INTRODUCTORY

ASL

TOOLKIT SERIES

Embedding local content in renewable energy project development

A guide for renewable energy developers

Version 1, October 2025

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The ASL Social Value Toolkit tools and guidance are structured across three levels to support the gradual development of social value capability and maturity.

INTRODUCTORY

Builds foundational understanding and capability in social value practice.

INTERMEDIATE

Builds on foundational capability to support more developed social value practice.

ADVANCED

Supports established capability and more mature social value practice.

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1. Introduction

Local content in renewable energy projects refers to the economic and social benefits generated within the host region through employment, procurement, training and skills development. It ensures that local businesses, workers, and communities directly benefit from project investment, contributing to regional economic resilience, workforce development, and broader social acceptance of the energy transition.

In Australia, local content is a key priority for federal and state governments, aligning with policies such as the Australian Government's National Reconstruction Fund and state-based renewable energy procurement strategies which emphasise job creation, local manufacturing, and regional economic growth. Renewable Energy Zones (REZs), established across several states, are designed to deliver not only clean power but also local economic development opportunities.

For ASL, embedding local content is central to ensuring that renewable energy investments deliver meaningful and economic outcomes. ASL's competitive tender process for renewable energy projects includes local content criteria, requiring developers to demonstrate how they will engage local suppliers, train and employ local workers, and contribute to regional development.

This guide provides best practice strategies for developers to maximise local content outcomes across the project lifecycle, track and report on commitments, and embed requirements in downstream contracts to ensure long-term impact.

2. Best practice local content strategies across project lifecycle

Local content in renewable energy projects is critical to ensuring that communities benefit economically and socially from development. Embedding local content strategies improves social value, strengthens community support, and enhances project resilience by leveraging local knowledge and skills.

A well-executed local content strategy benefits both developers and communities, creating a more sustainable and inclusive energy transition. By embedding local content at every stage of a project, developers can enhance social value licence, mitigate risks, and contribute to regional prosperity.

2.1 Early-stage development and planning

The foundation for effective local content integration is laid during the project's early stages. Developers should:

- Conduct early engagement with local businesses, industry groups and training providers to understand capabilities and workforce availability.
- Map potential supplies and workforce skills gaps to identify opportunities for capacity building.
- Engage with local councils and regional development bodies to align project plans with local economic priorities.
- Engage with Traditional Custodians to understand community priorities and capabilities.
- Undertake a Local Needs Assessment to inform local content target requirements by identifying the specific skills, industries and capacity gaps within the community.
- Partner with local training providers, TAFEs and universities to align skill development with project needs.
- Establish a clear policy prioritising local suppliers where feasible.
- Develop a Local Content Plan that outlines procurement, training and employment strategies, ensuring alignment with ASL's tender criteria.

2.2 Procurement and contracting

Embedding local content requirements in procurement strategies is critical for maximising regional benefits. Best practices include:

- Structuring tenders to provide fair opportunities for local businesses, including breaking down large contracts into smaller work packages.
- Implementing weighting criteria that favour local suppliers in the tender evaluation process.
- Providing capacity-building initiatives such as mentoring, training and support for local businesses to meet procurement requirements.
- Requiring tier-1 contractors to include local content targets in their own procurement and subcontracting practices.
- Proactively engaging and contracting with First Nations businesses and joint ventures.
- Working with industry bodies and local chambers of commerce to raise awareness of upcoming procurement opportunities.

2.3 Construction and delivery

The construction phase presents the most significant opportunities for local employment and supplier engagement. To optimise local content:

- Prioritise hiring from the local workforce, including apprenticeships and traineeships.
- Establish partnerships with TAFEs and training providers to support skills development programs.
- Require contractors to submit workforce and procurement data regularly to monitor local content outcomes.
- Implement on-the-ground engagement programs to connect contractors with local suppliers.
- Provide community benefit programs that invest in infrastructure of services that support local economic resilience.

2.4 Operations and maintenance

Local content commitments should extend beyond construction into the long-term operation of the project. Strategies include:

- Hiring and upskilling local workers for ongoing maintenance roles, transitioning temporary construction jobs into long-term operational roles where possible.
- Adopting sustainable procurement practices by maintaining relationships with local suppliers for ongoing maintenance and servicing needs.
- Partnering with First Nations businesses and social enterprises for long-term service contracts.
- Establishing community benefit-sharing initiatives that support local workforce development, education, skills training and economic development.
- Collaborating with research institutions and local businesses to drive regional innovation.

2.5 Decommissioning and repurposing

Even at the project's end-of-life, local content remains relevant. Best practices include:

- Prioritising local contractors for decommissioning works.
- Identifying opportunities for repurposing materials and equipment through local businesses, local councils and community organisations.
- Supporting regional recycling initiatives and circular economy approaches.

3. Tracking and reporting on local content

Effective monitoring and reporting are essential to ensuring accountability and demonstrating the impact of local content initiatives. Key considerations include:

- Establishing clear, measurables KPIs for local employment, procurement and training.
- Embedding reporting requirements in contractor agreements to ensure compliance with local content targets.
- Using standardised reporting templates to provide consistent data to ASL and government agencies.
- Engaging third-party auditors to verify local content claims and improve transparency.

