



## WELCOME

Welcome to the Winter 2006 edition of XLERPLATE® *Steel In Touch*. In this issue we look at global and Australian economic conditions, and the current buoyant state of Australia's mining industry.

With economic conditions remaining upbeat throughout OECD countries, and demand for Australia's commodities and base metals staying high through 2006-07, we can expect demand for XLERPLATE® steel to remain strong for the coming year. Again, economic activity and growth in Queensland is forecast to be above the national average.

As a general rule, economic growth above three per cent translates into strong demand for steel, in line with 2006-07 forecasts (refer to page 3).

In this issue, you'll also find practical ways that some of our customers are meeting this demand, developing and fabricating a range of products designed to help Australia grow in the years ahead.

And as always ... we welcome your feedback! See how you can be in the running to win a fabulous 32-inch JVC LCD slim-line television simply by taking part in our Reader Survey.

*Tony Fotea*

**Tony Fotea**  
State Sales Manager - Queensland

## NEW QLD RAIL TERMINAL SUPERVISOR

Queensland's BlueScope Steel Logistics has a new Rail Terminal Supervisor – Seth Rodgers (pictured).

Seth has spent the past 10 years working in logistics as a Fleet Manager for Campbell Bros Logistics Division, and previously, six years as a Shift Manager at Patrick Terminals.

He was appointed as Rail Terminal Supervisor in early 2006 and says his first few months have been "pretty hectic" but "really interesting".

"My personal view is that the Queensland rail terminal is one of the most efficient rail operations in Australia," he said.

"My number one goal is to provide even smarter logistics solutions and be efficient and effective in everything we do. We've got long-serving and dedicated people working here."

Seth oversees the delivery of 10,000 tonnes of XLERPLATE® steel and structural steel from Port Kembla, Whyalla and Newcastle every week.



## HUGE DRAGLINE TO MAKE ITS MARK

Ensham Resources, one of Queensland's largest and fastest growing thermal coal producers, has commissioned Bucyrus Australia to supply a 5,350-tonne dragline that is due to come online in December.

The huge \$100 million Bucyrus 8750 dragline, to be used at Ensham's mine site 40 km north east of Emerald in Central Queensland, is now being assembled at the mine.

The dragline is being fitted with a 143-cubic-yard bucket, large enough to scoop out enough material to fill two backyard swimming pools with a single pass.

Ensham Resources and Bucyrus Australia were both determined to maximise Australian content in the dragline, particularly the use of Australian steel.

Bucyrus took on the role of principal contractor and enlisted the services of a group of Australia's most experienced engineering and fabrication contractors to assist with the project.

"It is a massive co-ordination task over a two year project," Bucyrus Australia's Manager of Special Projects Geoff Hoffman said. Construction of the dragline has involved nearly 3,500 tonnes of XLERPLATE® steel from BlueScope Steel, supplied by OneSteel.

"We contacted OneSteel and they have a good relationship with BlueScope Steel, so we then moved on to a series of three-way technical discussions. It was a very co-operative process."

OneSteel's project team, led by Malcolm Smith,



A finished Model 8750 dragline.

collaborated closely with Bucyrus to maximise XLERPLATE® allocations and expedite processing. This included major weld preparation and the bevelling of XLERPLATE® edges.

"You probably wouldn't find the steel size and grade combinations that we required in a standard catalogue, but there was excellent collaboration involving our engineering department with OneSteel and BlueScope Steel," Mr Hoffman said.

"We worked closely with OneSteel and gave BlueScope Steel comprehensive rolling priorities for the delivery of XLERPLATE® steel. Throughout the process BlueScope Steel's performance has been outstanding and their collaboration with OneSteel has worked well."

The partnership involving Bucyrus, OneSteel and BlueScope Steel is delivering recognisable value to the client and proving to be a key factor in the success of this project.

# MINING INVESTMENT

By BlueScope Steel Economists Nick Scavarelli and Max Serrano

Mining investment continues to grow rapidly because of the commodity price boom that has seen Australia's terms of trade rise dramatically. Australia has benefited from very strong price growth in coal, iron ore, gas and a range of base metals.

