

Schedule 7 ←

Tasmanian Industry Participation Plan

The Tasmanian Government is committed to maximising opportunities for local SME 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.	C2295
Procurement Title	MIDLAND HIGHWAY - PERTH TO BREADALBANE DUPLICATION
Name and Responsibility of Agency/Entity	Department of State Growth

SUPPLIER DETAILS

Name of supplier	VEC Civil Engineering Pty Ltd & Shaw Contracting (Aust) Pty Ltd
Contact details for supplier	VEC Civil Engineering Pty Ltd 10b Industrial Drive Ulverstone, Tasmania, 7315 Tel.: (03) 64 25 65 30 Shaw Contracting (Aust) Pty Ltd 776 Whitemore Road Whitemore, Tasmania, 7303 Tel.: (03) 63 97 02 15

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?

VEC-SHAW RESPONSE:

VEC Civil Engineering Pty Ltd (VEC) and Shaw Contracting (Aust) Pty Ltd (Shaw) have created this Joint Venture for the Perth to Breadalbane Duplication project to optimise the opportunities of two Tasmanian companies collaborating to enhance the synergy of the two organisations to offer the Department of State Growth with the most Value for Money solution. We believe that this collaboration will offer the local community the greatest opportunity for increased SME involvement.

VEC is a Tasmanian based company with its head office in Ulverstone employing 85 people; while Shaw is a Tasmanian based company based at Whitemore (just 30km's from the project site) and employees 78 Tasmanians. This project would allow construction staff to travel daily to the site, improving their family life. The table below shows the division of these employees over Casual, Part time, Full time or apprentices.

	CASUAL	PART TIME	FULL TIME	APPRENTICES
VEC	4	5	70	6
SHAW	7	1	68	2
TOTAL	11	6	138	8

It should be noted that VEC has a high commitment to employing and training local people. With 20% of our employees in the Steel Division undergoing an apprenticeship and 24% of our staff in our Structures division undergoing an apprenticeship in Certificate 3 in Carpentry, VEC can confidently say that our apprentice ratio is superior, reflecting our strong devotion to upskilling local trades people.

VEC was founded by two local highly respected Tasmanians 20 years ago. Over the years, VEC has grown to be a company commonly known in the market as one that invests heavily in their employees to provide a safe and inviting workplace. Although ownership was transferred in October of 2014*, VEC continues to withhold the local culture and stay true to its values by committing to supporting the local industry.

Shaw 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 buyout 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.

VEC-Shaw's focus is on effective project management and engineering, whilst partnering with other local providers to maximise the industry benefit. Our aim ratio of subcontractor to VEC-Shaw employees is 1:4, utilising local based specialist sub-contractors and labourers which in turn supports the local community and assists with community engagement.

Should VEC-Shaw be awarded the contract, we estimate that the number of new SME jobs created to undertake this contract would be approximately 20; the number of new jobs that are likely to be created will be approximately 10.

*VEC became a wholly owned subsidiary of Downer EDI as of the 31st of October 2014.
Midland Highway - Perth to Breadalbane Duplication Project | Contract C2295 | VEC SHAW Joint Venture

GOODS AND SERVICES TO BE UTILISED IN THE CONTRACT

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

VEC-SHAW RESPONSE:

IDENTIFIED GOODS OR SERVICES	TOTAL ESTIMATED VALUE	NAME OF SUPPLIER ANTICIPATED TO BE USED (IF ALREADY DETERMINED THROUGH EXISTING SUPPLY CHAIN ARRANGEMENTS)	LOCATION OF SUPPLIER (WHERE ALREADY DETERMINED THROUGH EXISTING SUPPLY CHAIN ARRANGEMENTS)	IF SUPPLIER NOT YET DETERMINED, IS THERE A LOCAL SME MARKET FOR SAME? (Yes/No)
Bituminous surfacing	\$2,009,000	Downer EDI	Hobart	
Line-marking	\$300,000	Statewide Line-marking	Hobart	
Signs	\$100,000	Tranex	Deloraine	
Concrete supply	\$600,000	Hanson/Boral	Launceston	
Precast supply	\$445,000	Hudson Civil/VEC	Launceston/Ulverstone	
Landscaping	\$250,000	Reveg Tasmania	Hobart	
Misc Concrete works	\$50,000	Hason/Boral	Launceston	
Fencing	\$150,000	KR & JM Agriculture	Ouse	
Traffic Management	\$400,000	VEC-Shaw JV	Ulverstone/Launceston	
Food & beverages	\$50,000	Devils Bakehouse, Perth Roadhouse	Perth	
Accommodation	\$250,000	Accommodation on George B&B, Queens Head Inn, Relbia Lodge	Perth	
Small Plant Hire	\$60,000	VEC-Shaw JV	Perth	
Gravel Supply	\$3,400,000	Stornoway/Boral	Launceston	
Drill & Blast	\$530,000	Forze	Margate	

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.

