

Tasmanian Industry Participation Plan

DCT- 5876- MODHomes Modular Housing Program

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.

Guidance information (can be deleted):

- *Information provided in the Economic and Social Benefits Statement can be used as a basis for a TIPP.*

Procurement details

Procurement ID	DCT- 5876
Procurement title	MODHomes Modular Housing Program
Name of Responsible Agency/Entity	Homes Tasmania

Supplier details

Name of supplier	Davies Construction (TAS) Pty Ltd
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Contact details for supplier

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

As a confirmed Tasmanian SME, Davies Construction, with well-established operations in Sheffield and Launceston, is ready to initiate the project detailed in the recent tender award. Our team—comprises 17 full-time Tasmanian employees in Davies Construction, and 7 full-time employees in our sister architecture company. Ranging from seasoned architects to aspiring first-year apprentices—is set to mobilise, reinforcing our commitment to Tasmanian employment and local economic growth.

In alignment with the project's requirements, we are on track to expand our workforce, specifically through the recruitment of additional unskilled labour. This expansion will facilitate the efficient production of modular homes.

This growth strategy is not merely a business decision but a reflection of our dedication to nurturing local talent and providing substantial employment opportunities within the Tasmanian community. We affirm that all labour hours for this project will be fulfilled by our Tasmanian-based team members, thereby ensuring that the local workforce wholly reaps the benefits of this venture.

Davies Construction is eager to commence this project, fully aware that our endeavours will contribute significantly to the Tasmanian economy and the livelihoods of its residents. We are not just building homes but a stronger community and a brighter future for Tasmania.

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

Davies Construction is committed to maximising the use of local goods and services throughout the lifecycle of this contract. All services outlined within our submission are provided in-house, except for certain materials, and products, where it goes beyond the benefit of buying it locally and we consider a lower cost, higher quality imported material that will provide healthier, more energy-efficient and longer-lasting buildings. In this case, we would choose to source the material from outside of Tasmania but with the long-term benefits to Tasmanian housing stock and the health of the occupant in mind.

In-House Services Provided by Davies Construction:

- Comprehensive architectural design services
- Pre-construction management, including council lodgement, certifications, and report preparations
- Construction of modular homes, aside from specialist trade involvement

Externally Sourced Services:

- Building materials and products are sourced from Tasmanian suppliers wherever feasible
- Electrical, plumbing, painting, tiling, and joinery services are contracted exclusively to Tasmanian SMEs

We have diligently ensured that the materials and products proposed are Tasmanian-made or, when not available locally, are procured from Tasmanian distributors. This commitment is evident in the fact that 90% of all materials and goods specified are manufactured by or purchased from Tasmanian SMEs, and a full 100% of the services are sourced from within the state, supporting local SME providers.

This approach not only supports local businesses but also contributes to the Tasmanian economy at large. With the commencement of this project, we are proud to report that 90% of all expenditures related to planning, constructing, and installing the modular homes will circulate within the Tasmanian economy. Davies Construction's procurement strategy is designed to ensure that the economic benefits of this project will resonate deeply within the local community, reinforcing our commitment to Tasmanian industry and workforce development.

Opportunity for Tasmanian SME* involvement

Davies Construction is steadfast in its commitment to fostering local enterprise, with a 13-year track record of cultivating strong partnerships with Tasmanian SMEs and specialist trades. Our approach to fulfilling the obligations of this contract will be no different; we will leverage these established relationships to ensure adherence to the high standards that Davies Construction is known for.

Should the need arise to engage additional subcontractors, we will employ our stringent vetting process, which has been refined over years of successful contract fulfilment, to ensure alignment with our quality and performance expectations.

We maintain robust ties with key industry bodies, such as Master Builders Tasmania, The Passivhaus Association Australia and HIA Tasmania, and we intend to utilise these connections to guarantee that only the industry's finest are contributing to this project. This strategic collaboration ensures we not only maintain our high standards but also support the growth and development of Tasmanian SMEs.

Furthermore, we are committed to refining the process of building healthier longer-lasting homes in the off-site factory facility and will work closely with sub-contractors to make the building process more efficient.

In addition, Davies Construction recognises the importance of skill development and will actively pursue opportunities to transfer knowledge and expertise to our Tasmanian SME partners and subcontractors throughout the project lifecycle. This initiative not only uplifts the individual SMEs but also enhances the collective skill set within the Tasmanian construction industry, paving the way for sustained local growth and development.

Broader social and economic opportunities

Davies Construction, rooted in the heart of Sheffield, has always been more than a construction company; we are an active community participant and a catalyst for regional development. Our sustained presence in Sheffield, even as we expanded across Tasmania, reflects our dedication to supporting and uplifting the local community, particularly in areas identified by the 2016 Census as disadvantaged.

Our commitment to the social and economic welfare of Tasmania is multifaceted:

- **Employment:** We consistently prioritise hiring from within the disadvantaged demographics of the Sheffield/Railton communities, with 38% of our staff coming from these areas.
- **Skill Development:** We are a staunch advocate for education and skill enhancement, regularly offering work experience placements to Year 10 students from local schools, with many transitioning into carpentry apprenticeships.
- **Community Engagement:** Davies Construction actively supports community events such as the 2022 Mural Fest in Sheffield, contributing to the town's cultural landscape and economic vitality.
- **Environmental Responsibility:** In our mission to operate sustainably, we partner with The Tree Project, ensuring that for every home we build, sufficient funding is provided for planting 500 trees, thereby offsetting our carbon footprint and committing to carbon-neutral construction for all homes built under the ModHome Program.

Through the execution of this contract, Davies Construction will not only continue these practices but also seek to amplify them, thereby enhancing vocational opportunities, supporting local businesses, and contributing to the social fabric of our communities. This contract is a stepping stone towards a greener, more skilled, and economically robust Tasmania, one home at a time.

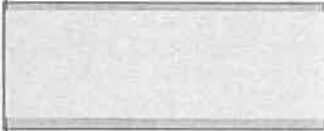
Local innovative solutions

At Davies Construction, innovation is at the core of our operations, particularly when it comes to enhancing the quality and performance of homes in Tasmania. Recognising that not all necessary goods can be locally manufactured, we have established partnerships with local businesses to import such materials, thereby stimulating the Tasmanian economy and providing financial benefits to local companies through these transactions.

Looking to the future, Davies Construction is pioneering strategies to locally produce components that have traditionally been sourced from outside Tasmania. We are in the process of adapting our workshop's capabilities to design and construct the high-performance floor, wall and ceiling cassettes to provide high-performance and Passivhaus standard building envelopes to the wider Tasmanian market, a product currently not available within Tasmania. The local manufacture of these cassettes and windows represents a significant stride forward in our commitment to innovation, potentially

revolutionising the Tasmanian and Australian construction markets by meeting the growing demand for superior quality, energy-efficient homes.

This forward-thinking approach not only propels Davies Construction to the forefront of the industry but also promises substantial economic benefits to Tasmania, setting a benchmark for local manufacturing capabilities and contributing to the sustainable evolution of our community's housing solutions.

Completed and endorsed	<p>Luke Davies Builder + Founder (Name and position – print)</p> <p>Davies Construction (TAS) Ptd Lty (Supplier name)</p> <p></p> <p>.Dec.01.2028.04:13 GMT (Date)</p>
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*A Tasmanian SME is a Tasmanian business employing less than 200 people