

ICN QUEENSLAND MAKES POWERFUL LINKS

Overview

Powerlink Queensland is a State Government-owned corporation that owns, develops, operates and maintains Queensland's high-voltage electricity transmission network which extends 1,700km from north of Cairns to the New South Wales border.

Powerlink's primary role is to provide a secure and reliable network to transport high voltage electricity from power generators to the electricity distribution network owned by Ergon Energy and Energex, which supply homes and businesses.

The opportunity

Powerlink and the distributors recognise the importance of maintaining a reliable electricity supply to customers and undertake regular joint planning studies to identify future electricity network upgrade requirements across the State.

Peak electricity demand in the Rockhampton region is expected to increase by approximately 14% over the next five years. This trend reflects the increase in business, industrial and residential developments and is expected to continue in the foreseeable future.

Powerlink's joint planning with Ergon Energy has identified a need for a new 132 kilovolt (kV) transmission line between Powerlink's Bouldercombe Substation and a new substation at Pandoin (near Glenlee) by late 2009 to help reinforce electricity supply to the Rockhampton region.

The new Pandoin Substation is being constructed, adjacent to Ergon Energy's existing substation.

One of the important milestones of the Pandoin Substation project is the construction of the earthworks platform. Powerlink approached ICN to locate capable regional sub-contractors which could be placed on the earthworks tender list.

ICN Queensland assisted Powerlink to identify local regional suppliers for this project under the Local Industry Policy (LIP). ICN Queensland's Soumen Dutta says the LIP ensures that local regional suppliers are considered.

"In this particular project, the opportunity 'Earthworks' falls under the regional contestable category and the challenge is to locate capable and competitive sub-contractors from the Rockhampton region so that, if possible, the tender is awarded to a sub-contractor within the Rockhampton region."

"Sometimes project owners incorrectly assume that sub-contractors from outside the region are the best option, when local suppliers within the region can be competitive and offer great local service. We study the capabilities and available capacities of the potential suppliers and link them with project owners when otherwise the local suppliers might miss the opportunity," Dutta said.

"For the Pandoin Substation project, one of the qualifying conditions for tendering the job was to attend a site inspection on 1 July 2008 at the project site.



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ICN coordinated with the Rockhampton regional suppliers and ensured that they attended the site inspection for the earthworks component. ICN conducted initial research on the capability of sub-contractors from the region to carry out the type of work required and recommended a Rockhampton-based contractor and three sub-contractors who were eligible to tender for the work.”

Powerlink’s Supply Chain Improvement Manager, Paul Smith said ICN Queensland assisted Powerlink to fulfil its obligations under the Local Industry Policy. “ICN identified potential local contractors who would be able to perform the work we required and, in accordance with accepted practices under the Local Industry Policy, advised these companies that Powerlink had a tender in the marketplace,” Smith said.

“This ensured local contractors who had the required skills were made aware of the opportunity and could then submit a tender for the work. This increased the competitiveness of the tendering process.”

The benefits

Brosnan Earthworks and Road Contractors (ERC) was the successful tender in preparing the substation site for construction. Family-owned and operated, Brosnan has operated in Central Queensland for over 55 years. While Brosnan mainly prepare sites for residential subdivisions, the Pandoin substation contract was appealing because most of the work was completed with little reliance on other subcontractors.

Brosnan Earthworks Director Terry Brosnan said the contract required bulk earthworks to remove the top soil which was cut-to-fill or reused in other parts of the earthworks, or cut-to-spoil to be used in later construction.

“The contract required more than our earthworks service; we also conducted the survey of the site using an external contractor. Erosion control and traffic management were also required as well as construction of an access to a nearby training area,” Brosnan said.

“Our aspect of the project was completed in September/October 2008. We’re glad that ICN Queensland short-listed us as a potential tenderer for the work, especially when their knowledge of local suppliers means we are aware of projects such as this that are important to the infrastructure of Central Queensland.”

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 reinvest it into the economy.

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