



Gippsland Procurement Power Initiative

Harnessing the renewable energy transition to transform social and economic outcomes in Gippsland

August 2023

Authors

This document was commissioned as part of the Growing Regional Opportunities for Work, **GROW Gippsland** program and the **Latrobe Valley Authority**.

This document was prepared by social procurement specialists **ArcBlue Consulting**. **Contact:** Chris Newman chris.newman@arcblue.com.au or 0412 318 384.

The opinions and recommendations expressed in this report were informed through engagement with a wide range of stakeholders, research and the authors' experience and expertise and do not necessarily reflect the views of each individual stakeholder.

Acknowledgements

The authors acknowledge the Traditional Owners of the lands and waters that make up Gippsland and pay their respects to Elders past present and emerging.

They pay their respect to the deep knowledge embedded within the Aboriginal community and their ownership of Country.

The authors also thank the many stakeholders who contributed to this report, including local suppliers and community members and the following organisations:

- Beon
- Committee for Gippsland
- Department of Energy, Environment and Climate Action
- Flotation Energy
- Gippsland Climate Change Network
- GROW Gippsland / GROW Network
- Gunaikurnai Land and Waters Aboriginal Corporation
- H2X
- J Power
- Latrobe City
- Latrobe Valley Authority
- Marinus Link
- Marathon Electrical
- OSMI Australia
- Regional Development Victoria
- Solis
- South Gippsland Shire Council
- Star of the South
- Wellington Shire Council



CONTENT

Executive summary

Background

Social procurement and the Renewable Energy Transition

Key findings and recommendations

Gippsland's Procurement Power Initiative

Next steps

Appendices

Executive summary

BACKGROUND

In May 2023, the Latrobe Valley Authority, as part of the GROW Gippsland program, commissioned ArcBlue to prepare this document.

ArcBlue has developed the **Gippsland Procurement Power Initiative** which will maximise the delivery of social and economic impacts through social procurement in the renewable energy transition.

The Initiative supports the achievement of a shared commitment of priority social and economic objectives for Gippsland.

In developing this Gippsland Procurement Power Initiative, ArcBlue has researched the renewable energy transition and best practices for social procurement in major projects, renewable energy and region-based approaches. ArcBlue has also undertaken stakeholder engagement to test and inform the Initiative.

The Initiative developed based on the review, findings and recommendations. A draft version of this document was presented at a workshop of key stakeholders on 10 July 2023 and their feedback has been incorporated into this final version.

GROW Gippsland

Growing Regional Opportunities for Work is a collaborative program that seeks to strengthen social and economic outcomes and increase job opportunities through procurement and employment across the Gippsland region. GROW Gippsland is modelled on the G21 Geelong GROW program.



Driven by strategic imperatives and with the support of local partners, GROW Gippsland is embedding an innovative approach to local economic development to improve social impact in the region.

The program is facilitated by the Latrobe Valley Authority and delivered by ArcBlue Consulting.

ArcBlue Consulting

ArcBlue is Asia Pacific's leading procurement consultancy supporting organisations to deliver more value from their suppliers.



- ✓ Spend and opportunity analysis driving value and savings
- ✓ Implementation teams to deliver long term cost improvements
- ✓ Category specialists with deep expertise
- ✓ Experienced procurement practitioners to uplift your team's capability
- ✓ Experts in Sustainable Procurement



Over **150 consultants** across **10 offices** in **4 countries** across the Asia Pacific region



Worked with **approximately 1,000 organisations** across **Asia Pacific**, in **over 20 industries**



Uplift **functional and team capability** across procurement and supply chain



Executive summary

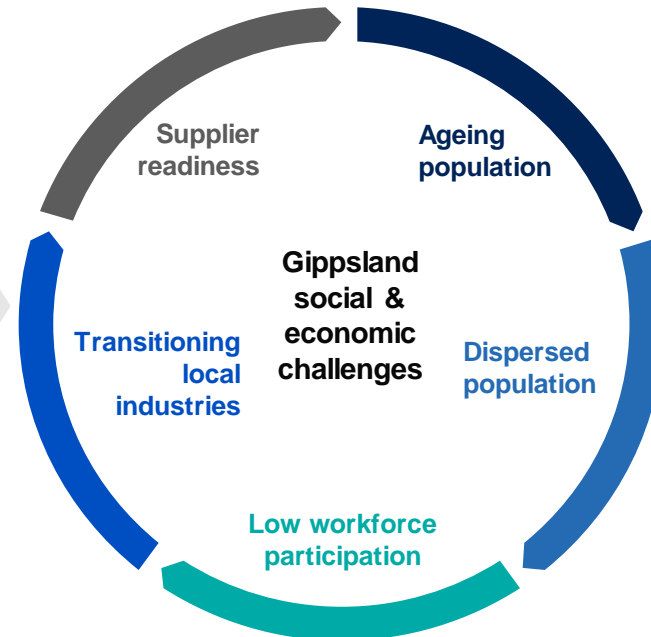
THE CHALLENGE

- The renewable energy transition in Gippsland involves a proposed **\$54 billion pipeline** of more than **25 large renewable energy projects** over **30+ years**.
- There is complexity to the transition as the 25+ projects:
 - are geographically spread out across Gippsland,
 - operate in different energy sectors (with different investors, stakeholders, compliance requirements, suppliers and supply chains, skills and employment needs/pressures and project timelines),
 - impact Gippsland communities in different ways,
 - provide different social and economic opportunities and challenges, and
 - have their own existing obligations to support social and economic impacts.

The Victorian Skills Authority's Gippsland Regional Skills Plan indicates that **12,925 new workers will be required across Gippsland by 2025**.

This includes 6,884 for new jobs and 6,041 to replace retiring workers.

It is vital that the transition is leveraged to help solve these challenges.



What we've learnt from stakeholders...



- **There is a fear** that opportunities will not be fully realised and the community will be let down.
- There is **no shared understanding or vision** across Gippsland and the renewable projects for social procurement.
- There are currently **no social procurement compliance requirements** in renewable energy projects.
- Proponents are focused mainly on **social license and community benefit scheme** not social procurement.
- There is **no clear leader or point of contact** for social procurement in Gippsland that can be leveraged in the transition.
- Opportunities for local workers are **uncertain** and there may be **shortages and resource drains** across projects/geographic locations.
- **Uncertainty** of goods/services required, locations and timings **and** there is **significant capability development and transitioning required** for some suppliers.
- A **strong and connected social procurement ecosystem** is required to connect the many initiatives, programs and stakeholders.
- Many of the **large renewable energy suppliers will be off-shore companies** and will have limited understanding of social procurement in the Gippsland context.



Executive summary

THE OPPORTUNITY

Alongside the primary environmental benefits of the transition, there is a significant opportunity to positively impact the regional economy and the quality of life of Gippslanders through local supply chain and employment pathways.

What we've learnt from stakeholders...



- There is **genuine excitement** about the transition and the opportunities it may bring.
- There are **a wide and diverse range of projects** proposed across Gippsland in different locations and with differing timeframes and social procurement opportunities.
- There are **opportunities for local workers** and some good work underway to support the transition.
- There are **opportunities for local suppliers** and some initiatives underway to support the transition.
- There are opportunities to influence renewable energy suppliers through **government requirements and education**.

Social procurement is vital to ensuring the significant transition investment is leveraged to generate long-lasting social and economic impacts in Gippsland

Major projects worldwide (including energy projects), are increasingly seeking to maximise the achievement of social, environmental and economic benefits through the strategic application of social procurement at every stage of the project.

Social procurement is when organisations use their buying power to generate social value above and beyond the value of the goods, services, or construction being procured

(Victorian government's Social Procurement Framework).

Priority social procurement outcomes for Gippsland:



Opportunities for local Gippsland businesses and social benefit suppliers

Supporting, incubating and providing sustainable contracting/supply chain opportunities for **local Gippsland businesses** and **social benefit suppliers**.



Education and workforce skills development pathways for Gippslanders

Increasing access to **education and workforce skills development** pathways for Gippslanders including those that are facing **barriers to education and employment** or **transitioning industries**.



Sustainable career pathways for Gippslanders

Removing barriers to local and inclusive employment within renewable energy projects for Gippslanders including **industry capacity building** and creating **sustainable ongoing career pathways**.



Executive summary

RECOMMENDATIONS

The transition has begun, and Gippsland needs to take urgent action to be ready to fully participate and transform Gippsland through social and economic outcomes.

The Gippsland Procurement Power Initiative

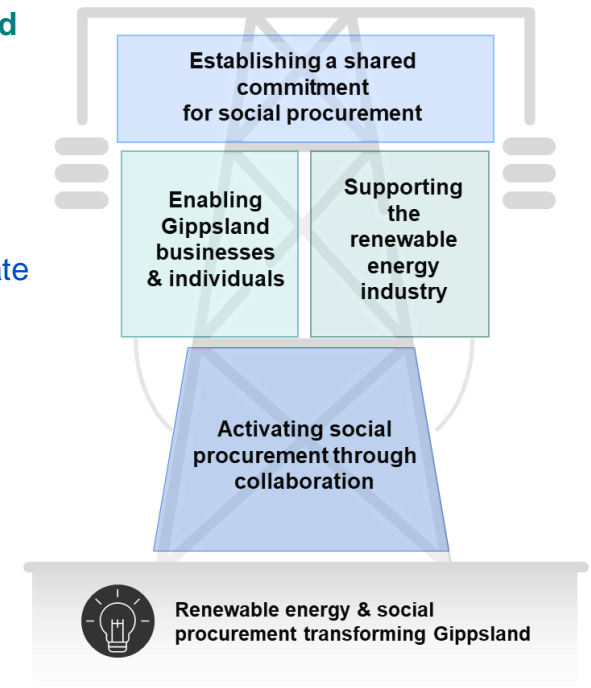
- The Initiative is a collaborative model for implementing social procurement within the renewable energy transition and across individual projects.
- It aims to ensure that procurement activity is coordinated, planned, designed, constructed, and managed in a way that delivers the greatest transformational social and economic benefits to all of Gippsland.
- The Initiative includes a series of phased actions to support a region-led social procurement approach.
- While the Initiative has been prepared for the Gippsland renewable energy transition, it could be applied in other regions and sector transformations.

