

# ICN QUEENSLAND ASSIST LOCAL SUPPLIERS ON GLOBAL SCALE

## *Background*

Industry Capability Network (ICN) Queensland and the Queensland Government have a long history of working in the French Overseas Territory of New Caledonia, situated approximately 1,200 km due East of Rockhampton.

New Caledonia possesses about 25% of the world's nickel reserves, which have been mined there for over 100 years. As a result, there are many supply chain opportunities for Queensland companies that operate in mining and infrastructure support industries. ICN Queensland's first recorded enquiry was ten years ago, in 1998, from the local brewery in New Caledonia and there has been a steady increase in contact with various sections of industry since then.

The Queensland Government's Department of Employment, Economic Development and Innovation partnered with ICN Queensland to target opportunities for Queensland industry through Societe Le Nickel (SLN), a major mining company in New Caledonia. SLN has been operating in New Caledonia for over 100 years and has five nickel mines, a nickel matte refinery, ports and infrastructure throughout the country.

Through an initiative which was jointly funded by the Queensland Government and SLN in 2002, it was agreed to employ a staff member from EAP Traders, a small Brisbane consultancy, to work out of ICN Queensland's office as a Liaison Officer. This position was created to identify and recommend capable Queensland companies to supply to SLN's projects. The arrangement remained in place until 2004 and during this time, ICN and EAP Traders were successful in introducing several Queensland companies to supply to SLN.

EAP Traders' Principal, Bob de Denus, continued to work with New Caledonian companies after the Liaison Officer role with ICN Queensland expired. In particular, de Denus represented Endel, a billion dollar company headquartered in France which is often employed by SLN and other projects to source capable suppliers and equipment. ICN Queensland has received a number of enquiries from Endel via EAP Traders and as a result, numerous Queensland companies have been introduced to the supply chains of nickel, mining and infrastructure companies in New Caledonia including SLN, Goro Nickel, Koniambo and SMSP.

## *The benefits*

### **Wagners - Toowoomba**

Established in 1989, Wagners is a family owned business with company headquarters located in Toowoomba, Queensland. Initially establishing three trading divisions - Wagners Concrete, Wagners Quarries and Wagners Transport, the company now incorporates Wagners Concrete Pumping, Wagners Composite Fibre Technologies, Wagners Pre-Cast Concrete, Wagners Steel Reinforcing, Wagners Projects and Wagners Global Services. Current business operations position the company to provide direct service to almost one-third of Queensland; with a number of large plants located in Brisbane, Toowoomba and Townsville and over 20 smaller concrete plants in regional South East Queensland.

In 2000, ICN Queensland nominated Wagners to de Denus with regard to an enquiry from New Caledonia. The enquiry was for the supply of concrete to the Goro Nickel Project. John Wagner, the Managing Director, accompanied de Denus to Noumea on two visits where they discussed the opportunity with project staff.

The outcome was a \$43 million contract for the supply of 80,000 m<sup>3</sup> of concrete for the foundations of processing plants, wharves, tunnels, dams, and general civil works.

John Watts, General Manager of Wagner Global Services says "thanks to ICN Queensland for introducing us to the project back in 2000. This was the company's first offshore project but since then we were able to spread our footprint to Indonesia, Malaysia and Russia. The experience has enabled us to continue the international expansion of our business with a respected mining house, we've created 5 new Australian jobs and have been well exposed to French business and government systems."

### Kargo Engineering

One of the more recent successes was with Brisbane based company, Kargo Engineering. For over 40 years, Kargo Engineering has specialised in steel fabrication and construction in various industries including manufacturing, mining, infrastructure, agriculture, oil, gas and food.

ICN Queensland nominated Kargo Engineering to Endel as a suitable company to supply transmission towers throughout New Caledonia. After winning this \$250K contract, Kargo Engineering has won several other smaller contracts in the country. Kargo Engineering's Partner Director Ron Kelly said "we completed the transmission towers contract in early 2009 and now we've got several other contracts coming through. Our partner company, East Coast Development Engineering has had a lot of exposure in the South Pacific region in countries such as Fiji, Tahiti and New Caledonia. Although Kargo Engineering worked with Endel in Papua New Guinea, it didn't have any history with Endel in New Caledonia. ICN Queensland helped to raise our visibility with the company, and, had it not been for their nomination, we may not have won the contract. Kargo's involvement in New Caledonia has helped to spread the company's reach on an international level and has also been helpful with filling the company's capacity calendar."

### Brisbane Slipways and Engineering

Brisbane Slipways and Engineering (BL&E) operates a 2500 tonne ship repair facility on the Brisbane River. Specialising in commercial ship repair, BL&E has a number of national and international shipping operators as regular clients. ICN Queensland and de Denus were

instrumental in persuading Endel to award an \$800K refurbishment contract for the Tama Barge to BL&E. This was BL&E's first contract in New Caledonia and prior to ICN's nomination, Endel was unaware of the company's capabilities. After completing its first contract in New Caledonia, BL&E won another contract in the country for the dry-docking and refurbishment of a supply ship. BL&E's Operations Manager Gary Kidd said "ICN played an important role with the initial contract. In this tough economic climate, it always helps to have someone wave your flag for you, especially if it's for international work."



BL&E's Dock

According to the Manufacturing Sector Impacts Report 2007, compiled by ICN Queensland 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 re-inject it into the economy.

For more information or advice, please contact:

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