PFG Group – Expanding across Australia

Tasmanian manufacturer PFG Group's acquisition in October of Keil Industries in the Gippsland region of Victoria saw it add a further production facility to its existing operations in Tasmania and South Australia (SA). By Carole Goldsmith.

PFG supplies aquaculture products to customers across the globe.

"The combination of PFG and Keil merges two industry-leading capabilities, PFG's polymer fabrication expertise and Keil Industries' exceptional rotational moulding skill," says Michael Sylvester, CEO of PFG Group. "Both teams have a passion for tackling those challenges which others might consider too hard to solve, creating durable products for harsh environments and a long history of success in doing this for our customers."

The company's 71 employees are located across two Tasmanian sites, two SA sites and the Victorian site. The three manufacturing sites are at Goodwood, near Hobart; Port Lincoln in South Australia; and Morwell in Victoria, all in regional areas.

"All Keil Industries employees have been retained and we are in employment mode right across the group," Sylvester adds. "We are very conscious as a business that we are a responsible regional employer in three states. So, we have a lot of social responsibility for both the local community and for our employees to provide a sustainable business and good career prospects."

PFG is a leader in Australia's aquaculture and commercial marine sector, underpinned by a broader industrial services capability. The Tasmanian advanced manufacturer has close to 40 years' experience in the design, manufacture and sales of engineered polymer products to the aquaculture, security, mining, civil construction and agricultural sectors. The Keil acquisition now enables PFG to expand its industry sectors further to transport, food-handling and fast-moving consumer goods (FMCG).

PFG has passed through several owners since its commencement four decades ago. In 2007, the company was acquired by a Tasmanian family trust and more recently has attracted investment from a second family trust. There are a range of different companies in the PFG Group, all of which are run under the PFG brand.

Diverse exports

The company supplies its products to customers across the globe, Sylvester explains. "We have strategic partners in New Zealand, Asia and Europe and they are effectively distributing our products across those regions. PFG exports right across Asia, into Japan, China and other parts of the region. As examples of our products being exported, we mainly sell aquaculture products into Japan, such as net cages for growing fin fish and oyster baskets for oyster cultivation. Our specialist mooring systems are distributed into the United Arab Emirates (UAE) and our vacuum-based net cleaners are sold into Norway."

PFG Group's main headquarters in Goodwood, Tasmania.

Sylvester explains how PFG's net cleaners work: "If you can imagine a net full of fish in sea water, the net material collects a lot of fouling (of unwanted materials). PFG's net cleaners are the only ones in the world that vacuum the net's fouling through a filter. Then the fouling is collected as dry waste and returns clean water to the ocean. We have a global patent for our net cleaner and we won an innovation award for it at the world's largest aquaculture event – Aqua Nor in 2011."

PFG has won a number of other industry awards since then, including the 2016 Australian International Marine Export Group (AIMEX), Best Commercial Innovation and the 2016 Ausmarine, Best Aquaculture Support Vessel for its Aquatruck boat range.

Sylvester says Aquatruck is one of PFG's most attractive products. The boats are reliable and built to last. Manufactured with high-density polyethylene and made for extreme sea conditions, the boats, which range from 3-12m in length, provide a ride second-to-none.

"We've produced 100 Aquatrucks over the past 25 years and all are still in full commercial operation," Sylvester adds. "They are used by public safety agencies such as police, defence, fisheries & parks, commercial marinas, port authorities and private users. There's a level of pride in providing a safe and reliable platform for agencies protecting our country. PFG is targeting marketing to secure a prime defence contract."

PFG has produced 100 of its Aquatruck vessels over the past 25 years.

Aquatruck boats are built using traditional boat building techniques, but using polymer instead of metal

PFG's sea cages are its most popular product sellers, built for the mariculture industry. This is a specialised branch of aquaculture, which involves marine cultivation for food and other products in the ocean. The company has built around 2,000 of these cages to date for Australian and global distribution. Sylvester notes: "Through the Keil Industries acquisition, we are also making around 40% of the McDonalds' playgrounds for Australia, NZ and the Pacific Islands and we are a leading supplier of plastic pallets."