Why now?

- A region-wide shared commitment to social procurement has been developed but strong advocacy and actions are required for it to be embedded within every stage of all transition projects' lifecycles.
- Proponents need support now to understand social procurement, incorporate it in their projects and achieve the shared commitment.
- Supplier readiness support is urgently required to enable Gippsland businesses to ready and able to participate in the transition.
- Some Gippslanders will require engagement and support to remove barriers to them gaining employment in the transition and encourage them to participate.

The Initiative's key focuses:

- A** A shared commitment for social procurement in Gippsland
- B** Enable Gippsland businesses and individuals to participate
- C** Support the renewable energy industry to achieve the shared commitment
- D** Structured collaboration to activate social procurement in renewable energy



CONTENT

Executive summary

Background

Social procurement and the Renewable Energy Transition

Key findings and recommendations

Gippsland's Procurement Power Initiative

Next steps

Appendices

Background – Gippsland

Gippsland is spread out across 41,373 square kilometers which includes beaches, lakes, mountains, forests. Within Gippsland there are six municipalities (Bass Coast Shire, Baw executive Shire, East Gippsland Shire, Latrobe City, South Gippsland Shire and Wellington Shire).

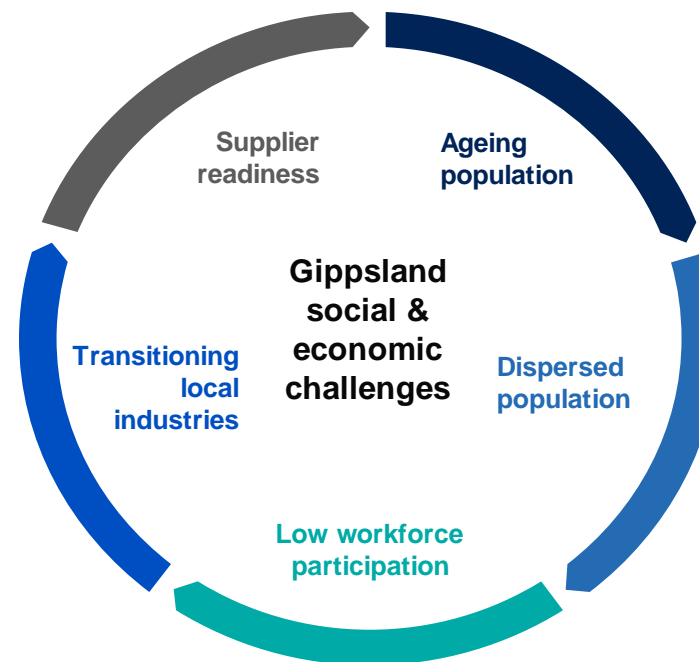
Gippsland is home to a population of approximately 299,600 including the recognised Traditional Owner groups, Gunaikurnai and Bunurong, and Traditional Owner groups in the West Gippsland region.

Gippsland has a strong farming economy including food and fiber as well as food processing it also has a long history of energy production in coal, gas and oil.

Gippsland has a skilled workforce with the capacity to support the transition to renewable energy, but it is not big enough to meet likely industry demand. There is a significant opportunity to build workforce capacity by creating training and employment opportunities for people who do not currently participate in the energy sector.



Source: Regional Development Victoria



- **Ageing population:** The population is ageing. Many school leavers are leaving the region for employment and education opportunities.
- **Dispersed population:** Approximately 40% of the population living in towns and settlements of less than 500 people.
- **Low workforce participation:** Gippsland does not currently have a working population large enough to support the transition. In February 2023, the labour force participation rate in Gippsland was 56.7%.
- **Transitioning local industries:** There is currently a shift away from traditional energy sectors and a significant focus on the transition to renewable energy which will result in some large Gippsland suppliers closing.
- **Supplier readiness:** There is limited visibility of local suppliers, Aboriginal businesses and social enterprises. Local supplier readiness and support will be required to ensure are able to participate in the transition.

*Additional social and economic challenges are included in the Appendices to this document (Social procurement impacts).



Background – Gippsland

Renewable Energy Context

The Australian Federal Government and the Victorian State Government are committed to net zero emissions by 2050 and are supporting the transition to renewable energy. This includes the Federal Government creating the first offshore wind zone off Gippsland's coast and Gippsland being declared one of six proposed Renewable Energy Zones in Victoria. In addition, the Victorian Government is bringing back the State Electricity Commission to accelerate the energy transition and both governments are investing in training, skills, and various renewable energy projects.

Renewable Energy Transition in Gippsland

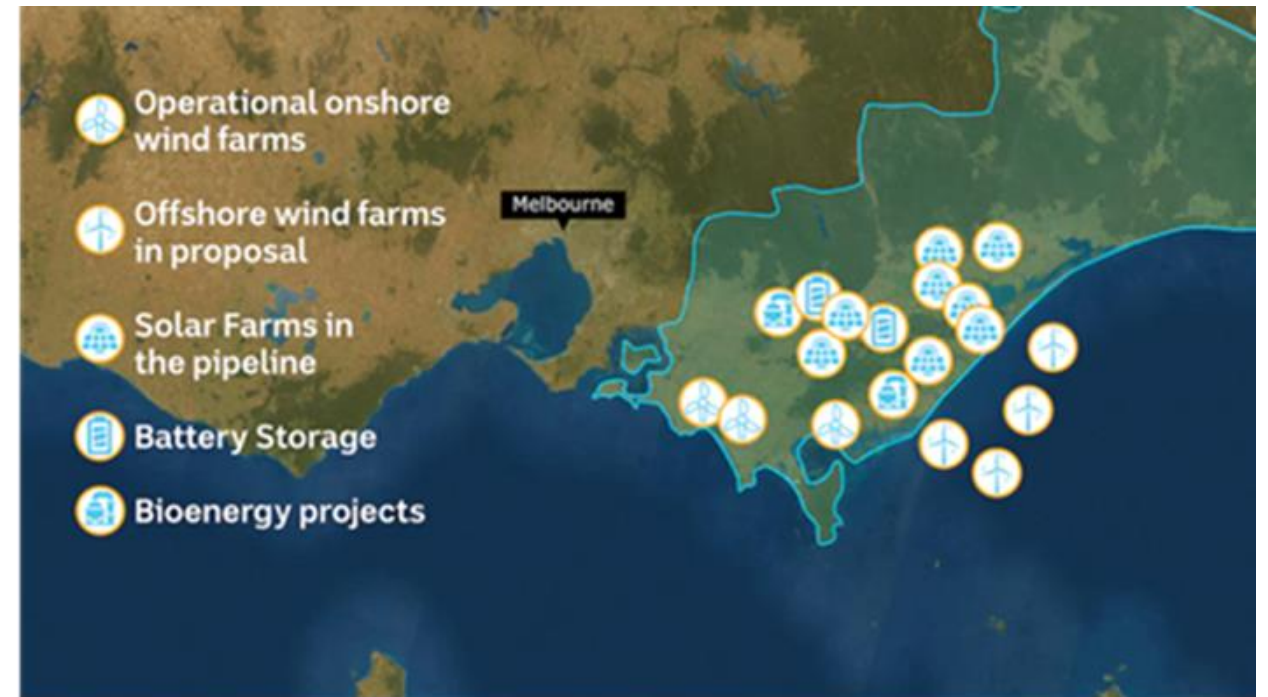
There is a significant renewable energy transition underway in Gippsland from coal fired generation and gas extraction to renewable energy development and production. This transition includes 25+ projects over 30+ years totaling more than \$54 billion. This includes solar, offshore wind, onshore wind, hydrogen, transmission and storage projects.

The transition will support Australia's climate change and carbon reduction commitments and contribute to its 'net zero by 2050' target. Alongside these primary benefits, there is also an opportunity to leverage this significant spend to create a lasting social and economic impacts to the Gippsland community.

The Gippsland community are excited by the potential opportunities the transition may bring (such as new jobs, greater investment in the region etc.) but they are also cautious to temper their expectations given there are currently a lot of 'unknowns.'

While there is work underway to develop a renewable energy Community Benefits Scheme, it is vital that every opportunity is also taken to deliver social and economic benefits including through the operational delivery of the renewable energy transition (as explored in this Report).

**A summary of the known transition projects is included in the Appendices to this document.*



*Known potential renewable energy projects (Source: ABC News)



Background – Social procurement

Social procurement seeks to ensure all activities in procurement, sourcing and supply chain management are undertaken with consideration of environmental, social and economic impacts. It aims to reduce negative impacts whilst maximising positive outcomes (e.g., reducing carbon emissions and modern slavery risks from supply chains or increasing resource efficiency, supplier diversity or local economic resilience).

Terms like 'corporate social responsibility,' 'responsible supply chains', 'ESG' (Environmental, Social and Governance) and 'local or place-based procurement' and 'progressive procurement' also incorporate social procurement concepts. However, the term social procurement is used in this report given the potential to leverage the Victorian government's Social Procurement Framework (SPF).

Social procurement is when organisations use their buying power to generate social value above and beyond the value of the goods, services, or construction being procured.

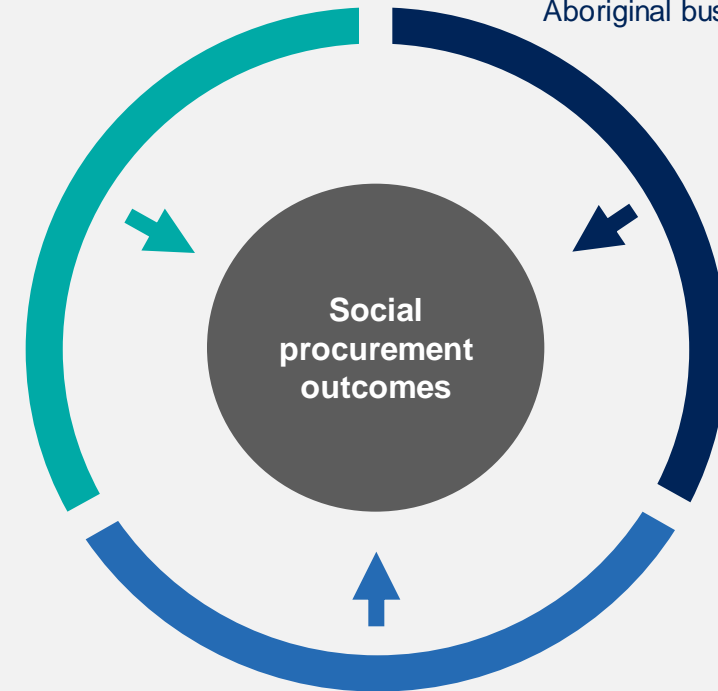
In the Victorian Government context, social value means the benefits that accrue to all Victorians when the social and sustainable outcomes in this Framework are achieved.

