

# Tailored Industry Participation Plan (TIPP)

## Supplier Guide Notes

*Definitions, Interpretation, and requirements*

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# TIPP Supplier Guide Notes

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The Office of the Industry Advocate (OIA) works with Responsible Government Agencies (RGAs) to design and implement Tailored Industry Participation Plans (TIPP) in any area of expenditure that will benefit the State, regardless of value.

## 1) *Supplied from SA Primary and Secondary Suppliers*

### ▪ Work Package Definitions

- Projects are broken down (disaggregated) into manageable work packets, components, or elements to provide a common framework for scope schedule, costs, and allocation of responsibly, herein referred to as work packages.
- For the purposes of completing a TIPP, contracts associated with work packages can defined in a number of ways:
  - The trade account is an account in which trade credit is spent and repaid. When trade credit is given, a trade account is established. Purchases of products from the company providing the trade credit accrue as a trade account payable for the customer.
  - A purchase agreement is a type of contract that outlines terms and conditions related to the sale of goods. As a legally binding contract between buyer and seller, the agreements typically relate to buying and selling goods rather than services.
  - A service agreement or supply contracts are a common type of agreements. They can cover a wide range of commercial relationships and typically cover a relationship where a business provides its services to a customer.
  - A supply agreement is an agreement for the sale of goods from one party, the supplier, to another, the purchaser. Due to the broad scope of industries and businesses at a supply agreement could apply to ensure that agreement appropriately reflects the arrangement between both the parties.
- The **TIPP Table 1** which measures expenditure through the number of individual contracts will be the strongest measure of retained economic benefit to the State and the expenditure value will identified a as percentage of total project budget. In this case cash purchases do not constitute a contract.
- Construction Work packages or Trade Packages are reasonably sized packages of work which include the labour, equipment and materials required to complete tasks within the project schedule.
- ICT Work packages are contracted deliverables that may include Software Creation/Licencing, Hardware, Installation, Maintenance and Service Support.

### ▪ Head Contractor Definition

- A head contractor is the entity which is directly contracted to the client/principal to undertake and complete the project. Head contractors usually self-perform various elements of the contract and then subcontract the other work packages to other primary or secondary suppliers.
- The Head contractor will identify in Table 1, whether Primary Suppliers to be engaged are South-Australian-based businesses or not. An estimate of the expenditure with the Primary Supplier(s) will be provided as a percentage value of the overall contract amount.

(the Head Contractor can also be a Primary Supplier (i.e. self-performed works) and will record work packages accordingly).

- A locally based business is defined as a business which has been operating in South Australia for at least 2 years with greater than 50% of the SA operation's workforce being residents of South Australia.
- The same will apply to Secondary Supplier/s engaged by the Primary Supplier. The Head contractor / Primary Supplier(s) will identify whether the Secondary Supplier/s are South Australian-based businesses or not. An estimate of the expenditure with Secondary Supplier/s will also be provided as a percentage value of the overall contract amount. There may be multiple secondary suppliers providing inputs into a work package. As such, identify these through a "cascading" work package.
- Confirmation of the names and location (e.g., Metro/Regional) of Primary & Secondary Suppliers must be provided to the Industry Advocate prior to execution of the contract or once a Fixed and Final offer has been accepted by the Responsible SA Government Agency (RGA) undertaking the tender.
- It is anticipated that there will be several work packages associated with each Primary and Secondary Supply Chain so add lines accordingly. (Refer to Table 1 examples).
- There may be multiple secondary suppliers providing inputs into a work package being delivered by a primary supplier. These secondary suppliers should be included by "cascading" the Table 1 rows (Refer to Table 1 examples).
- Due to the nature of some industry supply chains in South Australia which rely on imports, many secondary suppliers are not SA-based. All Primary and Secondary Suppliers with work packages valued above the nominated % of overall contract value must be represented in Table 1.
- The definition of a "start-up" will be a business based in South Australia, having an active ABN and in the first two years of operation, contracts with these businesses should be recorded in Section: *Innovation and Start-up Engagement* (when applicable).

