

Tasmanian Industry Participation Plans

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The Plan to make Tasmania attractive
for investment, and to create jobs

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Government is the biggest purchaser of goods and services in Tasmania. Unfortunately, the Labor-Green Government's preference towards large, state-wide contracts has resulted in the exclusion of many small businesses from the public sector procurement market. Moreover, many businesses are challenged by the complex and onerous requirements of securing large contracts and tenders for government work.

The Liberals have already committed to introducing a **Local Benefits Test** for government purchasing, requiring the government to take into account the wider community and social benefits of purchasing decisions, not just the price. We have also committed to **disaggregating large government contracts** into smaller, more manageable tenders with more commercially reasonable terms and conditions, to further open the market to all Tasmanian businesses.

As further evidence of our commitment to increasing opportunities for local Tasmanian businesses to participate in government projects, a majority Hodgman Liberal Government will mandate the development of Tasmanian Industry Participation Plans (TIPP).

Tasmanian Industry Participation Plans will apply to major government and government-owned projects or contracts valued at over \$5 million, or private sector projects valued at over \$5 million, where the State Government contributes over \$500,000.

Government agencies will also be encouraged to consider the need to develop Tasmanian Industry Participation Plans for projects of more than \$2 million in value on a case by case basis to ensure that local industry participation is maximised.

Involving local Tasmanian businesses in major government projects is critical to the long-term development and viability of Tasmanian industry and the strength of the State's economy as a whole. Measures to increase local participation will also develop the capability of local industry to meet the requirements of large projects and improve their competitiveness in the market generally.

In developing each Tasmanian Industry Participation Plan, project proponents will be required to detail the capacity and anticipated participation of local suppliers in the project, and the benefits to the State that the project will generate.

Each TIPP will need to be registered with, and approved by the Treasury before the project proponent can seek tender submissions from smaller subcontractors.

Most other Australian jurisdictions have Industry Participation Plans in place to support local businesses win government work. The requirements for business in preparing these plans will be minimal, and the plans themselves will have a significant net benefit for local businesses.