



## Coregas – proudly Australian

By Stephen Harrison, published in gasworld magazine | 3 December 2018

**Founded in Australia in 1976 and formerly under the guise of Linde Gas Australia, Coregas is the only Australian-owned industrial gas company which services all industries and has a wealth of experience and knowledge spanning over 30 years in the industry.**

Acquired by Wesfarmers in February 2007 and promptly renamed Coregas Pty Ltd, the company has gone from strength-to-strength and is today led by Executive General Manager, Alan Watkins. Here, Watkins talks all things Coregas with **gasworld**.

**GW: Alan, can you describe Coregas in a few sentences?**

**AW:** Sure, we operate in Australia and New Zealand and provide a range of industrial, medical and specialty gases to our regional market. We are a member of Wesfarmers, one of Australia's largest companies. We challenge our major global competitors locally.

**GW: So, that's interesting, a Welshman running an Australian company. How did that happen?**

**AW:** Well, I have worked in the industrial gases industry for many years and one of my previous assignments brought me here to Australia. Since then, I took the role of Executive General Manager at Coregas. My family and I loved it here and we stayed. Coregas has a huge amount of cultural diversity with roots in many countries. But now we are all Australian to the core.

**GW: And, do you find that the Australian badge is a good one to wear?**

**AW:** Australian ownership by a household-name Australian company is appreciated by our customers. Wesfarmers is the largest private employer in Australia and its profits are recycled into the Australian economy.



Source: Coregas

**GW: Beyond being Australian, for what other characteristics is Coregas known?**

**AW:** I describe our role as a challenger against the three local major gas competitors. Wesfarmers has given us a clear remit to create value for our customers through innovation and consequently disrupting the market.

**GW: Let's get to specifics here Alan. What would you cite as an example of 'innovative disruption' in the market?**

**AW:** I would cite two examples; cylinder management and Trade N Go Gas. Coregas introduced cylinder tracking to the Australian market in 2003. We have continued to innovate in cylinder management with the latest digital tools and win market share. Our digital tools offer our customers improved visibility and integrity of customer asset records and invoicing.

In 2014 we partnered with the leading Australian DIY chain, another Wesfarmers company, to launch Trade N Go Gas. This offers small portable cylinders to tradesmen based on a deposit, not rental, commercial model. This model is common in LPG and has proven popular with our customers for industrial gases. The simplicity also worked for our channel partner, who now offers these gases seven days a week from 7am to 9pm.

**GW: So have they been a success? Did the market respond to your 'challenge'?**

**AW:** Both of these innovations have, at their heart, a desire to simplify the customer experience and build trust. Customer response has been excellent and has supported strong growth in major and small customer segments.

Of course, our traditional and new competitors have responded, and the Australian market continues to evolve. Competition is healthy.



Source: Coregas

**GW: For how long can you wear the cloak of challenger?**

**AW:** Wesfarmers has owned Coregas for over 10 years now. During this time our reputation has built from being technically focused to a broader offering, both in segments served and in geography – Australia is a distribution challenge. We believe that the way we think, work and do business is really what sets us apart. For the future, we firmly believe that through customer-focused innovation we can continue to challenge the market for many years to come.

**GW: You profess to be a local leader in the specialty gases sphere. What entitles Coregas to claim that crown?**

**AW:** Innovation, quality and speed of service. We have not claimed this crown for ourselves, our customers tell us that that these are our strengths. They define who we are, and we are proud of the reputation that we have in the market. We delight in the feedback that we get from our customers; it spurs us on to deliver the next wave of innovation.

**GW: We have spoken a lot about cylinder gases up to now. Is Coregas active in other areas?**

**AW:** Yes, we operate one of the largest ASUs in the southern hemisphere at Port Kembla to supply BlueScope Steel. They also rely on Coregas for hydrogen from our production plant. We have another ASU at Mackay in Queensland to ensure geographic coverage along the east coast of Australia where most of our population lives and where much of our industry is concentrated. These sites are the cornerstones of our bulk gases business.

