

From: s 22 <[REDACTED]@treasury.gov.au>

Sent: Friday, January 24, 2025 2:01 PM

To: Zaheed, Mohita <[REDACTED]@treasury.gov.au>

Cc: s 22 <[REDACTED]@TREASURY.GOV.AU>; s 22 <[REDACTED]@TREASURY.GOV.AU>; Everist, Kai <[REDACTED]@TREASURY.GOV.AU>; s 22 <[REDACTED]@TREASURY.GOV.AU>

Subject: FW: Ayres local content letter[~~SEC-PROTECTED, CAVEAT-SH:CABINET~~]

FOI 3870
Document 1

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Hi Mohita

As discussed with Michael – PMC has sent through a copy of the AM Ayres letter re local content.

Thanks

s 22

National Interest Framework Division

P +s 22

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Pages that are fully out of scope
and/or exempt have been removed
from the document set

From: s 22 [redacted] <[redacted]@pmc.gov.au>
Sent: Friday, 24 January 2025 1:58 PM
To: s 22 [redacted] <[redacted]@treasury.gov.au>
Cc: s 22 [redacted] <s 22 [redacted]@TREASURY.GOV.AU>; Trease, Roland <Roland.Trease@pmc.gov.au>; Good, Peter <Peter.Good@pmc.gov.au>; Setterfield, Cate <Cate.Setterfield@pmc.gov.au>
Subject: Ayres local content letter[~~SEC-PROTECTED, CAVEAT-SH:CABINET~~]

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~~**PROTECTED//CABINET**~~

s 22 [redacted]
Hi [redacted]

AM Ayres local content letter attached.

Thanks,

s 22 [redacted]

[redacted] | Future Made in Australia
Department of the Prime Minister & Cabinet
m: s 22 [redacted]

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From: s 47E(d)
Sent: 24/01/2025 2:20:48 PM
To: s 22 @TREASURY.GOV.AU>
Cc: s 47E(d) @TREASURY.GOV.AU>; s 47E(d) @TREASURY.GOV.AU>; "Everist, Kai" <Kai.Everist@TREASURY.GOV.AU>; "s 22" <s 22 @TREASURY.GOV.AU>; "s 22" @TREASURY.GOV.AU>; "s 22" @TREASURY.GOV.AU>
Subject: NIFD - NFA - VIP Ayres to PM - Future Made in Australia
Attachments: TA to PM 201224.pdf
Categories: Lindsay

~~PROTECTED//CABINET~~

Good afternoon,

Please see attached a letter from Assistant Minister Ayres to the Prime Minister regarding Future Made in Australia.

Min Pro – Please assign to the Future Made in Australia Policy Team for visibility.

Thanks,

s 22

Office of the Hon Jim Chalmers MP, Treasurer

s 22

Parliament House, Canberra, ACT 2600

treasury.gov.au

Langton Crescent, Parkes ACT 2600

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The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.

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From: s 47E(d)
Sent: Friday, 24 January 2025 1:00 PM
To: s 47E(d) @protected.dcceew.gov.au; s 47E(d) @industry.gov.au; s 47E(d)
Cc: s 47E(d)

Subject: Correspondence from the Office of Senator the Hon Tim Ayres: Outcomes from Future Made in Australia consultations[~~SEC-PROTECTED, CAVEAT-SH:CABINET~~]

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Good afternoon DLOs,

Please find the attached letter from Senator the Hon Tim Ayres to the Prime Minister.

The letter provides the outcomes of consultations on the potential benefits and risks of incorporating local content requirements into the pipeline of government-supported renewable energy infrastructure.

The letter was delivered to the Prime Minister on 20 December 2024. s 22

Kind regards,

s 22

Office of Senator the Hon Tim Ayres

Assistant Minister for Trade and Assistant Minister for a Future Made in Australia

S1.52 Parliament House, Canberra ACT 2600

p. s 22

e. s 47E(d) [@pmc.gov.au](mailto:pmc.gov.au) | s 22 [@pmc.gov.au](mailto:pmc.gov.au)

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A large rectangular area of the document is redacted with a grey box.

Attachments:

DRAFT 0.1 Maximising Australian Industry and Worker Opportunities - sub-wg
report.docx

s 22

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OFFICIAL

OFFICIAL

From: s 22 <[REDACTED]@dcceew.gov.au>

Sent: Wednesday, 12 February 2025 9:10 AM

To: s 22 <[REDACTED]@treasury.gov.au>

Cc: s 22 <[REDACTED]@dcceew.gov.au>

Subject: For review: offshore wind supply chain and workforce report treasury and FMIA description [SEC=OFFICIAL]

s 22





Australian Government

Department of Climate Change, Energy,
the Environment and Water

Maximising Australian industry and worker opportunities

Offshore renewables sub-working group

DRAFT – GOVERNMENT IN CONFIDENCE



Towards a nationally consistent local content policy

Local content policies are tools utilised globally to increase the participation of domestic manufacturing and workforce into local projects, such as large infrastructure builds. Local content policies set requirements for where materials and employees are sourced to deliver benefits to the domestic economy from large scale projects. These policies are often linked to Government procurement.

