

TASMANIAN INDUSTRY PARTICIPATION PLAN

FOR USE IN ASSOCIATION WITH DEPARTMENT OF STATE GROWTH PREQUALIFICATION SYSTEM FOR ROAD AND BRIDGE CONSTRUCTION CONTRACTS

The Tasmanian Government is committed to maximising opportunities for local SME¹ 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's² 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

ROADWAYS PROPRIETARY LIMITED

PO box 303

Glenorchy, Tasmania 7010

contact@ianharringtongroup.com.au

Ph. 03 6271 3500

Fax. 03 6272 9606

CONTRACTOR'S ACKNOWLEDGEMENT

- a) 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.
- b) 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.
- c) 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].

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

² 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>

d) Tick ONE alternative as applicable:

I/We have been allocated a score to 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 the supplier, for the period of my/our prequalification and acknowledge and agree that score will be applied in evaluation of my/our tender submission in respect of this RFT **[NOTE: Tenderers which select this alternative are not required to further complete the TIPP].**

I/We have completed the TIPP and provided have supplementary information in support of the degree of Local SME industry impact generated by my/our company. I/We acknowledge and agree that this information will be used to determine 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 the supplier, for the period of my/our prequalification, which will be applied in evaluation of my/our tender submission in respect of this RFT **[NOTE: Tenderers which select this alternative are required to complete the TIPP].**

LOCAL SME INDUSTRY IMPACT

Roadways Proprietary Limited is a wholly-owned subsidiary of Ian Harrington Group Pty Ltd (IHGroup). Founded in 1964, IHGroup is a privately owned and operated, proudly Tasmanian SME. Across its four subsidiaries – Roadways, Statewide Linemarking, Protector Rail and Rockit Asphaltting – IHGroup currently employs 106 full-time employees. It has long been company policy to employ permanent, full time staff for our road works crews. As well as benefitting our employees, this strategy means we can rapidly mobilise an experienced, reliable workforce and commence works as soon as required. It also allows us to build a culture of continuous improvement, develop and retain the skills of our workforce in the long term and enhance industry capacity in Tasmania.

All our employees live and work in Tasmania, contributing to local economy professionally and personally. Of these, up to 50 existing employees will be engaged for the duration of Road Specific Maintenance – Pavement Resurfacing Contract 2973 (Pavement Resurfacing Contract 2973). We will also engage up to five new direct employees and up to 20 subcontractors as truck drivers and traffic controllers. All subcontractors will be sourced from local SME.



As part of our commitment to building Tasmanian industry capacity, IHGroup is preparing for its next intake of trainees. Under our training and development program, the company will support up to six trainees to complete:

- Civil Contracting Cert. 3 in Bituminous Surfacing
- Civil Contracting Cert. 3 in Line Marking
- Civil Contracting Cert. 3 in Civil Construction Plant Operations.

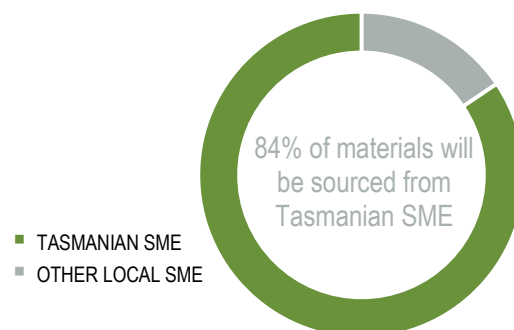
In 2017-2018, IHGroup spent a total of \$25.85m on local SME, of which \$22.8m was spent in Tasmania. Over the past three financial years, IHGroup has paid more than \$20.6m in Tasmanian wages and salaries. We contributed more than \$300,000 per annum in payroll tax, \$500,000 per annum in superannuation contributions, \$140,000 per annum in vehicle registrations and \$500,000 per annum in stamp duty, land tax, rent and local government rates and taxes. We have also made substantial contributions to local utilities such as TasWater, Aurora and TasGas. As well as being an employer and tax payer, IHGroup owns and maintains property across the state.