### Managing Contractor/ Managed Services Stage 1 TIPP ONLY

- Details of work packages, including business details, expenditure value and industry sector will be provided to the Industry Advocate during Stage 2 of the Tailored Industry Participation Plan process. A Supplier Declaration will be required to be signed by the tenderer authorised representative before fixed and final offer is approved.

## 2) Supplied from SA Primary and Secondary Suppliers – TIPP Examples

- Examples of completing Supplied from SA Primary and Secondary Suppliers **Table 1**:

Construction

TABLE 1 - Chassis					
1	2	3	4	5	6
List head contract work, sub-contracts, and supply-chain contracts as separate work packages	List Primary Supplier contract/s as a percentage of total project value	Is the Primary Supplier/s a SA based business? <i>(YES or NO)</i>	List all Secondary Supplier contracts as a percentage of total project value	Are the Secondary Supplier/s a SA based business? <i>(YES or NO)</i>	Total work package value as a percentage of contract value (Equals columns 2 & 4)
<i>Provide description of the relevant contracts per work packages</i>	%	YES/NO	%	YES/NO	%
Piling	1.00%	Yes	2.00%	Yes	3.00%
			1.00%	Yes	1.00%
			0.50%	Yes	0.50%
			0.20%	Yes	0.20%
Civil Works - Deconstruct	0.50%	Yes	0.10%	Yes	0.60%
			0.20%	Yes	0.20%
			0.50%	Yes	0.50%
			0.30%	Yes	0.30%
Concrete	1.20%	Yes	0.75%	Yes	1.95%
			1.50%	Yes	1.50%
			2.20%	Yes	2.20%
			0.75%	Yes	0.75%
Formwork	3.30%	Yes	0.70%	Yes	4.00%
			1.20%	Yes	1.20%
			0.50%	Yes	0.50%
Reinforcement Supply	0.30%	Yes	0.10%	Yes	0.40%
			0.15%	Yes	0.15%
			0.80%	No	0.80%
			1.10%	Yes	1.10%
Reinforcement Fixing	1.50%	Yes	1.70%	Yes	3.20%
Structural Steel	3.30%	Yes	1.50%	Yes	4.80%
			2.00%	Yes	2.00%
			0.40%	No	0.40%
			0.20%	Yes	5.00%
Precast	1.50%	Yes	0.10%	Yes	3.00%
			0.30%	Yes	2.00%
			0.50%	No	0.50%
			0.80%	No	0.80%
Aluminium Windows	0.60%	Yes	0.50%	Yes	1.10%
			0.60%	No	0.60%
External Cladding	0.40%	Yes	0.90%	Yes	1.30%

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			0.50%	Yes	0.50%
Roofing	0.70%	Yes	0.30%	Yes	1.00%
Ceilings and Linings	0.50%	Yes	0.30%	No	0.80%
			0.80%	Yes	0.80%
			0.90%	Yes	0.90%
Electrical	1.60%	Yes	2.20%	Yes	3.80%
			0.60%	No	0.60%
			0.20%	Yes	0.20%
Mechanical Services	2.30%	Yes	3.00%	Yes	5.30%
			1.70%	No	1.70%
			0.90%	Yes	0.90%
			1.50%	No	1.50%
Hydraulics	1.30%	Yes	1.10%	Yes	2.40%
			0.50%	Yes	0.50%
			0.20%	Yes	0.20%
Lift Services	1.10%	Yes	0.10%	No	1.20%
			0.20%	Yes	0.20%
			0.30%	No	0.30%
			0.54%	Yes	0.54%
Self Performed - Scaffolding/Cranes	2.50%	Yes	0.10%	No	2.60%
Self Performed - Site Temp Services	3.40%	Yes	1.10%	Yes	4.50%
Self Performed - Site Office Hire	5.10%	Yes	0.50%	Yes	5.60%
Self Performed - Surveying	1.90%	Yes	0.20%	Yes	2.10%
Self Performed - Traffic Management	3.50%	Yes	0.30%	No	3.80%
Self Performed - Parking, Cleaning, Waste Disposal	4.20%	Yes	1.60%	Yes	5.80%
<b>TOTAL</b>	<b>41.70%</b>		<b>43.69%</b>		<b>93.29%</b>

