

The background of the top half of the page is a close-up of a steel mill with bright orange sparks flying from a rotating wheel. The bottom half of the page features a large image of a steel mill with a bright sunset or sunrise in the background, and a foreground image of several large rolls of steel coils.

**AMWU NSW & ACT Branch Submission on the
*Local Jobs First Bill 2025 and
Local Jobs First Regulation 2025***

February 2026

1. Increase the use of local content in government procurement

- Reducing the monetary threshold for procurements to be subject to a Local Procurement Policy
- Clarifying the definition of *locally produced and supplied goods and services* to ensure improved local content in government tenders
- Embedding a calculation method for *locally produced and supplied goods and services*
- Ensuring procurement policies comply with the legislation
- Addressing the entire supply chain in the Local Procurement Policy
- Making clear all NSW government entities are to comply with the Local Procurement Policy

2. Improving labour rights and standards in jobs created from procurement

- Improving labour rights and standards in NSW Government procurement
- Protecting workers through additional compliance measures
- Including the maximisation of worker economic and social benefit as an objective
- Implementing the Future Skills Guarantee

3. Expanding the role of the Local Jobs First Commission and Advisory Board

- Broadening the powers of the Local Jobs First Commissioner
- Creating a public database of procurement policies, contracts, and non-compliant suppliers and government agencies
- Ensuring the independence of the Commissioner is protected
- Expanding the reporting requirements of the Commissioner to keep suppliers and Government Agencies accountable



The Australian Manufacturing Workers' Union NSW & ACT Branch (**AMWU**) welcomes the opportunity to make submission to the NSW Government's consultation regarding the proposed *Local Jobs First Bill 2025* (the **Bill**) and the *Local Jobs First Regulation 2025* (the **Regulation**).

The full name of the AMWU is the "Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union". The AMWU NSW & ACT Branch represents over 13,000 workers across the manufacturing sector in every city and region of New South Wales.

AMWU members proudly build, manufacture and repair trains, trams and electric buses; infrastructure for construction projects; as well as naval ships and other military equipment. We process the food our farmers grow, maintain equipment in our hospitals and buildings, and print and process the papers we read.

Our members who work directly on government procurement contracts and those who fuel the supply chains of these contracts depend on a procurement policy that prioritises good, safe and well-paid jobs. Offshoring of our manufacturing jobs due to the decisions of government agencies must come to an end. The current procurement practices of the NSW Government are currently ill-equipped to prevent the offshoring of our manufacturing industries.

In 2025, the Auditor-General of NSW found that Transport for NSW did not effectively procure the New Intercity Fleet.¹ The decision to manufacture the New Intercity Fleet overseas resulted in the loss of future jobs and helped cripple our domestic manufacturing capabilities in recent years, with an estimated 600 future direct jobs and 840 future indirect jobs being lost due to a procurement decision.²

Despite this, the Auditor-General also found that Transport for NSW, as a government agency, did follow 'all relevant processes by the NSW Government and its own procurement policies'.³

The current regime of procurement practices in NSW is not effective in protecting NSW manufacturing jobs.

A Local Jobs First Commissioner, alongside effective procurement legislation, is critical to ensuring that future procurement decisions do not mirror the mistakes of previous governments.

The AMWU believes that the proposed Bill and Regulations will not, in its current form, effectively prevent NSW Government procurement from contributing to the decline of domestic manufacturing in NSW.

This submission addresses three broad areas of improvement for the legislation:

- 1. Increasing the use of local content in government procurement.**
- 2. Improving labour rights and standards in jobs created from procurement.**
- 3. Expanding the role of the Jobs First Commission and the Advisory board to ensure effective oversight and compliance in government procurement.**



¹ Auditor-General of New South Wales (2025), *Rail rolling stock procurement*, 3.

² McKell Institute (2021), *Build It Here: The economic cost of offshoring major transport projects in New South Wales*, 12.

³ Ibid.

Summary of Recommendations

Increasing the use of local content in government procurement

Recommendation 1:

Local Jobs First Bill 2025

- Section 15(7) - Omit '\$25 million' and include in its place '\$7.5 million'.

Local Jobs First Regulation 2025

- Section 5 - Omit '\$25 million' and include in its place '\$7.5 million'
- Delete sections 6(1)(c) and 6(2)-(3) in their entirety

Recommendation 2:

Local Jobs First Bill 2025

- Section 3 - Omit the definition of **locally produced and supplied goods and services** and insert in its place:
locally produced and supplied goods and services means -
(a) goods produced in Australia, or
(b) services supplied from a business operating primarily in Australia.