- Victorian government's Social Procurement Framework

Incentivising suppliers and supply chains to provide direct employment opportunities to local people and people experiencing barriers to employment such as:

- people with disabilities,
- long-term unemployed,
- single parents,
- migrants and refugees, and
- workers in transition.

Purchasing goods, services or construction directly (or indirectly) from social benefit suppliers including social enterprises, and Aboriginal businesses



Using the procurement process and supply contracts to seek social and sustainable outcomes



Background – Leading social procurement practice in major projects

Major projects worldwide, including renewable energy projects, are increasingly seeking to strategically achieve secondary social and economic benefits beyond their primary project objectives. A key lever for this is social procurement which involves a strategic approach to procurement throughout the project.

Planning phase: Describe the strategic need of the project & weigh the costs of undertaking the project against the expected benefits, & strategic long-term economic & community planning.

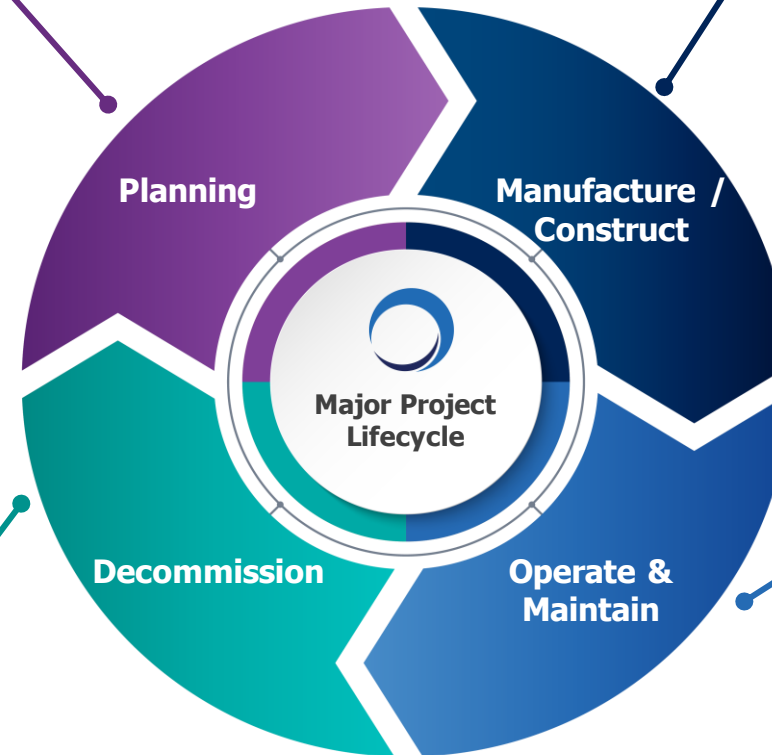
Key social procurement inputs:

- Supply chain planning.
- Pre-engagement with local & social benefit suppliers (e.g., Social Enterprises, Aboriginal Businesses).
- Forecast opportunities for local & inclusive employment.
- Identify skills & workforce gaps.
- Social considerations to be incorporated in the business case & project planning.

Decommission phase: When an asset has reached the end of its useful life, or if its operational / maintenance cost become too high it moves into the final decommissioning stage of the asset lifecycle.

Key social procurement inputs:

- This should be done in a planned, manner with a focus on financial, social & environmental sustainability.
- Work with partners to develop & share case studies and 'lessons learnt'.
- Measurement & reporting on social procurement targets.



Manufacture / construct phase: The asset & component parts are acquired, built, manufactured, refurbished, installed or delivered to the appropriate location. The focus is on the design, manufacturing and construction.

Key social procurement inputs:

- Ensuring tenders & bid responses include detailed requirements & responses for how social outcomes will be achieved & measured.
- Ensuring partners deliver on the social procurement objectives & support capability development & continuous improvement.
- Implementing appropriate project measurement & reporting.
- Advising & inspiring wider project teams on social procurement.
- Developing & promoting case studies & 'lessons learnt' internally & innovation with project teams.

Operate & maintain phase: The asset has been commissioned and services obtained. The focus is on contract and supply chain management including maintenance, service delivery and operations.

Key social procurement inputs:

- Inclusive & diverse employment.
- Cultural awareness & unconscious bias training.
- Social considerations in all procurement policies & processes.
- Supply chain actions.
- Providing visibility of partners & key relationship managers internally.
- Developing & maintaining partnerships with industry, sub-contractors, clients and communities.
- Measurement & reporting on social procurement targets.



CONTENT

Executive summary

Background

Social procurement and the Renewable Energy Transition

Key findings and recommendations

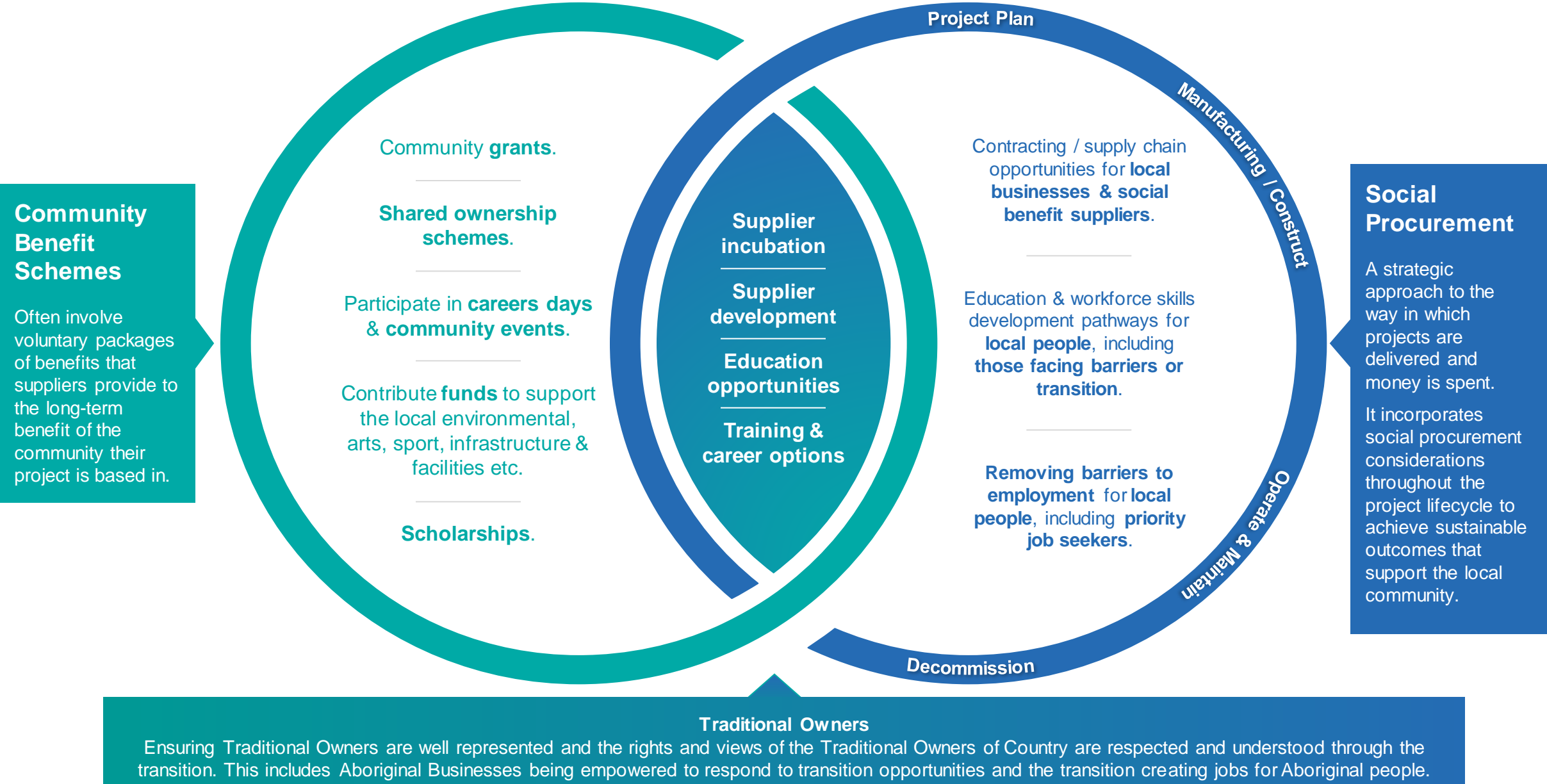
Gippsland's Procurement Power Initiative

Next steps

Appendices

Achieving social and economic outcomes in renewable energy

Major projects worldwide, are increasingly seeking to gain social license and achieve secondary social and economic benefits beyond their primary project deliverables. This can be achieved in different and complementary ways via community benefit schemes and social procurement. This report focuses on **social procurement only**.



