example of a Local Jobs First disclosure is illustrated in the Model Report for Victorian Government Departments for the corresponding reporting period, available on the DTF website at: www.dtf.vic.gov.au/Government-Financial-Management/Financial-reporting-policy/Model-report |
|  |  | 7.7 | Detailed information about Local Jobs First implementation and reporting is available on the Department of Jobs, Precincts and Regions Local Jobs First website at: www.localjobsfirst.vic.gov.au  Further inquiries can be directed to the Office of Industry Participation and Jobs Team by email, localjobsfirst@ecodev.vic.gov.au or by telephone on 13 22 15. |
| Relevant pronouncements |  |  | *The Local Jobs First Act 2003*; and  Local Jobs First Policy and Local Jobs First Agency – Guidelines for agencies, as amended from time to time, located at: www.localjobsfirst.vic.gov.au |
| Background |  |  | In October 2003, the Victorian Parliament passed the Victorian *Industry Participation Policy Act 2003*. This Act requires public bodies and departments to report on the implementation of the Victorian Industry Participation Policy. These actions were the basis of FRD 25.  In 2009, the Victorian Industry and Manufacturing Statement, Building Our Industries for the Future, announced a number of actions to strengthen the VIPP outcomes, including the VIPP reporting guidelines reflected in FRD 25A.  FRD 25B was issued in May 2014 following implementation of the Victorian Government’s reform to VIPP on 1 January 2013 to provide a stronger focus on contestable procurement opportunities, and to improve monitoring and reporting of VIPP outcomes.  FRD 25C was issued in October 2016 following the implementation of the Victorian Government’s remaining reform commitments to VIPP. The reforms include the introduction of a formal minimum 10 per cent weighting of local content in the project tender evaluation of applicable projects, and the new brand ‘Local Jobs First’ to sit alongside the legislative VIPP brand, to reflect what the policy is seeking to achieve.  In August 2018, the Victorian Parliament reformed the *Victorian Industry Participation Policy Act 2003* into the *Local Jobs First Act 2003* and the FRD was revised to FRD 25D (April 2019).  FRD 25D was issued in April 2019 following amendments to the *Local Jobs First Act 2003*. The amendments to the Act established VIPP and MPSG under Local Jobs First, streamlined reporting requirements, and established the role of the Local Jobs First Commissioner. |