

# Tasmanian Industry Participation Plan

## **Tasmanian Industry Participation Plan for use in association with Department of State Growth's Prequalification System for Road and Bridge Construction Contracts**

The Tasmanian Government is committed to maximising opportunities for local SME businesses to compete for and win Government procurements.

This Tasmanian Industry Participation Plan (TIPP) has been specifically developed for use in association with the Department of State Growth's Prequalification System for road and bridge construction and maintenance contractors are requested to prepare a TIPP. This TIPP is your opportunity to demonstrate how your business will positively impact on the local industry/economy. 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.

The TIPP will be reviewed by a panel of assessors who will attribute a score based on the information you have supplied. That score will be recorded by State Growth and used as the Buy Local Policy's Local Benefits Test score in the evaluation process for each relevant road and bridge tender (i.e. where suitable prequalification categories exist) submitted by you. The score will contribute a minimum of 20 per cent of the procurement evaluation.

The score will remain valid for a period of three years. If you consider that material changes are required to the information originally supplied in the TIPP, you may request State Growth to seek a review of the revised TIPP (and attributed score). Contractors that have not submitted a TIPP will receive a zero score in relation to the Local Benefits Test criterion.

## Contractor details

<b>Name of Contractor</b>	Downer EDI Works Pty Ltd
<b>Contact details for contractor</b>	Daniel Baker, Manager Surfacing – Tasmania: 0448 125 729 3 Whitestone Drive, Austins Ferry TAS 7011

- I/We acknowledge and agree that the score allocated based on the information submitted in this TIPP will be used as the Buy Local Policy's local benefits test score in the evaluation process for each relevant road and bridge tender (i.e. where suitable prequalification categories exist) submitted by me/us for the period of my/our prequalification and acknowledge and also agree that score will be applied in evaluation of my/our tender submissions in respect of major road and bridge procurements for the period of my/our prequalification.
- I/We agree that the financial and other information submitted in relation to my/our current or most recently completed prequalification application can be used to assist in arriving at the score allocated to me/us under the Local Benefits Test criterion, including to supplement and verify the information supplied in this TIPP.
- I/We request that the following listed information and previous tenders, applications and submissions are considered in addition to the information supplied in this TIPP [contractor to list below].

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

An overview of the Buy Local Policy is contained in the publication Buy Local Policy located on the Purchasing website at <http://www.purchasing.tas.gov.au/buyingforgovernment/publications.jsp>

## Local SME industry impact

*What is the direct local impact of your business on local SMEs?*

Downer spends in excess of \$20m annually to purchase goods and services with Tasmanian owned and operated small-to-medium enterprises (ie not including companies with a national or international footprint).

This excludes wages and salaries. It also excludes the impact of purchases by VEC Civil Engineering, a local business owned by Downer. And it further excludes spend on items such as meals, accommodation and car hire by employees travelling to Tasmania from interstate.

*Examples: how many people do you employ, where is your business located, what is the ownership? How many people do you employ in Tasmania? Would you expect any new SME jobs to be created to undertake new State Government contracts - approximately how many?*

*How many people does the business employ in total?*

The Downer Group employs more than 53,000 people across its businesses.

*How many people does the business employ in Tasmania?*

Downer has 70 permanent employees based in Tasmania, excluding the VEC Civil Engineering business, and also utilises labour hire companies to supplement its workforce in peak periods.

*What is the businesses' three year planned annual intake of new employees?*

Downer has followed a steady and sustainable growth pattern of adding two permanent employees to our Tasmanian team per year, meaning that in three years' time we anticipate our permanent employee figures will increase by six persons.

*How many employee placements are planned for Tasmania?*

6 over 3 years

*How many trainees and/or apprentices do you employ?*

Downer's Tasmanian business currently employs two trainees. One is employed as part of our minor civil works division and the other is a cadet engineer.

*What is the businesses' three year planned annual intake of trainees and/or apprentices?*

We anticipate that we will continue to follow our established pattern of employing one new apprentice each year.

