



## WELCOME

Welcome to the first New South Wales edition of XLERPLATE® *Steel In Touch* for 2006.

While our state's non-residential business activity has surged in recent years – courtesy of infrastructure and major roads projects – economic prospects over the next year can be expected to be a little soft but still achieve a modest growth of between two and three per cent.

We expect to see major infrastructure projects come on stream in the coming year, as Australia moves to take advantage of booming Asian economies and growth in the mining segment.

With this in mind, there's no time to rest. We should continue to reflect on ways we can enhance future prospects by adding value to everything we do in the steel industry.

We pride ourselves at BlueScope Steel in the way we work with you, our customers, and the services we offer. The year ahead will undoubtedly provide a new set of challenges for the industry to address. It is our aim as the NSW team to not only meet those challenges but to help provide a valued service to all our customer base from the purchase through to the end product. Together 2006 will be a very successful year.

*John Barrett*  
**John Barrett**  
 State Sales Manager - NSW

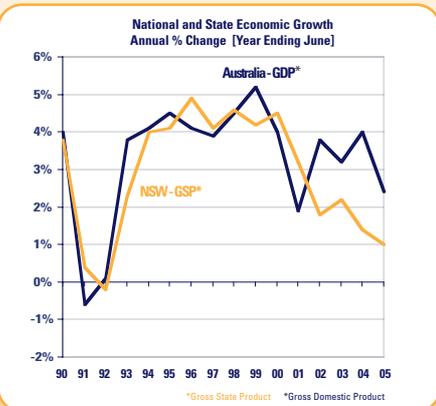
## NSW REVIEW

NSW accounts for just over one third of total Australian economic activity.

Economic activity was weak at about one per cent growth in 2004/05, due mainly to a fall in residential investment and slower growth in household consumption.

The NSW Government's former vendor tax also severely discouraged residential investment in the state over the past two years, resulting in investors moving to other states, especially Queensland.

Looking ahead, despite softening residential activity, economic growth is expected to pick up modestly over the next two years, supported by continued strength in non-residential activity and global demand for NSW minerals.



Source: BlueScope Steel Economics and Access Economics



## PAINTLINE CENTRE GAINS NEW CRANES

A leading Australian manufacturer of overhead travelling cranes has won a major contract to provide BlueScope Steel's new paintline centre in western Sydney with state-of-the-art cranes.

Eilbeck Cranes has spent a year building nine cranes for the \$120 million Erskine Park Paintline, also known as Project Waratah.

When the plant commences operations in March 2007, it will process 120,000 tonnes of COLORBOND® steel annually, at a rate of 100 metres a minute.

Eilbeck's Peter Heinrichson says the cranes – all fabricated from XLERPLATE® steel supplied by Smorgon Steel – include two heavy duty 30T production cranes with magnet and tong accessories.

There are also 20T and 30T plant support cranes that are capable of tong operations, two EXX (explosive proof) cranes operating over the paint storage area, and three smaller standard cranes.

The larger production cranes have roving cabins, and magnet and tongs option depending on operation requirements, with a unique facility to run the crane completely on battery power. This allows controlled lowering of the load anywhere within the facility, and the ability to drive the crane to the exit, to allow the driver to leave the crane.

Eilbeck Cranes, which has been in business for 99 years, supplies cranes throughout Australia, and has exported to countries including Argentina,



India, Vietnam, New Zealand, Spain, France, the UK and the Middle East.

"Our experience pays off and people overseas see that," Peter says. "Everything is durable and maintainable. Spare parts are always accessible to overseas customers - they're no more than a postage air bag away."

He says Eilbeck Cranes enjoys a close relationship with BlueScope Steel, and a key advantage of using XLERPLATE® steel in its products is its consistent quality and quick, reliable supply from BlueScope Steel.

"BlueScope Steel seems to keep a good eye on market requirements – so they have good stock," says Peter.

# SOFT AS STEEL

When most people think of steel, they visualise sturdy beams, construction sites and buildings.

Lee Tunks sees a blank canvas.

The Sydney metal fabricator and sculptor – together with his father and sister, Bruce and Benita Tunks – used steel to sculpt *Amity*, for last year's Sculpture By The Sea exhibition at Bondi beach.

The 6m sculpture is based on the shape of a lotus flower and symbolises harmony, peace and understanding.

Lee says steel is increasingly being recognised for its aesthetic value as much as its strength. "In construction you see steel more and more," he says, explaining that steel supports are no longer necessarily concealed, and are often used as an integral part of the overall design.

It took Lee, Bruce, Benita and several staff about 800 hours to fabricate and install *Amity*. Lee made a purpose-built press to form the major sections and the text was created using a plasma cutter.

And while most metal fabricators avoid rust, Lee purposely removed the millscale, leaving the sculpture exposed to the salty air at Bondi. "It was a beautiful, rich rusty colour which changed every day. People mistook the surface for wood and had to touch it to check the material."

The trio used steel to recreate the soft folds of a flower because it was strong yet appeared light. "It's elegant. You wouldn't guess it weighs three and a half tonnes," Lee says.

