



Tasmanian Industry Participation Plan

Building Projects Support Program Application BPSP00050

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

- 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 (and including) \$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.

Are you a Tasmanian SME*? Do you employ Tasmanians?

George Town Council is a Tasmanian SME with all business operations centred in George Town, Tasmania and employs approximately 60 people who all live in northern Tasmania.

George Town Council would allocate a dedicated project manager to oversee works supported by this procurement activity at a 0.1-0.2 FTE.

George Town Council would engage Tasmanian contractors to undertake capital works supported by this procurement activity, anticipated to support 8-12 FTE roles for the duration of works.

Guidance information (can be deleted): Below are some examples you may consider including in response to this question:

- *Are you a Tasmanian SME?*
- *How many Tasmanian jobs will be supported by this procurement activity?*
- *How many people do you employ in Tasmania?*
- *Provide an estimate of the number of labour hours worked by Tasmanian-based employees versus other employees.*
- *Would any new Tasmanian jobs be created by the proposed contract - how many?*
- *If you are not a Tasmanian SME, will you be setting up a local Tasmanian office and employing local staff?*

Where are the goods or services to be used in the contract sourced from?

George Town Council would allocate an employee, who lives in the George Town municipality, to project manage the contract from the existing Works and Infrastructure team.

All other goods and services will be sourced from Tasmanian businesses, preferably those local to the George Town Municipality as Council has a buy local policy.

George Town Council possesses a suite of Periodic Standing Contracts where all existing panel contractors are Tasmanian SMEs. Council would engage this panel of contractors to complete the capital works, as the positive working relationships and trust have already been developed.

Guidance information (can be deleted): Below are some examples you may consider including in response to this question:

- *Does your business provide all the goods and services identified in your submission?*

- *If not, will the goods or services identified in your submission be provided by or sourced from Tasmanian SMEs? If possible, provide a list.*
- *Provide an estimate of the value of locally sourced goods and services versus imported.*
- *Outline how your submission will incorporate local products, services and capabilities.*

Opportunity for Tasmanian SME* involvement

George Town Council has a Code for Tenders and Contracts to provide a policy framework on purchasing and tendering requirements for Council. The Code aims to: -

- ensure compliance with relevant legislation;
- enhance value for money through fair, competitive, non-discriminatory procurement;
- promote the use of resources in an efficient, effective and ethical manner;
- encourage probity, accountability and transparency in decision making;
- provide reasonable opportunity for competitive local businesses to supply to Council;
- minimise the cost to suppliers of participating in the tendering process;
- allow Council to appropriately manage risk; and
- promote Council's economic, social and environmental plans and policies.

The following is a direct extract from the Code for Tenders and Contracts that has relevance to opportunities for Tasmanian SME involvement.

In 2020, George Town Council made a special attempt to make it easier for Tasmanian SMEs to submit a tender for the suite of Periodic Standing Contracts. Council has several significant strategic capital works projects planned over the next couple of years and has engaged Tasmanian SMEs to be a part of this great opportunity to undertake works on several projects for the community to enjoy over the next generations. This enables contractors to develop new skills and gain experience.

George Town Council is a member of the Bell Bay Advanced Manufacturing Zone, who is an industry based economic development group working in collaboration with government and community to support growth, investment and business diversification in the George Town and Tamar Valley areas. George Town Council enjoys a reputation of being close to its people and to all local industry groups, always working to develop a sense of community pride in the region.

Value for Money

The Council will ensure that it is buying at the most competitive price available, but value for money does not mean buying at the lowest price. In practice this means that Council will consider: -

- the impact of the procurement decision on the local economy, such as through industry development and employment creation;
- the impact of the procurement decision on the society, (social value generated) such as through the elimination of discrimination and the promotion of equal opportunity, training, and other identified social objectives.