*How many trainee or apprentice placements are planned for Tasmania?*

3 over 3 years

*Other supporting information (free text):*

Downer operates from a number of facilities throughout Tasmania, including:

- Our Austins Ferry head office supporting asphalt production, surfacing and minor civil works, and our adjacent depot housing specialist and general equipment, offices and training facilities
- Our Mowbray asphalt plant
- Our Lindisfarne asphalt plant
- Our DM Roads depot at Queenstown, from which we also deliver the current North West Maintenance contract for the Department of State Growth
- Our subsidiary VEC's office at Ulverstone
- Our waste management facility at Copping.

The nature of our operational business sees our teams travelling extensively throughout the state, with significant economic contribution to regional communities made not only through materials supply and subcontract works, but also through ancillary purchases such as accommodation, fuel and meals.

# Goods and services expected to be utilised in State Government contracts

Identify the types of goods and/or services you expect to purchase when undertaking road and bridge construction works and services activities and provide the requested information in relation to same, where known.

## Materials

Identify the materials that you do or will purchase for utilisation in road and bridge construction works and services activities.

Description	Name of supplier	Location of supplier	Estimated annual value
Asphalt	Roadways	Burnie, TAS	\$3 million
	Hardings Hotmix	Ulverstone, TAS	
Aggregates and other materials	Boral	Mowbray, TAS	\$3.2 million
	Hanson	Lindisfarne	
	Hazell Bros	St Leonards, Derwent Park, Launceston, New Norfolk, Burnie, Leslie Vale, Tareleton, South Burnie (all TAS)	
	Gaspersic	Queenstown, TAS	
	North East Excavations	St Helens, TAS	
	Males	Hobart, TAS	
	Thorne	Beauty Point, TAS	
Bitumen	PUMA Energy	Selfs Point, TAS	\$6 million

## Manufacturing

Identify the materials or components you manufacture or produce which are used in road and bridge construction works and services activities, the locations of your production facilities and the number of people you employ as a result of your manufacturing and/or production activities.

Description	Location	Number of employees
Asphalt	Lindisfarne, TAS	3
Asphalt	Mowbray, TAS	4

## Professional services

Identify the consulting and other technical services that you do or will require when carrying our State Growth road and bridge contracts.

Description	Name of supplier	Location of supplier	Estimated annual value
Workplace health and safety	St John's Ambulance	Moonah, TAS	\$20,000
	Workplace Health Assessors	Launceston/Hobart/Devonport/Burnie (all TAS)	
	Safe Workplace Solutions	Derwent Park, TAS	
Membership of professional organisations and training	Civil Contractor's Federation (CCF)	VIC/TAS chapters	\$20,000
	Australian Asphalt Pavement Association (AAPA)		
Quality assurance and engineering services	GHD Australia	Salamanca Square, TAS	\$350,000
	NATA	Camberwell VIC (VIC/TAS office)	
	20G	Tasmania	
	Rare Earth	Launceston, TAS	
	Protech	Launceston/Burnie (all TAS)	

## Labour hire services

Identify the labour hire that you do or will require when carrying our State Growth road and bridge contracts.

Description	Name of supplier	Location of supplier	Estimated annual value
Labour hire	Programmed	Moonah/Launceston/Burnie (all TAS)	\$500,000
	Manpower	Battery Point, TAS	
	Wise	Hobart/Launceston/Devonport (all TAS)	
Traffic Management	Stornoway	North Hobart, TAS	\$500,000
	Altus	Moonah/Rocherlea (all TAS)	
	ATC	Evandale, TAS	

## Other (free text)

Identify any other supply chain related activities and relationships employed by your company to, wherever local capability exists, maximise the use of SME and/or local content in the goods and services used in State Growth road and bridge contracts.

Downer has engaged with sole trader providers in an effort to improve their understanding and implementation of Integrated Management Systems. Aside from ensuring compliance with quality and safety standards, we see this as being part of our broader impact to upskill and add value to local Tasmanian small-to-medium enterprises.

## Opportunity for local SME involvement

Would you expect to source components relating to State Government contracts from local SME companies/sub-contractors or do you expect new work to be undertaken locally as a result of you fulfilling any new contracts or workers travelling to the local area/s to undertake the work? How much?

## Subcontractors

Does the business routinely subcontract work:

Yes (yes/no)

If yes to the above, can you estimate the proportion (percentage) of work subcontracted based on the financial level applied for or granted and technical categories applied for and granted under the NPS?