There is a clear link between mining commodity prices and investment, and we see mining investment expanding until about 2007-08.

The Investment Monitor data produced by Access Economics shows a large number of projects will start in 2007. These include the Gorgon LNG development, the expansion of BHP Billiton's Olympic Dam, Woodside's Pluto LNG project and the expansion of Rio Tinto's Argyle diamond mine and others.



Strata control products manufactured by BlueScope Steel customer DSI Mining in action.

China's industrial boom and its demand for resources will continue over the next few years.

Beyond 2007-08, however, the commodity cycle is expected to start its downward movement.

While Chinese growth in demand will remain strong up until then, substantial capacity additions in iron ore, aluminium and coking coal will have removed most excess demand.

# PORT KEMBLA READY TO ROCK WITH ROLLPRESS

Queensland's Rollpress Proplate Group (RPG) has won the contract to supply 405 steel piles using 3,200 tonnes of XLERPLATE® steel for one of Port Kembla's new berths as part of the port's \$140 million expansion.

The expansion project will see car imports relocated from Port Jackson, making Port Kembla the country's leading car import centre.

When construction is complete in 2008, an additional 250 vessels will visit Port Kembla a year, providing a major boost to the economy.

The piles supplied by RPG were all 1.2 metres in diameter and fabricated from XLERPLATE® steel to form part of the 290-metre Multi Purpose Berth 3.

RPG Sales and Marketing General Manager Richard Kearns said one of the most demanding aspects of the project was working interstate.

"The manufacture and delivery of this number of piles interstate was a challenge, particularly the longer lengths which required extendable semi-trailers, which are always a little difficult to find in large numbers."

Richard says RPG prides itself on being a one-stop shop, with few other companies offering rolling, profiling, steel forming and pipe manufacturing on such a large scale, on one site. He says this can produce significant cost savings for customers.

"Because we do all the work in-house there is a much better chance of completing a project on time due to little or no outside work required and no transport between locations. We also offer continuity of workforce."

Tonilee Andrews, Port Kembla's Port Engineer, was pleased the contract could be awarded to



Steel piles by RPG being transported to Port Kembla.

an Australian company – especially since the contract to extend Multi Purpose Wharf 2 was previously won by a Korean supplier.

"To be honest I had an expectation that this contract would have gone to a Korean company. I was so happy when this was won by an Australian company."

Ms Andrews said RPG won the \$5 million contract because of the company's competitive pricing package and the quality of its products. Choosing a local company also means BlueScope Steel has a tighter control on quality.

Ms Andrews said the next key stage of the port's expansion, the construction of Eastern Basin Berth 4, will go to tender early next year.

"Hopefully it will go to another Australian company."

# GLADSTONE PORT EXPANSION

Queensland pipe fabrication company Major Metals is supplying piles for the Central Queensland Ports Authority's RG Tanna Coal Terminal expansion at the Port of Gladstone, while fellow XLERPLATE® steel customer John Holland Group is supplying headstocks.

The terminal expansion will lift coal export capacity by 25 million tonnes a year. It is part of a massive capital works program that also includes the feasibility study of Wiggins Island Coal Terminal and the upgrade of the Barney Point Terminal.

Together these three projects have the capacity to boost the Port of Gladstone's coal export capacity to 140 million tonnes – making it the biggest coal exporting port in the world.

Major Metals Project Manager George Gormley said the company is supplying 310 piles, of 1.2m diameter, fabricated from XLERPLATE® steel for the construction of Berth 4.

Major Metals is one of Queensland's biggest specialist pipe fabricators, and has previously worked on the construction of Berth 3 at the Port of Gladstone.

The Dalby-based company originally catered predominantly for the agricultural market, supplying mostly irrigation pipes, but Mr Gormley said increased demand had prompted a shift toward civil construction and fabrication of wharf pipes.

Rising demand in these areas has also seen the company open its fourth production line.