GOODS AND SERVICES EXPECTED TO BE UTILISED IN STATE GOVERNMENT CONTRACTS

We estimate that approximately 33 per cent of IHGroup expenditure is allocated to Department of State Growth (DSG) contracts each year. Based on the \$25.85m 2017-2018 expenditure, we have developed our projected expenditure on DSG contracts in the coming year, outlined in the following tables.

MATERIALS

DESCRIPTION	SUPPLIER	LOCATION	ESTIMATED ANNUAL VALUE
ROADWAYS			
Bitumen and PMB binder	Puma Energy	TAS	\$6,400,000
	SAMI Bitumen Technologies	VIC	
Aggregates and other materials	Gaspersic Contracting	TAS	\$3,100,000
	GADTECH Materials	TAS	
	Boral Construction Materials Group	TAS	
	Bis Industries	TAS	
	Sibelco (lime)	TAS	
	Hanson Construction Materials	TAS	
	Hazell Bros	TAS	
	Hope Sands	TAS	
	Males Sand	TAS	
DJ & KJ Rowell	TAS		
STATEWIDE LINEMARKING AND PROTECTOR RAIL			
Paint and line marking materials	Ennis Traffic Safety Solutions	NSW	\$1,090,000
	Damar Industries	NSW	
	Oz Linemarking	VIC	
	Potters Industries	VIC	
	Reflective Road Safety Products	VIC	
Barrier rail, wire and other materials	Hanson Construction Materials	TAS	\$900,000
	Omni-Crete	VIC	
	Ingal Civil Products	NSW	
	Safe-T-Line	VIC	
ROCKIT ASPHALTING			
Asphalt, bitumen and PMB binder	Puma Energy	TAS	\$2,500,000
	Roadways	TAS	
Aggregates and other materials	Hanson Construction Materials	TAS	\$400,000
	Hazell Bros	TAS	
IHGROUP TOTAL			\$14,390,000

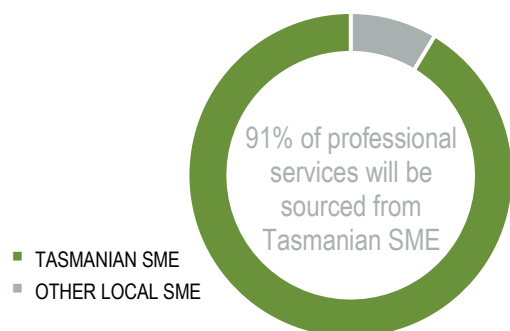


MANUFACTURING

DESCRIPTION	LOCATION	NUMBER OF EMPLOYEES
ROADWAYS		
Asphalt plant	Bridgewater	Two (full-time)
Asphalt plant	Burnie	Two (full-time)

PROFESSIONAL SERVICES

DESCRIPTION	SUPPLIER	LOCATION	ESTIMATED ANNUAL VALUE
ROADWAYS			
Financial, engineering, quality assurance and safety services	Bentleys Tasmania	TAS	\$300,000
	WLF Accounting and Advisory	TAS	
	RSEA Safety	TAS	
	Revolution Bookkeeping	TAS	
	QMS Certification Services	TAS	
	National Survey Solutions	TAS	
	Josephine Collins	VIC	
	Various other suppliers	Various	
STATEWIDE LINEMARKING AND PROTECTOR RAIL			
Financial, engineering, quality assurance and safety services	Bentleys Tasmania	TAS	\$90,000
	RSEA Safety	TAS	
	QMS Certification Services	TAS	
	Various other suppliers	TAS	
ROCKIT ASPHALTING			
Financial, engineering, quality assurance and safety services	Bentleys Tasmania	TAS	\$15,000
	RSEA Safety	TAS	
	Civil Contractors Federation	TAS	
IHGROUP TOTAL			\$405,000