Recommendation 3:

Amend the *Local Jobs First Bill 2025* to include a calculation method for **locally produced and supplied goods and services**, including a requirement that at least 50% of the material costs to produce the good(s) were incurred in Australia.

Recommendation 4:

Local Jobs First Bill 2025

- Amend section 15(5) (*Procurement Minister must issue local procurement policy*) to:
(5) The local procurement policy -
(a) must apply generally, and may only be limited in its application by reference to specific exemptions or factors expressly authorised by this Act,
(b) may apply differently according to different factors of a specified kind only where such differentiation is necessary to ensure effective implementation of the Act.

Recommendation 5:

Local Jobs First Regulation 2025

Amend section 5(a)(i) to:

- (i) Locally produced and supplied goods and services, inclusive of the supplier's supply chain, and

Recommendation 6:

Local Jobs First Bill 2025

- Amend the definition of *government agency* and *government agency head* in section 3 *Definitions* to incorporate:
 - a. State Owned Corporations,
 - b. dispersed management such a Local Health Districts,
 - c. local government, and
 - d. community services funded by the NSW Government.
- Amend section 4 *Application of the Act* to expand the scope of the Act to the above and accommodate the new definitions.
- Amend the Bill to provide the Minister discretionary powers to nominate additional areas of Government expenditure that would come under the Procurement Policy.
- The NSW Government investigate the potential of listing all SOCs as government agencies under regulation through section 162 of the *Public Works and Procurement Act 1912*.

Improving labour rights and standards in jobs created from procurement

Recommendation 7:

Amend section 9 (*Functions of Commissioner*) to include the following:

1. to consider the impact of procurement on labour rights and standards.
2. to prevent modern slavery within NSW Government procurement supply chains.
3. to enforce Same Job Same Pay entitlements.
4. to monitor the use of labour hire in NSW Government procurement.
5. to work with industry and employee organisations to further the objectives of the Act.

Recommendation 8:

Amend section 14 of the *Bill* (*Functions of the Advisory Board*) to include the same additional functions as the Commissioner, as recommended above:

1. to consider the impact of procurement on labour rights and standards.
2. to prevent modern slavery within NSW Government procurement supply chains.
3. to enforce Same Job Same Pay entitlements.
4. to monitor the use of labour hire in NSW Government agencies.
5. to work with industry and employee organisations to further the objectives of the Act.

Recommendation 9:

Amend section 14 (1)(a)(ii) of the *Bill (Functions of the Advisory Board)* to: ‘priorities and concerns of local suppliers and workers relating to NSW Government procurement’.

Recommendation 10:

Amend section 5 of the *Regulation (Local procurement policy requirements)* to include a requirement for suppliers to comply with applicable industrial instruments.

Recommendation 11:

Amend section 15(2)(c) of the *Bill (Procurement Minister must issue local procurement policy)* to add a requirement for the local procurement policy to require suppliers to proactively comply with best practice workplace health and safety requirements, labour standards, modern slavery standards and other industrial obligations for the life of the contract.

Recommendation 12:

Amend section 15(2) of the *Bill (Procurement Minister must issue local procurement policy)* to add a requirement for the local procurement policy to include requirements that agencies to engage in due diligence and conduct compliance history checks on a supplier’s workplace health and safety record, compliance with minimum labour standards, modern slavery standards and other industrial obligations before awarding a contract.

Recommendation 13:

Amend section 15(2)(c) of the *Bill (Procurement Minister must issue local procurement policy)* to: ‘maximise the economic, social and sustainability benefits of NSW Government procurement for workers and the people of New South Wales’.

Recommendation 14:

Amend the *Bill* to include a workforce target that 20% of the trades workforce on NSW Government construction or infrastructure contracts.

Expanding the role of the Local Jobs First Commissioner and Advisory Board

Recommendation 15:

Amend section 21 of the *Bill (Commissioner may notify Procurement Board about non-compliant government agencies)* to add:

- (3) The Procurement Board must take into consideration the notice given by the Commissioner in relation to the government agency’s non-compliance.
- (4) The Procurement Board must provide a written response to the Commissioner within two weeks of receiving the notice, providing information regarding whether the notice is supported and any plan to address the non-compliance.
- (5) The Commissioner may refer the notice and response to the Minister for review. The Minister may direct the Board to act on the notice.’

