

## Minister's Comment



The Brumby Government recognises the significant value of the ICN and the important role it plays in extending industry capability. Current global economic turbulence

means that the role of local business in supporting local suppliers is becoming ever more important.

We share ICN's commitment to a strong future for our service and manufacturing industries and Building Our Future: Action Plans for Victorian Industry and Manufacturing helps create the right economic settings to achieve this.

Among this \$245 million package of initiatives, is the simplified and strengthened Victorian Industry Participation Policy (VIPP).

The ICN plays a key role in facilitating VIPP which is ensuring more local businesses have the opportunity to win work on major Government projects. Last financial year the ICN more than quadrupled its annual total of local contracts secured on VIPP projects – from \$47.19 million to \$192.2 million – and we aim to build further on that achievement.

We are refining our approach to Major Projects. Tenderers for projects of 'strategic significance' will need to show a minimum level of local content and will need to produce detailed Local Industry Development Plans in consultation with ICN.

We are confident this new package of initiatives will assist ICN to again surpass all performance targets as it continues its commitment to promoting Victorian industry development.

John Lenders  
Acting Minister for Industry and Trade

## \$245M to Assist Victorian Industries Become Global Leaders

On Wednesday, 19th November, Premier John Brumby launched the Victorian Government's much anticipated Building Our Industries for the Future manufacturing statement – a \$245M package of initiatives designed to strengthen and support Victoria's industry base.

The initiatives consist of a range of economic reforms and business programs that aim to develop Victoria's skills base and industry capability, create new jobs and export opportunities and stimulate growth and innovation that will reinforce Victoria's position as a global leader in its key industry sectors.

Building Our Industries delivers

- An Action Plan to ensure that Victorian industries maximise the benefits of the major policy and program reforms

- \$122.7 Manufacturing Action Plan that will support the development of specialist capabilities and highly skilled workforces in the manufacturing sector
- \$97.2M Services Action Plan that will support Victoria's service sectors as they develop new opportunities
- \$24.8M Global Markets Action Plan that will assist Victorian businesses expand into global markets.

The document containing full details can be downloaded at [www.business.vic.gov.au](http://www.business.vic.gov.au)



ICN Chairman Tim Piper; John Lenders MP, Treasurer & Acting Minister for Industry & Trade; ICN Executive Director Peter Yates

## Increased Local Content Requirements for Strategic Projects

Major projects meeting certain criteria may be considered a 'Strategic Project' and therefore be subject to additional local content requirements. These are projects over \$250M with the potential to significantly

contribute to Victoria's economy, industry capability, skills and employment. The requirements are aimed at maximising local industry participation, economic activity and the overall benefit for the State.

## Changes to VIPP

A significant part of Building Our Industries statement, that ICN expects to deliver many benefits and opportunities to Victorian industry, is the strengthening of the Victorian Industry Participation Policy (VIPP).

The recently announced changes will significantly increase the number of projects where VIPP Plans are required. They will also ensure the VIPP is more stringently enforced and will make VIPP commitments - and therefore local content commitments - a primary selection criterion in any relevant tender selection.

Previously, metropolitan / regional projects had to include at least \$10M / \$3M in Government funds, before a VIPP statement was required. These thresholds have been considerably reduced to \$3M and \$1M, respectively.

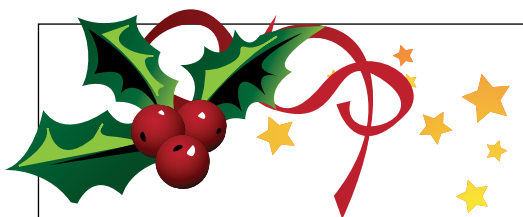
The existing VIPP Statement and Implementation Plan will be simplified to a single VIPP Plan. VIPP Plans prepared by shortlisted tenderers, as well as any amendments made to these as a result of post-tender negotiations, will need to be certified by ICN.

These changes will increase VIPP's effectiveness at encouraging local sourcing, boosting employment and supporting the growth and diversification of local industry. Peter Yates, ICN's Executive Director, welcomed the VIPP amendments:

"These changes will ensure that local industry is provided with a fair and full opportunity to compete for Government contracts."

### VIPP - Changes In Brief

- Thresholds for projects requiring a VIPP Plan reduced to \$3M for metropolitan & \$1M for regional
- Existing VIPP Statement and Implementation Plan simplified to a single VIPP Plan
- All VIPP Plans, including post-tender amendments, to be certified by ICN
- VIPP commitments to be a primary selection criterion as part of tender selection
- Post contract verification of VIPP outcomes will be required



## ICN Christmas Message

Best wishes for Christmas and the New Year from everyone at ICN Victoria. We thank you for your support over the last year and look forward to working with you in the new year.

# ICN 2008 AWARDS & OPPORTUNITIES FORUM

The ICN 2008 Awards & Opportunities Forum was a huge success, with representatives from a range of industry sectors gathering at the Melbourne Convention & Exhibition Centre to congratulate the four award winners, learn about opportunities with some of Victoria's biggest current and upcoming projects and take advantage of networking opportunities.

