

ATTACHMENT C 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:

- 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; and
- 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 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.

For procurements, the Tasmanian Industry Participation Plan is an essential part of your submission and will be used by the procuring entity to evaluate your submission. In these circumstances, the Plan will contribute a minimum of 10% of the procurement evaluation. Tenderers 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. 2419
Procurement title	Midland Highway – St Peters Pass to South of Tunbridge - Safety Upgrades
Name of Responsible Agency/Entity	Department of State Growth

Supplier details

Name of supplier	<i>HAZELL BROS GROUP PTY LTD</i>
Contact details for supplier	<i>Phone: 03 62 777 888 Address: 14 Farley St Derwent Park TAS 7009 Mail: PO Box 430 Moonah TAS 7009</i>

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?* **Tenderer response:**

Established in southern Tasmania in 1944, Hazell Bros is a family owned, diversified construction and resources group of companies providing civil construction, concrete, quarry and equipment services for

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

government departments, government business enterprises, local government, and local and multinational companies. Any profit the business makes in carrying out these works remains in Tasmania and will be reinvested back into the business; evidenced by the fact that Hazell Bros Pty Ltd has not paid a dividend to its shareholders since 30 June 2013.

Hazell Bros Group Pty Ltd employs less than 200 people in a range of roles across Tasmania and we confirm that we are a local SME. All of our employees likely to be involved in this project currently reside in Tasmania. On the St Peters Pass to South of Tunbridge project we envisage a similar scenario to the previous major project we carried out in the area (the \$20M Midlands Distribution Pipeline for Tasmanian Irrigation) where we successfully employed a number of construction workers for the project from local farming families. We envisage opportunities for local employment for at least a further six employees directly from the local Oatlands area on the project site with a further six additional people involved in the upgrade of the Tunbridge quarry that will supply pavement material to the project. Hazell Bros will also look to pass on its extensive knowledge about concrete manufacture to local SME's.

We will provide financial support to local community clubs and associations in the area such as the Oatlands District Football Association and Oatlands Golf Club. This is consistent with our current involvement with the Devonport Football club as well as other clubs and associations across the state.

Our Human Resources team will visit Oatlands District High School and explain the wide variety of career opportunities at Hazell Bros. Work experience will be offered to students interested in exploring career options with Hazell Bros. We will also provide financial support to promising students from low socioeconomic backgrounds through a Hazell Bros sponsored bursary.

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. **Tenderer response:**

Identified goods or services	Total estimated value	Name of supplier anticipated to be used (if already determined through existing supply chain arrangements)	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)
Sealing	\$3.0M	Roadways	30%	Yes
Pavement Supply	\$8.0M	HBMI	20%	Yes
Pavement Marking	\$500K	Onlinez	60%	Yes
Road safety Barriers	\$1.7M	Protector Rail	40%	Yes
Signage	\$80K	DeNeefe	60%	Yes
Plant Hire	\$4.1M	Gradco, Digga Excavations, Jessop, Batchelor	30%	Yes
Labour Hire	\$1.2M	Cemento Rapido (Drainage Crew). + Labour Hire	100%	Yes
Survey	\$250K	Walter Surveys	100%	Yes
Traffic Management	\$1.0M	Altus	100%	Yes
Testing	\$250K	Qualtech Testing Services	100%	Yes
Concrete Works (Kerbing)	\$150K	PJ Concrete & Kerbing	50%	Yes
Drill & Blasting	\$80K	Maxfiled Drilling/Forze Explosives	30%	Yes

Precast products (Pipes, etc)	\$900K	Hudson Civil Products Launceston	40%	Yes
Concrete Barrier products	\$700K	Hudson Civil Products Launceston	50%	Yes
Fencing	\$350K	Supreme Line Fencing	70%	Yes
Landscaping/Maintenance	\$620K	Staygreen, Reveg Tasmania	60%	Yes
Pavement Cutting	\$30K	Bay Hire	70%	Yes
Accommodation	\$200K	Various: Oatlands, Ross	NA	Yes
Food/Beverages	\$80K	Oatlands Roadhouse, IGA Oatlands, TKO Bakery	NA	Yes
Fuel	\$350K	BP Oatlands	NA	Yes

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? **Tenderer response:**

Hazell Bros Group is committed to maximising opportunities through a partnering approach to enable other local Small to Medium Enterprises (SME) to maximise industry benefit. Whereas previously Hazell Bros has opted for a largely 'self-perform' model on our construction projects we have recently made a corporate decision that we will downsize our direct plant fleet. This results in more opportunities for smaller local SME's to supply plant and other services to Hazell Bros projects. On the St Peters Pass to South of Tunbridge project this will provide work for local SME's such as Gradco, Digga Excavations, Batchelor Civil and others enabling them to offer additional jobs as their businesses grow.

We estimate that the SME's required to assist Hazell Bros in performing works on the St Peters Pass to South of Tunbridge project will collectively deliver approximately +\$15.5M (circa 60%) of the project value, thus ensuring a significant boost to the local and state economy.

Award of the St Peters Pass to South of Tunbridge project to Hazell Bros will enable expansion and further development of the Tunbridge quarry for production of pavement materials. This will create an additional six jobs during the upgrade and four permanent local roles heading forward. In addition the production royalties paid, for every cubic metre of quarry material produced, to the landowner in Tunbridge provide a further local benefit.

