

## Local Jobs Focus for South Australian Government Contracts

July 2014

On 30 July 2014, South Australian Treasurer and Minister for Small Business the Hon. Tom Koutsantonis MP announced a series of reforms to the tender evaluation process for the awarding of government contracts in South Australia.

Minister Koutsantonis' press release is available [here](#).

The reforms, to take effect from 1 July, include an employment test for all government contracts valued between \$22,000 and \$4 million in metropolitan Adelaide, and between \$22,000 and \$1 million in regional South Australia, whereby the potential number of jobs that could be created by awarding a government contract to a local company will now be considered as part of the normal tender process.

Minister Koutsantonis noted that “while price is one factor in ensuring Government receives value for money from its procurement, successful contracts should also support local employment and investment.”

Under the changes, a greater weighting (5 per cent minimum) on local jobs, investment and supply chain opportunities will be applied for larger contracts valued between \$220,000 and \$4 million in metropolitan Adelaide and between \$220,000 and \$1 million in regional South Australia. Depending on the merit of the proposal, this weighting can also be lifted.

Furthermore, contracts in key economic areas valued at more than \$4 million (in metropolitan Adelaide) will now have a minimum weighting of 10 per cent. These economic areas include:

- Heavy and civil engineering construction;
- Professional, scientific and technical services;
- Non-residential building construction; and
- Electrical equipment manufacturing.