Mr Gormley said the company uses XLERPLATE® steel because it can rely on quality and turnaround.

John Holland Group (JHG) won the contract for the early work for Berth 4 and is to supply



Shiploader 3 was built using XLERPLATE® steel.

1,200 tonnes of steelwork for the project, including headstocks fabricated from XLERPLATE® steel.

JHG constructed the Central Queensland Ports Authority Berth 2 in 1990. The company plans to complete work for Berth 4 by September.

## SAFETY MESSAGE: TREAD CAREFULLY ON STAIRS

Stairs – around the home and in the workplace – can lead to some of our more debilitating accidents.

Almost as many legs and ankles are broken on stairs as in accidents on sports fields.

Some stair falls can cause even more serious injuries, including broken backs and necks.

A broken leg can lead to you being incapacitated for up to several months – a devastating situation if you have a manual job.

So remember, when walking up and down stairs:

- Move in single file
- Always use the hand rail
- Concentrate on the task at hand – and don't engage in distracting conversation
- Take your time – and one step at a time



Simon Ritchie (second from left) with Smorgon Steel at their Eagle Farm branch.

## NEW TRAINING PROGRAM A HIT

XLERPLATE® steel distributors have given a new BlueScope Steel training program the thumbs up.

The training program, which was launched in May, is delivered professionally in an electronic format that includes animations, video, diagrams, text and graphics. It is designed to provide distributors with everything they need to know about XLERPLATE® steel from its manufacture through to technical advice.

Our Queensland Account Manager, Simon Ritchie, has introduced the training program to customers across the State, and is now formally rolling the program out to those customers.

"It is comprehensive but set-up in a way that people can easily understand," he said of the program, which is divided into seven modules, including technical information, services, branding, market segmentation, safety, product range and the steel-making process.

Customers who wish to benefit from the new XLERPLATE® steel training program should contact their BlueScope Steel State Sales Manager.

## THE RECIPE AS NEVER BEFORE

As many as 80 per cent of the steel grades and 'recipes' available around the world today either didn't exist 25 years ago or are being produced in such a way that they are effectively like new steels. For its part, BlueScope Steel – as a world-leading steel manufacturer – is at the forefront of developing new alloy designs for steels aimed at addressing specific customer requirements.

One recent example was the grade of XLERPLATE® steel used in the Royal Australian Navy's ANZAC Class frigates built by Tenix.

BlueScope Steel Metallurgical Technology Manager Jim Williams (pictured) said steel development is constantly changing.



"While our main grade of hot rolled strip and slab steel – a low-carbon, aluminium-killed steel – has changed little in recent years, we are constantly assessing our range of products according to customer demand," he said.

"Major changes have occurred in steel production technology over the past few decades, from ingot to continuous slab casting, then thin slab casting and currently strip casting. These dramatic technology changes resulted in very different steel product behaviours even in cases when the steel chemical composition remained almost unchanged."

Mr Williams said his department received calls on a daily basis from customers wanting to know if BlueScope Steel could produce certain grades and alloys to meet specific requirements.

"We make business assessments based on anticipated demand, plant capability and other factors," he said.

## PLAN YOUR TOUR OF STEELWORKS

Just a reminder... tours of our Port Kembla Steelworks are available for all customers.

Most recently, a group of OneSteel Metaland NSW staff found out more about how BlueScope Steel products like XLERPLATE® steel and XLERCOIL® steel are made.

OneSteel Metaland Regional Market Manager, Luke Palmer, said the tour offered many benefits – "improved selling techniques, the ability to

assist junior staff as a result of new knowledge gained, and the chance to network with BlueScope Steel personnel".

These tours involve a pre-tour safety and production video, guided bus trip around the site and a chance to watch the various processes involved in making BlueScope Steel products.

To find out more about the Steelworks tours available, please contact your State Sales Manager.

## THE GLOBAL ECONOMY

By BlueScope Steel Economists Nick Scavarelli and Max Serrano

The global economic outlook remains sound, with business expectations in Germany – Europe's economic engine – at a record high.