Recommendation 16:

Add new provisions under part 4 of the Regulation (*Performance management process*) which include additional compliance measures that can be enforced by the Commissioner. These measures should include:

- Enhanced monitoring
- Mandatory corrective training
- Restrictions on subcontracting
- An adverse publicity notice, disclosed immediately
- Restriction to low-risk categories / Conditional participation
- Temporary suspension from new procurements
- The ability for the Commissioner to apply for an injunction or take enforcement action under a contract, or require an agency to do so.

Recommendation 17:

Add a provision under part 5 of the Bill (Compliance with local procurement policy and plans) that requires the Commissioner to create a publicly available database which:

- Discloses policies and contracts covered by the policies, and contracts exempted, and
- Provides information regarding the location of work and a compliance contact for the business, and
- Lists non-compliant suppliers and government agencies.

Recommendation 18:

Amend part 2 of the *Bill (Jobs First Commissioner)* to include a provision that exempts the Commissioner from the control and direction of the Minister regarding its functions.

Recommendation 19:

Amend section 12 (*Annual report*) of the *Regulation* to include a requirement to provide information regarding non-compliant agencies.

Recommendation 20:

Amend the reporting date in section 12(1) of the *Bill* to 1 September.

Increasing the use of local content in government procurement

Reducing the monetary threshold for procurements to be subject to a local procurement policy.

The proposed threshold, detailed at part 3 section 5 of the *Local Jobs First Regulation 2025 (Regulation)*, of at least \$25 million for procurements that the local procurement policy and the 30% weighting would apply to would be too onerous and would exclude a significant majority of government procurements. Workers and suppliers whose work comes from those government tenders valued under \$25 million would be excluded from the benefits of the local procurement policy.

The AMWU proposes that the threshold be reduced to \$7.5 million, in line with the NSW Government’s previous commitment of:

*A local content policy which will implement Labor’s election commitment to apply a minimum 30% weighting to NSW Government tenders worth more than \$7.5 million that captures local content, job creation, small business and ethical supply chains.*⁴

A reduction in the threshold from \$25 million to \$7.5 million would expand the number of government procurements that would be subject to the local procurement policy and 30% weighting by approximately 151.1%.⁵ This would be a substantial improvement to the *Regulation*, ensuring that the legislation benefits more local workers and suppliers.

While the proposed *Regulation* does provide a pathway at Part 3 section 6(1)(c) for procurements of an estimated value of at least \$7.5 million to have the local procurement policy and the 30% weighting apply, the option for a government agency to not comply provided by section 6(1)(c)(i-ii) undermines the value of the local procurement policy and 30% weighting. There is no accountability or process for a government agency to use these options, except for section 6(c) that requires the agency merely notify the Commissioner, effectively leaving the decision at the complete discretion of the agency.

The AMWU is concerned that the inclusion of section 6(1)(c)(i-ii) allows government agencies to entirely ignore the local procurement policy and the 30% weighting for procurements between \$7.5 million and \$25 million. Government procurement in this range of \$7.5 million and \$25 million represents a significant portion of government contracts, with 136 contracts awarded in the 2024/2025 financial year with a combined value of over \$1.78 billion.⁶

Recommendation 1:

Local Jobs First Bill 2025

- Section 15(7) - Omit ‘\$25 million’ and include in its place ‘\$7.5 million’.

Local Jobs First Regulation 2025.

- Section 5 - Omit ‘\$25 million’ and include in its place ‘\$7.5 million’.
- Delete sections 6(1)(c) and 6(2)-(3) in its entirety.



⁴ NSW Government (2024), *Supporting local jobs, boosting local businesses with Jobs First Commission and ‘If not, why not’ government spending rules*.

⁵ Based on Contracts Awarded in 2024/2025 Financial Year. Buy.NSW 2026, *Register of notices*, NSW Government.

⁶ Ibid.

Clarifying the definition of *locally produced and supplied goods and services* to prevent the offshoring of manufacturing jobs in government procurement.

The proposed definition of *locally produced and supplied goods* contained in section 3 of the Bill fails to address the offshoring of jobs, particularly manufacturing jobs. Namely, the conflation of goods and services into a single definition ignores the differences in how these two separate items are delivered.

The AMWU is concerned that the conflation of goods and services into a single definition opens a potential loophole for a business operating in Australia or New Zealand to supply a foreign manufactured good to the government agency and continue to receive the benefit of the 30% local content weighting. This loophole arises from subsection (b) of the definition, as ‘supplied from a business operating primarily in Australia or New Zealand’ applies to not only services, but goods as well.

