



SEMMA

SOUTH EAST MELBOURNE MANUFACTURERS ALLIANCE

SEMMA calls for Local Jobs First Procurement Policies to be more tightly regulated by an independent bi-partisan body

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MELBOURNE. SEMMA is calling on a review of the management of Victoria's Local Jobs First (LJF) Policy as the recent publication of a revealing article exposes the real issues faced by local manufacturers when it comes to procurement policy for Victorian Government jobs.

"The article by University of Melbourne, PhD Candidate, Chigozie Victor Ndukwe revealed that the truth behind Victoria's Local Jobs First Commissioner's lack of oversight of the LJF policy, is leading to local manufacturers losing out on local jobs due to questionable quoting practices", said SEMMA CEO Honi Walker.

These practices pit local manufacturers against cheaper and inferior imports – as was experienced on the West Gate Tunnel Project (using 33,000 tonnes of inferior grade Chinese steel) and the GMHBA Stadium and Kew Recreation Centre – both collapsed due to the use of inferior non-Australian steel that jeopardises Australian local manufacturing.

"SEMMA is advocating for tighter controls and monitoring of this system or risk industry integrity. SEMMA is also calling on the Local Jobs First Commissioner to meet with our members to discuss these issues", said Ms Walker.

"SEMMA has been advocating for Local Jobs First Content for twenty-one years. We worked to establish the local supply chain for the sovereign capability of the rail (rolling stock) industry. More recently, we have asked the Victorian Government to meet its own Local Jobs First Content requirements – without response and issues remain unchecked by the Local Jobs First Commissioner," said Ms Walker.

BACKGROUND

Back in February 2024, the Federal Government announced the expansion of the Capacity Investment Scheme (CIS) for the renewables sector. SEMMA has called on the federal and state governments to legislate Local Jobs First Content procurement policies.

These policies must stipulate that 60 per cent of all fabricated steel used in renewable energy projects is manufactured in Australia by local fabricators and welders. These policies must be managed to ensure compliance. These policies must be observed and applied across all Government Tenders.

Manufacturing is the lifeblood of Australia's economy. In the South East of Melbourne it generates \$54 billion in gross regional product and hosts 50% of Melbourne's manufacturing jobs employing over 230,000 people.

When it was first announced in December 2022, the Federal Government estimated that the Scheme would drive approximately \$10 billion worth of investment in renewables.

The Scheme was expanded in November 2023, with the aim of unlocking \$40 billion in private investment, which would add another 32 GW of capacity to the National Electricity Market.

However, SEMMA fears that with the expansion of the Capacity Investment Scheme inviting billions in private (and possibly overseas) investment – that Local Jobs First and First Nations content requirements will not be incorporated into the Scheme's tenders.



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SEMMA is calling on a minimum of 60% of all fabricated steel used in renewable energy projects is manufactured in Australia by local fabricators and welders.

SEMMA is asking the Federal Government and State Government to commit to ensuring our sovereign capability manufacturing for renewable energy projects by legislating Local Jobs First Content policy.

SEMMA asks that this Local Jobs First Content legislation be drafted in conjunction with industry to eliminate the loopholes that so often arise in these types of policies.

SEMMA is also calling on the Federal Government and State Government to mandate that all wind towers are constructed, erected and inspected according to Australian Standards, to do anything less would be the undoing of our Sovereign Capabilities and send the wrong message to manufacturing in Australia.

“We need to ensure that these policies secure domestic clean energy supply chains, boost investor confidence, and cultivate a skilled workforce through the energy transition, positioning Australia as a global renewable energy leader, while showing support for our local manufacturers” said Honi Walker.

Government must be prepared to have oversight in the application of these policies. They must now include specific, measurable local content requirements that are legislated and ideally managed by a separate bi-partisan body, this is crucial to Australia’s Sovereign Capability requirements.

This will give long-term confidence to the local welding and manufacturing companies when it comes to the security of sufficient orders – enabling them to invest in their workforce, plant and equipment to deliver high quality, cost effective renewable energy assets now and in the future.

SEMMA is calling on the State and Federal government and industry to come together **now** to formulate a plan of action to manufacture these critical assets or risk establishing an unregulated sector that gambles the health and safety of its people, the environment and Australia’s international reputation.

ENDS

ABOUT SEMMA

*SEMMA, the South East Melbourne Manufacturers Alliance, is a membership-based organization that represents the interests of manufacturing businesses in the South East Melbourne region. The South East region of Melbourne generates \$54b in gross regional product, hosts 50% of Melbourne’s manufacturing jobs employing 232,903 people and provides 24% of Victoria’s overall \$227b manufacturing output. *Data from Remplan CGD 2024*

NOTE TO EDITORS

CEO and President available for comment on request.

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For more information, news, and perspectives from SEMMA, please visit:

The SEMMA Newsroom <https://www.semma.com.au/news/>

Our official LinkedIn Page <https://au.linkedin.com/company/semma-au>

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