LABOUR HIRE SERVICES

DESCRIPTION	SUPPLIER	LOCATION	ESTIMATED ANNUAL VALUE	% OF TAS LABOUR
ROADWAYS				
Traffic management and general labour hire	Altus Traffic	VIC/TAS	\$300,000	100%
	Traffic Dynamix	TAS		
	Vmac Employment Solutions	TAS		
	Manpower Services	TAS		
STAEWIDE LINEMARKING AND PROTECTOR RAIL				
Traffic management and general labour hire	Altus Traffic	VIC/TAS	\$70,000	100%
	Vmac Employment Solutions	TAS		
ROCKIT ASPALTING				
Traffic management and general labour hire	Altus Traffic	VIC/TAS	\$120,000	100%
	Arbourcultural Services	TAS		
IHGROUP TOTAL			\$490,000	



ECONOMIC MULTIPLIER EFFECT

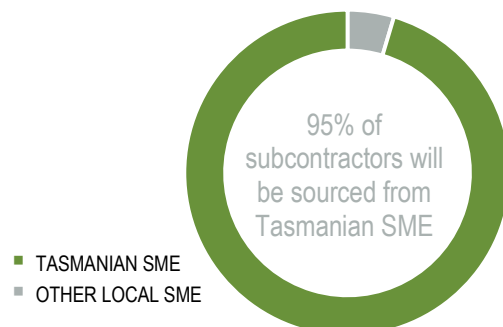
Most sectors of a modern economy are highly interdependent. Individual industries employ labour and capital, use resources and purchase inputs from other industries. They sell their products to other producers and to consumers, both domestically and internationally. This interdependence creates the economic phenomenon termed the ‘multiplier effect’, in which a single dollar of expenditure can cycle through the economy multiple times and create a much larger value of total economic output.

The Australian Productivity Commission undertakes annual input-output modelling which indicates that a single dollar of Government expenditure will produce between \$2 and \$5 of additional total economic output. As Roadways spends the vast majority of its annual outgoings within the Tasmanian economy, when we deliver a state government contract, the effect on the Tasmanian economy is considerable. On a \$10m contract, the total economic benefit to Tasmania is between \$20m and \$50m.

SUBCONTRACTORS

IHGroup regularly subcontracts works on DSG contracts. Of these, approximately 10 per cent are subcontracted under the National Prequalification Scheme.

DESCRIPTION	SUBCONTRACTOR	LOCATION	ESTIMATED ANNUAL VALUE	% OF TAS LABOUR
ROADWAYS				
Truck, float and equipment hire	Barry Feil Transport	TAS	\$2,100,000	100%
	CJ Kaine	TAS		
	Daniel Sutcliffe Earthmoving	TAS		
	Hazell Bros	TAS		
	Kaine and Radford Cartage	TAS		
	Tasmanian Heavy Haulage	TAS		
	Various other suppliers	TAS		
Bitumen cartage	Bakers Bitumen Cartage	TAS	\$600,000	100%
Construction and asphaltting contractors	Downer EDI	TAS	\$1,500,000	100%
	K-P Asphaltting	TAS		
	Rockit Asphaltting	TAS		
	Stornoway Maintenance	TAS		
	Topcoat Asphalt Contractors	SA		
	Various other suppliers	TAS		
Line marking and removal	Statewide Linemarking	TAS	\$1,400,000	100%
	SPE Water Jetters	TAS		
STATEWIDE LINEMARKING AND PROTECTOR RAIL				
Truck, float and equipment hire	Hazell Bros	TAS	\$40,000	100%
	Archers Underground Services	TAS		
	HS Roads	QLD		
Line marking removal	SPE Water Jetters	TAS	\$30,000	100%
ROCKIT ASPHALTING				
Truck float and equipment hire	Barry Feil Transport	TAS	\$530,000	100%
	Tasmanian Heavy Haulage	TAS		
	Hansson's Transport and Excavation	TAS		
	Wirtgen Group	NSW		
Bitumen cartage	Bakers Bitumen Cartage	TAS	\$30,000	100%
Line marking removal	Statewide Linemarking	TAS	\$40,000	
IHGROUP TOTAL			\$6,270,000	



