

## Reforms to South Australian Government Contracts and Local Jobs Focus October 2015

The South Australian Government has significantly increased the minimum level of local employment required under Government contracts.

On 6 October 2015, South Australian Treasurer and Minister for Small Business the Hon. Tom Koutsantonis MP announced reforms to the tender evaluation process for the awarding of government contracts in South Australia.

The reforms take effect from 6 November 2015, include an employment test for all South Australian Government contracts valued \$220 000 and above, whereby a minimum of 15 per cent of jobs will be created locally.

This new requirement will provide the private industry with an opportunity to partner with sub-contractors and suppliers to meet the new criteria.

Currently, the minimum requirement for local jobs is set at 5 or 10 per cent, according to the type of project, which was introduced in 2014.

Specific changes have been made to South Australia's Industry Participation Policy, whereby 20 per cent of local jobs must be created if the tender relates to a project which is part of South Australia's \$93 million infrastructure spend in northern Adelaide.

The \$93 million funding was announced in the 2015-16 South Australian Budget.

Such projects in the north include upgrades to schools, children's centres and public housing as well \$55 million over three years to build a new Gawler East Collector Link Road.

The 20 per cent employment test will also apply to the \$985 million Northern Connector project, which is a jointly funded project between the Federal and South Australian State Government.

The Labor Weatherill South Australian Government has said that the private sector must address varying factors when applying for a tender, especially the cost and economic benefit from local jobs.

The South Australian Government has said these reforms seek to, "drive greater employment creation and supports local jobs and innovation."

### Further information

The Occasional Paper on the original reforms made by the South Australian Labor Government in 2014, is available [here](#).