

GATEWAY UPGRADE PROJECT

CASE STUDY

The Company

Ludowici is an ASX-listed company, headquartered in Queensland. Since it began operations in 1858, Ludowici has grown significantly and now has facilities in Australia, New Zealand, China, South Africa, the USA and Chile. The company manufactures a range of products, including industrial rubber and plastic components, elastomeric bearings and vibration isolators, pot bearings, potable water seals, gate and slide valves and extruded thermoplastic and elastomeric profiles.

Ludowici's major markets include mining services and construction, automotive and whitegoods industries, water reticulation systems, rail systems and noise attenuation and structural glass and glazing.



The Gateway project in progress

The Opportunity

Contracting consortium Leighton Abigroup Joint Venture (LAJV) won a contract from Queensland Motorways Ltd in September 2006 to build a major Brisbane road infrastructure project, the Gateway Upgrade Project. The \$1.88 billion project involves building a second Gateway Bridge over the Brisbane River and 20km of new or upgraded motorway, including a Motorway deviation to improve access into Brisbane Airport and improve traffic flow north of the Brisbane River. The project aims to provide quicker, safer travel for motorists, reduce traffic congestion, improved access for motorists, cyclists and pedestrians and provide better connections for business, industry and tourism. To build the main Gateway Bridge and 29 other bridges required for the project, LAJV used ICN's services to find a reliable supplier of bridge bearings.

ICN Government Projects Manager Steve Jones said ICN searched its databases for potential suppliers. It suggested Ludowici as a potential supplier because of the company's strong track record and ability to supply bridge bearings on a large scale. He said LAJV's decision to select Ludowici was impressive and showed how competitive the company was. "It's a good one for local industry because a lot of construction firms buy bridge bearings from overseas."

Ludowici Rubber Division Product Manager Graham Knight said more than \$1 million of bridge bearings were being supplied for use in the many bridge structures being constructed as part of the Gateway project. The first bearings were supplied last December and the supply contract would continue until late 2008. "It's a good job and one of our bigger projects. We're proud to be involved," Mr Knight said.



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LAJV Deputy Project Director Mark Palmer said ICN's assistance in sourcing suppliers for the Gateway Upgrade Project had been helpful and the network's ongoing support throughout the construction phase had been great. The project was on track for completion in March 2011 and would provide a significant boost to improving Brisbane's traffic congestion and road safety. During the tender phase of the project, ICN had offered additional assistance by helping LAJV develop a local industry participation plan, Mr Palmer said.

The plan supplied the management approach that LAJV would implement in providing tender opportunities for Queensland and Australian companies that could potentially work on many facets of the project, he said. "The plan clearly articulates LAJV's local participation policy. The policy guides LAJV with its procurement strategy and processes and demonstrates LAJV's commitment to engage, wherever feasible, services, products and equipment of Queensland-based industry."

The Results

LAJV and Ludowici are making good progress on the Gateway Upgrade Project and expect to meet all construction deadlines leading up to the project's official completion in March 2011. Mr Jones said the project demonstrated what ICN could do to assist Australian suppliers to forge new relationships or improve existing ones with large project owners. ICN often helped companies that wanted to develop local industry participation plans, as it had done for LAJV, and the network's knowledge of Queensland legislation was helpful when companies wanted advice on steps they needed to take to comply.

Mr Knight said Ludowici had a strong relationship with Leighton Contractors and Abigroup before the Gateway Upgrade Project, through work on Perth's Southern Gateway motorway upgrade and Melbourne's EastLink toll road, but ICN's nomination for the project was a vote of confidence and had the potential to generate more business in the future.

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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