

## Attachment 4: Tasmanian Industry Participation Plan

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

<b>Procurement ID</b>	IS-338
<b>Procurement title</b>	Royal Hobart Hospital Pharmacy Redevelopment – Principal Contractor
<b>Name of Responsible Agency/Entity</b>	Department of Health

### Supplier details

<b>Name of supplier</b>	J Hutchinson Pty Ltd
<b>Contact details for supplier</b>	<a href="mailto:tasmania@hutchinsonbuilders.com.au">tasmania@hutchinsonbuilders.com.au</a> Ph 03 6235 9900

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

While Hutchies are a company headquartered in Queensland, we are proud to retain our private ownership status, having been held by the Hutchinson Family for over 110 years. The values of the Hutchinson Family which protected the ownership of the company are the same values which promote those of Local Engagement: community, relationships, and collaboration. The community, our relationships and collaboration are of utmost importance to us in each of the geographical locations from which we operate. Our intention is to integrate into these local communities and stimulate the local economy through our presence and our values. There is no greater evidence of this than our ownership of each office from which we conduct business – office ownership solidifies our place in a community.

Hutchies are not a Tasmanian SME by definition, we employ greater than 200 people nationally. We have been operating in Tasmania since 2009, now owning our office in Argyle Street. We currently employ a workforce of approximately 50FTE all of whom reside in the Greater Hobart area. Each weekday, our jobsites are the workplaces for circa 200 Tasmanians, and many other Tasmanian's employed through the economic activity generated by Hutchies' business.

The Royal Hobart Hospital Pharmacy Redevelopment spans approximately 22 months onsite, during that time roughly 125,000 labour hours will be invested in the project at the site location. This equates to an average on site weekly attendance of approximately 31 people, during the busiest periods a larger attendance of approximately 39 people is expected. These numbers do not include off site labour, labour from the supply chain and the other economic activity generated by the Project.

Part of our subcontract letting procedure ensures that subcontractors have sufficient resourcing for the duration of the project. We do not envisage any specified subcontractor will need to call upon additional labour from outside of Tasmania.

We are expecting the Pharmacy Redevelopment to support approximately 13 jobs within Hutchinson Builders in the form of apprentices, labourers, leading hands, tradespersons and management / administration staff. Many more will be supported through the engagement of subcontractors and suppliers.

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

As the Head Contractor, Hutchinson Builders will not provide all of the goods and services identified in our tender submission. With the exception of the specialised medical equipment, in our opinion the local market is sufficiently capable and experienced to deliver goods and services specified in the RHH Pharmacy Redevelopment. We have formed this opinion by undertaking an assessment of the scope of the work to be delivered, the Department of Health's requirements for quality of project delivery, and the overlay requirements of stakeholder engagement. The local subcontractor market regularly delivers projects with similar or heightened constraints and does so successfully. Hutchinson Builders propose to enter into subcontracts with Subcontractors and Suppliers to deliver the Works. At the time of tender, we anticipate entering into subcontracts with Tasmanian SME's for all packages except the electrical services package. This represents 93% of the project being awarded to Tasmanian SME's by subcontract number and 87% by subcontract value. The building and civil construction industry in Tasmania employs a total of approximately 21,000 workers, of which it is anticipated that approximately 7,000 live or work within the local area. Of that circa 7,000 workers, approximately 3,600 are engaged in the commercial building sector of the industry, with the remainder in residential construction or engineering construction. Those circa 3,600 workers are employed by businesses who utilise their services both on-site and off-site, contributing to a total local commercial construction industry spend of circa \$700M per annum.

Approximately 600 businesses operate within the local commercial construction industry, and Hutchinson Builders regularly engage with a major portion of those businesses. The local subcontractor and supplier market is sufficiently skilled and experienced to undertake the Pharmacy Redevelopment Project at RHH.

### Opportunity for Tasmanian SME\* involvement

Yes, Hutchies confirm that approximately 90% of the subcontracts by number and 93% by value will be delivered by Tasmanian SME's.

The Pharmacy Redevelopment will predominantly rely on the existing supply chain arrangements which are in place, this is because the project is not of a scale or duration which necessitates expanding the existing supply chain. Further, any action to expand the existing supply chain would require dedicated investment which would not yield a suitable return against a project at the scale of the Pharmacy Redevelopment. Hutchies' strategy amongst the existing supply chain will be to promote the opportunities for Tasmanian SME engagement.

