

Tasmanian Industry Participation Plan

The Tasmanian Government is committed to maximising opportunities for local SME* 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 (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.

Procurement details

Procurement Reference No.	DOH-5864H
Procurement title	Supply of Electricity Retail Services
Name of Responsible Agency/Entity	Department of Health

Supplier details

Name of supplier	AURORA ENERGY PTY LTD
Contact details for supplier	Postal address: GPO Box 191, Hobart TAS 7000 Email address: Jamie.reardon@auroraenergy.com.au Telephone number: 03 6237 3538 Mobile number: 0407 047149

* Local SMEs are Australian and New Zealand businesses employing less than 200 people, consistent with the obligations under various free trade agreements and procurement arrangements by which the Tasmanian Government is bound.

Local SME industry impact

What is the direct local impact of your business?

Securing the proposed Energy Supply Contract will provide Aurora Energy with additional capability to support our community programs and improve systems, which will provide flow through benefits to all Tasmanians.

Aurora Energy is Tasmania's 100 per cent owned and operated energy retailer providing electricity and gas retail services for more than 279,000 Tasmanian customers. Aurora Energy's two shareholders are the Minister for Energy and the Treasurer.

Aurora Energy employs approximately 210 people based in Hobart and Launceston, and is committed to delivering quality customer service and supporting our local communities.

As part of the community, Aurora Energy is passionate about partnering with non-profit organisations to help break the cycle of disadvantage and is committed to producing practical and long-term benefits for our community.

During 2017-18 Aurora Energy supported more than 60 Tasmanian-based organisations. During 2018-19 this support continued through Partnerships and support for the;

- Aurora Energy multiple grants program, which included grants of up to \$5,000 to support projects or programs that help disadvantaged Tasmanians*
- Alannah & Madeline Foundation*
- Neighbourhood Houses Tasmania*
- SPEAK UP! StayChatTY*
- Tasmanian Men's Shed Association*
- The Smith Family and*
- The Association for Children with Disability*

Small and Local businesses are also supported indirectly through the No Interest Loans (NILS) Energy Saver Loan and Subsidy program that offers concession customers the opportunity to apply for a 50 per cent subsidy for the purchase of energy efficient household appliances and a no-interest loan for the balance of the purchase amount. Since November 2015, Aurora Energy has provided over \$1.BM in funding to the program.

Further details in relation to Aurora Energy and its Corporate Brochures can be found at:

<http://www.auoraenergy.com.au/about/about-aurora/aurora-energyannual-report>

<http://www.auoraenergy.com.au/about/about-aurora>

Goods and services to be utilised in the contract

How much of the goods and services in your submission will be provided by/sourced from local SMEs (this includes goods/services you provide as well as goods/services procured/produced from suppliers/sub- contractors/partners)?

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 and/or services	Total estimated value	Name of anticipated to used (if already determined through supply chain arrangements)	Location of (where already determined through existing supply chain arrangements)	If supplier not yet is there a SME market same? (Yes/No)
Purchase of wholesale electricity	\$28M	Hydro Tasmania	Tasmania	
Distribution of wholesale electricity	\$19M	TasNetworks	Tasmania	

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 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).

95.6% of purchases by Aurora Energy in 2018/19 were from Tasmanian businesses. The total value of these Tasmanian businesses purchases was \$985,168,252.

Securing the proposed contract will provide Aurora Energy with the capability to further develop and improve systems, and community partnerships which will provide flow through benefits to all Tasmanians.

Broader economic opportunities

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

Aurora Energy maintains a core focus on its customers and generating value for its shareholders and the Tasmanian community. We specifically do this by returning an annual dividend to our shareholders which is in turn used for the benefit of the state. In addition, Aurora Energy operates its key functions of Customer Service and Business Support, Credit and Collections, Finance, Marketing, Sales and Billing locally within its Launceston and Hobart offices. Aurora Energy also supports the State through employment provision, with the vast majority of its workforce both Tasmanian and locally based, with a number moving back to the State in recent times as a result of taking up employment opportunities offered by the business.

In Hydro Tasmania and Tas Networks are omitted from the \$985,168,252 of purchases by Aurora Energy that were from Tasmanian businesses referred to previously, the remaining value for 2018-19 is \$30,362,917. This \$30.36M of purchases from Tasmanian businesses during 2018-19 by Aurora Energy was spread across 229 suppliers.