Enhancement of the capabilities of the local business industry

The Council will ensure that where local capacity exists it will seek to engage the local market and encourage participation in tender and quotation processes. Suppliers and or contractors will be considered as locally based where they are located within the George Town local government area. In practice this means that Council will: -

- actively seek quotes from local businesses that are able to provide quality goods and / or services;
- where local capability exists, ensure that discretionary elements of specifications do not prevent local business from competing;
- not give preferential treatment to local service providers where it cannot be reasonably justified; and
- if a quote or tender is submitted from a local supplier or contractor Council may use the local supplier or contractor where the price exceeds competing non-local suppliers by up to 10% to a maximum of \$5,000, which may be varied by Council depending on the circumstances.

Guidance information (can be deleted): Below are some examples you may consider including in response to this question:

- *Will you source components of your offer from other Tasmanian SMEs or sub-contractors? If possible, provide details.*
- *How will you identify and engage with sub-contractors or other Tasmanian SMEs to deliver the contract? Will you use existing supply chains or advertise sub-contracting or supply opportunities? Will you liaise with local industry groups?*
- *How will you ensure that Tasmanian SMEs are not disadvantaged when competing with other suppliers to provide goods or services to be used as part of this contract?*
- *Are there opportunities to transfer skills to a Tasmanian SME or sub-contractor?*

Broader social and economic opportunities

Procurement activity for this contract is related to the George Town Mountain Bike Trail Development, which aims to position George Town as a premier mountain biking destination to complete and compliment the mountain biking narrative in North-Eastern Tasmania. The development will not only provide social and economic benefits directly to the municipality but will also provide economic benefit to the state by securing Tasmania as an internationally recognised mountain biking destination.

The economic impacts of mountain biking arise due to spending by riders in proximity to mountain bike trail networks and other spending in the broader region. Visitors from outside the region who travel the area as mountain bike tourists (day users and overnight users) generate significant expenditure covering food and beverage, accommodation (for overnight stayers), and recreation and other services.

The development is not only creating immediate jobs through construction components, but by creating a mountain biking destination of "national significance", long-term secondary jobs will be created by the emerging visitor economy through the provision and increased patronage of food, service, and accommodation outlets.

The George Town Mountain Bike Economic Analysis - Derek Le Marchant for a full list of expected economic benefits of the project, an excerpt of which is below: -

The overall picture for tourism demand in Tasmania is positive. Tourism Tasmania data shows that tourism demand in Northern Tasmania is strong with annual rising from 565 500 in 2015, to 707 600 in 2018 (Tourism Tasmania, 2019).

Other demand indications are also strong. Between 2016 and 2018: -

- Visitation to George Town: Up from approx. 80 000 to 85 000
- Overnight stays in George Town: Up from approx. 12 000 to 17 000
- Tamar Valley Touring Route Visitors: Up from approx. 123 000 to 131 000

(Tourism Tasmania, 2019).

The overall picture for cycle tourism is also positive. Between 2015 and 2018, visitors that engaged in mountain bike activity is up 18%, other forms of cycling up 30% and total cycling activities are up 24% (Tourism Tasmania, 2019). Prior to the development of the North Eastern Mountain Bike Project in 2014 (encompassing Hollybank, Derby and Blue Tier), Northern Tasmania had a distinct lack of suitable MTB infrastructure to encourage any significant growth in mountain bike visitation from interstate or overseas (Six Dot Consulting, 2011). Whilst there were existing "back country" trails and local riding facilities in areas like the Blue Tier, this infrastructure was not necessarily targeted at visiting riders.

Six years on, and this situation has altered significantly. Tasmania is experiencing a boom in the construction of MTB trail infrastructure. This follows the rise of MTB as a recreational pursuit as well as the increased number of tourists that MTB whilst visiting Tasmania. The quantity of high-quality purpose-built trail in Tasmania has more than doubled between 2014 (~120km) and 2019 (~270km). Total trail distance is forecast to reach almost 460km by 2024.

Over the last 15 years, much research has been undertaken on the outdoor recreation market as a form of economic and tourism development. Recent successes in Northern Tasmania have further reinforced the potential of mountain bike trail infrastructure as a boost to under-performing regional economies.

