

Schedule 5 – Tasmanian Industry Participation Plan



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Tasmanian Industry Participation Plan (template/guide)

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

- i. For all procurements with a value exceeding \$5 million;
- ii. For nominated procurements (at the discretion of the procuring Government entity) greater than \$2 million and up to \$5 million; and
- iii. For private sector projects valued at over \$5 million that receive support, including in-kind support, valued at or greater than \$500 000 from the Government.

This Plan is your opportunity to demonstrate how your Proposal will positively impact on the local industry/economy. You do not need to answer all of the questions below and your Proposal 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.

For procurements, the Tasmanian Industry Participation Plan is an essential part of your Proposal and will be used by the procuring entity to evaluate your Proposal. In these circumstances, the 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 template was specifically developed for procurement. Where a Tasmanian Industry Participation Plan is required for a private sector project, the template should be adapted to suit the specific circumstances of the project.

Procurement details

Procurement Reference No.	Contract No. 2374
Procurement title	RFP for the Operation of the Bruny Island Ferry Service
Name of Responsible Agency / Entity	Crown in Right of Tasmania represented by the Department of State Growth

Supplier Details

Name of supplier	SeaLink Travel Group Limited
Contact Details for supplier	Paul Blewett Company Secretary +61 401 142 402 paul.blewett@sealink.com.au

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

Local SME industry impact

What is the direct local impact of your business?

Examples: 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?

The clear, tangible local industry impact is our plan to commission the construction of two ferries with a total value of \$10.6m in Tasmania.

As a manufacturing project, the value we invest permeates through the entire supply chain, thereby stimulating an entire portion of the economy. Within the contracts we let for the manufacture and supply of the ferries, the flow on to a diverse array of local businesses and SME is significant and Tasmania economy with directly benefit as a result.

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	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)
Construction of two purpose built vehicular ferries	\$10.6 million	Haywards Steel Pty Limited Margate shipyard for manufacture of vessel's steel component and Richardson Devine Marine Pty Ltd for aluminium component. Incat Australia Pty Ltd has strong aluminium, vessels construction experience. We will approach these builders to be involved in the construction of the vessels. These highly reputable shipyards have had involvement in construction of commercial vessels for operation in Australian waters.	Hobart, Tasmania	N/A

SeaLink has a very strong track record of building vessels in Tasmania and fully intend continuing with this approach in the construction of vehicular ferries for the Bruny Island Ferry Service contract. Since 2013, we have built seven vessels for a total cost of almost \$15 million at the Richardson Devine Marine shipyard in Hobart.

Through our shipbuilding relationships in Tasmania, SeaLink has identified Haywards Steel as the potential builder of the steel component of the vessel, and Richardson Devine Marine as the builder of the aluminium component.

We have budgeted for a total build cost of \$10.6 million for two-purpose built vessels for this Service. The first of these Tasmanian-built vessels will enter service by July 2019, and the second will enter service in July 2021.

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?

As outlined in the table above, significant investment SeaLink will make will be in the construction of two new ferries using respected Tasmanian shipbuilders.

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 i.e. use of existing supply chains, advertising of sub-contracting or supply opportunities, liaison with industry groups, etc. 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 this contract (i.e. unpacking of procurements into smaller components so that local SMEs can compete more effectively etc.).

It makes economic sense to purchase locally to support our local service. Once the service is established, we will require ongoing consumables to both operate the ferries and accommodate our clients on board.

Local Tasmanian suppliers will be involved in the provision of inputs such as food and beverage consumables for our proposed on-vessel lounge; and cleaning and maintenance subcontractors for maintenance of landside facilities.

There is no justification to look beyond local suppliers and local SMEs for these services.

Broader economic opportunities

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

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.

Note: Where determined appropriate by the procuring entity, the supplier's obligations under this Plan are to be captured in the contract and monitored as part of the contract performance.

Promotion of tourism operators and accommodation providers

As a leading Australian tourism and travel company, SeaLink will use our sales and marketing infrastructure to promote and package Bruny Island and its tourism operators and accommodation providers. This will assist with growth in employment opportunities on the Island as the tourism sector grows.

Many regional tourism authorities are focussed on increasing yield from visitors to tourism destinations and Bruny Island is no different. The visitor economy of Bruny Island is estimated at \$32.8m in the recent Destination Action Plan from an estimated 191,000 visitors, or an average of around \$172 per visitor to the island. While yield will vary amongst market segment the average yield is a good visitor benchmark.

SeaLink's experience is that tourism yield is developed by building quality tourism product in the destination and that comes with professionalism, reliability, consistency and quality as a destination.

SeaLink will bring a high degree of service consistency, improved marketing performance and a high degree of professionalism to the Service, along with a strong sustainable destination development approach. SeaLink's strong brand will attract further investment interest and stimulate product development and investment interest.

Over the years on Kangaroo Island, SeaLink's ability to bring visitors from around the world, particularly European markets, has continued to build visitor spend. Investment in quality accommodation, food service, attractions and international ready tours have all strengthened the yield capability for Kangaroo Island tourism.

Over a period, we envisage a similar opportunity for Bruny Island and its residents who provide accommodation and other services to visitors.

Ticketing agency opportunities for Tasmanian retail outlets

To facilitate the advance booking process, SeaLink will establish booking agencies, using existing businesses as agencies, in the Bruny Island population centre. This will assist Service users that are unwilling or unable to book online. We offer this service on Kangaroo Island, and the commission is an added source of revenue for Kangaroo Island businesses.

Community sponsorships

In recognition of infrastructure requirements identified by Kingborough Council in its Bruny Island Tourism Strategy, SeaLink will allocate from the \$150,000 sales and marketing budget an amount of \$10,000 per annum over the life of the contract, adjusted for Hobart CPI, to Kingborough Council to assist with the development of key infrastructure and amenities for Island residents. We propose that this contribution be allocated to projects mutually agreed between the Council and SeaLink.

We will commit from our sales and market budget a further \$10,000 per annum over the life of the contract, adjusted for Hobart CPI, conservation initiatives, such as the eradication of feral cats, through community engagement with groups such as the Bruny Island Environment Network.

We will establish a community sponsorship programme (Communitylink), which provides free of charge travel for sporting, education and community requests. Each year we will advertise in the local paper inviting the community to apply for Communitylink support. Support will be by way of free ferry travel to enable children on Bruny Island to visit the mainland for experiences they would otherwise have missed out on. The fund is also used to assist in additional courses for teachers and for visiting specialist teachers.

Local Employment Opportunities

SeaLink's proposed offer involves the employment of local staff for the operation of the service. Under our service model, we will be employing an estimated 17 locally-based staff with an estimated total wages expense (including on-costs and payroll tax) of approximately \$1.69 million per annum.

COMPLETED AND ENDORSED (SUPPLIER)