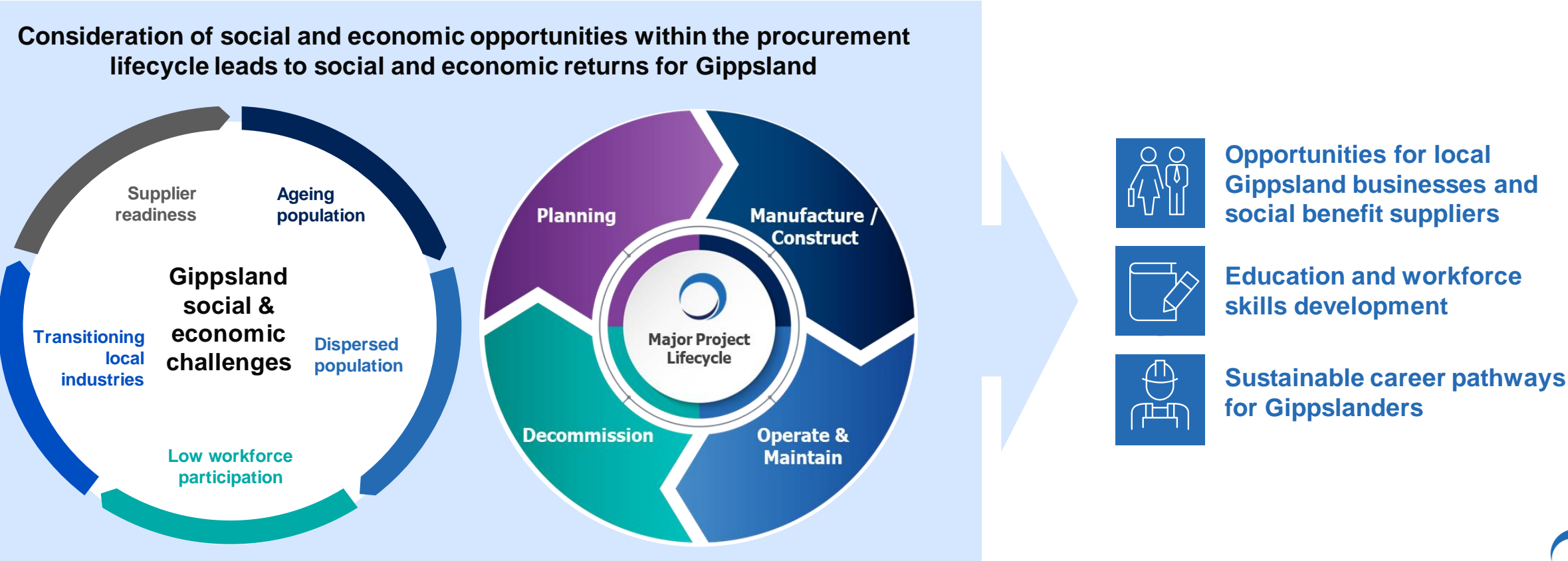
Procurement has the power to transform Gippsland

Renewable energy can provide lasting impacts by harnessing Social Procurement to transform Gippsland

Transforming Gippsland

Given the significant size and scale of the renewable energy transition, it is vital that it returns maximum social and economic returns for Gippsland. However, a strategic region-wide approach to social procurement for the renewable energy transition is required to ensure meaningful and measurable social and economic impacts.

Ensuring procurement activity in the renewable energy transition is coordinated, planned, designed, constructed, managed and decommissioned in a way that delivers the greatest transformational social and economic benefits to all of Gippsland. The intent is to achieve impacts that last beyond the life of the projects and transform individuals, their families and communities in Gippsland. However, significant urgent action is required to ensure Gippsland is ready and able to grasp the opportunities.



CONTENT

Executive summary

Background

Social procurement and the Renewable Energy Transition

Key findings and recommendations

Gippsland's Procurement Power Initiative

Next steps

Appendices

Renewable energy

Victoria's Gippsland coast to become
Australia's first offshore windfarm zone

Deal signed to fund Marinus Link power cable between
Tasmania and Victoria

Green giant's offshore wind boost to bridge coal exits

Victoria's clean energy transition 'to
create 10,000 jobs a year'

Offshore wind zone declared for Bass Strait

Gippsland farmers slam AusNet proposal to
energy to grid via overhead
transmission lines

VicGrid says residential
transmission lines p

The significant investment in renewable energy provides
major opportunities to transform Gippsland.

There's a lot of activity underway, a wide range of
stakeholders and many unknowns.

**How to do we ensure Gippsland gets
sustainable social and economic benefits
from renewable energy?**

or hydrogen hub

able energy by

\$8.5M to build i
Gippsland Rene
park

et to reach 95% renewables by
establish a publicly owned
new renewable energy projects.

Japanese consorti
Latrobe Valley coal

n target for 95 pct

Victorian government urges more
investment in renewables as revived SEC
won't be enough to reach target

Victoria announces measures to
train future renewable energy
workforce

South Gippsland residents fear offshore wind turbines
will ruin coastline's beauty


00 million Gippsland development to play huge role

Victoria Labor pledges \$6m to expand wind energy
training facility

**Renewable energy projects are taking off but where is
the workforce?**

What we're hearing in Gippsland

From proponents, local councils, State government, the Gippsland community, suppliers...

<p>“Empower the community to build its own wealth”</p>	<p>“This is not a transition, it’s a transformation”</p>	<p>“Gippsland businesses want to be involved”</p>	<p>“We want the long-term benefits to continue beyond the transition”</p>	<p>“It’s all a bit nebulous at the moment”</p>
<p>“Something to keep our young people in Gippsland. They need to be able to see the opportunity”</p>	<p>“This is our version of the gold rush”</p>	<div><p>Tempered excitement</p></div>	<p>“There’s a tsunami coming and we’re bracing for impact”</p>	<p>“We don’t have enough workers in Gippsland”</p>
<p>“It’s a chicken or the egg situation, we need to start activities now, but we don’t know what will be needed”</p>	<p>“We don’t want to miss out, we need to be ready”</p>	<p>“Bring people to Gippsland, it’s a great place to work and live”</p>	<p>“We’ve been let down before and we don’t want that to happen again”</p>	<p>“There’s a lot of noise but no details yet”</p>

Key findings

A

A shared commitment for social procurement in Gippsland

- ★ There is **genuine excitement** about the transition and the opportunities it may bring but **there is a fear** they will not be fully realised and the community will be let down.
- ★ There is **no shared understanding or vision** across Gippsland and the renewable projects for social procurement.

B

Enable Gippsland businesses and individuals to participate

- ★ There are currently **no social procurement compliance requirements** in renewable energy projects.
- ★ Proponents are focused mainly on **social license and community benefit scheme** not social procurement.
- ★ Many of the **large renewable energy suppliers will be off-shore companies** and will have limited understanding of social procurement in the Gippsland context. There are opportunities to influence this through **government requirements and education**.

C

Support the renewable energy industry to achieve the shared commitment

- ★ There are **opportunities for local workers** and some good work underway to support this but there is **uncertainty, potential shortages and resource drains** across projects/geographic locations.
- ★ There are **opportunities for local suppliers** and some initiatives underway to support this but there is **uncertainty** of goods/services required, locations and timings and there is **significant capability development and transitioning required** for some suppliers.

D

Structured collaboration to activate social procurement in renewable energy

- ★ There are **a wide and diverse range of projects** proposed across Gippsland in different locations and with differing timeframes and social procurement opportunities.
- ★ There is **no clear leader or point of contact** for social procurement in Gippsland that can be leveraged in the transition.
- ★ A **strong and connected social procurement ecosystem** is required to connect the many initiatives, programs and stakeholders.



So how do we solve these challenges?

RECOMMENDATIONS

Gippsland Procurement Power Initiative

Establish a **collaborative model** for implementing social procurement within the renewable energy transition and across individual projects and addressing these challenges:

A A shared commitment for social procurement in Gippsland

Actions

1. **Shared Commitment:** Collaboratively establish and agree a shared commitment of Gippsland's social procurement objectives in renewable energy including:
 - Targets.
 - Consideration of the Victorian Government's Social Procurement Framework,
 - Leveraging GROW Gippsland's work, where appropriate.
2. **Advocacy:** Advocate to local, Federal and State Governments to support the shared commitment to social procurement requirements in renewable energy projects (e.g., regulation, funding etc.).

B Support the renewable energy industry to achieve the shared commitment

3. **Project Needs:** Gain a clear understanding of project needs (goods, services, works, staff, timings, locations).
4. **Templates & Guidance:** Collaboratively develop a social procurement plan templates (and other supporting resources) to consistently embed the shared commitment and social procurement in projects.
5. **Priority Project Support:** Provide social procurement support to priority projects (such as off-shore wind) to support best practice social procurement.
6. **Shared Outcomes:** Share and celebrate social procurement outcomes.

C Enable Gippsland businesses & individuals to participate

7. **Supplier Readiness:** Support supplier readiness through:
 - Promoting the shared commitment and project needs.
 - Identifying potential suppliers.
 - Providing information on potential opportunities.
 - Supporting capability assessments and development.
 - Transition support.
8. **Employment Pathways:** Create and support employment pathways through:
 - Coordinated promotion of future jobs.
 - Identifying and connecting brokers, workers, students and education providers, and
 - Facilitating demand-led education and employment programs.

D Structured collaboration to activate social procurement in renewable energy

9. **Regional Leadership:** Develop regional leadership for the shared commitment including:
 - Identifying and establishing leaders across the region to support the shared commitment.
 - Nominating a central point of contact and accountability to facilitate the actions needed to achieve the shared commitment.
10. **Connected Ecosystem:** Foster a connected social procurement ecosystem in Gippsland that supports the shared commitment and includes:
 - An ecosystem of community, industry, government, employment, education providers, Traditional Owners and brokers.
 - Shared resources, support and learnings (including via regular events and collaboration).
11. **Impact Measurement:** Develop and implement an impact measurement framework and publicly report the impacts achieved.



Priority Actions

‘Moving the dial’ for social and local outcomes in Gippsland

RECOMMENDATIONS

All of the recommended actions are important to harnessing the renewable energy transition to achieve meaningful social and local outcomes for Gippsland. However, the following priority actions will really help to ‘move the dial’ for social and local outcomes in Gippsland through the Gippsland Procurement Power Initiative:



A. 1: A Shared Commitment

Collaboratively establish and agree a shared commitment of Gippsland’s social procurement objectives in renewable energy.

A. 2: Advocacy

Advocate to local, Federal and State Governments to support the shared commitment to social procurement requirements in renewable energy projects.

B. 5: Priority Project Support

Provide social procurement support to priority projects (such as off-shore wind) to support best practice social procurement.

C. 7: Supplier Readiness

Support supplier readiness.

C. 8: Employment Pathways

Create and support employment pathways.

D. 9: Regional Leadership

Develop regional leadership for the shared commitment



A shared commitment for social procurement in Gippsland

RECOMMENDATIONS

A A shared commitment for social procurement in Gippsland

1. Shared commitment

The following shared commitment has been developed by the Gippsland stakeholders. It is a region-wide commitment to embedding social procurement within the renewable energy transition and achieving the following priority social impacts. The specific actions to support the achievement of the shared commitment are contained in the next section of this document.