4. Tools for enhancing local content

There are a range of tools and templates developers can use to strengthen their local content approach. This section provides examples of simple templates that can support you in your local content planning and reporting. There are also a range of software and systems available that can also support your needs.

4.1 Local Needs Analysis to inform local content targets

A Local Needs Analysis can inform local content target requirements by identifying the specific skills, industries and capacity gaps within a community. The Local Needs Analysis is a crucial first step in setting meaningful and achievable local content targets. By understanding regional economic conditions, workforce capabilities and supplier capacity, developers can tailor their strategies to maximise local participation while addressing key gaps. This proactive approach ensures that local communities benefit from project investments in a way that is both realistic and sustainable. Additionally, by aligning local content strategies with community needs, developers enhance social value benefit realisation, reduce project risks, and strengthen their competitive position in ASL's tender process.

Please refer to ASL Local Needs Analysis template on our website.

4.2 Local Content Plan

A Local Content Plan is a foundational tool for developers to systematically embed local content commitments into project planning and execution. By clearly outlining strategies for workforce development, supplier engagement and procurement, this template ensures a structured and proactive approach to maximising local economic benefits. It helps developers align with ASL's tender requirements, meet government policy objectives, and improve project transparency. By using this template in the project lifecycle, developers can set realistic targets, build meaningful local partnerships, and create a clear roadmap for implementation ultimately strengthening social licence and community support.

4.2.1 Purpose

A Local Content Plan outlines project-specific strategies for employment, procurement and skills development. It sets clear goals that ensure local content procurement is intentional, measurable and aligned with the project's long-term objectives.

4.2.2 Template

This template helps developers document their strategy for integrating local content across project phases.

Section 1: **Project overview**	
Project name	
Project developer	
Location	
Project stage	
Project description Brief summary of the project, including its scope and timeline	
Section 2: **Local content requirements**	
Local content objectives Outline the key objectives for local content integration (e.g. increasing local employment, supporting regional suppliers, developing skills).	
Local content targets[1] Specify the local content percentage to be achieved for each objective at each stage of the project lifecycle.	
Policy alignment Specify how objectives and targets align with ASL's tender requirements and/or government priorities.	
Relevant local regulations List any local laws or policies impact local content requirements.	

[1] For projects participating in ASL tenders, minimum local content requirements are outlined within the relevant *Tender Guidelines*.

Section 3: Local content assessment	
Existing local capacity Analyse the available local supplies, workforce skills and infrastructure relevant to the project's needs.	
Gap analysis Identify potential gaps between existing local capabilities and project requirements.	
Procurement categories Breakdown of project procurement categories (goods, services, construction) and potential local sourcing opportunities within each category.	
Section 4: Local content development strategies	
Local supplier engagement strategy Methods to identify and engage potential local suppliers. The strategy should identify key local supplier categories (e.g. civil works, electrical services, maintenance), and describe engagement plans with regional businesses, including outreach events and supplier briefings.	
Capacity building initiatives Specific plans to enhance local supplier capabilities through training, supplier development programs, technical assistance or joint ventures.	
Workforce and skills development strategy Define employment targets for local workers, apprentices, and underrepresented groups. Outline partnerships with TAFEs, universities and/or training organisations. Include strategies to upskill local workforce to meet project demands, including training programs.	

Section 5: Implementation plan	
Phased approach Outline a timeline for achieving local content targets, including milestones and key deliverables for each project stage.	
Monitoring and reporting Define metrics to track local content progress and reporting mechanisms to ensure accountability. This should include a description of data collection methods for tracking local content performance, a list of key performance indicators (KPIs) and reporting frequency.	
Procurement approach Explain how tenders will be structured to maximise local business participation.	
Procurement procedures Specify local content requirements to be included in procurement documents and contract terms/contractor agreements.	
Section 6: Stakeholder engagement	
Communication strategy Plan to communicate project local content goals and progress to local communities, government agencies, and relevant stakeholders.	
Community outreach Outline initiatives to engage local communities and address potential concerns regarding project impact.	
Collaboration with local organisations Identify local organisations that can support local content development and establish partnerships.	
Section 7: Contingency planning	
Risk assessment Identify potential challenges to achieving local content targets (e.g. lack of skilled workforce, limited local supplier capacity).	
Mitigation strategies Outline contingency plans to address potential risks and ensure project goals are met.	

4.3 Supplier Capability Mapping Tool

The Supplier Capability Mapping Tool is an essential resource for identifying, evaluating and engaging local business that can contribute to renewable energy projects. It allows developers to gain a comprehensive understanding of regional supply chain capacity, helping them tailor procurement strategies that maximise local participation. This tool supports fair and inclusive contracting opportunities, encourages supplier diversity (including First Nations and small businesses), and enhances project resilience by reducing reliance on distant or international supply chains. Regularly updating and using this tool ensures that developers can quickly adapt to market changes and build long-term local supply relationships.

4.3.1 Purpose

Identifying regional businesses that align with project needs.