In Australia, there are different policies, definitions and approaches to local content in each state, territory and at the Commonwealth. Understanding that different legislation applies in each jurisdiction, consistency in the policy intent could benefit offshore wind projects moving forward to not favour one jurisdiction over another for development.

There are several World Trade Organization and Free Trade Agreement obligations that must be balanced in the development of local content policies. There are WTO disciplines on subsidies, the General Agreement on Tariffs and Trade, the Agreement on Subsidies and Countervailing Measures Agreement and the General Agreement on Trade in Services that apply to local content requirements (Roeben 2022) so countries do not favour domestic suppliers over international suppliers.

Commonwealth

The Commonwealth oversees local content through the application of an [Australian Industry Participation Plan](#) for applicable projects and assists with the facilitation of local investment through [the Major Projects Facilitation Agency](#).

New South Wales

The New South Wales Government is introducing new Government procurement rules that will apply to all Government procurement. The Minister for Domestic Manufacturing and Government procurement has [issued a new direction](#) to the NSW Procurement board called 'If not, why not'. Under this new policy direction, the NSW Procurement board will require NSW Government agencies to engage with NSW suppliers before going to tender on projects worth more than AUD \$7.5 million. If these contracts go to suppliers outside of NSW, agencies need to provide an explanation as to why prior to the contract being awarded.

This policy definition is explicitly designed to uphold Australian free trade obligations, but is designed to ensure agencies focus on supporting jobs in NSW. Factors such as local employment and developing regional economies will now factor into 'value for money' criteria. The definition of 'local supplier' under this direction is limited to NSW enterprises.

Additionally, the NSW Government will be legislating to create the Jobs First Commission, to oversee the implementation and enforcement of local content measures:

- A local content policy which will implement a 30% weighting to NSW Government tenders worth more than \$7.5 million that captures local content, job creation, small business and ethical supply chains.
- A Future Skills Guarantee with workforce targets, including a 20% requirement for apprentices on NSW Government construction or infrastructure projects valued above \$7.5 million.
- An independent advisory board with representation from across industry, small business, unions, and the public sector to provide ongoing engagement with, and advice on, government procurement policies as well as local development and industry growth strategies.
- Appointing a Job First Commissioner conferred with 'name and shame' and other compliance and enforcement powers. This will ensure all parties, including NSW agencies, adhere to the government's procurement rules and standards, in particular the new tender weightings rules and local content and skills requirements.

The definition of 'local content' under the Jobs First Commission legislation will be any Australia or New Zealand-based enterprise.

Additionally, the [South Wales Renewable Energy Sector Board plan](#) includes recommendations on how to maximise local content and workers in generation, storage and network projects. Local

content requirements are then applied during long term energy service arrangement and access right tenders, as administered by AEMO Services.

Victoria

The Victorian Government applies local content policies through the [Local Jobs First Act 2003](#) that enables the Victorian Government to provide opportunities for local businesses and workers to supply into government projects.

The Act enshrines Victorian Industry Participation Policy and the Major Projects Skills Guarantee requirements in legislation — ensuring that Victorian businesses, workers, apprentices, trainees and cadets continue to benefit from Victorian Government procurement well into the future.

The Local Jobs First Act defines ‘local content’ as:

- a) Goods that are procured by local industry; or
- b) Services that are supplied by local industry; or
- c) Construction activities carried out by local industry;

Under this legislation, there is a determination of requirements for strategic projects and standard projects whereby the Minister must determine local content requirements for strategic projects. The Minister must determine the minimum percentage of value of the total content of strategic projects that must be local content.

Victoria is the only state with a local content policy specific to offshore wind that is articulated in the [Offshore Wind Energy Implementation Statement 3](#). Proponents’ overall local content approach and their responses to these requirements will be considered as part of the bid evaluation process.

As part of the auction process, project proponents must:

- Propose opportunities for investing in the project’s construction and capital expenditure stages to maximise local content for the development and construction phase of the project and support increased levels of local content in future projects.
- Demonstrate plans to achieve at least 80% minimum local content during the 30-year O&M phase as averaged over the period.
- Demonstrate plans to meet the Major Projects Skills Guarantee, requiring 10% of all labour hours to be performed by apprentices, trainees and cadets during relevant onshore construction activities and during the O&M phase.
- Demonstrate plans to maximise the use of steel supplied using locally milled and locally processed fabricated steel, and maximise the use of materials, products and services produced or manufactured suppliers based in Victoria’s regions.
- Work with the Industry Capability Network (ICN) to publish forward work packages to provide Australian and Victorian businesses with the opportunity to tender and participate in relevant project phases.
- Submit industry development initiatives and investments in supply chain, workforce development, innovation and infrastructure, supported by an industry engagement strategy.