A shared commitment to social procurement within the renewable energy transition to provide the following impacts:



Opportunities for local Gippsland businesses and social benefit suppliers in renewable energy

Supporting, incubating and providing sustainable contracting/supply chain opportunities for local Gippsland businesses and social benefit suppliers.



Education and workforce skills development pathways for Gippslanders in renewable energy

Increasing access to education and workforce skills development pathways for Gippslanders including those that are facing barriers to education and employment or transitioning industries.



Employment opportunities for Gippslanders in renewable energy that support ongoing careers

Removing barriers to local and inclusive employment within renewable energy projects for Gippslanders including industry capacity building and creating sustainable ongoing career pathways.



CONTENT

Executive summary

Background

Social procurement and the Renewable Energy Transition

Key findings and recommendations

Gippsland's Procurement Power Initiative

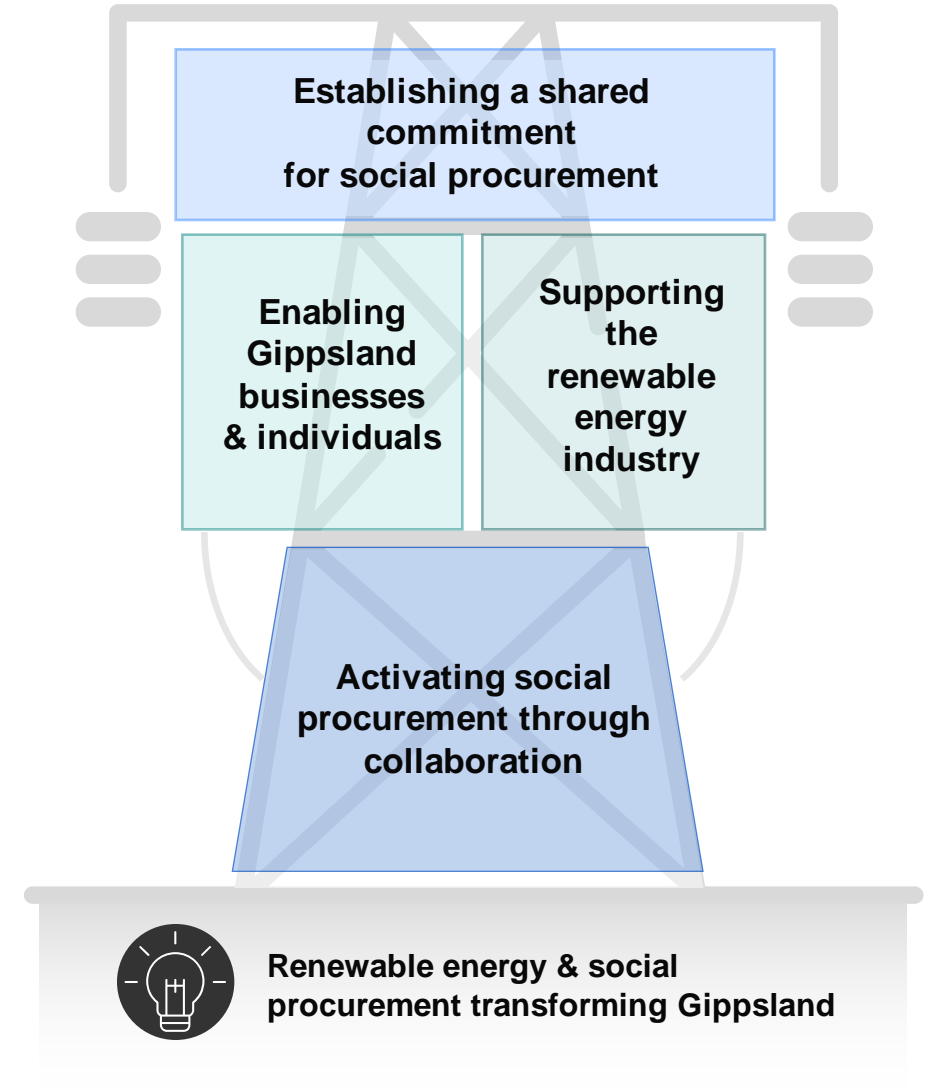
Next steps

Appendices

Gippsland Procurement Power Initiative

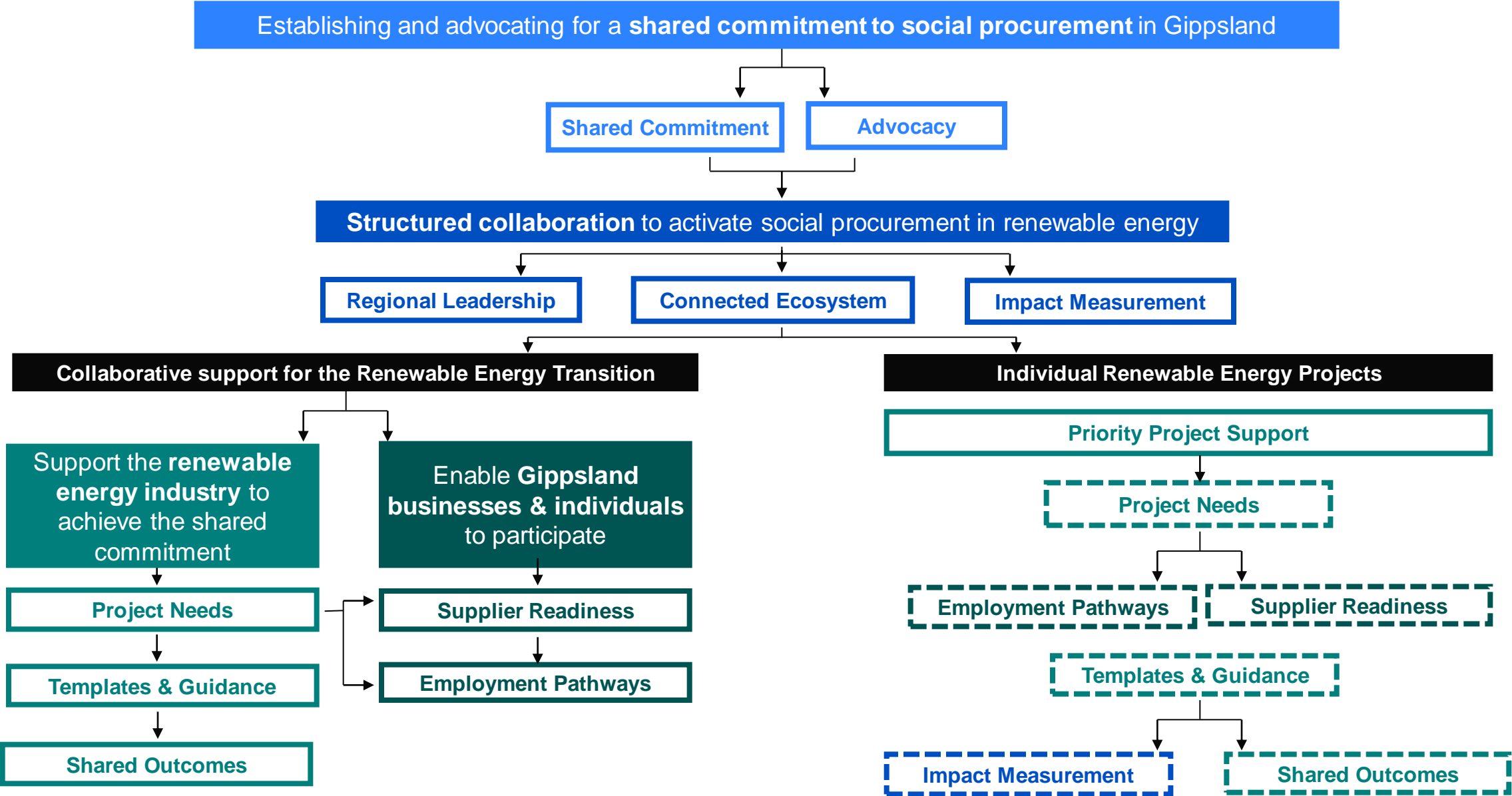
A collaborative model for implementing social procurement within the renewable energy transition and across individual projects is required

- ⚡ The Initiative includes phased actions to address the following challenges and deliver on the shared commitment:
 - A A shared commitment for social procurement in Gippsland
 - B Enable Gippsland businesses and individuals to participate
 - C Support the renewable energy industry to achieve the shared commitment
 - D Structured collaboration to activate social procurement in renewable energy
- ⚡ The Initiative has been informed by **research, experience and significant stakeholder engagement** and is intended to inspire tangible action to ensure Gippsland gets sustainable social and economic benefits from the transition.
- ⚡ It provides a practical and **strategic approach** to enable the achievement of social and economic outcomes in renewable energy through procurement.
- ⚡ It ensures procurement activity in Gippsland's renewable energy transition is coordinated, planned, designed, constructed, managed and decommissioned in a way that delivers the **greatest transformational social and economic benefits** to all of Gippsland.
- ⚡ The Initiative is intended to be **collaboratively delivered in phases** led by a central Gippsland-based entity that is to be determined.



Delivering Procurement Power

Gippsland's Procurement Power Initiative



Detailed actions

Delivering Gippsland's Procurement Power Initiative (1/2)

Challenges	Actions
A: A shared commitment for social procurement in Gippsland	1. Shared commitment
	Ongoing advocacy for the shared commitment
	2. Advocacy
	Ongoing advocacy for Gippsland's Procurement Power Initiative.
B: Support the renewable energy industry to achieve the shared vision	3. Project needs
	Audit of renewable energy projects and their projects' needs (e.g., supply chain needs (goods, services, construction), employment (including entry level opportunities and skills) etc.).
	Collated projects' needs list.
	4. Templates & guidance
	Audit of existing resources to support harnessing the transition to achieve the shared commitment (e.g., social procurement plans etc.)
	Develop draft resources.
	Seek feedback on draft resources from the wider Gippsland stakeholder group.
	Finalise and publicize the resources.
	5. Priority project support
	Provide social procurement support to priority projects to support best practice social procurement.
	6. Shared outcomes
	Share and celebrate social procurement outcomes.