For the St Peters Pass to South of Tunbridge contract all materials will have GST payments made in Tasmania and all workers on the project will pay Payroll Tax (where applicable) to the Tasmanian Government. This is the highest level of Tasmanian SME participation possible.

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. **Tenderer response:**

Hazell Bros has an extensive list of approved and compliant sub-contractors throughout the state, with commercial relationships in place through experience gained by working together. Over the course of delivering the \$20M Midlands Distribution Pipeline Project several years ago Hazell Bros established many local partnerships in the Oatlands and Ross areas and we envisage that these will assist with raising awareness of local opportunities on the St Peters Pass to South of Tunbridge project. If successful with the tender as head contractor, Hazell Bros Group will also utilise local media to advertise opportunities to local suppliers to provide pricing and rates.

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). **Tenderer response:**

When assessing the packages of work that the St Peters Pass to South of Tunbridge project will create we believe that they are all naturally suited to local SME businesses rather than larger organisations. Considering the overall size of the project most of the packages of subcontract and supply items are in a range from \$100K to \$1M. We have found previously on many similar projects that these sized packages are most successfully and competitively delivered by local SME businesses rather than larger organisations. This naturally maximises the local SME content on the project. The challenge for Hazell Bros is to then ensure that the SME's delivering these works are fully supported by our management team to ensure compliance with safety and quality aspects of their works. This is a challenge we are familiar with and have successfully dealt with on many previous rural projects.

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. **Tenderer response:***

Training & Development

Hazell Bros takes pride in its people. We commit to actively investing in our personnel through continual development and training, which ensures the foundation for our continued company success through delivery of construction projects throughout Tasmania. We are an organisation that undertakes regular training both in house and externally. It is through continuing to deliver infrastructure programs which utilise all areas of our multifaceted business that we can continue to support this workforce who in turn support the Tasmanian economy by living and spending locally. On the St Peters Pass to South of Tunbridge project additional training for workers will be provided in the areas of site induction, first aid, safety, traffic management and risk management. Much of this training will be provided by Hazell Bros for new local employees and local SME businesses thus upskilling people in the local area and leaving behind a positive legacy after the works are complete. For example, the skillset of local resources with farming backgrounds, allows us to train these resources so that they become competent machine operators.

Other Project Impacts & Local Benefits

On the St Peters Pass to South of Tunbridge project we will offer additional opportunities for local and wider community involvement similar to those we offered when we were based in Oatlands and constructing the Midlands Distribution Pipeline. Benefits on this project included:

- Opportunity for local school group to visit the site and look at the works in progress*
- UTAS final year students group site visit and engineering career opportunities discussion*
- Engineers Australia group site visit*
- Installation of additional fire hydrants along the new pipeline to facilitate Tasmania Fire Service fire fighting response (project legacy item)*
- Some resources engaged on the Midlands Distribution Pipeline project are still employed by Hazell Bros today.*

Broader Economic Benefits

Hazell Bros invests in the Tasmanian economy through our daily business activities. All superannuation investments are with Tasmanian based superannuation schemes unless at the specific request of the employee. All transactional banking is with local banks and branches. Our business executive and owners live and invest in Tasmania. These higher value investments in the Tasmanian economy are rarely replicated in less diversified and non-Tasmanian owned businesses.

Hazell Bros is committed to keeping jobs and skilled workers in Tasmania and providing training and development opportunities for our employees to ensure that they can deliver not only for Hazell Bros but can grow as people and help develop a better and more prosperous Tasmania. In an effort to increase qualified Engineers in Tasmania and keep young Engineers in the State, each year we offer a \$4,000 scholarship and vocational employment between years 3 and 4 with a view to a graduate placement on completion of studies. This has been a successful program and we currently retain the services of a number of recipients of this scholarship. We are also proud of the fact that a number of civil operators and industry leaders have started out working at Hazell Bros before embarking on their own business ventures, and we continue to work with and support these smaller local businesses where we can.

Over the past year Hazell Bros has supported a number of fund raising and community-building activities through the provision of products and services to causes such as the Wilson Homes Make a Wish Community House; the Cystic Fibrosis 65 Roses awareness campaign; the Give Me 5 for Kids House with Heart project and the Truck Drivers Memorial at Epping Forest. In addition Hazell Bros sponsor junior school athletics carnivals across the state.

Hazell Bros cares about its people and the communities we serve, and sees this program as supporting its people in taking ownership and increasing awareness of their overall health and wellbeing. Most recently Hazell Bros launched a partnership with the Cancer Council of Tasmania and BUPA to deliver its new Fit for Work – Fit for Life program. These initiatives have already delivered positive outcomes for our workers and their families: free skin cancer checks have been conducted on many employees and free health checks carried out. In a number of cases these checks have resulted in positive comments and feedback from employees families.

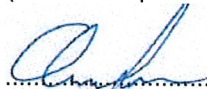
In addition to this local economic impact; Hazell Bros is also leveraging its strong operational capabilities to operate on mainland Australia – thereby ensuring that the economic strength of the Hazell Bros group is underpinned by more than just the local infrastructure activity so that the periodic nature of project funding will not threaten the financial security of our Tasmanian employees.

Hazell Bros is proudly Tasmanian and wants to see Tasmania grow and prosper for the benefit of all who work and live here.

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.*

Completed and endorsed (Tenderer)

AARON GEORGE
SENIOR ESTIMATOR
(Name and position – print)


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(Signature)

6th OCTOBER 2017
(Date)