**GW: And looking beyond the east coast of Australia, to New Zealand?**

**AW:** Coregas NZ was the result of an acquisition in 2016. Our team there are tremendously energetic and have a refreshing approach to doing business. New Zealanders are naturally innovative and also suspicious of Australians. By working together, we have been able to strengthen both businesses.

**GW: You refer to growth in New Zealand, what other plans does Coregas have for the future?**

**AW:** We are very active right now in healthcare after some good gains in the institutional sector. Healthcare is challenging in compliance, volumes and margins so we are very focused there at present. Our sales teams continue to make gains in mining, oil and gas, construction and scientific sectors. Our sales enquiry pipeline looks very healthy so 2019 will also be busy.

**GW: Mining. Is that still a boom sector in Australia?**

**AW:** Australia's resource wealth remains a major driver to the industrial economy. Australia's wealth is measured in mineral indices, most especially iron ore, metallurgical, thermal coal and LNG. After many years of boom in operations and expansion projects, there were several years of lean commodity pricing between 2013 and 2016. Pricing improvements have seen a strengthening of the sectors recently and a willingness to spend again, although not with the abandon of prior eras. Lithium is the latest example of a boom in 'the lucky country' with projections that we will supply 50% of world demand by early 2019.



Source: Coregas

**GW: We hear a lot about LNG exploration in Australia. How did that impact you?**

**AW:** Australia's projects have taken it to world #2 in LNG supply after Qatar. Our gases are used in over 30 separate applications in the energy and hydrocarbon processing sector. From fire suppression gas mixtures to maintenance welding gases. And, from exotic multi-component liquid hydrocarbon blends used for instrument calibration, to simpler BTEX gas mixtures in portable cylinders that are used for testing gas detection safety systems. Not to mention the tonnes and tonnes of nitrogen that are used for inerting, purging and blanketing in oil processing and storage facilities, and span gases for environmental emissions monitoring systems.

**GW: What other comments do you have on the energy sector?**

**AW:** Sadly, poor planning has meant that the local impact of Australia's new sources of gas and energy has been to dramatically increase power and gas costs for major

energy users in Australia, including our customers. An optimistic view is that a push toward renewables will support further solar and wind growth in Australia and that we will become 'power farmers'. There's a pilot project that is seeking to export that power as liquid hydrogen to Japan. Coregas is active in the Hydrogen Mobility Alliance and we continue to monitor interesting developments in hydrogen locally and overseas.

**GW: Did the global carbon dioxide (CO<sub>2</sub>) shortage impact Australia also?**

**AW:** I was especially concerned to hear about the crumpet shortage in the UK that resulted from the CO<sub>2</sub> shortage there! Sadly, Australia's carbon dioxide supplies are at least as fragile as other parts of the globe. The low cost, ammonia-driven, sources can be intermittent, leading to shortages, imports, additional transport cost and certainly customer angst.

**GW: Are there any impacts of not being part of a global gases major, for example in HSE?**

**AW:** Australia in general has a very strong focus on safety, led by our miners, and a stringent regulatory environment. Safety is a good example of an area where we must take a focused and practical approach. Our group company provides a safety management system that we operate within. There's also a clear message of 'reputation before performance' from our CEO.

We then work hard to undertake positive due diligence on our systems and, in particular, focus on high potential incidents, we call them 'crops' – rare but fatal. An important input to 'crops' are our learnings from industrial gas associations locally and globally. We employ safety interactions to 'look after your mates' and drive a culture that is 100% focused on safe behaviours.

**GW: Thanks Alan. Is there anything you wish to add in closing?**

**AW:** I'm proud of the achievements of Coregas as a local independent industrial gas business in recent years. I have every confidence that recent momentum will carry us forward to the end of this decade and beyond...we're going to surf this wave all the way onto the beach.

**About the author**

Stephen B. Harrison is an industrial gases consultant at sbh4 GmbH in Munich, and a member of **gasworld's** Editorial Advisory Board.

He was previously global head of Specialty Gases & Equipment at Linde Gases and has 27 years of experience in the industrial gases sector.

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