Lee used XLERPLATE® steel from BlueScope Steel,



supplied by OneSteel Steel & Tube at Wetherill Park. Both businesses supported the project through donations.

Though *Amity* is still available, the trio's 2003 Sculpture by the Sea entry, *Odyssey*, won the director's award and was sold to a private Victorian collector.

Sculpture By The Sea is the largest outdoor sculpture exhibition in the world. More than 100 national and international artists are selected from about 600 entries.

## BETTER VALUE FROM PLATE MILL

The Plate Mill at the Port Kembla Steelworks is now offering faster service after a multi-million dollar maintenance program completed earlier this year.

The program involved the reheat furnaces, Stand No. 2 and aspects of processing and despatch, and will result in better product turnaround for all XLERPLATE® steel customers.

No. 1 furnace had minor refractory work done on the hearth, while No. 2 furnace received a new hearth and had other refractories replaced.

Nitrogen is now used in an automatic system to purge volatile coke oven gas from the gas supply lines, replacing a slower, more dangerous manual process that used steam.

The gamma ray thickness gauge on Stand 2 was updated to provide more reliable and accurate readings on plate thickness and profile. The window liners were also replaced within the Mill housing.

Processing work involved refurbishment of the rotary line and guillotine line turnover tables, new arbours on the rotary line side trim sheers, a new scrap trolley for the plasma cutter, and the removal of asbestos from one of the cranes' control panels.

In the despatch section, both large forklifts have been fitted with speed governors, and seatbelts or seat cut-out switches.

## WEBSITE FOR FABRICATORS

Metal fabricators are being encouraged to log on to a free industry-first online directory designed to connect them with project developers across Australia.

The idea is that metal fabricators, as well as project developers and engineers, will use the directory to source steel fabrication services for projects in any State.

BlueScope Steel is sponsoring the online Australian Metal Fabrication and Services national directory, launched by the Industry Capability Network of Western Australia (ICNWA).

ICNWA senior consultant, Linus O'Brien, says registering on the site will mean fabricators are better positioned for tender opportunities.

The success of the website will depend on support from metal fabricators.

See <http://www.projectconnect.com.au> to register.

## CRUISING FOR CUSTOMER SUCCESS

Some 40 XLERPLATE® and XLERCOIL® steel customers from Sydney, Wollongong and Newcastle took to Sydney Harbour late in February as part of an annual networking event sponsored by BlueScope Steel.

The cruise, now in its second year, is a unique opportunity for BlueScope Steel to thank industry members for their support while at the same time providing an opportunity for face-to-face discussions across all sectors of the market.

NSW Account Manager, James Cummins, said the strong turn-out ensured this type of customer get-together would continue for some time to come.



"Customers willingly participate in the event to meet and share thoughts about issues encountered daily throughout the supply chain," James says.

## SAFETY MESSAGE COMPRESSED AIR

Many people are not aware of the dangers surrounding compressed air.

While most fatalities associated with the wrong uses of compressed air are attributed to sky-larking and horseplay, many people are seriously injured and killed each year by incorrectly using compressed air when doing legitimate work.

Air under pressure can be just as dangerous as high pressure steam, and when released suddenly can cause serious injury. It can maim, tear or embed matter into skin and bones.

Air directed around the face can blow out an eye, or may puncture an ear drum, causing deafness. A person who has been painting or covered with dirt or soot can have poisonous particles blasted into the body where they immediately combine with blood. Even air without impurities is dangerous when forced into the bloodstream through a cut or even through skin pores.

Many serious injuries have occurred with pressures as low as 28 kPa.

Remember - compressed air can kill. Use it sensibly!

## NEW PLATE MILL MANAGER



The Port Kembla Steelworks has a new Plate Mill Manager – Gerard Mahoney.

Gerard was appointed to the position in December and oversees all rolling, processing and despatch of XLERPLATE® steel, as well as maintenance of these processes.

His major responsibilities are to ensure production runs to schedule and deliveries are fulfilled.

Gerard has worked in various roles throughout his 25 years at BlueScope Steel, including Manager of the Slab Caster and Customer Services for Hot Rolled Coil Products.

He enjoys being at the hands-on production side of the business. "That's the really important part for me. We're at the forefront of the operations and producing quality XLERPLATE® steel for our customers," Gerard said.

## FREE SEMINAR ON STEEL INDUSTRY

XLERPLATE® *Steel in Touch* readers are invited to a free seminar on the economic future of the steel industry.

The event, being hosted by the Australian Steel Institute (ASI), promises to offer useful, easily digestible advice about the steel industry, according to Ian Cairns, ASI's National Manufacturing and Distribution Manager.

"The seminars tend to attract a cross-section of the steel industry," Ian says. "So the presentation will be structured to have broad appeal and relevance."

The NSW forum will be held at the Harrisford Room,

Carlton Hotel, Parramatta, on May 2 from 5.00pm - 6.30pm and will feature BlueScope Steel economists Max Serrano and Nick Scavarelli.

