

SCHEDULE 5

TASMANIAN INDUSTRY PARTICIPATION PLAN

The Tasmanian Government is committed to maximising opportunities for local SME¹ businesses to compete for and win Government procurements. Suppliers are requested to prepare a Tasmanian Industry Participation Plan (Plan):

- For all procurements with a value exceeding \$5 million;
- For nominated procurements (at the discretion of the procuring Government entity) greater than \$2 million and up to \$5 million.

Your Plan will contribute a minimum of 10% of the procurement evaluation. Suppliers that fail to submit a Plan will receive a zero score in relation to this criterion.

This Plan is your opportunity to demonstrate how your submission will positively impact on the local industry/economy. You do not need to answer all of the questions below and your submission may not necessarily be limited to these issues (which are provided as prompts). You will need to ensure you can verify the information you submit and where possible should provide actual numbers of staff (full-time equivalent)/values of goods and/or services.

If you are the successful tenderer you must complete this Plan prior to signing the Conditions of Contract, and must agree to the publication of an executive summary of this Plan on the Department of Treasury and Finance website, within 14 days of award of Contract.

Procurement details

Procurement Reference No.	2308
Procurement title	Midland Highway Tunbridge (White Lagoon) to Mona Vale Road Road Improvements and Safety Upgrade
Name of Responsible Agency/Entity	Department of State Growth

Supplier details

Name of supplier	Shaw Contracting (Aust) Pty Ltd
Contact details for supplier	Shaw Contracting (Aust) Pty Ltd 776 Whitemore Road Whitemore, Tasmania 7303 Tel.:(03) 6397 0222

Local SME industry impact

What is the direct local impact of your business?

Are you a local SME (how many people do you employ, where is your business located, what is the ownership)? How many people do you employ in Tasmania? Would any new SME jobs be created by the proposed contract - how many?

¹ Local SME are Australian and New Zealand businesses employing less than 200 people.

SHAW RESPONSE

Shaw Contracting is a Tasmanian company founded in the northern Tasmanian town of Whitemore in 1935 by James Shaw. The business has evolved over time to employ 100 construction industry specialists. In 2013 the ownership of the company changed after a management buy out allowed the last family owner, Alwyn Shaw, to retire. Shaw is now owned and managed by an experienced and dedicated team of Tasmanians who are committed to the success of the business, the industry and the community.

In this project Shaw Contracting is a major local SME. Shaw Contracting is based at Whitemore, 25km from Launceston in the north of the state and employs 78 full time staff. Should we be successful we estimate an additional 15 new jobs will be created.

This project would require construction staff to work away from home and boost local accommodation business close to the Tunbridge / Mona Vale area.

Beyond the contribution that the Midland Highway Tunbridge (White Lagoon) to Mona Vale Road Road Improvements and Safety Upgrade Project will make to the Tasmanian economy, we recognise, as part of our corporate responsibility, that we can support local SMEs in many areas that are important to them.

We have set about to achieve this goal through the building of strong relations, throughout the Project life, with the local SMEs surrounding the areas where the Project is being developed and by using a sustainable approach to development as we undertake SME support initiatives.

Small and medium enterprises (SMEs) are the back bone of Tasmania's economy. To maximize opportunities for local SMEs to participate in the supply chain of the project, and to promote good, profitable business, a strong understanding of business administration is needed. To that end, we will leverage the expertise of our systems management, in particular safety, environment and quality programs that aims to strengthen the capacity of local SMEs through the provision of training, workshops and coaching sessions.

To date, we have invested significant resources in the development of those local SMEs whom we have engaged on other projects across Tasmania. This investment has benefitted the local SMEs in understanding and complying with relevant legislation as well as improving safety performance.

Occupational Health & Safety

Access to safety legislation can also be a major constraint to growth and participation on projects for SMEs. Having recognised this challenge, in 2013 we deliberately set about to educate and provide the relevant documentation to all SMEs on our projects that enable them to comply with legislation. This approach to engaging with SMEs has resulted in significant improvements in safety across our projects which Shaw was recognised for at the State Growth Safety and Roadworks Award for 2015.

Goods and services to be utilised in the contract

Identify the goods and/or services you expect to purchase in order to complete the contract and provide the requested information in relation to same, where known.

