ADVANCED MANUFACTURING GROWTH CENTRE

MEMBER PROFILE

HIFraserGroup

H.I.Fraser began in Tasmania in the 1950s as a distributor for steam valves. It remains a specialist in critical gas and fluid control applications and equipment, though a major turning point was winning work on the COLLINS Class submarine program, for which it manufactured hydraulic fittings and couplings.

The COLLINS submarine program established a deep understanding of quality assurance, certification and traceability within manufacturing, according to Managing Director Chris Williams. He adds that the company has had to continue adapting, and made the conscious decision around a decade ago to diversify into sectors including offshore oil and gas.

"We're a company where our market diversification is about 60 per cent defence, 30 per cent oil and gas and 10 per cent other bits and pieces. We are very active in the critical gas and fluid space," explains Williams, adding that defence made up about 90 per cent of revenues a decade ago.

"We've grown to be an advanced manufacturing and complex service delivery company."

H.I.Fraser occupies a place handling "niche and nasty" gas and fluid system problems for defence. It has also won a contract for refueling and fuel metering valve maintenance, repair, overhaul and upgrade on the Joint Strike Fighter. This has been accompanied by system integration and manufacturing for other "major floating assets". This covers a majority of the major oil and gas projects in the country. H.I.Fraser has a similar number of employees in Perth and Sydney, with the former focused more so on oil and gas.

"Our value proposition is that quite often a number major assets have been designed overseas … and need an Australian supply chain," says Williams.

"We can respond very quickly to manufacturing requests because we have that manufacturing Intellectual Property. We can also respond very quickly, because we have a number of relationships with small companies of the same size as us around the world." "Our value proposition is that we will either make it, or find it."

Advanced manufacturing for the company has two parts; niche couplings, as well as more involved system integration projects; such as their award-winning submarine escape and rescue (SERS) hyperbaric suite for the Australian Navy.

"Williams believes that H.I.Fraser's highly servitised business fits the profile of a modern advanced manufacturer: a comparatively small amount of value is added through production compared to pre- and post-production activities."

"In the recent AMGC plan, there's a good graph in there that shows the value-add in research and development and engineering before the manufacturing, and then there's metrology, assembly, testing, system integration, quality, and the delivery of the system itself," he says. "We operate primarily at those two ends of the curve" he adds.

The expertise at the two ends of the curve are part of the reasons the business is competitive against commodity products. Our manufacturing involves small runs, specialised problem-solving, and emphasises Intellectual Property over cost.

"We're not competing on efficiency: we're competing on intellectual property and ideas," adds Williams.

"If you want efficiency, go to Korea, India, China. We can't compete with those guys on large volumes of commodity stuff. Where we can compete is on small volume, very smart goods. That's what we do very well."

And that first major turning point continues to be relevant and a major source of pride today, especially as H.I.Fraser's output of couplings for the COLLINS has topped the million mark (this happened in January 2017).

"It's a really nice example of Australian industry being involved in the build program, and part of the ongoing through-life solution. So that now COLLINS Class submarines can't go to sea without H.I.Fraser couplings," explains Williams.

"No couplings? The submarine doesn't sail."

AMGC
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