The pair will provide an overview of the economy, future opportunities and an outlook for Europe and the US, as well as China and India.

Though the forum is aimed at ASI members, non-members are welcome, says Ian, who adds that it will be a good networking opportunity. There will also be a Q&A session.

For more information and registration please visit [www.steel.org.au](http://www.steel.org.au).

## NEW TRAINING PROGRAM BENEFITS DISTRIBUTORS

A new training program will provide distributors and their employees with everything they need to know about XLERPLATE® steel, from its manufacture to technical advice and branding.

From mid-April, BlueScope Steel sales teams will use the DVD to host training sessions for distributors.

Michael Reay, BlueScope Steel Brand and Communications Manager, says the DVD is divided into seven modules, which provide information on BlueScope Steel, market segmentation, branding, product range, technical information, services and safety.

It has been developed in close consultation with our State Sales Managers and Account Managers



to ensure relevant content, design and functionality.

The DVD also includes an animation of the entire steel making process at the Port Kembla Steelworks.

"It's a really powerful tool because distributors will have all the information they need to know about XLERPLATE® steel in one spot," Michael says. "It's easily absorbed and there's lots of visual information."

## VALUE OVER PRICE

The days of submitting a quote or price and waiting for the order to be placed are long gone. Today's competitive global environment and higher customer expectations mean many companies, including BlueScope Steel, must develop value propositions that deliver more than just price.

The challenge for the steel industry supply chain is to work closely with each of our customers to uncover deliverable **value** that is both meaningful to the end customer and can flow right through the supply chain to the ultimate consumer.

When developing your value proposition, include your own company's specific value offerings, and also highlight the general advantages of local supply and fabrication.

These advantages could ultimately mean cost savings and other benefits for your customer and could include:

- ✓ **Quick response** to changing requirements
- ✓ **Provision of value added services** that cannot be provided by other suppliers
- ✓ **Cost savings by starting a project quickly** – More likely with local suppliers and fabricators

✓ **Cash flow advantages** - Reduced handling of components, lower on-site inventory levels and pre-production work

✓ **Inspection costs reduced** - High standard of workmanship and compliance with national and international standards

✓ **Reduced wastage, damage and re-work** - Locally-manufactured modules and equipment are less likely to be subject to damage and deterioration en route

✓ **Reduced administration costs** - No transaction costs related to clearance charges, fluctuations in the exchange rates or import costs such as demurrage

✓ **Flexibility** - Local companies are innovative and responsive to changing conditions and variations to the original planning and design

✓ **Reduced lead times** - Lower lead times as the transportation of finished goods from overseas can be affected by a number of stoppages

✓ **Ongoing support** - Whole-of-life costs (including maintenance); the ability to source replacement parts (or parts that may need to be re-engineered to certain specifications); and lower service costs can all result in significant cost savings.

## Your XLERPLATE® Team

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# Xlerplate®



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## IN THE HOT SEAT JOHN BARRETT



**Name:** John Barrett

**Job Title:** State Sales Manager

**Years with BlueScope Steel:** 34

**Years in the Steel Industry:** 34

**Description of current role:** Managing the market supply and customer relationships

**Previous position:** Industry Manager Water, Oil & Gas

**Woman I most admire:** Elle MacPherson

**Man I most admire:** Not Kim Beasley

**E-mails received on average per day:** 60-70

**Best invention of the last century:**

Hopefully, superannuation

**Worst television program:** Blue Heelers

**Time I spend in my car each day:** 4 hours

**Hardest habit to break:** Beer

**Favourite drink:** Corona

**Best car on the road/favourite car of all time:**  
Monaro

**Most useless possession:**  
Wallet, always empty

**Favourite outdoor recreational activity:** Golf

**What kick-starts my day:** Waking up is always a bonus OR realising it is Saturday

**If I had \$1m to blow it would be on:** Rent Budara Island in the Whitsundays for close friends until it was all gone.

**If I could have one person over for dinner, it would be...** Billy Connolly

**If there was one thing I could do all over again...**

Not give up surfboard riding at 20 for 30 years

**Favourite holiday destination ever:**

Port Douglas

## JAMES & RENAE TO TIE THE KNOT



James Cummins, our NSW Account Manager, is marrying his fiancé, Renae Chapman, on the October long weekend.

The pair, who have known each other for eight years, plan to hold the wedding at a church in Sydney and have the reception aboard a harbour cruise.

We wish James and Renae all the very best for their life ahead!

## ANYTHING BUT STEEL

While iron and steel making is thought to have taken more than 2000 years to develop, the ancient Egyptian King Tut always carried a small iron dagger – thought to be his most precious personal possession – made of meteorite iron.

The Sumerians called iron 'sky metal', while the Egyptian Pharaohs called it 'black copper from the sky'.

Even the Inuit of Greenland made iron tools for more than 100 years from a single 30-tonne meteorite.

While there is some evidence that African smiths could melt iron 2000 years ago, almost everyone else had to wait for it to fall to earth – until the wholesale smelting of iron during the Industrial Revolution.