Identified goods or services or subcontracted works	Total estimated value	Name of supplier anticipated to be used (if already determined through existing supply chain arrangements) – including location of business	Labour component as an approximate percentage of total estimated value	If supplier not yet determined, is there a local SME market for same? (Yes/No)
Pavement Materials	\$1,900,000	HBMI Tunbridge		
Sealing	\$1,900,000	Roadways Glenorchy		
Pavement Marking	\$810,000	Onlinez Sorell		
Road Safety Barriers	\$450,000	Ingall		
Precast Concrete Construction	\$150,000	Hudson Civil Products Hobart		
Fencing	\$300,000	Kerry Locke Fencing Colebrook		

Opportunity for local SME involvement

Will you source components of your offer from other local SME companies/sub-contractors or is there new work to be undertaken locally as a result of you fulfilling the contract or workers travelling to the local area to undertake the work? How much?

Detail how you intend to identify and engage with sub-contractors and/or other SMEs in relation to the delivery of the contract including your supply chain ie use of existing supply chains, advertising of sub-contracting or supply opportunities, liaison with industry groups and ICN etc.

Shaw will be sourcing pavement materials, concrete, truck hire, some excavator, general labouring, accommodation and meals from the local area. In addition to this, Shaw will have a base of existing full time employees leading the team.

There will be significant transport of fill material and pavement materials as well as material within the site carried out by SMEs.

SME Engagement

Shaw's enduring objective is that the operating culture of our projects delivers safe, compliant and reliable operations. These operations rely on the ongoing capability, performance and commitment of SMEs whose values are ideally closely aligned to Shaw's.

Shaw recently introduced a procedural requirement that supports this objective through the Contractor Prequalification process. This process aims to identify SMEs who are qualified to undertake work or supply to our project(s) and is condition precedence to carrying out work for Shaw.

Labour Hire

We will endeavour to employ up to 10 additional employees from the local area.

Our approach is always to build capability and the development of skills within the local communities in which we operate.

Broader economic opportunities

Are there any other impacts that your business and/or this specific supply will provide to the local/regional economy?

Your supply may lead to: new skills being developed locally; trainees/apprentices being appointed; cross transfer skills to a local SME partner/sub-contractor; your company (if you are not a local SME) setting up an office/employing local staff; scale for you to take your products/services interstate/overseas; local community sponsorship etc.

Our philosophy of "people working together for the future" means that we are committed to working with our suppliers and sub-contractors to build the capacity of the local industry.

In the 80 years of working in Tasmania, Shaw has established strong collaborative relationships with the local business community where, working together, we have established a competitive team that delivers successful business outcomes for all involved as well as economic benefits for the state.

The nature of our industry sees us delivering projects throughout Tasmania. To fully engage the region we're in, we have a policy to employ casuals from the local area. Further, we invest in up-skilling casual employees in safety systems so when we finish a project we leave behind, not just a completed project, but also a more highly skilled workforce for the future of the industry in Tasmania.

We recognise and respect that our subcontractors are also in business and need to return a profit and grow for the good of the industry in Tasmania. To support our subcontractors, we have developed a program of investing in them by up-skilling their Safety Management Systems.

Professional Development

We are passionate about the professional development of our team members and, as a partner of the Tasmania Division of Engineers Australia; we have a program for three graduate engineers to gain Chartered Status. As industry leaders, we see it as an essential part of our being that we assist in developing the future generation of Tasmanian industry experts.

Shaw has employed a Graduate Engineer from UTAS in each of the last three years and gives work experience to Engineering students

Community Involvement

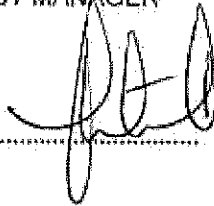
Our shareholders agreement guarantees that we reinvest in the company to grow and support the Tasmanian community. As a result we are able to support the activities of a range of local organisations from local sporting programs, to disability services and charities including:

- *Junior Hockey*

- *Downs syndrome*
- *Carrick Park Pacing Club junior program*
- *Special Children's Christmas Club*
- *St Helens Athletics Carnival*
- *Deloraine Golf Club*
- *Whitemore Recreation Ground*
- *St Patrick's Old Collegians Football Club*
- *Tamar Yacht Club Junior Sailing Program*

Completed and endorsed (Supplier) Shaw Contracting (Aust) Pty Ltd

JOE LUTTRELL, SENIOR PROJECT MANAGER
(Name and position – print)

A handwritten signature in black ink, appearing to read 'Joe Luttrell', written over a horizontal dotted line.

(Signature)

16/12/2015
(Date)