

KIMBERLEY POWER PROJECT

CASE STUDY

The Company

Fire & Safety Systems Pty Ltd (FSS) is a Brisbane-based family company established in 1993 by Doug Pickersgill. FSS specialises in designing and installing detection and alarm systems for fire or special hazards in heavy industrial applications, such as mine sites or minerals processing and petrochemical plants. Mr Pickersgill, who has a history of almost 40 years in the fire-protection industry, operates the firm from premises at Rocklea, in Brisbane, and employs 12 people, including his sons, Brad and David.

The Opportunity

In April 2008, Western Australian Premier Alan Carpenter officially opened a new Liquefied Natural Gas (LNG)-fuelled power station at Broome, marking the completion of the state's West Kimberley Power Project. In 2005, the WA Government-owned electricity retailer Horizon Power had engaged Brisbane-based Energy Developments Ltd (EDL) to build, own and operate the new \$320 million power system that includes a dedicated LNG plant near



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Karratha, new power stations at Broome, Derby, Fitzroy Crossing and Halls Creek that run on LNG, and a fifth diesel-powered station at Looma.

LNG sourced from the North-West Shelf natural gas fields is trucked up to 1,500km to the stations from Karratha. Over a 20-year agreement, EDL will supply electricity to Horizon Power to on-sell to consumers.

EDL approached ICN to source potential Australian suppliers for assistance on the West Kimberley Power Project. ICN Queensland Chief Engineer Ben Matthews said although building an LNG plant was beyond the capacity of a single Australian firm, ICN identified component contracts suitable for Australian suppliers.

One identified opportunity was for fire protection systems at the Karratha plant and the five power stations and their fuel depots. The deal was worth an estimated \$2 million.

"We undertook a survey of Australian industry and there were several possible contenders. On big projects, companies such as EDL provide us with the specifications for what they want. Those specs may be minimal or fully detailed.

"We check Australian suppliers to see if they can provide equivalent goods or services. We advise EDL of their contact details and it is up to the client to deal with the company in their own commercial environment," Mr Matthews said.

An EDL spokesperson said FSS had been engaged to design and commission fire and gas detection and gas suppression systems and alarms for the West Kimberley Power Project. While EDL and FSS were both based in Brisbane, EDL had selected the fire systems firm solely on its "skills and capabilities". EDL officially started work on the WA project in August 2005 and engaged FSS in January 2006.

The Results

Mr Matthews said a benefit of ICN was its ability to inform firms of potential new business they might otherwise miss. "We find that, for some of these big projects, especially projects like West Kimberley that are in remote areas, second and third tier contracting companies may not know of them," he said. "If a project is well advertised or publicised, companies know of it. But, in 90% of cases, [potential bidding firms] we put up have not heard of the project at the time we contact them."

FSS Senior Associate David Pickersgill agreed, saying ICN could alert firms to previously unknown opportunities. In the case of EDL's West Kimberley Power Project, FSS had been unaware of the opportunity until alerted by ICN.

"We had some involvement with EDL many years ago on the Century Zinc mining project in Queensland. But we were unaware of the West Kimberley project," he said. "That's definitely a benefit of ICN. To get the amount of work we did get out of that job was a definite plus. We had to work hard for it. EDL set some aggressive schedules, but we met them. In fact I don't think any other company could have met them."

"Working in a remote location can be difficult, but we do it regularly," Mr Pickersgill said, citing FSS's previous work in Papua New Guinea and current contracts for fire protection systems at a copper mine in Chile and a gold mining operation in the Dominican Republic.

He hoped the West Kimberley project would lead to additional projects. "We don't advertise for work. We rely on our business

relationships and referrals. We believe we have done a good job for [EDL] and hope it leads to other work downstream."



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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. 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.

For more information or advice, please contact:

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