



WELCOME

Welcome to the Summer 2006 edition of XLERPLATE® *Steel In Touch*.

To begin we would like to congratulate two customers for exciting wins in the recent *Manufacturers' Monthly 2006 Endeavour Awards* for Manufacturing Excellence.

Newcastle's Waratah Engineering (NSW) won the Manufacturer of the Year Award for its Waracar shuttlecar, which also secured the Import Replacement Of The Year Award. Apollo General Engineering (VIC) secured two Highly Commended awards – in the Exporter of The Year and Import Replacement of The

Year categories. Read our lead story for more details on these innovative XLERPLATE® steel users.

This edition also contains stories on recent record Plate Mill throughput, our Customer Service team's activities, Port Kembla Steelworks maintenance plans for Christmas, and a look at how steel is performing in the Australian economy.

On behalf of *Steel In Touch* and the XLERPLATE® steel team, thanks again for your continued support.

Tony Fotea
State Sales Manager - Queensland

BRISBANE'S STUNNING NEW STEEL BRIDGE

The first major cable-stay bridge to be built in Australia in the last 10 years is expected to open in Brisbane early in 2007.

When it becomes operational, the Eleanor Schonell Bridge will provide an alternative route for university staff, students and visitors.

The \$55 million bridge contains more than 875 tonnes of Grade 350 XLERPLATE® steel.

Designed and constructed by the John Holland Group, the bridge will cross the Brisbane River and link Dutton Park (5km from the Brisbane CBD) with the University of Queensland at St. Lucia.

The structure spans 390 metres and includes two twin-column, 70-metre-high towers supporting a composite steel and concrete deck. The bridge's deck is 20 metres wide, 1.5 metres deep and 185 metres long.

John Holland Group's specialist Structural Mechanical Process (SMP) division at Richlands



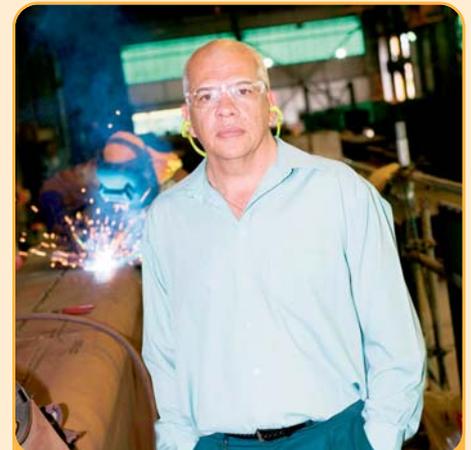
fabricated the bridge's huge welded sections.

The structure was delivered to the company's on-site construction staff in steel modules 9.6 metres long, each weighing up to 24 tonnes. It was then assembled and checked in a jig before being lifted into position by crane.

Most girders are 1200mm deep, and XLERPLATE® steel thicknesses range from 12mm to 70mm.

John Holland Group Project Director for the bridge, David Balmer, said steel had proved an innovative and economical choice.

"Specifying steel for the composite deck provided an opportunity for significant cost savings and helped reduce the construction timetable," he said.



John Holland Manager – Fabrication and Coatings, Alban Manning.

"The sophistication of the steelwork design and the quality required was extremely high," John Holland Manager – Fabrication and Coatings, Alban Manning said.

"Reliable supply of XLERPLATE® steel in the required thicknesses was crucial because we were working on 12 modules in various stages of fabrication at any one time. My main focus was on service and speed of supply for the steel we required – and I've been impressed by the standards achieved by BlueScope Steel for this project."



XLERPLATE® CUSTOMERS SECURE TOP AWARDS

Innovation and product excellence have secured big wins for two XLERPLATE® steel customers at the 2006 *Manufacturers' Monthly Endeavour Awards for Manufacturing Excellence*.

NSW company Waratah Engineering won two awards – Manufacturer of the Year (the major award) and Import Replacement of the Year – for its Waracar shuttlecar designed for use in underground coal mining.

Victorian company Apollo General Engineering secured two Highly Commended awards – one for Exporter of the Year for its boiler drums exported to Indonesia, the other for Import Replacement of the Year for its large pressure vessels used at Queensland's Mt Isa mines.