Conflating goods and services into a singular definition goes against the precedents established in both NSW policy, similar State legislation and the Australian Commonwealth legislation.

The current NSW Government’s *Procurement Policy Framework* defines local content as ‘goods produced, services provided, and labour supplied in NSW’.⁷

The Victorian Local Jobs First Act 2003 (Vic) defines local content as:

- (a) goods that are produced by local industry; or
- (b) services that are supplied by local industry; or
- (c) construction activities carried out by local industry.⁸

The *Australian Consumer Law (ACL)*, prior to 23 February 2017, defined the production of goods through a two-step process at section 255.

Part 5-3—Country of origin representations

254 Overview

This Part provides that certain country of origin representations made about goods do not contravene:

- (a) section 18 (which deals with misleading or deceptive conduct); or
- (b) section 29(1)(a) or (k) or 151(1)(a) or (k) (which deal with false or misleading representations).

255 Country of origin representations do not contravene certain provisions

- (1) A person does not contravene section 18, 29(1)(a) or (k) or 151(1)(a) or (k) only by making a representation of a kind referred to in an item in the first column of this table, if the requirements of the corresponding item in the second column are met.

Country of origin representations		
Item	Representation	Requirements to be met
1	A representation as to the country of origin of goods	(a) the goods have been substantially transformed in that country; and (b) 50% or more of the total cost of producing or manufacturing the goods as worked out under section 256 is attributable to production or manufacturing processes that occurred in that country; and (c) the representation is not a representation to which item 2 or 3 of this table applies.
2	A representation that goods are the produce of a particular country	(a) the country was the country of origin of each significant ingredient or significant component of the goods; and (b) all, or virtually all, processes involved in the production or manufacture happened in that country.

Figure 1: *Competition and Consumer Act 2010* (Cth) sch 2 s 255 as at 14 November 2016. 50% requirement and calculation method for the requirement was repealed by the *Competition and Consumer Amendment (Country of Origin) Act 2017* (Cth).⁹

⁷ NSW Government (2024), *Procurement Policy Framework*, 157

⁸ *Local Jobs First Act 2003* (Vic) s 3 **local content**

⁹ While the ACL has since been amended, the current version of the legislation does not contain ‘goods or services’ into a single definition. *Competition and Consumer Act 2010* (Cth) sch 2 s 255.

The definition of local goods and services should be separated into distinct definitions to provide clarity to suppliers, government agencies and the community. A definition that conflates goods and services into a singular meaning fails to properly protect Australian manufacturing jobs.

The AMWU believes that government spending should go towards the protection and growth of domestic manufacturing. As such, a definition of locally produced and supplied goods and services should facilitate local industry participation and exclude overseas jurisdictions, including New Zealand.

Recommendation 2:

Local Jobs First Bill 2025

Section 3 - Omit the definition of *locally produced and supplied goods and services* and insert in its place with:

locally produced and supplied goods and services means –

- (a) **goods** produced in Australia, or
- (b) **services** supplied from a business operating primarily in Australia.

Embedding a calculation method for *locally produced and supplied goods and services*

In addition to a definition of *locally produced and supplied goods and services*, the *Local Jobs First Bill 2025* should include a methodology for calculating whether goods can be considered to have been produced in Australia.

Including a definition of ‘produced in Australia or New Zealand’ without specifying what threshold is required for a good to be considered ‘produced in Australia or New Zealand’ fails to protect against the offshoring of manufacturing jobs, lacks procedural accountability, and creates confusion for suppliers and government agencies alike.

The AMWU believes a calculation method for goods ‘produced in Australia or New Zealand’ that includes a requirement that at least 50% of the material costs to produce a good were incurred in Australia would be an appropriate measure, based on legislated precedents in Australia.¹⁰

Doing so would ensure suppliers that represent their goods as being produced locally must actually demonstrate that their goods were produced locally. There is precedent on the Commonwealth level in having a calculation method for local content entrenched in legislation. Prior to 23 February 2017, the ACL had provisions that imposed a requirement for goods claiming to be ‘made in’ a country (including ‘Australian Made’) to have at least 50% of the costs of producing those goods to be incurred in that country, with a clear method as to how suppliers calculate their figure.¹¹



¹⁰ *Competition and Consumer Act 2010* (Cth) sch 2 s 255 as at 14 November 2016. Refer to Figure 1.

¹¹ *Ibid.* ss 255-256. Refer to Figure 1 and Figure 2.