Civil

TABLE 1					
1	2	3	4	5	6
List head contract work, sub-contracts, and supply-chain contracts as separate work packages	List Primary Supplier contract/s as a percentage of total project value	Is the Primary Supplier/s a SA based business?  (YES or NO)	List all Secondary Supplier contracts as a percentage of total project value	Are the Secondary Supplier/s a SA based business?  (YES or NO)	Total work package value as a percentage of contract value (Equals columns 2 & 4)
<i>Provide description of the relevant contracts per work packages</i>	%	YES/NO	%	YES/NO	%
Landscaping	3.00%	Yes	1.00%	Yes	4.00%
Asphalt and Seal	9.00%	Yes	3.00%	Yes	12.00%
			2.50%	No	2.50%
Line Marking	1.80%	Yes	0.00%	N/A	1.80%
Site Signage	1.90%	Yes	0.00%	N/A	1.90%
Concrete Supply	2.50%	Yes	1.00%	Yes	3.50%
Reinforcement Supply	3.00%	Yes	1.00%	No	4.00%
			0.50%	Yes	0.50%
Structural Steel	2.00%	Yes	3.00%	No	5.00%
Quarry Products	6.00%	Yes	0.00%	N/A	6.00%
Traffic Signalling	1.50%	Yes	0.00%	N/A	1.50%
Traffic Management	2.00%	Yes	1.50%	Yes	3.50%
Box culverts	1.00%	Yes	0.50%	Yes	1.50%
Earthmoving Plant	15.00%	Yes	0.00%	N/A	15.00%
Drainage Pipes	1.00%	Yes	0.70%	Yes	1.70%
Fencing	3.00%	Yes	2.00%	Yes	5.00%
Surveying	3.00%	Yes	0.00%	N/A	3.00%
Kerb and gutter	0.50%	Yes	0.00%	N/A	1%
Labour Hire	15.00%	Yes	7.00%	Yes	22%
<b>Total</b>	<b>71.20%</b>		<b>23.70%</b>		<b>94.90%</b>

Services/ICT

TABLE 1			
1	2	3	4
Provide detailed description of relevant work packages including work to be self-performed by the Head Contractor	List Primary and Secondary contracts as a percentage of total project value	Are the Primary and Secondary Suppliers SA based business(es)? (YES or NO)	Percentage of FTE jobs for each work package with are SA Jobs
<i>Provide description of the relevant contracts per work packages</i>	%	YES/NO	%
Project Management	20.00%	Yes	100.00%
Stakeholder Engagement	10.00%	Yes	100.00%
Software Architecture	20.00%	Yes	40.00%
Infrastructure / Data Center	10.00%	No	0.00%
Back End	10.00%	No	0.00%
Web/Mobile Application	10.00%	Yes	90.00%
Integration /Rollout	20.00%	Yes	100.00%
Total	100.00%		

Confirmation of the names and location (e.g., Metro/Regional) of Primary & Secondary Suppliers must be provided to the Industry Advocate prior to execution of the contract or once a Fixed and Final offer has been accepted by the agency.

**3) Opportunities for SA Regional Businesses**

- The work packages included in this section identify contracts featured in Table 1 which are with South Australian Regionally based businesses.
- SA regional areas are defined as any area which falls outside the Adelaide Metropolitan area, refer **Section 14) Metropolitan Adelaide Boundaries – Map**.