Detailed actions

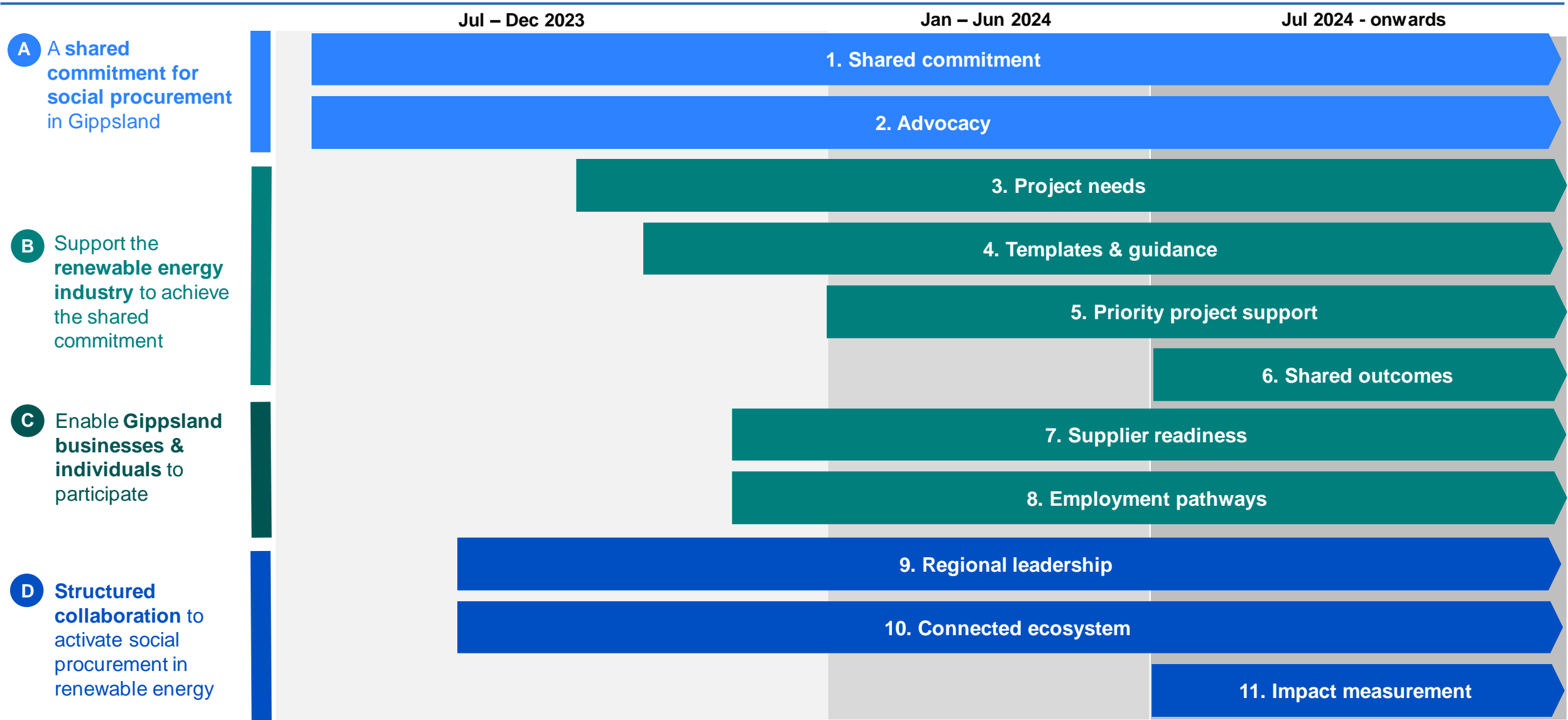
Delivering Gippsland's Procurement Power Initiative (2/2)

Challenges	Actions
C: Enable Gippsland businesses & individuals to participate	7. Supplier readiness
	Awareness campaign of the transition and potential opportunities based on the project needs analysis.
	Develop a centralised list of Gippsland's suppliers for social procurement opportunities.
	Readiness workshops with suppliers (face-to-face workshops in all Gippsland shires).
	Meet the supplier events - face-to-face events in all Gippsland shires where industry and local suppliers can better understand how they may be able to work together.
	8. Employment pathways
	Identify stakeholders (e.g., employers, education providers, employment brokers, people not participating in the labour market, workers in transitioning industries, future workers (school students), migrants etc.).
	Stakeholder engagement – meet with stakeholders to understand potential challenges and solutions.
D: Structured collaboration to activate social procurement in renewable energy	Employment pathway events – face-to-face events across Gippsland to connect employers, education providers, brokers and potential students/workers.
	9. Regional leadership
	Identify and establish leaders to govern the Initiative.
	Establish central contact point for the Strategy and key resources.
	10. Connected ecosystem
	Regular workshops and engagement.



Draft activation timeline

Gippsland's Procurement Power Initiative



Governance considerations

Gippsland's Procurement Power Initiative

Potential leadership locations				
Committee for Gippsland	DEECA	Latrobe Valley Authority	Gippsland Climate Change Network	Gippsland New Energy Coordinating Group
<ul style="list-style-type: none"> Gippsland based. Wide membership base. Connections into government. 	<ul style="list-style-type: none"> State government based with a Gippsland presence. Energy sector role including VicGrid and OWEV. 	<ul style="list-style-type: none"> Gippsland based. Existing relationships and renewable energy initiatives. Leverage GROW Gippsland experience. 	<ul style="list-style-type: none"> Gippsland based. Existing relationships and renewable energy initiatives. 	<ul style="list-style-type: none"> Gippsland based, LVA-led. Gippsland New Energy Conference coordinators. Leverage existing relationship and GROW Gippsland experience.
RDV	SEC	Supply Chain Working Group	New Entity	
<ul style="list-style-type: none"> Gippsland based. Already supporting transition work. 	<ul style="list-style-type: none"> State government. Local presence. Industry understanding. 	<ul style="list-style-type: none"> Gippsland based, LVA-led. Existing relationships and renewable energy initiatives. Cross-sector participation. 	<ul style="list-style-type: none"> Gippsland based. Primary focus on supporting the renewable energy transition and the Framework. 	

Potential roles and responsibilities to support the Gippsland Procurement Power Initiative:

Within the entity leading the delivery of the Initiative, there must be clear governance and roles and responsibilities which may include:

- Endorsement and championing of the Initiative.
- Identifying and sourcing funding and resources as needed.
- Ensuring the Shared Commitment is appropriately reflected in all transition projects.
- Establishing and demonstrating clear leadership.
- Championing the approach with key stakeholders and the ecosystem (including governments, partnering with local government with advocacy including One Gippsland, supply chains, proponents, community, Traditional Owners, education institutes, partners, investors etc.).
- Developing a clear implementation plan of priority actions and roles/responsibilities and accountabilities to support the implementation of the Initiative.
- Executing the implementation plan with assistance from other parties as needed.
- Developing and managing a comprehensive measurement and reporting framework that provides regular reporting on outcomes achieved.
- Ongoing review and continuous improvement.



CONTENT

Executive summary

Background

Social procurement and the Renewable Energy Transition

Key findings and recommendations

Gippsland's Procurement Power Initiative

Next steps

Appendices

Next steps

Priority actions to activate Gippsland's Procurement Power Initiative

	Priority Actions	Timings	Responsible
1. Shared commitment	<ul style="list-style-type: none">Present the shared commitment (and Gippsland's Procurement Power Initiative) to the stakeholders that were involved its development.	Early August 2023	ArcBlue
	<ul style="list-style-type: none">Launch the Initiative at a regional event.	August / September - TBC	Latrobe Valley Authority & ArcBlue
2. Advocacy	<ul style="list-style-type: none">Confirm detailed advocacy approach (refer to recommendations on the following page).	August	Latrobe Valley Authority & ArcBlue
	<ul style="list-style-type: none">Book stakeholder meetings.	August	Latrobe Valley Authority
	<ul style="list-style-type: none">Facilitate initial stakeholder meetings	August	Latrobe Valley Authority & ArcBlue
3. Procurement Power	<ul style="list-style-type: none">Present Gippsland's Procurement Power Initiative to the stakeholders that were involved in its development.	Early August 2023	ArcBlue
	<ul style="list-style-type: none">Seek Government support (refer to advocacy approach on the following page).	August	Latrobe Valley Authority & ArcBlue
	<ul style="list-style-type: none">Determine Initiative governance and leadership following initial advocacy discussions.	September 2023	Latrobe Valley Authority & ArcBlue
	<ul style="list-style-type: none">Commence delivery of the Initiative.	TBC (late 2023)	TBC (influenced by funding)



Next steps – Advocating for the shared commitment

A A shared commitment for social procurement in Gippsland

2. Advocacy

A strong advocacy approach is required to ensure the shared commitment is embedded within the transition and support from the local, Victorian State and Federal Governments is required. The following initial advocacy approach has been developed in consultation with the Gippsland stakeholders. These actions are to take place in **August and September 2023**, the interim before Gippsland's Procurement Power Initiative is underway and will be led by the Latrobe Valley Authority, Regional Development Victoria and ArcBlue.

Advocacy Approach		
Government Agency		Advocacy Objectives
Australian Energy Market Operator (AEMO)		<ul style="list-style-type: none"> Present the Gippsland Procurement Power Initiative and explore opportunities to collaborate to embed the shared commitment in the renewable energy transition.
Department of Energy, Environment and Climate Action (DEECA)	Offshore Wind Energy Victoria (OWEV)	<ul style="list-style-type: none"> Continue the engagement with OWEV regarding the Initiative. Explore how OWEV may be able to support social procurement requirements within offshore wind projects (e.g., Implementation Statement 3, VRET, SPF etc.). Explore potential resourcing and funding opportunities to support relevant actions within Gippsland Procurement Power Initiative (e.g., supporting the renewable energy industry, Gippsland businesses and local skills and workforce development).
	State Electricity Commission (SEC)	<ul style="list-style-type: none"> Present the Gippsland Procurement Power Initiative and explore how SEC can champion the shared commitment and any potential resourcing and funding support.
	VicGrid	<ul style="list-style-type: none"> Present the Gippsland Procurement Power Initiative and explore how SEC can champion the shared commitment and any potential resourcing and funding support (e.g., including social procurement obligations in transmission agreements).
Local government – 6x Shires		<ul style="list-style-type: none"> Present the Gippsland Procurement Power Initiative and explore opportunities to collaborate to embed the shared commitment in the renewable energy transition.
National Net Zero Authority		<ul style="list-style-type: none"> Present the Gippsland Procurement Power Initiative and explore funding opportunities to support the shared commitment's priority social objectives.