256 Cost of producing or manufacturing goods

- (1) The cost of producing or manufacturing goods is worked out, for the purposes of section 255, by adding up the following amounts:
- (a) the amount of expenditure on materials in respect of the goods;
 - (b) the amount of expenditure on labour in respect of the goods;
 - (c) the amount of expenditure on overheads in respect of the goods;
- each worked out in accordance with this table:

Cost of producing or manufacturing goods		
Item	This amount of expenditure:	is worked out as follows:
1	Expenditure on materials in respect of the goods	The cost of materials used in the production or manufacture of the goods: (a) that is incurred by the manufacturer of the goods; and (b) that has not been prescribed by regulations made for the purposes of subsection (2)(a).

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Competition and Consumer Act 2010

Compilation No. 106

Compilation date: 12/11/16

Registered: 14/11/16

The Australian Consumer Law **Schedule 2**
Enforcement and remedies **Chapter 5**
Country of origin representations **Part 5-3**

Section 256

Cost of producing or manufacturing goods		
Item	This amount of expenditure:	is worked out as follows:
2	Expenditure on labour in respect of the goods	The sum of each labour cost: (a) that is incurred by the manufacturer of the goods; and (b) that relates to the production or manufacture of the goods; and (c) that can reasonably be allocated to the production or manufacture of the goods; and (d) that has not been prescribed by regulations made for the purposes of subsection (2)(b).
3	Expenditure on overheads in respect of the goods	The sum of each overhead cost: (a) that is incurred by the manufacturer of the goods; and (b) that relates to the production or manufacture of the goods; and (c) that can reasonably be allocated to the production or manufacture of the goods; and (d) that has not been prescribed by regulations made for the purposes of subsection (2)(c).

Recommendation 3:

Amend the *Local Jobs First Bill 2025* to include a calculation method for **locally produced and supplied goods and services**, including a requirement that at least 50% of the material costs to produce the good(s) were incurred in Australia.

Ensuring procurement policies comply with the legislation

Section 15(5) of the legislation currently allows for the creation of a procurement policy that is limited in its application, contains exceptions, and is inconsistent, with no limitations on the extent to which this would be the case.

The AMWU holds serious concerns that section 15(5) as it is currently written could result in a procurement minister completely undermining the intent and objectives of the legislation.

Recommendation 4:

Local Jobs First Bill 2025

Amend section 15(5) (*Procurement Minister must issue local procurement policy*) to:

(5) The local procurement policy—

- (a) must apply generally, and may only be limited in its application by reference to specified exceptions or factors expressly authorised by this Act,
- (b) may apply differently according to different factors of a specified kind only where such differentiation is necessary to ensure effective implementation of the Act.

Figure 2: *Competition and Consumer Act 2010* (Cth) sch 2 s 255 as at 14 November 2016. 50% requirement and calculation method for the requirement was repealed by the *Competition and Consumer Amendment (Country of Origin) Act 2017* (Cth).

Addressing the entire supply chain in the Local Procurement Policy

Case Study: Hunter jobs threatened from dumped Chinese steel

AMWU members' jobs at Molycop have come under threat from the purchase of Chinese train wheels by Sydney Trains subcontractors.¹²

According to Mr Gregor Dalziel GM in the Newcastle Herald,

*While Sydney Trains retains in-house responsibility for a portion of its fleet maintenance...other segments of the fleet have been subcontracted to an external maintainer under a Public Private Partnership or maintenance contract.*¹³

In 2023, its steel shops closed, leading to the loss of 250 jobs. The jobs which remain in the production of rail wheels relies on Sydney Trains contracts to remain viable.

While the Federal Government's Anti-Dumping Commission in December 2025 proposed a security of 36.9% on imported Chinese wheels to protect the industry, more must be done to ensure the procurement decisions of Sydney Trains and its subcontractors consider the local jobs supported from public funds.

This consideration of the entire supply chain should be extended towards all applicable elements of the Local Procurement Policy. Namely, the use of locally produced and supplied goods and services should apply to the entire supply chain.

Applying this requirement of the Local Procurement Policy to the entire supply chain ensures that the intent and objectives of the legislation apply to all industry that contributes to government procurement.

Including the supply chain in this requirement would also promote first-level supplier integrity when it comes to reporting their use of locally produced and supplied goods and services, as that supplier would have to ensure that the suppliers throughout their supply chain had also complied with this requirement.

Recommendation 5:

Local Jobs First Regulation 2025

Amend section 5(a)(i) to:

locally produced and supplied goods and services, inclusive of the supplier's supply chain, and

Supply chains are almost always multi-layered, with the supplier of a government procurement typically representing the first-level supplier. These suppliers of government procurement will then engage with second-level suppliers, and these second-level suppliers will engage with third-level suppliers, and so forth.