GENERAL SERVICES

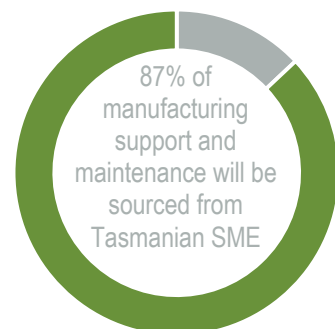
DESCRIPTION	SUPPLIER	LOCATION	ESTIMATED ANNUAL VALUE
ROADWAYS			
Vehicles and equipment repairs, maintenance and registration	Registrar of Motor Vehicles	TAS	
	Beaurepaires	TAS	
	Denny Mechanical	TAS	
	Duo Trading	TAS	
	Industrial Brushware	VIC	\$600,000
	MDC Mechanical	TAS	
	Onsite Belting	TAS	
	Specialist Auto Group	TAS	
	William Adams	TAS	
Crew accommodation	Bayside Inn	TAS	
	Bicheno By the Bay	TAS	
	Brighton Hotel Motel	TAS	
	Junction Hotel	TAS	\$150,000
	Scamander Beach Hotel	TAS	
	Tall Timbers	TAS	
	The Lighthouse	TAS	
	Various other suppliers	TAS	
All other administrative and operational supplies	Various suppliers	TAS	\$950,000
STATEWIDE LINEMARKING AND PROTECTOR RAIL			
Vehicles and equipment repairs maintenance and registration	Registrar of Motor Vehicles	TAS	
	Beaurepaires	TAS	
	MDC Mechanical	TAS	\$150,000
	Hydraulic and Pneumatic Engineering	TAS	
	Specialist Auto Group	TAS	
	Various other suppliers	TAS	
Crew accommodation	Ross Motel	TAS	
	Olde Tudor Motor Inn	TAS	\$40,000
	Townhouse Burnie	TAS	
All other administrative and operational supplies	Various suppliers	TAS	\$280,000
ROCKIT ASPHALTING			
Vehicles and equipment repairs maintenance and registration	Registrar of Motor Vehicles	TAS	
	LBS Clothing Alterations	TAS	\$180,000
	Laurie Loves Tyres	TAS	
	Various other suppliers	TAS	
All other administrative and operational supplies	Various suppliers	TAS	\$240,000
IHGROUP TOTAL			\$2,590,000

CONSUMABLES AND OTHER PRODUCTS

DESCRIPTION	SUPPLIER	LOCATION	ESTIMATED ANNUAL VALUE
ROADWAYS			
Fuel, oil, gas and other consumables	BP Australia	TAS	
	Bennett's Petroleum	TAS	\$660,000
	Various other suppliers	TAS	
STATEWIDE LINEMARKING AND PROTECTOR RAIL			
Fuel, oil, gas and other consumables	Bennett's Petroleum	TAS	\$80,000
ROCKIT ASPHALTING			
Fuel, oil, gas and other consumables	BP Australia	TAS	
	Bennett's Petroleum	TAS	\$170,000
	Various other suppliers	TAS	
IHGROUP TOTAL			\$910,000