John Lenders MP, Victorian Treasurer and Acting Minister for Industry & Trade, provided the keynote address and congratulated the four award winners.

## Regional Category: Mitchell Water Australia

Awarded for its dedication to local sourcing during the Wimmera Mallee pipeline project.

## SME Category: Gasco Pty Ltd

Awarded for its export success and its continuing dedication to local sourcing in Australia.

## Large Company Category: Abigroup Contractors

Awarded for its commitment to local sourcing during its major Geelong Ring Road contracts.

## VIPP Category: VicRoads

Awarded for its commitment to the Victorian Industry Participation Policy that has benefited many local companies.

## Major Projects

Presentations provided the audience with information on four of Victoria's largest projects and the opportunities for local businesses and industry involvement.

### Solar Systems' Large Scale Solar Project

A \$420M large-scale solar power plant – the biggest and most efficient solar photovoltaic power station in the world – is to be built in north-west Victoria, bringing significant opportunity for local involvement and job creation.

### Royal Children's Hospital

This \$1billion new hospital is one of the biggest hospital developments in Victoria. Work on the construction is now underway and there are numerous opportunities for local industry participation.

### Desalination Plant

Construction on the desalination plant on the Bass Coast is due to commence in 2009. The project will bring significant opportunities for local businesses, with the construction phase expected to create 3,180 full time equivalent jobs.

## Shanghai World Expo 2010

The Shanghai World Expo will be the largest in history and the \$83M Australian pavilion presents a broad range of opportunities for Australian industry involvement.

Visit [www.icnvic.org.au](http://www.icnvic.org.au) or contact ICN for more information on the above projects.



ICN Award Winners. From left to right: Nicholas Grzegorzyn, Gasco; Rex Atkins, VicRoads; ICN Chairman Tim Piper; John Lenders MP, Treasurer and Acting Minister for Industry & Trade; Richard Vasta, Abigroup; Roger de Maid, Mitchell Water Australia; ICN Executive Director Peter Yates.

## ICN Consultant to be Based at New \$32M Manufacturing Centre

An Industry Capability Network (ICN) Victoria consultant is to be based at Enterprise Connect's new Dandenong Manufacturing Centre. Senator Kim Carr, Minister for Innovation, Industry, Science and Research, recently opened the centre which is part of the Federal Government's \$251M Enterprise Connect program. It offers support, services and advice for Australian SMEs, supplying them with access to new technologies and knowledge that will assist them to become more efficient, innovative and globally competitive.

The \$32M Enterprise Connect Manufacturing Centre at Dandenong is one of six around the country. The centres are designed to support Australian manufacturing SMEs as they adapt to a rapidly changing business environment. Among services on offer will be free Business Reviews, Tailored Advisory Services that assist with implementing actions identified in the Business Reviews and Researchers in Business – a service that offers the placement of researchers to assist businesses develop and implement new commercial ideas.

Senator Carr spoke at the centre's opening of the importance of innovation for local manufacturers: "In this turbulent economic environment, the need for firms to innovate, improve productivity and find new efficiencies is more pressing than ever."

ICN Business Capability Adviser James Ewenson will be based at the centre two days a week, working collaboratively with Enterprise Connect and providing advice and assistance to local manufacturers looking

to access new opportunities. Senator Carr commented on the value this added to the centre: "This will give the Dandenong centre business capabilities second to none. It's all about giving businesses a gateway to the wider innovation system".

Peter Yates, ICN's Executive Director, welcomed the initiative; "ICN shares many common goals with Enterprise Connect and supports the new program. I encourage businesses to visit the new centre and take advantage of the free services on offer".

The centre is located at Level 5 329 Thomas Street, Dandenong. Tel: 03 9791 3693.

For more information on Enterprise Connect, including its Manufacturing Centres, visit [www.enterpriseconnect.gov.au](http://www.enterpriseconnect.gov.au) or call the Enterprise Connect hotline on 131 791.



Mal Clark, Enterprise Connect; Senator Kim Carr, Minister for Innovation, Industry, Science & Research; Rod Nelson, Enterprise Connect State Director; Peter Yates, ICN Executive Director;

## ICN Staff Update

**Gavin Lewis**, has started with ICN as a Business Capability Advisor, focusing on the Defence, Aerospace, Environment and Textile industries.

**Michael Fairbairn**, ICN's new International Business Capability Adviser.

**Lynn Johnson**, a Business Capability Advisor returning from maternity leave to focus on Major Projects in Melbourne.

**Ellen Buswell**, ICN's Communications Coordinator.

**Wendy Dunstan**, who recently started as a Business Research Advisor.



Back row: Gavin Lewis, Michael Fairbairn. Front row: Lynn Johnson, Ellen Buswell, Wendy Dunstan.

To register your company's capability visit: [www.icnvic.org.au](http://www.icnvic.org.au) ICN Victoria is a State Government funded not-for-profit organisation.

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