The AMWU welcomes the inclusion of section 5(c) of the *Local Jobs First Regulation 2025* that includes the consideration of ethical practices throughout the supply chain for the purposes of the Local Procurement Policy. This ensures that ethical practices are considered in all suppliers, not just those at the first-level.

Making clear that all NSW Government entities comply with the Local Procurement Policy

State Owned Corporations (SOCs) are exempted from the application of the *Local Jobs First Bill 2025* as they are not defined as a *government agency* under section 162 of the *Public Works and Procurement Act 1912*.

However, section 162 of the *Public Works and Procurement Act 1912* does provide the NSW Government levers they can use to include SOC's in the definition of government agency, including the ability to prescribe a SOC as a government agency in the regulations.

¹² Matthew Kelly (2025), 'If not, why not, minister?': union tells the government to walk the talk on Molycop jobs', *Newcastle Herald*.

¹³ Matthew Kelly (2025), 'It's simply not fair': Molycop urges governments to stand by local manufacturers', *Newcastle Herald*.

Similarly, other NSW Government entities should also be included in the legislation, including Local Health Districts, local governments and community services funded by the NSW Government.

Anywhere public funds are used to procure goods and services; quality local jobs must be a consideration.

Recommendation 6:

Amend the definition of *government agency* and *government agency head* in section 3

Definitions to incorporate:

State Owned Corporations,
dispersed management such a Local Health Districts,
local government, and
community services funded by the NSW Government.

Amend section 4 *Application of the Act* to expand the scope of the Act to the above and accommodate the new definitions.

Amend the Bill to provide the Minister discretionary powers to nominate additional areas of Government expenditure that would come under the Procurement Policy.

Improving labour rights and standards in jobs created from procurement

Improving labour rights and standards in NSW Government

Case Study: Anti-slavery Commissioner's Review into Modern Slavery in NSW Government procurement of electric vehicles

In February 2025, the NSW Anti-Slavery Commissioner begun a review into the NSW Government's procurement of 319 electric buses following concerns that parts of the vehicle were manufactured using slave labour in China.¹⁴

The contracts, awarded to Australian-Chinese electric vehicle manufacturers, use batteries manufactured by a Chinese firm, with production of the batteries allegedly connected to forced labour camps.

In May 2025, the Anti-Slavery Commissioner released a report identifying the NSW Government's procurement of electric vehicles as a 'High Modern Slavery Risk procurement'.¹⁵

The *Local Jobs First Bill 2025* must provide clear measures that protect and enforce minimum labour rights and standards in government procurement.

The Jobs First Commissioner and Advisory board should have expanded functions to consider labour rights and standards and modern slavery, and to enforce Same Job, Same Pay entitlements.

All forms of modern slavery should be excluded from government procurement. This example highlights the reality that current procurement practices still expose government spending to the risk of modern slavery. Government procurement should be setting the expectations when it comes to labour rights and standards throughout the community; good, well-paying jobs that operate free from modern slavery.

¹⁴ Romy Gilbert (2025), 'Electric bus deal under review by the NSW Anti-Slavery Commissioner', *ABC*.

¹⁵ Anti-Slavery Commissioner (2025), *Managing modern slavery risks in NSW government procurement of electric vehicles*, 9.

Empowering the Jobs First Commissioner and the Advisory Board to enforce Same Job, Same Pay entitlements and monitor the use of labour hire in NSW Government procurement would be a beneficial compliance mechanism to ensure that public spending is not used to lower the wages and conditions of workers.

The Jobs First Commissioner and Advisory Board’s work should be supplemented through direct engagement with industry and union representatives, with this function being included in the equivalent legislation in Victoria.¹⁶

Recommendation 7: Amend section 9 (*Functions of Commissioner*) to include the following:

- to consider the impact of procurement on labour rights and standards.
- to prevent modern slavery within NSW Government procurement supply chains.
- to enforce Same Job Same Pay entitlements.
- to monitor the use of labour hire in NSW Government procurement.
- to work with industry and employee organisations to further the objectives of the Act.

Recommendation 8: Amend section 14 of the Bill (*Functions of the Advisory Board*) to include the same additional functions as the Commissioner, as recommended above:

- to consider the impact of procurement on labour rights and standards.
- to prevent modern slavery within NSW Government procurement supply chains.
- to enforce Same Job Same Pay entitlements.
- to monitor the use of labour hire in NSW Government agencies.
- to work with industry and employee organisations to further the objectives of the Act.