CONTENT

Executive summary

Background

Social procurement and the Renewable Energy Transition

Key findings and recommendations

Gippsland's Procurement Power Initiative

Next steps

Appendices

Government funded social procurement

Government is leveraging its procurement to advance social policy objectives, there are several social procurement and government related requirements that apply to directly to government procurement, and indirectly through Government approvals and regulations. These include:

Requirements		Intention	Key Obligations for Government-funded Procurement
Social Procurement Framework (SPF)		It establishes the Victorian Government's social and sustainable objectives and seeks to streamline and embed social procurement within government procurement.	<ul style="list-style-type: none">Government agencies are to have a Social Procurement Strategy that applies to procurement of all goods, services and construction in a scalable approach based on the procurement activity and spend. This includes DEECA.They must also seek to meet its targets their priority social and sustainable objectives, annually report on the achievement of its priority social and sustainable objectives and outcomes and their social procurement capability Self Assessment.
Building Equality Policy (BEP) (implemented through the SPF)		To create training and employment opportunities for women through government procurement on building, infrastructure, civil engineering and any other capital works projects with the aim to address the structural and cultural barriers women face. BEP is to be implemented through the SPF.	<ul style="list-style-type: none">Transitional compliance period: During 2022 and 2023 there will be a facilitative approach to managing non-compliance with BEP and a focus on education and awareness. From 1 January 2024, contract provisions will provide remedies for non-compliance.For all construction projects \$20m+, the principal contractors are to have contractual obligations to ensure participants in their supply chains contribute to the overall targets across the projects. Suppliers must also meet project specific gender equality targets, engage women as apprentices and trainees and implement Gender Equality Action Plans.
Fair Jobs Code		To promote job security, foster positive relationships between employers and employees, and encourage workplace equity and diversity.	<ul style="list-style-type: none">Suppliers must provide a Fair Jobs Code Pre-Assessment Certificate and for large supply contracts of \$20m+, suppliers need to provide a Fair Jobs Code Plan.
Local Jobs First Policy (Victorian Industry Participation Policy & Major Projects Skills Guarantee)	VIPP	To ensure small and medium-sized enterprises are given full and fair opportunity to compete for Victorian government contracts.	<ul style="list-style-type: none">Consideration of local industry capability and jobs into the tendering process for all projects that meet the policy thresholds and setting local content and other requirements on projects of strategic significance. VIPP requirements apply irrespective of whether products and services are considered 'contestable'.
	MPSG	To ensure job opportunities are provided for apprentices, trainees and cadets (ATCs) on high-value Victorian Government construction projects.	<ul style="list-style-type: none">All construction projects (\$20m+) must utilise Victorian registered apprentices, trainees and cadets for at least 10 % of the contract works' total estimated labour hours. This applies to all aspects of a construction project (incl. goods and services procurement). The 10% weighting for job commitments on MPSG projects covers MPSG job outcomes and broader job outcomes (within tender evaluation this is divided into job specific outcomes and broader job outcomes 5% each).
Indigenous Procurement Policy		To stimulate Indigenous entrepreneurship and business development, providing Indigenous Australians with more opportunities to participate in the economy.	<ul style="list-style-type: none">Annual targets for the volume and value of contracts to be awarded to Indigenous enterprises by the Commonwealth and each Portfolio.A Mandatory Set Aside (MSA) that requires that Indigenous businesses be given an opportunity to demonstrate value for money before a general approach to market (applies to procurements to be delivered in remote Australia and for all other procurements wholly delivered in Australia valued between \$80,000-\$200,000.Indigenous employment and business participation targets apply to contracts wholly delivered in Australia valued at \$7.5 million or more in 19 industries, known as Mandatory Minimum Indigenous Participation Requirements (MMR).
Commonwealth Procurement Rules		To ensuring that public resources are used in the most efficient, effective, ethical and economic manner including creating more opportunities for small, regional and Indigenous owned businesses and creating more jobs for local communities.	<ul style="list-style-type: none">Procurement must achieve broader economic and social benefits (e.g., environmental sustainability and climate change impacts, use of recycled materials, more diversity and competition in supplier base and workforces.Procurements above \$4 million (or \$7.5 million for construction services) (note, there are some exceptions that apply), officials are required to consider the economic benefit of the procurement to the Australian economy.

Social procurement impacts

In the wake of the Gippsland bushfires, the COVID-19 pandemic, and the associated pause in international migration, as well as the uncertainty caused by other global events, Gippsland (and Australia in general) is experiencing critical skills shortages and cost of living pressures.

The nationally seasonally adjusted unemployment rate is low (3.5%, June 2023 quarter, *Australian Bureau of Statistics*) but this figure does not fairly reflect that **there are particular groups within the economy experiencing significant disadvantage and barriers to employment**.

The social and economic vulnerability of many of these groups was also further compounded due to prolonged pandemic-related isolation, lockdowns, joblessness and business downturn.

With ongoing economic uncertainty, higher interest rates and inflation are likely to continue for some time and there is a risk that many of these vulnerable people will continue to be left behind.

Against this backdrop, it is more important than ever that the transition is harnessed to ensure labour markets are unlocked for those facing barriers to entry.

Social procurement can ensure the transition provides employment pathways for those facing barriers to entry.



Every \$100k spent with certified social enterprises creates:



0.76 jobs



\$28k investment in community services



406 hours of training for disadvantaged cohorts



\$4k donations to charity

Credit: Social Traders impact analysis

Supply Nation's *The Sleeping Giant* report estimated the **Social Return On Investment (SROI)** averaged at **\$4.41 for every dollar spent** with Supply Nation registered and certified **Aboriginal and Torres Strait Islander suppliers**.



Renewable energy transition - Projects summary

The renewable energy transition in Gippsland involves a proposed \$54 billion pipeline of more than 25 large renewable energy projects over 30+ years including battery storage, generation (hydrogen, offshore wind, onshore wind and solar) and transmission. Some of the key projects are summarised below.

Some of the potential energy projects in Gippsland			
Sector	Timing	Government involvement	Gippsland Location
Offshore Wind	<ul style="list-style-type: none"> Offshore feasibility licences confirmed late 2023 Construction licences (and Proponents) confirmed in 2024 25–30-year operating life 	<ul style="list-style-type: none"> Federal Victoria There is also transmission work to support offshore wind 	<ul style="list-style-type: none"> Wellington shire South Gippsland
Transmission (Marinus Link)	<ul style="list-style-type: none"> Final investment decision late 2024 Construction begins 2025 (6-7 years) Stage 1 complete 2028, stage 2 complete 2032 	<ul style="list-style-type: none"> Tasmania Victoria Federal 	<ul style="list-style-type: none"> Latrobe Valley South Gippsland
Transmission (VicGrid)	<ul style="list-style-type: none"> Progress from early planning to detailed investigations in 2023 	<ul style="list-style-type: none"> Victoria 	<ul style="list-style-type: none"> Latrobe Valley Wellington Shire
Hydrogen Energy Supply Chain	<ul style="list-style-type: none"> Feasibility study to be completed in 2024 If it goes ahead, stage one by end 2030 and stage two 2035 	<ul style="list-style-type: none"> Japanese Govt \$2.35b Federal government funding Private funding 	<ul style="list-style-type: none"> Latrobe Valley
Onshore wind	<ul style="list-style-type: none"> Construction in 2023-25 (25–30-year operating life) Early works tender by end of 2023 and construction beginning 2024 	<ul style="list-style-type: none"> Private investment Unsuccessful with VRET process 	<ul style="list-style-type: none"> Delburn South Gippsland Latrobe Valley
Solar	<ul style="list-style-type: none"> Fulham - Construction 2024 (9-12mths) completed in 2025 Multiple other solar projects planned 	<ul style="list-style-type: none"> VRET process (will be a connection agreement with government) Private investment 	<ul style="list-style-type: none"> Fulham Wellington Shire Latrobe Valley
Wooreen Energy Storage System	<ul style="list-style-type: none"> Built by 2026 	<ul style="list-style-type: none"> Energy Australia with support from the Victorian government 	<ul style="list-style-type: none"> Latrobe Valley
Loy Yang Battery	<ul style="list-style-type: none"> Built by 2024 	<ul style="list-style-type: none"> Private 	<ul style="list-style-type: none"> Loy Yang, Latrobe Valley

**The State Government may also have procurement mechanisms for some renewable energy projects that may include social content and supply chain targets.*



What we've learnt - Detailed findings (1/4)

A We need a **shared commitment for social procurement** in Gippsland that all stakeholders support

Key findings	Details
★ There is genuine excitement about the transition and the opportunities it may bring but there is a fear they will not be fully realised and the community will be let down.	<ul style="list-style-type: none">• The Gippsland renewable energy transition investment creates enormous social and economic opportunities for the Gippsland region both directly (in terms of jobs and supply chain opportunities) but also indirectly as additional people and supporting projects and their families come to the region (requiring accommodation, education, health services, food etc.).• Gippsland has had its expectations fall short in relation to other large projects in the region and wants to ensure that the opportunities in renewable energy are realised within Gippsland and that the investment does not go elsewhere.• While timings are not clear for all renewable energy projects, some are clearer than others and the timings indicate that it is extremely important for Gippsland to move quickly with a shared commitment and support system to get real benefits.
★ There is no shared understanding or vision across Gippsland and the renewable projects for social procurement.	<ul style="list-style-type: none">• Gippsland is geographically and demographically diverse and there are different social and economic opportunities and challenges across Gippsland.• There is a desire to empower Gippslanders to build their own wealth through the transition.• The vision and the process for realising it needs to be simple.• Positive messaging and excitement about the scope and the size of the transition and the opportunities is required. This should include clear messaging for each stakeholder group (e.g., proponents, suppliers, workers, intermediaries etc.).• There needs to be monitoring and reporting of progress against the shared commitment in all projects. However, this reporting should not be overly onerous and a simple centralised approach.