Implementation Statement 3 has outlined that these requirements are for the first Victorian offshore wind auction, and that further auctions may have further local content requirements as the industry and supply chain develops.

Queensland

The Queensland Charter for Local Content is the state's local industry policy that provides businesses with full, fair and reasonable opportunities to tender for Queensland Government funded projects, including projects supported by government owned energy corporations.

Queensland to expand upon this

Western Australia

The Western Australian Jobs Act 2017 defines the Western Australian Industry Participation Strategy (WAIPS) and ensures that they apply to all state government departments, agencies, statutory authorities and government trading entities. Under WAIPS, agencies must ensure that prospective suppliers submit a participation plan during the procurement process for all contracts above designated amounts.

Prospective suppliers use participation plans to outline their commitments to employing or involving local businesses, in particular small and medium size enterprises. Commitments made are used by government in the evaluation, award and contracting process. The Jobs Act also requires the successful tenderer to report on employment, skilling and sourcing outcomes, ensuring accountability and capturing actual outcomes (Government of Western Australia 2022).

The Minister responsible can declare government-owned projects with a value over \$35 million as a "strategic project", triggering the need for a tailored industry participation plan with specific economic or social outcomes, determined on a case-by-case basis by the Minister. Two state-owned onshore wind farms have been subject to this declaration to date.

Western Australia to expand upon this

South Australia

State Government Agencies and private parties contracting to the Government of South Australia are required to comply with the South Australian Industry Participation Policy and the supporting Procedural and Reporting Guidelines (Government of South Australia 2024).

South Australia to expand upon this

Tasmania

Tasmanian Government policy is focused on scenarios where the Crown is procuring goods and services, with policy contained in the Buy Local Policy. The ability to influence proponents or developers local purchasing may be enhanced where the proponent or developer is seeking government assistance, and agreements can include requirements to source locally (materials, workers etc). The market for certain things may also dictate local procurement (e.g. consultant capability at the project development and assessment phases).

Projects valued at more than \$5 million that receive financial or in-kind support from Tasmanian Government valued at or more than \$500k will be required to develop a Tasmanian Industry Participation Plan.

South Australia to expand upon this

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~~DRAFT-IN-CONFIDENCE~~

s 22

From: s 22
Sent: Monday, 24 February 2025 2:23 PM
To: s 22
Cc: s 22; s 47E(d)
Subject: PM - Whitlam Dinner Speech in Dapto - 21 February 2025 [SEC=OFFICIAL]

OFFICIAL

Hi s 22

The text of this speech (as provided by PMC) is below

PM - Whitlam Dinner Speech in Dapto - 21 February 2025

Our Government will bring that same approach to the things our workers make – and the materials they use.

Local content requirements – the requirement for governments to buy local – must be stronger and work better.

We will work directly with the States and Territories, businesses and unions on new ambitious targets for local content.

Because we want local content to become the national standard.

And we'll lead by example.

Tonight I announce our Government will invest \$500m through the Future Made in Australia Innovation Fund to drive new jobs in clean energy manufacturing.

Starting with wind tower fabrication.

Every new wind tower needs hundreds of tonnes of steel.

Why should that steel come from anywhere but here?

This is a steel city. Steel-making in the Illawarra has delivered generations of good blue collar jobs.

It's the same story for Aluminium processing in Gladstone, the Hunter Valley, Bell Bay and Portland.

Communities grow and thrive around these industries.

They are vital to our economic security – and our national security.

Our economic plan is about keeping your community and your industry strong in the face of global uncertainty.

And investing in the skills and energy to power the next generation of jobs and opportunities.

Turning Australian iron into Australian steel.

And turning steel into fabricated steel and manufactured steel products for Australia to use – and the world to buy.

More blue collar jobs in green metals.

And more steel in wind towers and transmission infrastructure and large scale solar.

We will put Australian steel in every link of the supply chain.

And we will help Australian workers benefit in every part of the country.

Friends

This is the future we want to build.

s 22
National Interest Framework Division, Macroeconomic Group
Ps 22 Ms 22

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The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.

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From: s 22 s 22 @TREASURY.GOV.AU>
Sent: Monday, 24 February 2025 5:00 PM
To: s 22 s 22 @TREASURY.GOV.AU>
Subject: FW: Ayres local content letter[~~SEC-PROTECTED, CAVEAT-SH:CABINET~~]

~~PROTECTED//CABINET~~

FYI – local content letter from AM Ayres

s 22 s
National Interest Framework Division, Macroeconomic Group
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From: Everist, Kai <Kai.Everist@TREASURY.GOV.AU>
Sent: Monday, 24 February 2025 9:53 AM
To: s 22 s 22 @TREASURY.GOV.AU>
Subject: FW: Ayres local content letter[~~SEC-PROTECTED, CAVEAT-SH:CABINET~~]

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