MANUFACTURING SUPPORT AND MAINTENANCE

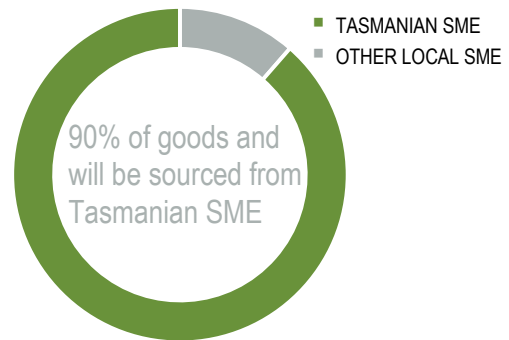
DESCRIPTION	SUPPLIER	LOCATION	ESTIMATED ANNUAL VALUE
ROADWAYS			
Asphalt plant support	Tasmanian Scale Company	TAS	
	National Association of Testing Australia	NSW	
	Slictric	TAS	\$50,000
	Steam Plus	TAS	
	Various other suppliers	TAS	
IHGROUP TOTAL			\$50,000



- TASMANIAN SME
- OTHER LOCAL SME

OPPORTUNITY FOR LOCAL SME INVOLVEMENT

Roadways is proud of its commitment to engage 100% local SME for the provision of services, materials and other essential supplies in the delivery of State Government contracts. It is our policy to only engage local subcontractors and suppliers unless they are unavailable in Tasmania. Our estimated spend on local SME businesses for State Government contracts in the coming year is approximately \$25.85m. Of this, \$22.9m, or 90 per cent, will be spent on Tasmanian SME.



ENGAGEMENT

As a Tasmanian business with locations in the south and northwest of the state, IHGroup maintains an extensive, trusted network of preferred locally-based subcontractors and suppliers. It has always been our policy to engage local Tasmanian businesses wherever possible and we are strongly committed to continuing this approach.

We only engage suppliers with a proven record of prompt, reliable and efficient service delivery. Our management team regularly reviews performance and cost competitiveness to ensure the best possible value for our clients. We have contacted all our key suppliers and subcontractors to confirm our requirements for this contract can be met and obtained quotations based on estimated timing, quantities and services required.

IHGroup is an active member and participant in the following industry associations and will liaise with or utilise the services of these organisations where appropriate during Pavement Resurfacing Contract 2973:

- Australian Asphalt Paving Association – Tasmanian Branch
- Civil Contractors Federation – Tasmania (Managing Director Phil Sidney is a member of the Board)
- Institute of Public Works Engineering – Tasmania
- Tasmanian Association of Municipal Supervisors
- Road Marking Industry Association of Australia.

MAXIMISING OPPORTUNITIES

IHGroup is passionate about building sustainable local industries in Tasmania. To maximise opportunities for local SME to participate in the supply chain of this and similar contracts, we leverage the strength of our management systems to provide training and mentoring in safety, quality and environmental management.

We have invested significant resources in ensuring the local SME we work with have the capacity to operate safely and compliantly, providing extra training where required. All of our key suppliers undergo a prequalification assessment which takes into account their ability to supply reliable, consistent and safe products and services to IHGroup.

BROADER ECONOMIC OPPORTUNITIES

HIGH SKID RESISTANCE AGGREGATE SUPPLY

Roadways is actively working with local suppliers of high skid resistance aggregates on the west and east coasts of Tasmania to provide production planning and quality control. This involvement is critical for the provision of a consistent, high-quality supply of aggregates for Pavement Resurfacing Contract 2973. It ensures a long-term reliable and viable supply is available to the industry for future contracts, meaning high PSV aggregates do not need to be imported from interstate at a much higher cost to the Tasmanian taxpayer.

BUILDING INDUSTRY CAPACITY

Roadways is strongly committed to the professional development of our workforce. As part of our ongoing training and development program, all personnel maintain qualifications in:

- First Aid Certificates (Minimum Level 2)
- AAPA Working Safely with Bitumen
- Environmental Awareness
- Electrical Awareness
- Control Traffic with a Stop/Slow Bat
- Implement Work Zone Traffic Management Plan
- Prepare Work Zone Traffic Management Plan.

By up-skilling all our employees in a process of continuous improvement, we not only achieve improved safety and quality outcomes, we invest in a more highly-skilled workforce for the future of the industry in Tasmania. General Manager – Operations Brenton Stead, Project Manager Jason Smith, Project Coordinator Adam Beattie and project engineers Henry Allwright and Henry Payton have received the most up-to-date training in seal design, having completed the AAPA Best Practice in Sprayed Sealing Selection and Design course.