Recommendation 9: Amend section 14 (1)(a)(ii) of the Bill (*Functions of the Advisory Board*) to: ‘priorities and concerns of local suppliers and workers relating to NSW Government procurement’.

Protecting workers through additional industrial compliance mechanisms

Government procurement policy should align with the objective of creating quality jobs through public spending. As such, including a compliance mechanism that ensures suppliers comply with applicable industrial instruments will link the creation of quality jobs as a supplier obligation.

An additional compliance check conducted by the government agency should also be implemented in the legislation that would ensure that potential suppliers have met their labour standards, WHS and other industrial obligations.

Recommendation 10: Amend section 5 of the Regulations (*Local procurement policy requirements*) to include a requirement for suppliers to comply with applicable industrial instruments.

Recommendation 11: Amend section 15(2)(c) of the Bill (*Procurement Minister must issue local procurement policy*) to add a requirement for the local procurement policy to require suppliers to proactively comply with best practice workplace health and safety requirements, labour standards, modern slavery standards and other industrial obligations for the life of the contract.

Recommendation 12: Amend section 15(2) of the Bill (*Procurement Minister must issue local procurement policy*) to add a requirement for the local procurement policy to include requirements that agencies to engage in due diligence and conduct compliance history checks on a supplier’s workplace health and safety record, compliance with minimum labour standards, modern slavery standards and other industrial obligations before awarding a contract.

¹⁶ *Local Jobs First Act 2003* (Vic) s 18(e).

Including the maximisation of worker economic and social benefit as an objective

NSW Government procurement should maximise benefits for the people of NSW, alongside the workers whose livelihoods depend on government contracts. This should be reflected in the objectives of the procurement policy.

Recommendation 13: Amend section 15(2)(c) of the Bill (*Procurement Minister must issue local procurement policy*) to: ‘maximise the economic, social and sustainability benefits of NSW Government procurement for workers and the people of New South Wales’.

Implementing the Future Skills Guarantee

In 2024, the NSW Government committed to legislate a Future Skills Guarantee with workforce targets, including that 20% of the trades workforce on NSW Government construction or infrastructure contracts valued above \$7.5 million are apprentices.¹⁷

The proposed *Bill* and *Regulation* does not include this commitment.

Recommendation 14: Amend the Bill to include a workforce target that 20% of the trades workforce on NSW Government construction or infrastructure contracts valued above \$7.5 million are apprentices.

Expanding the role of the Local Jobs First Commission and Advisory Board

Broadening the powers of the Local Jobs First Commissioner

The AMWU is concerned that the Local Jobs First Commissioner will be ill-equipped to enforce the Local Procurement Policy and Plans.

Currently, the *Bill* and *Regulation* only provides two compliance powers to the Commissioner in relation to suppliers:

1. Applying a performance management process to a supplier, and
2. Naming a supplier as being non-compliant, reported in the Commissioner’s annual report.

These compliance mechanisms only offer limited correction powers for the Commissioner and considering that the non-compliance of a supplier is only to be reported in the Commissioner’s Annual Report, the public accountability over non-compliant suppliers is not immediate or distinguished.

The Local Jobs First Commissioner in the current version of the Bill has no direct compliance powers over non-complying government agencies. Instead, section 21 of the *Bill* only allows the Commissioner to notify the Procurement Board of a non-compliant government agency to which the Procurement Board is not required to do anything.

In comparison, the Victorian *Local Jobs First Act 2003* has a broader suite of compliance mechanisms available to the Commissioner, such as a power to recommend injunctions or other enforcement actions.¹⁸

¹⁷ NSW Government (2024), *Supporting local jobs, boosting local businesses with Jobs First Commission and ‘If not, why not’ spending rules*

¹⁸ *Local Jobs First Act 2003* (Vic) s 30.

Recommendation 15: Amend section 21 of the Bill (*Commissioner may notify Procurement Board about non-compliant government agencies*) to add:

‘(3) The Procurement Board must take into consideration the notice given by the Commissioner in relation to the government agency’s non-compliance.

(4) The Procurement Board must provide a written response to the Commissioner within two weeks of receiving the notice, providing information regarding whether the notice is supported and any plan to address the non-compliance.

(5) The Commissioner may refer the notice and response to the Minister for review. The Minister may direct the Board to act on the notice.’