**4) Aboriginal Economic Participation - Supply Chain**

- Industry Advocate definition of a South Australian Aboriginal Business:
  - A business operating in South Australia that is 50% or more owned by an Aboriginal resident of South Australia (for taxation purposes); or,
  - A 50% or more Aboriginal owned business operating in South Australia where the Aboriginal owner is a non- South Australian resident, but the business provides economic benefit to South Australian Aboriginal people through ongoing employment in this State; or,
  - An Aboriginal Joint Venture arrangement with at least 50% South Australian Aboriginal ownership and verification that management and financial decisions are made by the Aboriginal partner.
- For assistance in identifying South Australian Aboriginal Businesses, please consider:
  - visiting the SA Product and Services Register; via [www.industryadvocate.sa.gov.au/](http://www.industryadvocate.sa.gov.au/)



- contacting the Office of the Industry Advocate on 8226 8926 or by email at [OIA@sa.gov.au](mailto:OIA@sa.gov.au).

- South Australian Aboriginal Businesses are represented in a variety of industry sectors; therefore, head contractors should consider all aspects of their supply chain. Aside from labour, civil and construction businesses, businesses that may be utilised in the delivery of the contract include Cultural Awareness Training, Office Cleaning, Printing, Business Cards and Stationery and ICT consultants.

### 5) *Workforce and Skills Development*

- Apprentices/Trainees/Graduates - For more information on employing apprentices and trainees, call 1800 673 097 or visit the Department for Innovation and Skills website. <https://business.sa.gov.au/COVID-19-business-information-and-support/Boosting-Apprenticeship-Commencements>;
- For more information about the role of Group Training Organisations (GTOs), visit the Australian Apprenticeships website. <https://www.australianapprenticeships.gov.au/>.
- Back Office Support - The level of labour from residents of SA includes a percentage of support services delivered through “head office” support functions such as payroll, finance, HR, ICT support, etc.
- Digital Jobs – The SA Government recognises the cyber and digital skills gap and seeks to develop the opportunities for South Australians to be educated and employed in the ICT sector. Digital jobs may be created in all industries and so complete the section if it is applicable to your individual business’s circumstance.
- For more information, refer to the ICT, Cyber Security and Digital Government Strategy: <https://www.dpc.sa.gov.au/responsibilities/ict-digital-cyber-security/ict-cyber-security-digital-strategy>.
- For the purposes of completing an Industry Participation Plan, digital technology jobs are defined in the following positions:

#### **ICT management and operations**

- ICT managers
- ICT trainers
- management and organisation analysts
- other information and organisation professionals
- database and systems administrators, and ICT security specialists
- ICT support and test engineers

## **ICT technical and professional**

- graphic and web designers, and illustrators
- ICT business and systems analysts
- multimedia specialists and web developers
- software and applications programmers
- computer network professionals
- telecommunications engineering professionals
- telecommunications technical specialists

## **ICT sales**

- ICT sales professionals
- ICT sales assistants

## **ICT trades**

- ICT support technicians
- telecommunications trades workers

## **Electronic trades and professional**

- electrical engineering draftspersons and technicians
- electronic engineering draftspersons and technicians
- electronics trades workers

## **ICT industry admin and logistics support**

- All other occupations where the employee works in an ICT-related industry subdivision (telecommunications services; internet service providers, web search portals and data processing services; and computer system design and related services)

### 6) *Aboriginal Economic Participation - Workforce*

- When using recruitment companies (including GTO's etc) head contractors should identify businesses operating in South Australia that are 50% or more owned by an Aboriginal resident of South Australia.
- The commitment to Aboriginal workforce is a commitment across the contract term. The commitment should reflect the Aboriginal workforce participation rate in each contract period, and those periods should be added up and average to your minimum and expanded commitments.