ASPHALT PLANTS

To meet the requirements of the VicRoads specification, our Bridgewater and Burnie asphalt plants have developed a full range of compliant asphalt mixes. IHGroup has opted to ensure every asphalt product we now sell is VicRoads-certified compliant, raising the bar for quality in resurfacing materials across the state.



GRADUATE POSITIONS

To meet the looming skills shortage in the Tasmanian construction industry, IHGroup is committed to taking proactive steps to maintain Tasmanian industry capacity in the coming decades. Our Graduate Engineer, Henry Payton, is being provided with valuable work experience in the bituminous surfacing industry and ongoing opportunities to develop his knowledge and skills. IHGroup is always looking for opportunities to engage graduates, and hopes to expand this practice in 2018-2019.

NEW TECHNOLOGY

Chipping spreader

During the 2016-2017 reseal season Roadways introduced the Phoenix 'SPC10e' Self-Propelled Metering Chipping Spreader to undertake aggregate spreading in the delivery of the DSG Pavement Resurfacing Contract 2326. The introduction of this technology to the Tasmanian resurfacing contract successfully delivered on expectations and raised the bar for quality and productivity standards for future bituminous surfacing in the State.

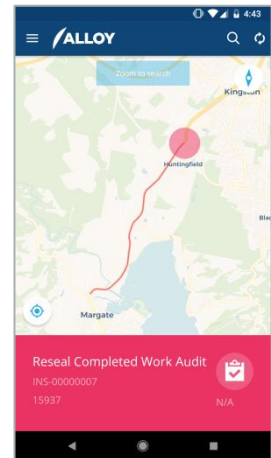
Since then, the SPC10e has significantly improved aggregate spread rates and the consistency of spray seals on DSG pavement resurfacing contracts. Prior to our acquisition of the SPC10e, between

five and eight per cent of sites had seal defects. At date of practical completion for Pavement Resurfacing Contract 2395 in the 2017-2018 reseal season, this was reduced to almost zero, with only one seal defect occurring as a result of preparation works. More accurate spread rates have seen vehicle damage claims from the travelling public reduced by 70 per cent and produced aggregate savings of between 15 and 20 per cent.

Alloy

Alloy is an advanced asset management software program developed by highways technology company Yotta and used by several major highway operators in the UK. This user-friendly asset intelligence and works management system has mobile and GPS mapping capability allowing network inspectors and works crews to directly input asset data into the system.

Adopted by Roadways in 2017-2018 in a Tasmanian first, this technology represents a step-change in asset data collection for the Tasmanian road network, capable of collecting real-time data for use in seal design, defect identification and records management. On Pavement Resurfacing Contract 2973, Alloy will streamline reporting and provide DSG and Roadways with detailed, up-to-date information on the network condition.



GIVING BACK TO OUR COMMUNITY

Since its founding in Tasmania in 1964, Roadways has been a committed member of the local community with a proud history of contribution and support, including:

- 2016-2017 Sponsorship of Baskerville Race Track (Motor Sports Tasmania) through in-kind support during the recent resurfacing and line marking of the track.
- 33 years continuous support of the Tasmanian Association of Municipal Supervisors / Institute of Public Works Engineering Australia, including support for annual general meetings, conferences, educational and product presentations, specification development and knowledge transfer.
- Contribution to the Save the Tasmanian Devil Program Roadkill Project through sponsoring the installation of electronic virtual fencing on the Arthur Highway at Murdunna.
- Proud Sponsor of the Darwin Football Association (Burnie)
- Managing Director Phil Sidney is a founding Board member and Chairman for the last eight years of the OzHelp Foundation Tasmania. OzHelp is a not-for-profit organisation committed to improving the mental health of people in the building and construction workforce, and the wider community.