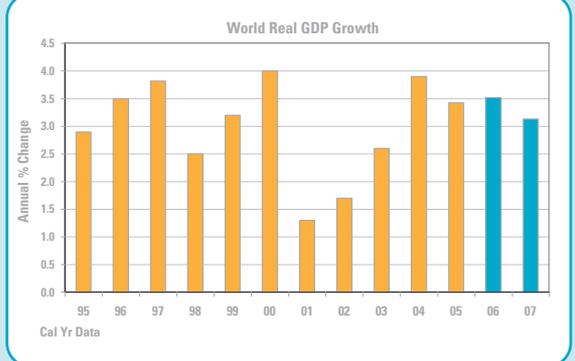
Despite surging oil prices, the OECD leading indicators point to healthy economic growth in the next six months in all major economies. This will support solid levels of global steel demand.

In 2006, the US economy is likely to grow about three per cent, and Europe and Japan are expected to grow above two per cent.

Although industrial production growth in China and India has stabilised at a high level, it will continue to maintain pressure on the demand for commodities and metals, including from Australia.

Overall global economic growth is expected to remain above the trend level of about three per cent in 2006.

In Australia, GDP growth is expected to be around three per cent in 2006-07, due to the anticipated export recovery on the back of stronger mineral prices. However the recent rise in interest rates



and the strong Australian dollar will limit growth prospects. Both these factors are likely to negatively impact on business competitiveness and sentiment. The level of interest rates in the next six months will depend on the extent that the high oil prices filter through to downstream products, as well as the extent to which the shortage of skilled labour lifts wages.

The strong Australian dollar and fierce competition from Asia could see manufacturing investment fall in 2006-07. Agricultural investment is expected to remain fairly constant but from a high base, and mining investment is expected to remain strong.

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# Xlerplate®



**BLUESCOPE  
STEEL**

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## IN THE HOT SEAT SETH RODGERS



**Name:** Seth Rodgers

**Job title:** Rail Terminal Supervisor – Brisbane

**No. of years with BlueScope Steel:** Less than one

**No. of years in the steel industry:** Less than one

**Description of current role:** Manage rail steel intermodal operations for Industrial Markets and OneSteel Brisbane (local deliveries) and FNQ Rail

**Previous position:** Shift Manager – Patrick Logistics

**Previous position duties:** Managed AQIS logistics intermodal operations for Patrick Stevedores' Brisbane Terminal

**People I most admire:** My parents

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

**Best invention of the last century:** Air Conditioning

**Worst television program:** *Survivor*

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

**Hardest habit to break:**

Pie van food

**Favourite drink:**

Cascade Lager

**Best car on the road/favourite car of all times:**

Aston Martin

**Most useless possession:** Outdated text books

**Favourite outdoor recreational activity:** Jet Ski

**What kick-starts my day:** Good music on the way to work

**If I had \$1m to blow it would be on...**

A luxury yacht

**If I could have one person over for dinner, it would be...** Jennifer Hawkins

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

Primary school – life was much simpler then!

**Favourite holiday destination ever:** Egypt

## TRY THIS QUICK QUIZ

**Q1.** Yellow gold contains 10 per cent of what element?

**Q2.** What is the chemical formula for salt?

**Q3.** What colour is yak's milk?

**Q4.** How many limbs does a squid have?

**Q5.** How many compartments are there in a cow's stomach?

A1. Copper, A2. NaCl, A3. Pink, A4. 10 limbs, A5. Four compartments



### WIN A 32-inch COLOUR LCD TV! HOW?

Log onto [www.xlerplate.com.au](http://www.xlerplate.com.au)  
Click on the *Steel In Touch* reader survey link.  
Complete the survey (about five minutes).  
Then you're automatically in the draw to WIN!  
All entries receive our XLERPLATE® steel golf starter kit.

Terms & conditions apply. See the website for details.  
(Permit nos: NSW - TPL 06/06448; ACT - TP 06/02432; SA - T 06/2397)