What we've learnt - Detailed findings (2/4)

B The renewable energy industry needs support to achieve the shared commitment in its projects

Key findings	Details
★ There are currently no social procurement compliance requirements in renewable energy projects.	<ul style="list-style-type: none">• There are social and economic objectives embedded or planned through renewable projects, but they are not always visible or well understood and vary significantly based on energy type (solar, on-shore wind, offshore wind, hydrogen, transmission, storage etc.) regulatory environment (Commonwealth/ State), project size etc.• Significant support is needed to help ensure the proposed objectives are met, with a key focus on local and social benefit supplier and local and inclusive workforce outcomes.• Consistency of expectations and language is needed to provide certainty for all parties.• Strong advocacy for Gippsland's shared commitment with government is required to help embed social procurement compliance. There needs to be accountability for social procurement (e.g., abatements, penalties etc.).
★ Proponents are focused mainly on social license and community benefit scheme not social procurement.	<ul style="list-style-type: none">• Working individually the proponents and project partners may lack the capacity, expertise and/ or local knowledge to be able to maximise the local and social impact of this investment.• Social procurement needs to be integrated into the full project lifecycle to achieve maximum benefits. There is an opportunity to collaboratively build social procurement plan templates to support proponents to integrate the shared commitment and social procurement.• Proponents need to be influenced to support the shared commitment and social procurement at the point the money is being spent.• There is a concern that 'local' will include wider Victoria, Australia and New Zealand from a social procurement perspective and lessen the direct benefits for Gippsland.
★ Many of the large renewable energy suppliers will be off-shore companies and will have limited understanding of social procurement in the Gippsland context. There are opportunities to influence this through government requirements and education .	<ul style="list-style-type: none">• Many of the large suppliers in renewable energy (the Tier 1s) will be off-shore based companies that do not understand social procurement or Gippsland's unique context.• There are opportunities to design procurement processes to encourage/require off-shore suppliers to provide employment and local supply chain opportunities (including requiring Australian head offices and manufacturing to be based in Gippsland).• Contract approaches may be prohibitive for local businesses.



What we've learnt - Detailed findings (3/4)

C Gippsland businesses and individuals need support to participate in renewable energy

Key findings	Details
★ There are opportunities for local workers and some good work underway to support this but there is uncertainty, potential shortages and resource drains across projects/geographic locations.	<ul style="list-style-type: none">• There is some good work underway mapping potential roles and skills and seeking to design appropriate training to support these.• There is some awareness raising in schools and with transitioning workers from industries that are closing in Gippsland.• There are not enough workers for the projected need (current labour force participation in Gippsland is 56.7%).• There is uncertainty of when the roles will be required and how to manage the drain on resources with competing projects in the region.• Some proponents are already employing Gippslanders.• Holistic pastoral care support is required for workers facing barriers to employment these candidates need to be identified and specialist support provided.
★ There are opportunities for local suppliers and some initiatives underway to support this but there is uncertainty of goods/services required, locations and timings and there is significant capability development and transitioning required for some suppliers.	<ul style="list-style-type: none">• There are some existing businesses that are well placed to support the transition and some work underway to support businesses.• There is significant capability development and business support and transitioning required to ensure Gippsland businesses are ready to grasp the opportunities.• There is also uncertainty of the services and products required, the locations and when they are required.• Gippsland businesses do not understand where they can fit in within the transition.• Smaller businesses do not understand 'government-speak' or 'procurement-speak'. The requirements need to be simplified and translated.• A consistent social procurement shared commitment and language will help suppliers to respond to opportunities.• There is limited visibility of social benefit suppliers in Gippsland and a shortage of social enterprises.• There may be potential to establish panels of local suppliers who could assist with renewable energy projects that proponents can procure from.



What we've learnt – Detailed findings (4/4)

D Collaboration is needed to support social procurement in renewable energy

Key findings	Details
★ There is no clear leader or point of contact for social procurement in Gippsland that can be leveraged in the transition.	<ul style="list-style-type: none">• There is no coordinated or structured alignment across the social and economic objectives of the range of projects or with clearly defined and locally determined Gippsland social and economic priorities.• An overarching impact measurement model to ensure Gippsland receives the anticipated positive benefits is required.• A key point of connection for social procurement is wanted, proponents do not know who to talk to (there are currently so many different contacts all being approached separately).• A simple and clear leadership approach (with accountability) is required that allows the community to co-design the process.
★ There are a wide and diverse range of projects proposed across Gippsland in different locations and with differing timeframes and social procurement opportunities.	<ul style="list-style-type: none">• There are a wide range of potential renewable energy projects across different geographic locations all over Gippsland that will impact the communities in different ways.• The projects differ (with different investors, stakeholders, compliance requirements, suppliers and supply chains, skills and employment needs/pressures and project timelines).• A phased, practical and realistic approach is needed to achieve maximum benefits starting with a focus on critical steps.
★ A strong and connected social procurement ecosystem is required to connect the many initiatives, programs and stakeholders.	<ul style="list-style-type: none">• There are a lot of great initiatives and programs underway to support various aspects of the renewable energy transition and these are to be leveraged rather than replicated.• There is not currently a mature connected social procurement ecosystem to support the renewable energy transition in Gippsland (e.g., collaborative partnership between community, industry, government, employment and education providers, Traditional Owners, brokers etc.).• In order to get the maximum benefits out of the transition for Gippsland a coordinated effort needs to occur between key stakeholders and projects leveraging brokers.• Gippsland has the opportunity to establish best practice in a region-led approach to social procurement in renewable energy. This could be applied in other Australian regions undertaking such transitions.• Recent government budgets have cut/limited some of the funding for programs and support services that would have been helpful to achieve the shared commitment (e.g., GROW Gippsland, Broadening Horizons etc.). Therefore, a strong and collaborative approach is even more important to ensure success.



Potential for social and economic benefits not to be realised (1/2)

Potential risks	Approach	Actions
There is not funding to support the strategic governance required	Avoid	<ul style="list-style-type: none"> Centralise the governance as soon as possible to create greater efficiencies. Undertake an analysis of all current funding streams and review and apply for funding sources. Partner with other organisations to create efficiencies and greater impact.
Not centralising the governance of the priority actions	Avoid	<ul style="list-style-type: none"> If the actions are led from a central group, it will current inefficiencies and outcomes and impact may be lost. Leverage existing committees, initiatives etc. and provide co-ordination.
Delivery timeframes for priority actions are too long or challenging	Manage	<ul style="list-style-type: none"> A systematic and phased approach is needed for managing change. Ensure sufficient and appropriate resources are available to implement the recommendations. Start implementing the recommendations as soon as possible to gain maximum efficiencies.
Resistance to change	Manage	<ul style="list-style-type: none"> Change management. Utilise a communications and marketing plan to ensure internal stakeholders kept informed. The recommendations and implementation plan must be supported and championed by key influencers and stakeholders across Gippsland in all sectors. GCCN Conference can be used as a tool to influence and drive change.
Those leading the strategy are not close to projects, government, communities, Traditional Owners etc.	Manage	<ul style="list-style-type: none"> Relationships with stakeholders will be managed by the governance team. A reference group of stakeholder representatives may be required.
Inability to accurately and consistently measure and report the social and economic impact	Avoid	<ul style="list-style-type: none"> The governance team will determine appropriate reporting requirements, processes and systems and be accountable for data collection and reporting. There needs to be a clear monitoring and reporting framework across the transition program as well as supporting technology, systems and support.
Cultural objectives are not meaningfully realised	Avoid	<ul style="list-style-type: none"> Support self-determination. Work closely with GLaWAC to understand their Renewable Energy Statement. Listen and support their self-determination for Traditional Owners' and Native Title Holders' interests. Ensure that other Aboriginal people and businesses that are not Gunaikurnai are engaged with too as well as Kinaway and other organisations. All stakeholders understanding cultural awareness and provide safety for participation.
Expectations from community and businesses are not met (e.g., jobs / contracts not realised)	Avoid	<ul style="list-style-type: none"> Informed and realistic expectations set upfront. Clear targets and monitoring and reporting and early intervention as needed.
Education, training and employment opportunities are not easily accessible	Manage	<ul style="list-style-type: none"> Work with education providers and suppliers to understand the barriers and identify solutions (e.g., satellite facilities and transportation options). Leverage existing work underway between government and education providers. Leverage existing connections and initiatives between proponents/suppliers, other groups and education providers.



Potential for social and economic benefits not to be realised (2/2)

Potential risks	Approach	Actions
Supply does not meet the demand	Manage	<ul style="list-style-type: none"> • Informed and realistic expectations set upfront (there is a fear from some that expectations will not be met). • Build a supportive ecosystem to build the capacity of the suppliers and potential job seekers. • Consider an apprenticeship scheme coordinated across projects.
Jobs/ skills requirements are unclear and time is needed to gain the skills/transition	Manage	<ul style="list-style-type: none"> • Centralise jobs and skills information. • Brokerage. • Ensure access/transport options for learners across Gippsland to provide equal opportunities. • Match the current cohorts facing barriers to education and employment against the available employment pathways.
Timing of projects draining limited resources	Manage	<ul style="list-style-type: none"> • Work with government and proponents to manage risk. • Advocate for government to stagger licenses for offshore wind.
International suppliers unaware of social procurement and Australian/Gippsland context	Manage	<ul style="list-style-type: none"> • Awareness raising, capability development.
Different social and economic needs and challenges in different areas of Gippsland	Manage	<ul style="list-style-type: none"> • Create a Shared Commitment.
Geographic spread of Gippsland limiting some opportunities	Manage	<ul style="list-style-type: none"> • Understand the challenges associated with this and work with proponents and suppliers, education providers and communities to determine potential solutions to manage the risk (e.g., transport, housing etc.).
Some Gippsland suppliers will need to invest in transitioning and developing their businesses but there is risk in doing this without clear opportunities and needing to continue to run	Manage	<ul style="list-style-type: none"> • Communications campaign with clear information and requirements and business support.

