

ADVANCED CENTRE OF ANIMAL RESEARCH CASE STUDY

The companies

Hales and Lunn (Australia) Pty Ltd designs, manufactures and installs insulated ceiling and wall panels and architectural panelling for commercial, industrial or residential applications.

The company was founded in Queensland in 1983 and opened a Sydney office in 1986. In March 2007, Hales and Lunn was acquired by the Austral Insulation Group and now forms part of a network of affiliated firms operating in Queensland, Victoria, Western Australia and New Zealand.

Hales and Lunn employs more than 100 people at its Brisbane workshop, at Carole Park, where it undertakes panelling projects for buildings as diverse as cold-storage warehouses and freezers, food-processing plants and office blocks, and designs and manufactures sunshades and relocatable buildings.

Leadbetter Contracting Pty Ltd is a Toowoomba-based firm specialising in hydraulic services.

Owner Jim Leadbetter said the company was established 45 years ago. It now employs about 50 people skilled in plumbing and hydraulics and undertakes a range of private, commercial and civil projects. It also has stainless steel and sheetmetal operations.

Beyfield Pty Ltd, trading as East Coast Mechanical Services, specialises in the design, project management, installation and commissioning of commercial heating, cooling and ventilation systems. The company operates from premises in Northgate, Brisbane, where it employs more than 100 people with skills in sheet-metal



work, plumbing, engineering, drafting and project management.

The opportunity

In January 2007, the University of Queensland (UQ) signed a contract with Toowoomba-based construction firm McNab Pty Ltd to build a \$33 million Animal Research Centre at the university's Gatton campus.

The Centre for Advanced Animal Science (CAAS) is being developed as a joint project between the Queensland Department of Primary Industries & Fisheries (DPI&F) and UQ.

The Queensland Government is contributing \$9.5 million from its Smart State Research Facilities Fund to establish the centre that will support collaborative research and advanced education and training for researchers and practitioners in animal industries.



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It will include world-class facilities for those working in fields such as animal growth, adaptation, welfare, health and vaccines.

The centre is being developed in three stages. The first stage, incorporating animal pens for nutrition trials, a feed-processing shed, cattle-handling yards and a large hay shed, opened in November 2007. Further stages, including animal observation and sampling rooms, were scheduled for completion by June and October 2008.

Steve Jones, ICN Queensland's Manager of Government Projects, said funding arrangements for the CAAS project required McNab to engage Queensland-based subcontractors where possible.

"Normally university projects don't fall under the state government's Local Industry Policy because they are largely federally funded," Mr Jones said.

"But this project was funded through the Smart State Research Facilities Fund, which made it eligible for the Local Industry Policy."

Mr Jones said the CAAS project, being sited at Gatton, opened opportunities for regional firms.

McNab supplied ICN with a list of all the works packages for the CAAS project. ICN then examined the list and identified firms it believed could potentially supply all or part of each package.

"We checked out those suppliers to make sure they were supplying Queensland or Australian products, where possible," Mr Jones said. "We prequalified them in that respect and gave all the details back to McNab."

Mr Jones said ICN usually provided head contractors with details of five or six companies to consider in each of a project's individual works packages.

McNab, established in Toowoomba 12 years ago, where 95 of its 160 staff are based, also has offices in Brisbane and Townsville.

Wade Jackwitz, McNab's Senior Project Manager for the CAAS contract, said the company had always recognised the importance of using other regional firms. "We always try to engage as many local subcontractors or contractors as possible," Mr Jackwitz said.

The benefits

Lee Hendrie, General Manager, Sales & Marketing, for Hales and Lunn, said the firm had supplied about 1,250m² of insulated panelling for CAAS's "clean rooms" — laboratories and storage facilities. He said the contract was worth about \$260,000.

Leadbetter Contracting supplied all the hydraulic services for CAAS. Jim Leadbetter said the work covered "everything, from the water supply, fire sprinklers, sewerage system and pumps". The value of the contract was confidential.

General Manager of East Coast Mechanical Services, Graham Myron, said his firm undertook work worth about \$5.5 million on the UQ Gatton facility. It involved providing cooling, heating and ventilation systems, plus installing gas supplies and dust-extraction facilities.

Mr Myron said although his company had a working relationship with McNab and had previous undertaken work for McNab, the process used by ICN to identify firms capable of meeting project demands was worthwhile.

The process, which essentially prequalified potential suppliers, meant those involved in calling or submitting tenders could save time and money.

"The cost of tendering nowadays is getting very high," Mr Myron said. "I think prequalification is what people are looking for."

Mr Myron said tender documentation in the construction sector was sometimes "quite poor", meaning firms that may not have a chance of securing a contract still had to bear the costs of preparing and submitting bids.

ICN's Steve Jones said the CAAS project highlighted the benefits of the network's approach to sourcing subcontractors. "When we are asked to identify firms, they are usually Queensland companies and, in this case, we tried for Toowoomba or Darling Downs companies," he said.

“If we can’t find any at the regional level we go to the rest of Queensland and then the rest of Australia.

“The more regionally based a project is, the harder it can be to find suitable firms.

“So we handle the process like a bullseye – we start in close and work outwards until we find the companies we need,” he said.

Mr Jackwitz said McNab was familiar with Hales and Lunn, Leadbetter Contracting and East Coast Mechanical, having used them on previous projects.

But, despite choosing known performers, Mr Jackwitz viewed ICN’s role and sourcing process as “definitely beneficial”.

“If we were doing a job outside our local area, say up the Sunshine Coast or at Bundaberg, it would be a big help,” he said.

According to the *Manufacturing Sector Impacts Report 2007*, compiled by ICN and Australian Economic Consultants Group, every \$1 million of manufacturing business retained in Australia or freshly generated by Australian companies creates 12 full-time jobs for Australian workers. Every \$1 million of manufacturing business retained or generated by Australian manufacturers also generates \$394,000 in taxes and charges, which benefits Australians as the government can reinject it into the economy.

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