4.3.2 Template

This tool assists developers in identifying local suppliers and evaluating their capabilities.

Instructions:

1. Populate the table by engaging with regional Chambers of Commerce, industry networks and supplier directories.
2. Assess suppliers based on project requirements.
3. Update regularly as new suppliers are identified.

Supplier name	Location	Industry / Service	Certification (ISO, First Nations, etc.)	Previous RE project experience	Capacity for scale	Contact details
[Example Pty Ltd]	[Town, State]	[Civil engineering]	[ISO 9001, Supply Nation Certified]	[Wind, Solar]	[High, Medium, Low]	[Email, Phone]

4.4 Early Supplier Engagement Plan

Supplier engagement occurs at the various stages of a renewable energy project and it is important to define and communicate supplier engagement pathways consistently.

The purpose of the Early Supplier Engagement Plan (ESEP) is to outline and communicate how suppliers can engage with a proponent of a renewable energy project. The ESEP aims to ensure that supplier engagement pathways are clearly articulated during Request for Proposal and/or Agreement development stages of a project prior to full disclosure of the proponent's procurement strategy.

Key objectives in completing the ESEP:

- improve transparency of procurement-related information in the early phases of a project
- detail supplier engagement processes and intentions as the project progresses
- communicate your procurement processes and intentions and make them easily visible to suppliers
- provide consistent messaging to the supplier market.

Instructions:

1. Populate the table.
2. Communicate through websites and distribute to relevant stakeholders.

Early supplier engagement	
Project name	
Contractor name	
How can suppliers register their interest in participating in this project?	
Who can they contact should they have any questions?	
How will suppliers be informed of the project's procurement process once it's finalised?	
What is the expected date that information on the procurement process for this project will be available?	

4.5 Workforce Development Strategy Guide

The Workforce Development Strategy Guide provides developers with a structured approach to fostering a skilled local workforce for both construction and long-term project operations. By identifying skills gaps, partnering with training providers, and setting clear employment targets, developers can create meaningful job opportunities while ensuring their projects have a reliable talent pipeline. This guide is particularly valuable in regional areas where workforce availability can be a challenge, helping to upskill local workers, support apprenticeships, and promote diversity and inclusion in the renewable energy sector. Implementing a strong workforce strategy also enhances social acceptance and aligns with government employment and training initiatives.

4.5.1 Purpose

This framework outlines how developers can build local workforce capacity through targeted training and employment initiatives.

4.5.2 Template

Workforce development strategy components	
	1. Local workforce analysis • Assess regional workforce availability and skills gaps. • Identify priority sectors for workforce integration.
	2. Training and upskilling programs • Partner with local TAFEs and universities to develop tailored training. • Support apprenticeships, traineeships and graduate programs.
	3. Diversity and inclusion initiatives • Establish recruitment pathways for First Nations peoples, women in trades, and other underrepresented groups. • Work with community organisations to improve accessibility to job opportunities.
	4. Employment targets and monitoring • Set measurable targets for local employment participation. • Track and report progress using standardised employment data.

4.6 Local Content Reporting Template

The Local Content Reporting Template is a critical tool for tracking and demonstrating compliance with local content requirements. It ensures that developers consistently measure progress against their commitments, providing transparency and accountability in workforce participation, procurement and First Nations engagement. Regular reporting helps identify gaps or challenges early, allowing for timely corrective actions and continuous improvement. By standardising data collection across projects, this template also supports benchmarking and best practice sharing within the renewable energy sector. Using this template not only helps meet the compliance obligations but also strengthens stakeholder trust and credibility.

4.6.1 Purpose

This template standardises local content data collection and reporting for compliance and impact measurement.

4.6.2 Template

Instructions:

1. Populate data based on project monitoring and supplier reports.
2. Address any shortfalls with corrective measures.

Category	Target (%)	Actual (%)	Variance	Notes / Corrective Actions
Local workforce	[e.g. 50%]	[Actual %]	[+/-%]	[Challenges, actions to improve]
Local procurement	[e.g. 60%]	[Actual %]	[+/-%]	[Supplier feedback, gaps]
First Nations engagement	[e.g. 10%]	[Actual %]	[+/-%]	[Engagement efforts, plans]

Additional notes	
Challenges encountered (e.g. supply chain constraints, skills shortages)	
Success stories and best practices	
Actions for improvement	

5. Other useful resources and links

Developers can leverage existing government and industry resources to enhance local content outcomes, including:

- Australian Government's Buy Australian Plan
  www.business.gov.au
- Clean Energy Council's Local Jobs and Manufacturing Initiative
  www.cleanenergycouncil.org.au
- State-based renewable energy procurement guidelines
- Indigenous Business Directory
  www.supplynation.org.au
- Australian Industry Capability Network
  www.icn.org.au

6. Conclusion

Embedding local content in renewable project development is not just a compliance requirement – it is an opportunity to drive meaningful economic and social benefits for regional communities. By adopting best-practice strategies, integrating local content into procurement and contracting, and rigorously tracking outcomes, developers can create lasting positive impacts while aligning with government priorities and ASL's tender requirements.

ASL