The George Town Mountain Bike proposal has merit. It comes at a time of considerable optimism for the future of cycle tourism in Tasmania. Stakeholder consultations reveal continued confidence in the ongoing growth of mountain bike visitation. There is strong support from regional development organisations, local businesses and a range of community members. The George Town Mountain Bike proposal also fits an identified need for more regional-level trail networks that can support existing and proposed iconic mountain bike trails in Tasmania (TRC Tourism, 2016).

This analysis also shows that the direct economic impact for Stage One could be between \$1.5M - \$3.4M from up to 26,000 unique visitors per annum three years after construction. This is a strong result for an initial investment of around \$2.8M.

Further project planning, consultation and market research will assist to provide the George Town Mountain Bike proposal with a clear direction, point of difference and governance framework to create a successful mountain bike development. Given the projected benefits and the recent demonstrations of community and business support for the project, the George Town Mountain Bike proposal is an attractive opportunity for the community and economic development in the George Town area.

The construction of mountain bike trails will create a valuable recreational asset for the community. The availability of this asset presents an opportunity to increase community engagement in a physical activity, appealing to both males and females, families and individuals, from a wide age bracket, at little or no cost.

Dorset and Break O'Day Councils have experienced significant and transformative increase in employment and economic activity as a direct result of their respective mountain bike trail networks. The economic analysis conducted by Derek le Marchant supports a similar result for the George Town Municipality, indicating that the direct economic impact could be between \$1.5m - \$3.4m and up to 26,000 unique visitors per annum three years after construction.

The increase in economic activity will in turn increase the amenity and liveability of George Town by providing more opportunity for employment, and more reason for younger generations to stay in George Town.

The health and social benefits of cycling are well known and well documented, and includes: -

- Improved mental and physical health outcomes;
- Increased community connection and reduced isolation;
- Opportunities for friends and families to socialise and spend time together;
- Provides an outdoor classroom for children to learn about nature, culture and history while being active;
- Is a form of 'green exercise', with research suggesting that undertaking exercise in natural environments results in greater benefits than the activity alone.

Guidance information (can be deleted): Below are some examples you may consider including in response to this question:

- *Are there any other benefits that your organisation or this specific contract will provide to the Tasmanian economy?*
- *Will this contract lead to new skills or expertise being developed within Tasmania?*
- *Will trainees or apprentices be appointed? If yes, how many and in which profession?*
- *Does your organisation provide opportunities for pathways to employment for disadvantaged Tasmanians?*
- *Do you support the Tasmanian community, for example through formal support, sponsorship, volunteering or in-kind support?*

Local innovative solutions

Procurement activity for this contract is related to the George Town Mountain Bike Trail Development, which will contribute to Tasmania's reputation to becoming the mountain biking capital of the world. Only ten years ago, many Australians would travel to New Zealand for this purpose. Nowadays, Tasmania is firmly placed in the minds of mountain bike tourists as a premier mountain biking destination. However, it is important to recognise that there needs to be a distinction or point of difference to differentiate George Town to other mountain biking destinations.

George Town Council aims to ensure that the George Town Mountain Bike Trail Development complements, but does not compete with, the existing mountain biking narrative in Tasmania as a tourism product. This project ultimately contributes to and maximises the benefit to the broader Tasmanian community and economy.

Guidance information (can be deleted): Below are some examples you may consider including in response to this question:

- *Does your submission involve adding value to imported goods or services through local development or innovation?*
- *Is your organisation developing strategies to provide goods or services to the Tasmanian economy that have historically been imported from interstate or overseas?*
- *Does your organisation offer any innovative solutions that might benefit the broader Tasmanian community and economy? Provide details.*

Completed and endorsed

JON HERBON - MANAGER - INFRA & WORKS

(Name and position – print)

GEORGE TOWN COUNCIL

(Supplier name)

(Signature)

23 / 12 / 22

(Date)

*A Tasmanian SME is a Tasmanian business employing less than 200 people