



WELCOME

Welcome to the first issue of XLERPLATE® *Steel In Touch* for 2007.

The year ahead is already shaping up as an eventful and exciting one, with many opportunities and challenges facing our XLERPLATE® steel customers. We look forward to continuing our value-creating relationship for 2007 and beyond.

XLERPLATE® *Steel In Touch* will bring you the latest steel industry news, information about projects happening in your state, updates on the economic environment and XLERPLATE® steel product news. If you're interested in reading previous *Steel In Touch*

articles, log onto www.xlerplate.com.au and search our archived editions.

In this issue we feature our new XLERPLATE® steel campaign – called *Backing the Aussie Spirit* – which is themed around the Australian quest to be the best. See page 2 for details about this exciting new XLERPLATE® steel initiative.

The BlueScope XLERPLATE® team and *Steel In Touch* look forward to bringing you the latest news on developments within our industry throughout 2007.

Tony Fotea
State Sales Manager - Queensland

FABRICATION EXPERTISE PROVES FERRY GOOD

Far North Queensland fabricator English Engineering has built a second cable-guided ferry for the Daintree River crossing, north of Cairns.

The new ferry, made using 120 tonnes of Grade 250 XLERPLATE® steel, has been designed to carry tourists, residents and road freight to the world-famous Daintree Rainforest area.

Cairns naval architect Richard Stewart designed the ferry, and up to 12 workers were engaged on its construction from February to July 2006.

"We built our first Daintree River ferry for the successful ferry service tenderer in 1990, and were approached again earlier this year," English Engineering founder and Managing Director Pat English said. "There was another bid put in by an



The new Daintree River ferry.

Australian company with manufacturing facilities in Vietnam, but the work stayed in Australia.

"Building a ferry is not as straightforward as it seems – it has to meet strict survey standards.

"We're not just fabricating steel, we're also providing painting services for a marine environment."

English Engineering, based in Cairns, leased a shed from Cairns Slipways for the project.

"We were able to launch the ferry from the shed, tow it north along the coast and position it on the river," Mr English said.

The Daintree River ferry, the only cable-guided ferry service in Australia's tropics, has been built to withstand a harsh working environment.

"The ferry has debris such as tree trunks crashing into its side when it crosses the river, particularly during the wet season," Mr English said.

"The river bed also becomes shallower at certain times of the year, and if fully-laden, the ferry can scrape the bottom as it approaches the bank."

The company's expertise in cable-guided ferry construction has spread overseas, and it is now negotiating with a Malaysian operation.

English Engineering has provided welding and fabricating services, including on-site work, throughout North Queensland since 1978. Previous fabrication projects include Cairns Central shopping mall.

"We've used XLERPLATE® steel from the outset, and have always dealt with local distributor Tonkin Steel," Mr English said. "You've got to have good steel because it's too late to replace it after it's been welded into place.

"If XLERPLATE® steel could weld itself, it would be perfect!"



BACKING THE AUSSIE SPIRIT

XLERPLATE® steel has launched its "Backing The Aussie Spirit" Campaign.

The campaign promotes XLERPLATE® steel's quality, reliability, technical backup and sales support associated with using Australian-made steel, and support for the local economy.

The campaign follows on from its first successful "Xlerate" to XLERPLATE® campaign back in 2004. XLERPLATE® steel distributors and end users will receive five mail-outs in total over a period of three months, each with a unique Australian flavour.

The first mail-out, sent in mid February, is themed "Australian Made" and focuses on the benefits associated with Australian manufacture. The second mail-out sent recently is themed "Consistent Quality". The campaign draws upon imagery centred on sporting excellence and high achievers such as champion swimmer Libby Lenton and the Australian cricket team.

"We're associating great Aussie heroes – our sportsmen and women – with the quality and pride behind the XLERPLATE® steel brand," Stan Clark, National Sales Manager – Distribution and Manufacturing, said. "XLERPLATE® steel is designed for many Australian applications and buying it means you're supporting industry in your country. Like our heroes, it's Australian-made."

Every mail-out contains a gift, and a unique



Images from Backing The Aussie Spirit campaign.

personal code that enables you to enter the competition to win great monthly prizes including tickets to the World Swimming Championships in Melbourne in March, or reserved tickets to the second day of the Australia vs. India cricket test in January 2008.