Recommendation 16: Add new provisions under part 4 of the Regulations (*Performance management process*) which include additional compliance measures that can be enforced by the Commissioner. These measures should include:

- Enhanced monitoring
- Mandatory corrective training
- Restrictions on subcontracting
- An adverse publicity notice, disclosed immediately
- Restriction to low-risk categories / Conditional participation
- Temporary suspension from new procurements
- The ability for the Commissioner to apply for an injunction or take enforcement action under a contract, or require an agency to do so.



Creating a public database of procurement policies, contracts, and non-compliant suppliers and government agencies

The Commissioner, Advisory Board, and other stakeholders need access to relevant information so they can identify solutions and participate in the JFC’s processes. Making relevant information transparent will also increase accountability and the capacity for communities to put their trust in the procurement process.

To improve accountability of non-compliant suppliers and government agencies, the database should include a list of current and previous non-compliant suppliers, alongside the reasoning behind their non-compliance.

Recommendation 17: Add a provision under part 5 of the Bill (*Compliance with local procurement policy and plans*) that requires the Commissioner to create a publicly available database which:

- Discloses policies and contracts covered by the policies, and contracts exempted, and
- Provides information regarding the location of work and a compliance contact for the business, and
- Lists non-compliant suppliers and government agencies.



Ensuring the independence of the Local Jobs First Commissioner is protected

The Jobs First Commissioner must be independent if it is to be effective in its functions. A legislated protection of the independence of the Jobs First Commissioner is necessary to ensure that the functions of the Commissioner are free from political influence.

Like the legislated protection of the Anti-Slavery Commissioner's independence, the Local Jobs First Commissioner should be awarded this same protection.¹⁹

Recommendation 18: Amend part 2 of the Bill (*Jobs First Commissioner*) to include a provision that exempts the Commissioner from the control and direction of the Minister regarding its functions.

Expanding the reporting requirements of the Commissioner to keep suppliers and Government Agencies accountable

While the current annual reporting requirements do require the Commissioner to disclose non-compliant suppliers, there is no requirement for non-compliant agencies to be reported.

Agency compliance would be improved by extending the naming-and-shaming compliance measure in the annual report to cover non-compliant agencies.

Recommendation 19: Amend section 12 (*Annual report*) of the Regulation to include a requirement to provide information regarding non-compliant agencies.

To support timely action and the participation of the Advisory Board and other stakeholders in the JFC's processes, the reporting date should be brought forward to 1 September.

Recommendation 20: Amend the reporting date in section 12(1) of the Bill to 1 September.

Recommendation 21: Add an additional Part to the Bill which provides for the following:

- (1) The Standing Committee on Social Issues of the Legislative Council is to review this Act to determine whether -
 - a. The policy objectives of the Act remain valid, and
 - b. The terms of the Act remain appropriate for securing those objectives
 - c. Local procurement plans created by the Minister under the Act have assisted in creating local jobs
- (2) The review is to be undertaken as soon as practicable after the period of 1 year from the commencement of this Act
- (3) A report on the outcome of the review is to be tabled in each House of Parliament within 12 months after the end of the period of 1 year

¹⁹ *Modern Slavery Act 2018* (NSW) s 7.

CONCLUSION

Domestic manufacturing in NSW will fail to grow if government procurement policies continue to contribute to the offshoring of manufacturing jobs.

The *Local Jobs First Bill 2025* and *Local Jobs First Regulation 2025* presents an opportunity for the NSW Government to legislate a procurement policy that truly puts local jobs first. However, the AMWU believes that proposed legislation, in its current form, does not go far enough to protect local jobs. The NSW Government can substantively improve the legislation for workers and industry alike by setting ambitious local content targets that apply to all government procurement, creating a definition of 'local' that puts local manufacturers first, amongst the rest of the recommendations of this submission put forward by the AMWU.

Government procurement must work to improve labour rights and standards for workers, not undermine them. Embedding this as an objective of government procurement, alongside additional powers and checks to ensure that procurement maintains and uplifts the wages and conditions of workers.

The Local Jobs First Commissioner must be given the teeth it needs to effectively monitor and enforce the Local Jobs First's procurement policy. Currently, the proposed legislation only provides the Commissioner with little powers, makes the Advisory Board's recommendations effectively obsolete, and fails to protect the Commission's independence from the government. The recommendations the AMWU have put forward addresses the need for the Commissioner and Advisory Board to have real powers that are independent and ensure suppliers and government agencies comply with the procurement policy put forward by the legislation.

The AMWU calls on the NSW Government to implement these recommendations in full.

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