

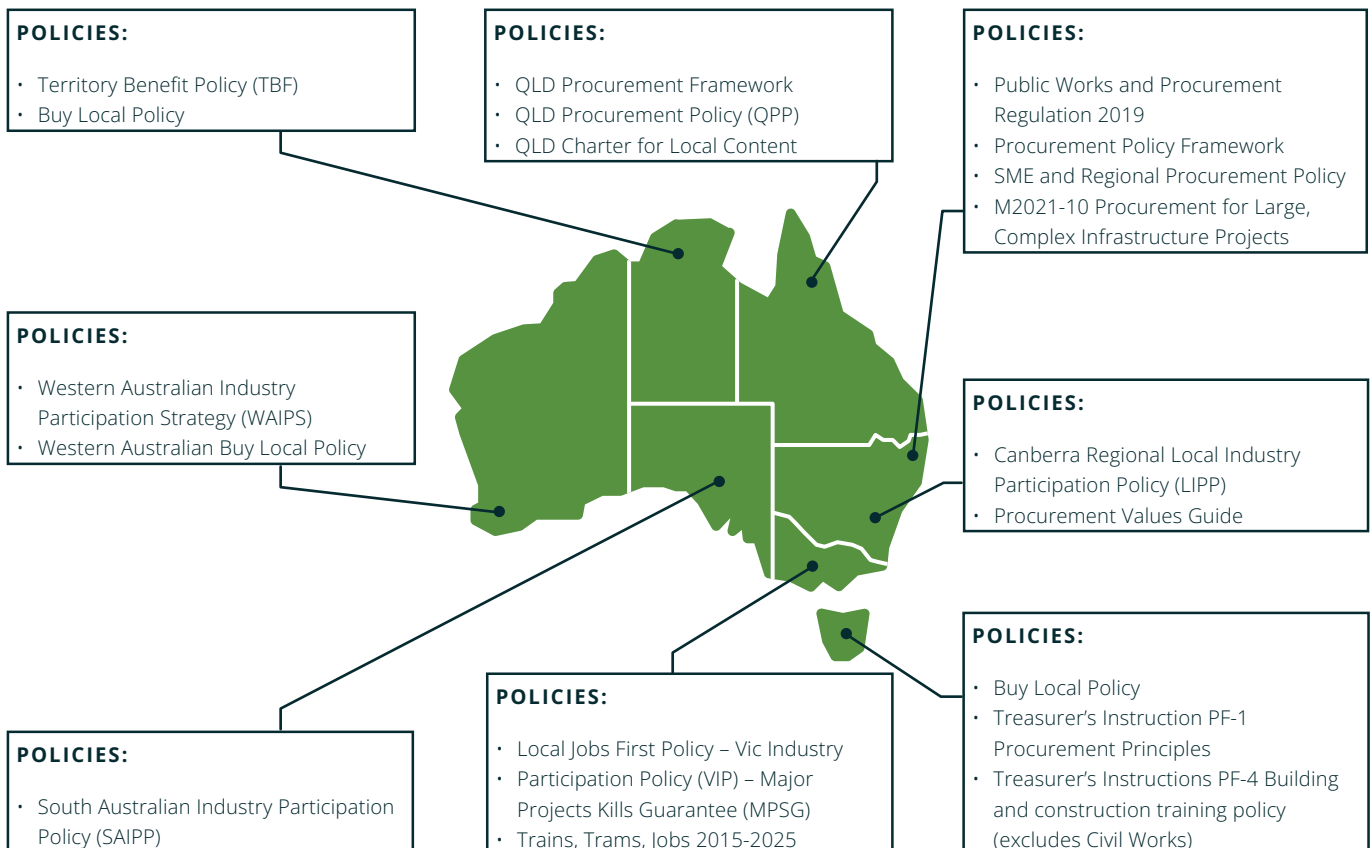
FACT SHEET:

NATIONAL LOCAL CONTENT POLICY

Local content policies (LCPs) set requirements for where materials are sourced to deliver contracts, and where goods are manufactured or assembled. New research has confirmed a national approach to LCPs would deliver significant long-term benefits to the rail industry compared to the current, state-based approach.

LCPs VARY ACROSS AUSTRALIA

State governments across Australia use different procurement models for rail projects, primarily rollingstock. Most LCPs in Australia require a proportion of content to be sourced or manufactured, within the state where the procurement takes place.



WHY A NATIONAL APPROACH IS NEEDED



Creates a larger market

Harmonised requirements create a larger, more competitive market and increases export market viability



More investment opportunities

Cost savings in procurement from achieving economies of scale facilitates greater investment in research, training, skills and innovation



Improved efficiencies

Leads to reduced duplication and minimises overcapacity



Sustainable growth

In jobs resulting from more efficient use of resources



Reduces complexity

Consolidation reduces the complexity of tenders and tender costs

HOW WE CAN ACHIEVE HARMONISATION AS PART OF A NATIONAL LCP APPROACH

- Develop a consistent **definition of local content**
- **Create alignment** of specification inputs and regulatory requirements across jurisdictions
- Undertake a **geographic scope** to determine how various state requirements could be integrated
- Understand **Federal involvement** and the ways to better facilitate and manage state and territory involvement and their future role
- Review the **evaluation mechanism** for local content outcomes in tenders
- Review **auditing and compliance** to ensure information provided by tenderers is accurate and compliant
- Generate greater **market awareness** and networks to share information on suppliers' and manufacturers' capabilities and requirements.

WHAT A NATIONAL LCP CAN ACHIEVE

Long term and more strategic perspective

- Greater long term consideration of jobs and skills requirements
- Enhancing (existing) national capabilities and contributing to long term innovation
- Providing commercial and social benefits across jurisdictions
- Providing increased certainty to support industry in making longer term investments

Transparency and simplicity

- Making it easier to respond to tenders
- Increased accountability for tender inclusions and requirements post-award
- Achieving more consistency of componentary, standards and regulatory requirements across the states
- Providing an incentive for state governments to adopt a more national approach to procurement

Improved commercial framework

- Ongoing and improved focus on cost management
- Increased competition through improved participation and awareness across industry
- Improved inter-state cooperation, building on the NRAP