

## Federal Labor's National Procurement Plan

On 21 January 2019, Federal Labor Leader Bill Shorten announced Labor's national procurement plan, *Local Projects, Local Jobs*.

The policy is aimed at supporting local businesses and jobs through government procurement and major projects.

Mr Shorten committed a future Labor Government to a three-point strategy to promote economic benefit, emphasising small to medium sized businesses in rural and regional areas.

### Access to government contracts

Labor will require that:

- Government departments work with local firms to ensure they can benefit from government contracts, and properly consider the economic benefit that local businesses provide. Value for money will be the key criteria.
- Bidders for projects over \$10 million develop a 'Plan for Local Jobs' to support jobs in the regions that projects are undertaken.
- Successful bidders nominate an on-the-ground contact to engage with local small and medium businesses to raise awareness of upcoming tender and subcontracting opportunities.
- Companies undertake local labour-market testing for any new employees required for the project, to ensure temporary work visa holders are not undercutting local wages.
- Officials consider relevant financial and non-financial costs and benefits of the procurement, including commitment to local or regional markets and a more competitive supplier base.

### Local business

A future Shorten Government will promote opportunities for Australian businesses in public and large private projects, by requiring that:

- Public projects include local procurement plans as part of a project development and tender, rather than after a contract has been granted.
- Projects over \$250 million have an Australian Industry Participation plan in place to ensure access to new opportunities including in mining, rail, road and energy.
- Industry groups support businesses to win contracts locally and abroad with supplier advocates appointed in key sectors such as rail and steel.

Labor will also increase support to businesses through a revamped Enterprise Connect and Industry Capability Network and by implementing strong anti-dumping measures.

### Local apprentices and TAFE

Labor will require one in 10 workers on major projects to be apprentices from the local area.

This builds on Labor's existing commitment to remove upfront fees for 100,000 TAFE students, and establish the \$100 million *Building TAFE for the Future Fund* for upgrades and improvements to Australian TAFEs.

### Further information

For more information, please contact your Hawker Britton consultant Simon Banks on +61 419 638 587. Further Hawker Britton Occasional Papers on the activities of the Federal Opposition are available [here](#).