



A family history

More than a century in the scrap business finds Melbourne's McKellar family coming full circle. HUGH DE LACY charts their progress.

FOR FOUR GENERATIONS and more than a century the name Archibald McKellar has graced and traced the evolution of the Australian scrap metal industry.

It began in 1906 when the first Archie McKellar – or Archibald McCallum McKellar to give him his full name – joined Alex Fraser in the scrap business the Scotsman had established in Melbourne in 1879.

When Fraser retired in 1926, McKellar took over the company and continued to trade as Alex Fraser Pty Ltd, the name living on today as the Fraser Group, which offers a range of construction, demolition and recycling services throughout Victoria.

The company prospered under McKellar through the two world wars and the Great Depression, and it was this business that the second Archie McKellar, whose middle name was John, came home to after World War Two, where he had seen service as a pilot in both the British Coastal Command and the Australian Air Force.

It was mainly non-ferrous metals – tin, lead and antimony – that the company dealt in at the time, with tin still playing a central role in the metallurgical industries,

and with the aluminium revolution still decades away.

The railway was a big source of tin, which was still used extensively in rolling stock bearings, as was agricultural company Dairy Master which tendered out its cans for farm milk collections.

The second Archie McKellar continued to build the Alex Fraser identity well into the 1950s, when he sold the company to the British Metal Corporation (BMC), formed in 1918 under the auspices of the British government to wrest back the British interests in non-ferrous metals that had been acquired by Germany in the lead-up to World War One.

McKellar sold the business but not the company and, though he stayed on with BMC for a couple of years after the takeover, he was able to start out on his own again as Alex Fraser Plc in the late 1950s.

There was a shortage of scrap metal in the wake of the war, and McKellar set himself up on a tiny site at Port Melbourne and started chasing big-volume sources of mostly non-ferrous metals.

This involved him in dozens of government auctions



At Alex Fraser's 125th celebration dinner at the Grand Hyatt in 2004 was (from left): Arch McKellar, Peter McKellar, Robbie McKellar, and Jamie McKellar.



for a huge range of materials, especially war surplus items that continued to come onto the market as late as the early 1970s.

Another important source for McKellar was boilers which he pulled out of old buildings, refurbished and installed in new ones.

In 1971 Archie McKellar was joined in the company by his eldest son, Archibald James McKellar, known as Jamie.

Along with the emergence of aluminium as a major source of scrap, the arrival of Jamie McKellar, soon joined by younger brothers Robbie and Peter, sent Alex Fraser's old company off in a new direction.

"When I started with Dad we kept a retail bag trade happening at Port Melbourne, but we started to go out and buy our own scrap," Jamie McKellar told Scrap.

Old town-supply gasometers, monstrous containers up to 40 metres in diameter and 70 metres high, were a ready source, but scrap volumes sky-rocketed when the company became involved in decommissioning old power stations at Geelong, Ballarat and Newport.

"The tonnages started to become huge," McKellar says.

"We mainly dealt in non-ferrous metals at the turbine-room end, and quite a few thousand tonnes of non-ferrous came out of Newport alone over the two years it took to do that job.

"We became a prime contractor and were dealing with the likes of the state electricity commission and the Australian Gaslight Company.

"Then we got in with Shell and BP and were demolishing large industrial structures all around Australia – a lot of these jobs had 40,000 to 50,000 tonnes of scrap in them."

The company also did work for other oil companies, including Mobil and Caltex, and for giant global miner BHP.

As a prime contractor, Alex Fraser found itself dealing with increasing volumes of concrete, and this led inevitably into concrete recycling.

In 2006, when Alex Frasers was turning over around \$100 million a year, the McKellar brothers sold 51 percent of it to the London-based multinational John Swire and Sons, a widely diversified public company with extensive interests in the Asia-Pacific region, and a staff

of more than 120,000.

Four years later they sold the rest of it to Swire.

But that wasn't the end of the McKellar involvement in the Australian scrap and demolition industries: Jamie's son Sam – or Samuel James Archibald McKellar to give him his full handle – had stayed on with Swire after his father and uncles sold out, running the demolition and contracting side of what had been the old Fraser business.

However, Swire felt that this sort of work, and scrap metal dealing, didn't quite fit its corporate strategy, so early in 2013 they quit their involvement in it.

By then though Sam McKellar had got a taste for the family's old occupation and wanted to set out on his own, heading for the high-tech end of the wider demolition/recycling industry, and taking some of the long-serving Fraser staff with him.

His dad tried to dissuade him; "I spent 30 years trying to get out of this business," Jamie McKellar says, but that didn't stop him initially serving as managing director for the new company, Australian Decommissioning Services, or Ausdec.

Jamie's brother Robbie McKellar also joined Ausdec as a consultant and advisor to Sam, but Jamie has since sacked himself and turned the management over to Sam.

"Sam's now taking the scrap business to a different level as far as safe work procedures at the high end of the market are concerned," Jamie McKellar says.

"He's in at the tricky end of remediation, highly technical stuff in which there are significant barriers to entry."

Explosives manufacturing facilities, live petrochemical plants, production sites and the mining and industrial sectors are Ausdec's field where the company specialises in integrated demolition and remediation projects.

The business is based on the principle of re-using, re-directing or recycling as much of the materials it extracts from its demolition programme as possible.

In that regard it's come full circle from the company Alex Fraser set up nearly 135 years ago to do much the same, albeit in a market where tin and antimony were more important than ferrous metals, and where aluminium had never been heard of. ●