### 7) *Investment in South Australia*

- When estimating the value of investment in plant and equipment (to be permanently located in SA) to deliver the contract, the Head contractor should consider project specific as well as annualised expenditure.
- Consumables do not meet the definition of investment and should be excluded.
- When estimating the value of investment in skills and knowledge transfer to employees and subcontractors, the Head contractor should consider project specific as well as annualised expenditure on programs for staff directly involved in the project, if an apportioned figure is not able to be calculated.
- Include the value of capital expenditure for the leasing of office/warehousing and associated infrastructure required to deliver the project.
- If the office/warehousing facility is already owned use an equivalent leasing amount for the term of the contract.
- Investment in research and development that will lead to a new product or service, specifically for the delivery of this contract should be included (when applicable).

### 8) *Innovation and Start-up Engagement*

- Start-up companies and entrepreneurs can often provide innovative solutions to government challenges and should therefore be considered when tendering for government contracts.
- The definition of a "start-up" will be a business based in South Australia, having an active ABN and in the first two years of operation. Contracts with these businesses should be recorded in Section: *Innovation and Start-up Engagement*.
- Department for Innovation and Skills – Entrepreneurship and Start-ups website <https://innovationandskills.sa.gov.au/innovation/entrepreneurship-and-future-industries>.

### 9) *Socio-Economic Contribution*

- Examples of contracts with businesses and social enterprises employing workers with a disability or mental illness, ex-offenders, older adults, migrants and refugees.
- For assistance in identifying social enterprises, please consider visiting the South Australian Social Enterprise Council website <https://www.sasec.org.au/directory>.

## 10) Sustainable Procurement

- Visit the SA Product and Services Register, search category Recycled Products - <https://www.industryadvocate.sa.gov.au/sa-product-and-service-register/search-by-industry>
- Connection with businesses that may be able to provide support: Green Industries SA <https://www.greenindustries.sa.gov.au/>.

## 11) Design and Specification – Managing Contractor TIPP's Only

- Project design and specifications should not create obstacles to the South Australian supply of goods or services. Specifications should use Australian standards or standards regularly used in Australia and be performance-based rather than design specific or proprietary products.
- List contracts with South Australian businesses that perform to the required standards and have the capability to deliver the required products or services.

## 12) Skills and Knowledge Transfer

- Provide the number and details of program/s of knowledge transfer to ensure capabilities and capacity South Australian sub-contractors and suppliers are developed to enhance their prospects for future opportunities.
- When estimating the value of investment in skills and knowledge transfer to employees and subcontractors, the Head contractor should consider project specific as well as annualised expenditure on programs for staff directly involved in the project, if an apportioned figure is not able to be calculated.
- Include programs for the training and education of RGA staff, upskilling of own staff, upskilling of subcontractors.
- Industry briefings are recognised as being able to provide opportunities for subcontractors and create connections with primary suppliers.

## 13) SAIPP Steel Policy

- Purchase of Structural and Reinforcing Steel
  - Contractors must purchase reinforcing bar and mesh, pre and post tensioning strand structural steel from a steel manufacturer that has been certified by the Australasian Certification Authority for Reinforcing and Structural Steels (ACRS) as complying with AS/NZS 4671, 4672, 1163, 3678, 1594 and 3679.1 and 3679.2 standards.
  - Contractors must retain records to provide evidence of the supply of steel from an ACRS accredited mill and must make such records available to the Office of the Industry Advocate for review, upon request.
- Fabrication of structural work
  - Steelwork fabricators must be certified to the relevant Construction Category in accordance with the National Structural Steelwork Compliance Scheme (refer <http://www.sacompliance.com.au>) in accordance with the Fabricator Code of Practice.

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- Contractors must retain records to provide evidence that the fabrication of steelwork has been undertaken by a company certified to the required Construction Category and must make such records available to the Office of the Industry Advocate for review, upon request.

### 14) Metropolitan Adelaide Boundaries

- Metropolitan Adelaide projects will be those within the boundaries identified below and regional projects for all project outside these boundaries:

#### Metropolitan Adelaide Boundary Map