At any given time, the value of works subcontracted to Tasmanian suppliers would be between 10%– 15%

Identify the subcontractors used by the business.

Description of the work subcontracted	Name of subcontractor	Location of subcontractor	Estimated annual value	Tasmanian labour %
Sealing works	Roadways	Glenorchy, TAS	\$2 million	100%
	Crossroads	Rocherlea, TAS		
	KP Asphaltting	Eggs and Bacon Bay, TAS		
Line marking	Statewide Linemarking	Glenorchy, TAS	\$1.6 million	100%
	Supalux	Orford, TAS		
Cartage/truck hire	Booth Tasmanian Transport	Gretna, TAS	\$2.5 million	100%
	Tiny's Tippers	Claremont, TAS		
	WT Cook	Tasmania		
	A&H Industrial	Dromedary, TAS		
	Gradco	St Leonards, TAS		
	Hazell Bros	St Leonards, Derwent Park, Launceston, New Norfolk, Burnie, Leslie Vale, Tareleton, South Burnie (all TAS)		

## General services

Identify the general services, such as administration, accommodation, transportation, operational support, that the business utilises.

Description	Name of supplier	Location of supplier	Estimated annual value
Accommodation	Beachfront	Ulverstone, TAS	\$200,000
	Murchison Lodge	Somerset, TAS	
	Olde Tudor	Launceston, TAS	
	Tall Timbers	Smithton, TAS	
	Various further suppliers as required by our operations across Tasmania	Various further locations as required by our operations across Tasmania	
Transportation	AutoKlene	Spreyton, TAS	\$500,000
	Autosmart	Kingston, TAS	
	BSelect	Moonah, TAS	
	Bridgestone	Moonah, Hobart, Launceston, Wivenhow, East Devenport, Huonville, Brighton, Somerset (all TAS)	
	Various further suppliers as required by our operations across Tasmania	Various further locations as required by our operations across Tasmania	
General administrative and operational support	A range of suppliers as required by our operations across Tasmania	Various locations as required by our operations across Tasmania	\$500,000
State and Local Government services	A range of suppliers as required by our operations across Tasmania	Various locations as required by our operations across Tasmania	\$50,000

## Consumables and other products

Identify the consumables and other products (eg fuel supplies, parts, tools, protective and other clothing and the like) the business purchases in support of it undertaking State Roads road and bridge construction operations.

Description	Name of supplier	Location of supplier	Estimated annual value
Fuel, oils, lubricants	Caltex Australia	Locations across Tasmania	\$500,000
	Independent Oils	Ulverstone/ Moonah (all TAS)	
Utilities (electricity, gas, water)	Aurora Energy	Battery Point, TAS	\$500,000
	TasGas	St Leonards, TAS	
	TasWater	Devenport/Launceston/ Round Hill/Invermay (all TAS)	
Parts and tools	Blackwoods	Invermay/Derwent Park/ South Burnie (all TAS)	\$100,000
	Nubco	Derwent Park/Invermay/ Mornington/Kingston/ Devenport/Wivenhoe/ George Town (all TAS)	
	Nuts'n'Bolts	Moonah, TAS	
Clothing/uniforms	The Workwear Group	New South Wales	\$20,000

## Manufactured or produced components

In relation to the manufactured or produced components, provide details of any businesses that you engage in order to provide maintenance or other services, goods or equipment to support and maintain your manufacturing and production activities.

Description	Name of supplier	Location of supplier	Estimated annual value
Production support	20th Century Plumbing	Derwent Park, TAS	\$100,000
	A&M Delaney	Brighton, TAS	
	The Engineering Co	Somerset, TAS	
	Ammann	Germany	
	NATA	Camberwell VIC (VIC/TAS office)	
	Various further suppliers as required by our operations across Tasmania	Various further locations as required by our operations across Tasmania	

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

Downer maintains a panel of preferred subcontractors and suppliers, including our competitors in some cases.

This preferred-supplier approach ensures we engage subcontractors and suppliers with a proven track record in quality and delivery.

We do engage new suppliers from time to time, however it is highly unlikely that we would trial new suppliers or subcontractors on a Department of State Growth contract.

It is always our intent to engage with Tasmanian small-to-medium enterprises wherever possible.