VEC-SHAW RESPONSE:

VEC-Shaw have access to a wide network of reputable specialist sub-contractors and suppliers to satisfy the requirements of the contract. As an ongoing measure, we are always searching for and procuring the services of new local suppliers, subcontractors and consultants.

Where deemed suitable, our preference is to utilise local contractors to complement our resources to undertake the works. This is a cost effective approach which provides the Department with value for money whilst providing an economic benefit to the local community. Typically these subcontractors will be identified during the tender phase of a contract, through Community Consultation undertaken by the tender team.

VEC-Shaw have an extensive list of approved and compliant sub-contractors throughout the state, with commercial relationships in place through past experience working together on the dedicated VEC and Shaw projects. Should works be awarded in regions whereby current contractors are not pre-qualified with VEC or Shaw, we plan to advertise locally via newspaper adverts seeking Expressions of Interest as well as working with the CCF and ICN who can assist with sub-contractor identification.

VEC-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 VEC and Shaw.

Access to additional staff during this project will be drawn from the surrounding areas. Our approach is always to build capability and the development of skills within the local communities in which we operate.

To show the Department our commitment to the development of the local community, VEC-Shaw have already committed to sponsoring a student at the Kings Meadows High School, to participate in the National F1 in Schools Design & Engineering Challenge in Sydney during February 2016. Due to our contribution, this student is able to participate in this program that involves students engineering and then creating a technically perfect miniature Formula 1 car using Autocad Software. Within the team, there are 4 males and 1 female. The student we are sponsoring is also taking the role of team manager. We feel it is important to continuously support young engineers who are key to future Tasmanian developments.



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.

VEC-SHAW RESPONSE:

Community Involvement

Both VEC and Shaw believe that a company's Corporate Social Responsibility extends beyond financial sponsorship. It also includes building partnerships with community organisations to better the lives of other people.

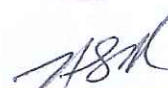
The Shaw Shareholders Agreement guarantees that they reinvest in the company to grow and support the Tasmanian community. As a result, they are able to support the activities of a range of local organisations from local sporting programs, to disability services and charities including:

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

VEC have a full and effective CSR program that begins with our Community Partnership Program (CPP), which is driven by applications from employees to support charities, events and youth activities. It continues through ongoing support for the Tasmanian Leaders Program that helps create future industry leaders who will make a valuable contribution to Tasmanian business and community. Assistance is provided to other community groups and causes where appropriate.

Completed and endorsed (Supplier)
VEC Civil Engineering Pty Ltd, Lincoln Bromwich
Shaw Contracting (AUST) Pty Ltd, Hugh Maslin
2 December 2015

Signatures:



Professional Development

VEC-Shaw are passionate about the professional development of our team members. Both companies support the Tasmanian Division of Engineers Australia through the Professional Development Program. 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.

Local Site Office

VEC-Shaw will provide local site offices that are set up in a way to provide all the office support necessary. Where additional administrative support is desirable, VEC-Shaw endeavour to employ local staff to perform the work.

Should VEC-Shaw be awarded this contract, a site office will be located adjacent to the site close to the existing Breadalbane roundabout, and the local hospitality facilities (ie. cafés, restaurants, shops) in Perth are able to provide the crew with their supplies.

VEC-Shaw have a positive impact upon local communities through:

- Increased local employment via labour hire;
- Increased local skillset through accreditation and licencing (traffic management, machinery etc);
- Utilisation of local civil business and equipment hire;
- Utilisation of local hotels / motels for accommodation;
- Support of local sporting teams and community organisation through sponsorship and community grants; and
- Provision of fuel through local providers where possible.

Subcontractors

To fully engage the region of Perth-Breadalbane, we shall invest in up-skilling casual employees in our safety systems. This will create a more highly skilled workforce for the future of the industry in Tasmania. VEC-Shaw shall engage subcontractors on the basis of their ability to meet purchase or subcontract that include safety, environmental, and quality requirements. Subcontractors shall be furnished with a copy of the projects CMP including the Project Risk Register, and be guided by the VEC-Shaw team to ensure they understand, learn and are able to deliver to meet the specific requirements.