Entering all five draws gives you the chance to win one of three grand prizes, including an overseas trip valued at \$15,000 to one of the following events:

- 2007 Rugby World Cup in the UK
- 2007 Twenty 20 Cricket World Cup in South Africa
- 2007 FINA World Swimming Championships in Singapore
- Prix de L'Arc de Triomphe in Paris
- 32nd America's Cup event in Spain

We'll bring you winners' details in the next edition of *Steel In Touch*.

PKSW HOT STRIP MILL EXPANSION

The \$100 million expansion of the hot strip mill at Port Kembla Steelworks has been officially opened by Wollongong's Lord Mayor, Councillor Alex Darling. Councillor Darling unveiled a plaque at the Number 2 Walking Beam Reheat Furnace last December.

The furnace is now fully operational, and can convert an additional 400,000 tonnes p.a. of slab into hot rolled coil.

"The expansion has made the Steelworks much more competitive," BlueScope Steel's President Australian and New Zealand Industrial Markets Noel Cornish said. "Slab which is a semi-finished product is now transformed and value-added into hot rolled coil."



From left: BlueScope Steel's Aimee Allen, Noel Cornish, Antonio Lara and Cr Alex Darling.

He said the expansion, completed on time and on budget, was a positive step for employees and the community.

"It's a real credit to the BlueScope Steel people who managed the work, and to the contractors who carried it out," Mr Cornish said.

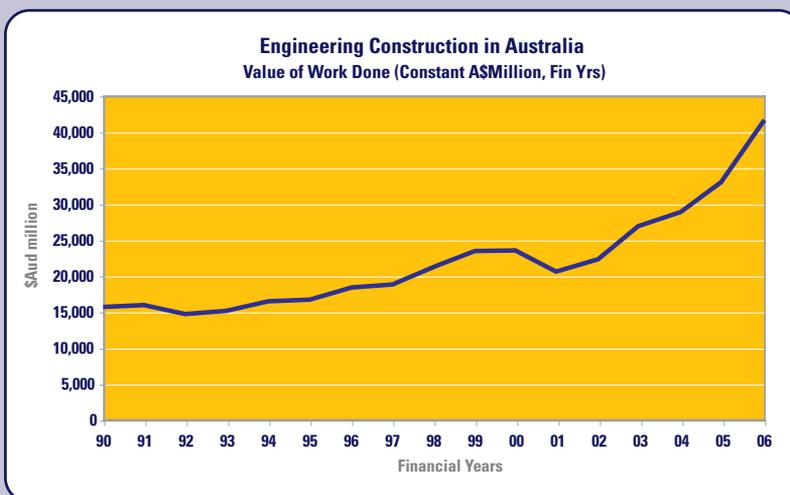
ENGINEERING ACTIVITY ON THE RISE

By BlueScope Steel Economists Max Serrano, Nick Scavarelli and Amy Davidson

Australian manufacturing continues to face a number of challenges, including the high Australian dollar and increased competition from Asia. Without a competitive advantage in manufacturing generally, growth in the sector will be likely to remain modest for the foreseeable future.

There has been a strong lift in planned engineering activity in the last 12 months, especially in mining-related investment, with high commodity prices underpinning planned expansions at many mine sites. Although commodity prices are expected to soften in coming years, they are likely to remain fairly high in the immediate future. Given that investment in water and power projects over the past 10 years appears to have been inadequate to cope with future needs, continued strong growth in spending in these areas is expected.

The latest Access Economic's Investor Monitor indicates a number of huge projects have been driving the lift in mining activity. These include



the Dawson steaming coal deposit (valued at \$1.2 billion) and Fortescue Metal Group's iron ore mine (valued at \$3.7 billion).

This strong activity has produced some negative consequences however. It has substantially driven up costs, especially because of skills shortages. Consequently, a number of major projects are being delayed, and cost blowouts are widespread. The construction of Fortescue's iron ore and

infrastructure project is behind schedule and BHP Billiton's Ravensthorpe nickel project has suffered cost overruns.

Mining plans for the future remain strong, including a feasibility study that is currently underway on a \$700 million planned development of the Wandoan coal mine. Statistics from the Australian Bureau of Statistics indicate that spending on mineral exploration has increased by nearly a third compared with this time last year.

