

BERG ENGINEERING CASE STUDY

The Company

Queensland-based Berg Engineering Pty Ltd provides specialist engineering services to Australian companies in the rail, mineral, energy and industrial sectors. It was formed in 1971 by owners Roger and Pam Berg and now employs 170 staff across its Brisbane and Gladstone, central Queensland, workshops.

The workshops house more than \$20 million of computer-controlled machinery to assist with specialist jobs. Berg Engineering provides critical assets and maintenance work to companies in areas as diverse as mineral processing, energy, mining and paper milling and has provided specialist manufacturing services and fabricated components to key rail industry manufacturers since 1980.



Berg Engineering Project

The Opportunity

Berg Engineering required an industrial painter to sandblast and paint manual hand-braking systems for 670 coal wagons that Bradken Rail was building for Queensland Rail. Manual wagon handbrakes provide a vital safety role and assist in manoeuvring wagons at rail yards. Berg Engineering's requirements were specific. A non-corrosive paint needed to be professionally applied in controlled temperature conditions to ensure components gained the best possible protection from the elements. The hand brakes were regularly exposed to rain, wind and dust. Berg Engineering needed a firm that employed sufficient skilled painters to work on a large number of rail components at once.

Berg Engineering approached Queensland's Industry Capability Network (ICN) in August 2006 to request nominations of industrial painting companies in Queensland with the capability and technical expertise to do the work. ICN Queensland chief engineer Ben Matthews said the network used its databases and conducted research into industrial painting companies in Queensland to identify businesses suitable for the job. "We looked at all the technical requirements, identified industrial painters in Queensland and then investigated whether those firms could meet all the criteria." ICN settled on three that met all Berg Engineering's criteria and provided their names and contact details to Berg Engineering personnel, who then made a decision on their own commercial grounds, he said.

Berg Engineering director of business strategy Michael Lang said Brisbane-based industrial painting firm Advance Sprayers was chosen because the company could provide a quality job and had the flexibility to work around Berg Engineering's schedule and customer requirements. "We are over the moon with Advance Sprayers' work. Their service, turnaround time, quality and communication processes are absolutely perfect. We found ICN services very useful and would not hesitate to use them again," Mr Lang said. Advance Sprayers manager Lynne Doran said the job, worth \$150,000 to the company, was one of its largest projects. Much of Advance Sprayers' business was generated through word of mouth, but the approach by ICN on the Berg Engineering project had provided the company with work it would not otherwise have been aware of, she said. The Berg Engineering job "would now be up there as one of our biggest projects". Advance Sprayers selected a specialised paint for the project and rostered painters to work in the early morning and mid-afternoon to cope with the controlled temperatures in which the paint needed to be applied. "We couldn't have been better pleased with the project. Our business has grown and we've employed several new workers to deal with the increased workload," Ms Doran said.

The Results

The project is continuing and Berg Engineering has decided to continue using Advance Sprayers indefinitely for other similar rail component painting projects. Berg Engineering has gained a professional, cost-effective painting service, while Advance Sprayers has gained a significant ongoing source of income and hired additional employees to conduct the work. Mr Matthews said the project was a classic example of how ICN's work could benefit project owners and service or goods providers. ICN was a specialist at putting manufacturers and project owners in contact with companies that could meet their job requirements.

ICN could save businesses time and money by doing the leg work for them, and often had knowledge of providers that may not have been considered, he said. The benefit of ICN's work for providers was that they were informed of potential new business of which they may otherwise have been unaware.

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.

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