In developing our tender offer for this project, Hutchies prioritised the selection of Tasmanian SME subcontractors and suppliers. A number of bids were received from businesses who are not considered Tasmanian SME's and against the assessment criteria were considered unsuitable to pursue. The project was advertised to market within Hutchinson Builders' tendering system which includes a database of all subcontractors and suppliers with the capability to deliver the project.

The only subcontractor likely to be engaged who is not a Tasmanian SME employs local staff, engages with local suppliers, and works out of a locally-based office. While there are no opportunities on this project to consider skills transfer from this subcontractor to a Tasmanian SME in the same field, there are general benefits to the broader Tasmanian social economy by reason of the skills promotion of Tasmanian-based workers employed by the subcontractor who is not a Tasmanian SME. The outcome is a general strengthening of the State's skills base which will lead to better outcomes and opportunity for growth by Tasmanian businesses.

## Broader social and economic opportunities

The Royal Hobart Hospital Pharmacy Redevelopment includes a very broad scope of work. It includes new construction, refurbishment, specialist medical equipment installation, infection control, working in a live environment among many other facets. These areas will promote the skills and experience of the local market and ensure the development of industry capabilities.

The local market in Southern Tasmania is currently experiencing a forecast shortage of workers over the coming 10 years. This issue has been created by unprecedented civil infrastructure spend in Tasmania, coupled with the general increase in commercial building projects driven by both increased Government expenditure and greater private industry interest in the marketplace.

This project provides the opportunity for Hutchinson Builders to positively contribute to skills development in the local industry by maximising opportunities for apprentices, trainees and people interested in career changes to participate in the delivery of the works.

To realise this opportunity for skills development, Hutchinson Builders will consult with Master Builders Tasmania and their High-Vis Army project to identify whether the opportunity exists for resourcing any project apprentice and trainee roles. Any details of formal engagement will be finalised post award, however early engagement with the High-Vis Army program suggests the RHH Pharmacy Redevelopment project is an appealing project. The involvement of the High-Vis Army program will also ensure that Hutchinson Builders benefit by improving the positive outcomes for apprentices and trainees, which will lead to higher rates of apprentice and trainee engagement within our business.

Hutchinson Builders provides support within the community regularly in a varying scenario. A few are mentioned below;

Clarence Lions Club – Run the Beaches Sponsorship

Tas Fire Service – provide crane for vertical rescue training

Sponsorship of various local sporting teams

City to Casino Fun Run Sponsorship

Ronald McDonald House, Give me 5 for kids, Cancer Council – Relay for Life, St Vincent de Paul

Sleepout, Seconds Count Gala Ball donations.

We have recurring sponsorships / membership with the following organisations;

National Assoc. Women in Construction (NAWIC) Tasmanian Awards Sponsor

Dogs Home of Tasmania Kennel Sponsorship

Hobart Airport Marathon Festival

Reconciliation Collective membership

Property Council of Tasmania membership

Master Builders Tasmania membership

## Local innovative solutions



A high level of engagement of the local market is always a priority for Hutchinson Builders as we believe it yields the strongest results. We also like to identify opportunities for innovation in a local market, whether it be a partnership between businesses or other arrangements which will improve the skillset and knowledge of the local workforce and profitability of the businesses.

Two examples of this include:

Approximately five years ago, Hutchies facilitated the introduction of a strong local Joiner who employed about 30 people to one of the largest Joinery contractors in Australia who Hutchies had worked with for a long time. The large company shared knowledge about their manufacturing processes, stock levels, equipment selections and detailing to enable the local Joiner to optimise their business. This allowed the local joiner to grow their business and serve their Tasmanian customers more efficiently.

On a more recent multi-storey hotel project worth greater than \$50M, Hutchies facilitated the partnership of two plumbing companies. One was a large Tasmanian Plumbing company and the other was a large National Plumbing company who specialised in multistorey apartment and Hotel projects. The National Company took the role of project management, logistics and project planning with the local company assuming the labour, local connections, and site management role. As a

consequence of this partnership, the local company has strengthened their multistorey project practices to become a more skilled and sustainable business.

<b>Completed and endorsed by Supplier</b>	<p>Nick Silcox, Team Leader Tasmania ..... (Name and position – print)</p> <p>J Hutchinson Pty Ltd ..... (Supplier name)</p> <p> ..... (Signature)</p> <p>10...../10...../2023..... (Date)</p>
<b>Endorsed by Agency Accountable Authority</b>	<p>KATHRINE MORGAN-WICKS ..... Name and position – print SECRETARY</p> <p> ..... (Signature)</p> <p>2, 11, 23 ..... (Date)</p>

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