Oil and gas investment is also strong. The North West Shelf gas fields and others in and around north Western Australia (such as the Vincent and Stybarrow oil fields) continue to lead spending in this sector. Costs on the recently started Angel gas field have already started climbing, and are now expected to total \$1.6 billion.

Construction on the Thylacine and Geographe gas project in Victoria's Otway Basin is behind schedule after cost upgrades throughout development of the project. The final bill is expected to tip \$1.1 billion.

SAFETY MESSAGE: REBAR CAPS MAY OFFER LITTLE PROTECTION



Recent research conducted by the NSW Plant Consultative Committee has shown that plastic caps fitted to the ends of exposed steel reinforcement bars may offer little protection against serious workplace accidents, including impalement.

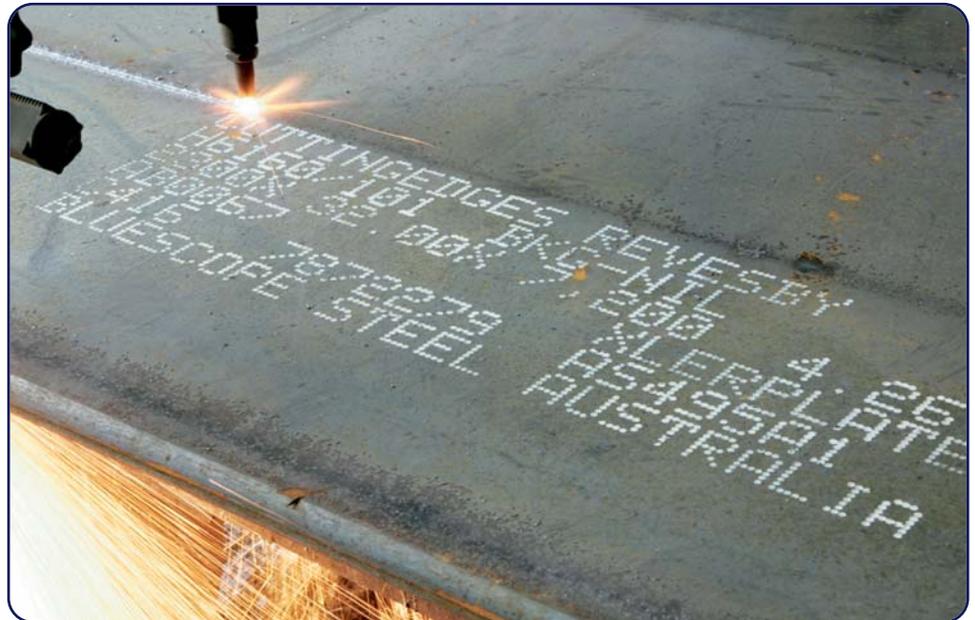
These findings support information from several suppliers who say rebar caps are only intended to provide bright visual warnings, and to protect against brush contact with burred ends of reinforcement bars.

Where possible, working adjacent to exposed rebars should be eliminated.

Where this is not possible, workers should be effectively separated from exposed bars by guardrails, screens or other barriers.

Scaffolds should also be fitted with edge protection.

Correctly fitted caps should only be used, and regularly checked.



CUTTING EDGES THRIVES UNDER LOCAL OWNERSHIP

Cutting Edges Equipment Parts has experienced increased demand for its expanding range of patented wear parts for the mining industry in its first year under Australian ownership.

The company is Australia's largest aftermarket supplier of equipment parts for earthmoving machinery and heavy-duty diesel engines.

Cutting Edges Equipment Parts' former Managing Director and now CEO Richard Andrews bought the company from United Kingdom-based owner Delta plc a year ago.

Mr Andrews said the company was succeeding as an Australian manufacturer operating in a global market after introducing new system designs and technologies.

"Downtime is critical for mining companies, so anything they can do to extend the working life of components and improve productivity as a result is taken very seriously," he said.

"We manufacture a wearplate product that uses a chromium carbide overlay on a Grade 250 XLERPLATE® steel base. We export this product, as it's ideal for high-abrasion, high-impact working environments around the world.

"We use this grade of XLERPLATE® steel to make our CC1500 wearplate suitable for high-abrasion applications such as chutes, screens, dump truck liners, bulldozer mouldboards and bucket liners."