*Detail the process that you are to undertake to ensure that local SMEs are not to be disadvantaged where competing with other suppliers in the provision of goods or services to be used as part of any new State Government contracts (ie unpacking of procurements into smaller components so that local SMEs can compete more effectively etc).*

When seeking quotations for this and other contracts, Downer takes into consideration the location of the works in determining which suppliers to engage to ensure a cost-efficient delivery model. This is important in supporting local small-to-medium enterprises, particularly in regional areas.

The major components of the works under the Pavement Resurfacing 2020-2021 contract appear to be in materials such as aggregates and bitumen. Downer sources these materials from local Tasmanian businesses.

*Other supporting information (free text):*

In bidding for the North West Maintenance Contract, Downer acknowledged the importance of working with local small-to-medium enterprises and committed to having no bias towards its own supply chain so as not to disadvantage local small-to-medium enterprises.

Downer has demonstrated this in practice, with the award of sealing works and asphalt supply to local small-to-medium enterprises in Roadways, Hardings Hotmix and Crossroads.



## Broader economic opportunities

*Are there any other impacts that your business and/or specific supply will provide to the local/regional economy when undertaking State Government contracts?*

*Examples: 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.*

## Direct employment

Downer's Tasmanian business is part of the larger ASX-listed Downer Group, an Australian-based organisation. We do however provide more than 70 local Tasmanians with permanent employment, and provide opportunities for additional casual employees as our workload allows, plus additional local employment through our Downer-owned specialist contractor VEC.

## Economic contribution through small-medium enterprises

As has been demonstrated in the tables above, Downer contributes some \$20 million each year into Tasmanian small-to-medium enterprises for the supply of goods and services which provides further employment opportunities within those businesses.

## Economic contribution through larger organisations

Additionally, we procure goods and services from larger organisations to approximately another \$20 million per annum. Most of these businesses (for example, Hansons and Boral) also directly employ Tasmanian workers, resulting in further positive economic impact of our operations in Tasmania outside of our engagement of small-to-medium enterprises.

## Professional development of local workforce

Downer is committed to providing the opportunity for local employees to acquire and develop skills as part of our delivery of works. Training is generally provided through local agencies, with the exception of specialist skills such as seal design training not currently available in Tasmania.

## Demonstrated economic and operational commitment to Tasmania

Downer has committed to significant investment in Tasmania with the upgrade of our Lindisfarne asphalt plant in recent years. In addition to the positive economic impact this upgrade provided, our new asphalt manufacturing facility enables us to offer our innovative Reconophalt™ product in Tasmania.

Reconophalt™ is Australia's first asphalt product containing high-recycled content derived from true waste streams that would otherwise be bound for landfill, including waste toner, soft plastics, recycled asphalt and recycled glass. The recycled asphalt and glass in particular have a direct local impact by diverting these elements away from Tasmanian landfill. Similarly, the soft plastics are collected at Tasmanian supermarkets and processed through our exclusive partnership with Close the Loop.


Further to the benefits of waste-stream diversion, the lower mix temperature of Reconophalt™ reduces energy use and plays a key role in supporting Downer's customers to meet or exceed their individual carbon emission reduction targets with a peer-reviewed mechanism to issue certificates detailing carbon tonnes saved.

Reconophalt™ is suitable for any application where standard C170/C320 binder is specified, for underlying base layers and non-modified wearing course asphalt. It is also suitable for select applications where a polymer-modified binder has been specified.

Our mixes comply with AS2150 and standard state road authority specifications, while providing a marked increase in fatigue resistance for longer pavement life and superior resistance to deformation withstanding heavy vehicular traffic, with extended asset life delivering further sustainability benefits.

## Employment of trainees, apprentices and cadets

Downer has recommenced our cadetship program in Tasmania over the last 12 months. In November 2019, we welcomed a second-year civil engineering student from the University of Tasmania to provide on-the-job skills development whilst still studying. The intention is to maintain this program, and hopefully expand it should the interest be there. We are also looking to expand our trainee program, with a view to building capability from within.

<b>Signed by the contractor or a person who duly warrants their authority to sign on the contractor's behalf</b>	
<b>Name of person signing</b>	Daniel Baker
<b>Position title</b>	Manager Surfacing – Tasmania
<b>Date</b>	10 <sup>th</sup> June 2020