Innovation and sustainability.

Sylvester is an international expert in sustainable business management. He's been at PFG's helm for the last three years and has 20 years' experience in leadership roles. Trained as a civil engineer, he also holds a Master's degree in technology with majors in project management and innovation. He's been engaged in the public, private and not-for-profit sectors as an owner, contractor and consultant across manufacturing, infrastructure, engineering, project management and organisational capacity development.

Recruited to deliver positive changes at PFG, Sylvester has worked with employees to develop innovative and creative manufacturing practices. Among these are Lean production initiatives to provide extra value to customers and substantially cut waste.

"Lean has shown up in several areas, including waste identification, waste elimination and continuous improvement," he explains. "One of our Aquatruck boat models is called Ocean 8.8, that we used to manufacture in 1,800 hours. Since implementing Lean practices, we are now making the boat in 1,200 hours, thus maintaining profitability and market share by reducing our labour."

PFG has also substantially reduced plastic materials waste at its sites. Any polymer off-cuts are recovered and recycled by grinding it into powder for reuse, where it's acceptable to use second-grade powder. Polymer sheet greater than 300mm is recorded in the company's database. PFG uses optimisation software, which selects the most suitable sized off-cut required for a particular job, thus minimising waste.

According to Sylvester, advanced manufacturing takes several forms at PFG: "Aquatruck boats are built using traditional boat building techniques, except they are made out of polymer instead of metal. When we started building them 25 years ago there were no applicable polymer welding standards. So, we partnered with the University of Tasmania and developed a range of tests for polymer welding and then wrote our own standards. This standard has since been adopted by the Australian Maritime Safety Authority and all of our factory employees have been trained to this standard."

PFG also uses 3D printing for developing prototypes for new products and a range of CNC controlled cutters, routers and moulding machines for a variety of production jobs.

Sylvester speaks excitedly about projects currently happening at PFG: "Our employees' inventiveness and creativeness shines through in many of our projects. We have partnered with the Institute of Marine and Antarctic Studies (IMAS – a University of Tasmania subsidiary) for the past eight years to crack the science behind hatchery rearing of tropical lobsters at a commercial scale. That just means growing a lobster from an egg. No-one in the world has been able to do this at a commercial scale yet. The Institute's team of scientists have now mastered that amazing feat.

"Our employees have now designed and developed the culture systems or the physical apparatus that the scientists need to grow the lobsters in. If you can imagine a goldfish aquarium on your desk in a tank, which has lights and a filtration system. For research cultivation, you need six to eight 10,000-litre tanks each holding 10,000 baby lobsters. The growing lobsters need to float around in the tanks to maturity without touching each other for over 100 days. To make this work at a commercial scale, you need in excess of 30 tanks and significant redundancy in the system design. "

PFG is now working with an investor to build the world's first commercial rock lobster hatchery in Tasmania. Another exciting project that PFG currently has under construction is the building of a new 8m-long Aquatruck boat prototype, designed for high-end security border force, defence and police services.

"It will be longer than the ones we have provided for the police before and we are using a new design and welding technology," says Sylvester. "This is beneficial for high-end security use because the vibration level is much lower than metal alternatives and this reduces fatigue and other human risk factors."

On the marketing side, PFG uses external providers for its website development and its LinkedIn communications.

"LinkedIn is very effective for the company's business promotions and B2B communications, but we have not found Twitter or Facebook very valuable for marketing," says Sylvester. "Last year we attended a defence expo in Washington and Aqua Nor in Norway the previous year. We also attend many Australian boat shows and manufacturing expos like Austech, which we will be going to in May."

The future for PFG is an aggressive growth target to move from a medium-sized business to a large one.

"There is a potential to float or become an attractive acquisition," Sylvester says proudly. "We are not driven by the fact that we want to sell out, but moreover that we want to run our business in a way that it is attractive to other people. PFG plans to retain its level as a leading Tasmanian aquaculture provider, but we also want to grow the business across mainland Australia and continue to be an employer of choice." AMT **www.pfg-group.com.au**