Cutting edges, flat grader blades and end bits, which are made from XLERPLATE® steel, are manufactured at the company's Revesby facility in Sydney's south-west.

Mr Andrews said Cutting Edges Equipment Parts' products were tailor-made for local conditions, and



Cutting Edges Equipment Parts CEO Richard Andrews.



did not compromise their quality to suit all markets.

"We were looking for a grade of steel with particular properties exhibiting a high toughness-to-hardness ratio. In conjunction with BlueScope Steel, we developed specifications for a specific type of XLERPLATE® steel to meet these requirements.

"The products in which we use XLERPLATE® steel are a growth area for our business."

Cutting Edges operates eight branches and a network of 10 distributors across Australia. The company employs more than 100 people, and has almost 50 years' experience in the industry.

PLATE MILL PRODUCTION RECORD

Plate Mill output at the Port Kembla Steelworks exceeded 400,000 tonnes last year for the first time since 1996.

This increased production was due to improved process flow and productivity gains across all areas of the Plate Mill.

Impressive production levels were only part of the story. The delivery-in-full-on-time performance for 2006/07 to date is the highest result ever.

Major maintenance and repair work recently carried out to the hot leveller and furnaces was completed before schedule, on budget and with the best-ever safety performance.

This critical work will ensure XLERPLATE® steel production remains on track throughout 2007, and will also result in improved XLERPLATE® steel shape, surface quality and delivery performance.

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Xlerplate®



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IN THE HOT SEAT TODD BRYERS

Name: Todd Bryers

Job title: National Product Manager – Distribution and Manufacturing, BlueScope Steel

No. of years with BlueScope Steel: 6

No. of years in the Steel Industry: 6

Description of current role: To deliver a superior XLERPLATE® steel market offer that benefits both our customers and BlueScope Steel

What I like most about my job: Working with a diverse range of colleagues and customers

Time spent on the phone each day: Less than one hour a day. Feel free to call and chat!

Emails received on average per day: 30 plus

Person I most admire: At the moment Mr Cricket (Michael Hussey)

Craziest thing I've ever done: Worked as a Chocolate & Candy Chef in a Canadian ski resort

Earliest childhood memory: Being beaten up by my big brother. Too bad for him, as I eventually grew taller

What kick starts my day: Training for my first-ever triathlon

Best invention of the last century: Jet travel

All-time favourite song: *We are the Navy Blues* (Carlton FC theme song)

Worst television program: *Today Tonight / A Current Affair*

Hardest habit to break: Sleepwalking

Favourite food: Cheese, complemented by a nice drop of red

Best car on the road / favourite car of all times: A Winnebago RV, to drive around Australia

My pet hate: Road rage

I spend most weekends... Outdoors as much as possible

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

A beachfront property in Wollongong

If I could have one person over for dinner, it would be... Al Gore

Favourite holiday destination ever:

Drinking cerveza on the Mexican Caribbean coast



ANYTHING BUT STEEL

A debate between friends during a shooting party in Wexford, Ireland, in 1951 over what was Europe's fastest bird led to the founding of one of the world's most successful publishing ventures.

When one of the party, Sir Hugh Beaver, realised that similar arguments were going on every evening in more than 81,000 pubs across Britain and Ireland, he thought there might be a book in it.

One of his workers then commissioned Norris and Ross McWhirter's fact-finding agency in London to

compile the first edition, and 1000 free copies were distributed in 1954.

The following year, the book rocketed to the top of Britain's Best Seller list for Christmas. Ironically, Beaver had initially thought of it as a marketing give-away.

This annual is now the world's best-selling copyrighted book.

The name of this publishing phenomenon? The Guinness World Records.

ENDEAVOUR AWARDS ENTRIES CLOSE SOON

Entries close soon for the 2007 *Manufacturers' Monthly* Endeavour Awards.

The event, sponsored by BlueScope Steel's STEEL BY™ Brand Partnership Program, is open to all Australian manufacturers that have been operating for at least two years.

The awards, now entering their fourth year, cover eight categories, and include the selection

of an overall winner – Manufacturer of the Year 2007 – in recognition of the winning company's demonstrated innovation and excellence.

Nomination forms and conditions are available in the latest edition of *Manufacturers' Monthly* magazine or online at:

www.ferret.com.au/FerretAwards/Mmawards.asp

