

Tasmanian Industry Participation Plan

Linen and Laundry Services – North West

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.

Procurement details

Procurement ID	DOH-5984
Procurement title	Linen and Laundry Services – North West
Name of Responsible Agency/Entity	Department of Health

Supplier details

Name of supplier	Top Centre Laundry Pty Ltd
Contact details for supplier	Rhys Johnson 8a-14 John St East Devonport TAS 7310 rhys.johnson@topcentrelaundry.com.au 0409 706 871

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

Top Centre Laundry provides linen services state-wide within Tasmania. The business has grown to become Tasmania's premier commercial laundry business. As a family-owned Tasmanian SME company we take full responsibility for the governance of our organisation and pride ourselves on Tasmanians doing business with Tasmanians.

Our operation currently employs in excess of 182 employees state-wide, with 70 employees directly employed in the Devonport region, all who's employment is pivotal on the continuation of this partnership with the Department of health in excess of two decades. TCL boasts an impressive record in terms of a low rate of staff turnover and longevity of employment for many of our operational staff and management team. This provides our company and therefore our clients, with a workforce that has long term experience in the industry and high-level knowledge of the processes and systems that contribute to our high-quality product.

Our current employee wages are \$6.31M for FY2021 and is growing, with YTD wages expected to exceed \$7M. These wages and salaries directly employ valued employees from the NW coast of Tasmania. We utilise several highly skilled workers, several which had been retrenched from local failed business, including Tascott Carpets, Australian Weaving Mills Devonport, Costas Berry and Mushroom farms to name a few. In addition to this Top Centre Laundry contribute Payroll tax to the state, the only laundry in Tasmania. We note during the pandemic all staff were retained by Top Centre Laundry, with zero redundancies. This came at great cost, but was ethically the right thing to do and aligns with Top Centre Laundries core values.

By continuing this contract, it will enable the retention of existing staff and future employment of new staff with circa 8 FTE planned during the next six months. Should this contract not be secured by TCL, the business and employees would not continue as a going concern in its current capacity, redundancies will occur of circa up to 30-40 FTE's. The importance of the health care contract is vital to Top Centre Laundries operation as the DOH- NW linen volume is not cyclical in nature. For example the tourism sector peaks from Nov to April. The spin of effect to the local community would be significant as these employees would be displaced as the laundry cannot operate solely on tourism demand for linen, particularly in winter months.

Top Centre Laundry on average performs 5300 production hours per week. These are all paid to Tasmanian families.

Top Centre Laundry through detailed knowledge of the Tasmanian laundry sector believes that one laundry should not have the entire public health care contract, this enables greater operational redundancy throughout the state of Tasmania which is vital in mitigating health supply risks, whether they be due to Pandemic, natural disaster or other unmitigated risk.

Without the healthcare contract in these quieter months Top Centre Laundry and its employees future is not guaranteed. This contract balances the state health care linen supply security on many facets.

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

Identified goods and/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)
Wages	\$6,313,000	Tasmanian Employees	
Utilities	\$800,000	Tas Gas Retail Pty Ltd Aurora Gas	Tasmanian
Linen	\$280,000	Oakley Agencies	Tasmanian
Fuel	\$290,000	Caltas/Tas Petroleum	Tasmanian
Professional Services	\$42,000	Capital Innovation	Tasmanian
Mechanical Services	\$87,000	M & L Mechanical – Burt & Campbell	North West Coast South
Utilities	\$90,000	TasWater	Tasmanian
Professional Services	\$30,000	Findex	Tasmanian partnership
Supplies	\$50,000	Reitsema Packaging	North West Coast
Mechanical Services	\$35,000	Maintec Engineering	North West Coast
Mechanical Services	\$70,000	Project & Maintenance Engineering	North West Coast

Where possible all contracted and procurement lines are sourced from within Tasmania.

Further to the above, by securing this contract TCL will be able to continue with its investment programme of our planned 1400 sqm building extension. These works have been earmarked for Meadcon Constructions a Tasmanian building entity utilising Haywards steel to the value of \$2.5M.

Opportunity for Tasmanian SME* involvement

Top Centre Laundry continues to reinvest in our established CAPEX program. This has seen in excess of \$20 million invested within the last eight years. All equipment which is installed utilises local engineering firms, local electricians, and local plumbing contractors. This is essential to upskill local contractors in the requirements of an industrial laundry. These skills are then transferable to other organisations and continues the knowledge growth of Tasmanians. This enables ongoing critical support in the event of unforeseen break downs. TCL has earmarked an additional \$4M million investment over the upcoming year. This will continue to utilise the same local contracting firms as listed above. If TCL is unable to secure the linen supply agreement, the downstream impacts to these businesses would also be severe through loss of revenue and resulting in reduced labour requirements at these firms and also the decrease of skilled technical expertise.

All activities and inputs required by TCL in the provision of this supply agreement are required to be performed by local SME's. If we were not to utilise the expertise of local SME we would lose the specific required skill sets of these entities and their staff to perform the inherently unique skills required in an industrial laundry in the event of a breakdown. If this occurs, in a critical machine failure, TCL would not be able to call upon local services, impacting downtime. Therefore, we choose to support local SME in the provision of maintenance support at all terms where possible

As a Tasmanian SME, we choose for Tasmanians doing business with Tasmanians as our preferred activity, wherever possible.

Broader social and economic opportunities

Top Centre Laundry contributes in excess of \$6.31M million in direct wages to the local economy. We are acutely aware of our social responsibility as a company and continue to support local sporting groups, charity associations, medical fundraiser, school groups and many other groups within the community. We anticipate this value to be circa 20k pa even during the global pandemic.

We seek to employ a diverse range of employees covering the long term retrenched, junior workers through to mature aged job seekers. Our organisation has a cultural mix of ethnicity, gender and age groups within our staff. We are proudly represented by 12 nationalities and approx. 30% of our staff have English as a second language. Many of these valued staff are resettled migrants and refugees. We offer detailed training pathways including mentoring, language tutoring for our staff in both formal and informal training settings.

Our valued staff often have come from varied backgrounds and circumstances and our laundry service provides a social inclusive environment and platform for these staff to thrive.

Our business has a range of staff with physical and intellectual disabilities possessing skill sets that are valued and extended within the safe confines of our business. Often we have staff who have rehabilitated from past criminal activities, who are needing to be provided the opportunity to reassimilate into the workforce.

Our employment base is rich in culture and diversity. We are a significant employer within Tasmania. Specifically Top Centre Laundry is viewed as a significant employer on the NW Coast, with our largest contract being the DOH-NW. This contract ensures the 182 employees and their families connected to employment at TCL continue to contribute spending through the local economy.

Local innovative solutions

Top Centre Laundry is currently working on an automated materials handling system which will eliminate the manual handling techniques with linen. This will not lead to a reduced labour level, but this innovative design will increase the contactless nature of sorting potentially contaminated linen. This would decrease infection control exposure to the wider community.

We work closely with local manufacturing firms in the development, IP security through local legal firms and local Tasmanian engineering resources.

This will enhance infection control for all stakeholders in the current pandemic climate.

By securing this contract this ensures the ongoing success of innovation and problem solving within Tasmania, growing the Tasmanian skill sets and capability statements of our State.

Early feasibility of this system indicates significant opportunity for market acceptance, should this continue this innovation may lead to the establishment of circa 10 FTE roles within Tasmania focused on manufacturing and design innovation.

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