The Endeavour Awards, designed to recognise and reward Australian manufacturing excellence, are open to all manufacturers throughout the country.

This year's presentation event, held in Sydney, attracted more than 120 guests from all areas of manufacturing.

Waratah Engineering made a huge impact with its Waracar shuttlecar, launched in 2003. The company has built 25 of the \$900,000 Waracar shuttlecars and is fabricating another five at its Newcastle workshop.

Designed to carry up to 16 tonnes of coal in underground mines, the unit is made from 20 tonnes of Grade 350 XLERPLATE® steel.

It can also be fitted with a wireless data transmission system, which helps track the unit when it is in operation deep underground.

The carrier has allowed Waratah Engineering to break into an Australian market dominated by a US



Waratah Engineering's Waracar.

company building mining machines in South Africa.

Waratah Engineering has 130 employees and uses 250-300 tonnes of XLERPLATE® steel a year.

Apollo General Engineering, an Australian-owned company with more than 50 years' experience in medium-to-heavy fabrication, assembly and machining, is another Australian success story.

Exports of the company's machinery and fabricated metal products are growing rapidly due in part to some smart strategic investments by the company.

Apollo General Engineering's General Manager, Sam Guccione, said his company had been supplying boiler drums to Indonesian customers for a number of months.

BlueScope Steel's National Sales Manager Distribution and Manufacturing, Stan Clark, said he was delighted to see fabricators like Waratah Engineering and Apollo General Engineering securing awards and high commendations. "It underpins the innovation and expertise that Australian manufacturers are encompassing in their work," he said.

For more information: Waratah Engineering – www.wareng.com.au and Apollo General Engineering – www.apollo-engineering.com.au

ENTRIES OPEN FOR 2007 ENDEAVOUR AWARDS

The 2007 *Manufacturers' Monthly Endeavour Awards* are now open to all Australian manufacturers, big and small, who have been operating for at least two years.

The awards, heading into their fourth year, cover eight categories:

- Import Replacement of the Year
- Technology Application of the Year
- Innovative Product of the Year – Consumer
- Innovative Product of the Year – Industrial
- Exporter of the Year
- Environmental Solution of the Year
- Safety Scheme of the Year
- Young Manufacturer of the Year

An overall winner will be selected from those categories and awarded the top prize – Manufacturer of the Year 2007 – in recognition of the winning company's manufacturing innovation and excellence.

Nomination forms and conditions are available in the December edition of *Manufacturers' Monthly* magazine or online at www.ferret.com.au/FerretAwards/Mmawards.asp Entries close 30 April 2007.

CHANGES TO COIL IDENTIFICATION

A new alphanumeric system is now identifying steel coils leaving BlueScope Steel's Springhill (Port Kembla) and Western Port plants, and the company's Service Centres.

Although this mainly affects coated steel, cold rolled and hot rolled products marketed by our Australian Manufacturing Markets Division, it will affect 1800mm-wide hot rolled coil and coil plate product, sold by Industrial Markets.

The changes, prompted by customer feedback, apply to alphanumeric prefix ranges for several coil units leaving Western Port; e.g. Z12345 has become J12345.

Also, the letters "W" and "P" have been removed from seventh position in the alphanumeric markings; e.g. J12345W has become J12345.

Coils processed at BlueScope Steel's Service Centres have had an "S" added to seventh position in the identification code; e.g. J12345 has become J12345S1.

The changes will provide alphanumeric code consistency for despatch and invoice documentation, and will help to improve inventory management.

SMORGON CUSTOMERS TOUR PORT KEMBLA

Smorgon Steel Metals Distribution recently flew its Queensland XLERPLATE® steel customers to Port Kembla for a Steelworks tour.

Smorgon Steel's Brisbane representatives David McCarthy, Roslyn Jeppesen and Tony Wheeler accompanied the group, as did our Queensland Sales Manager Tony Fotea.

The event was initiated by Smorgon Steel and included a tour of the Steelworks and visits to BlueScope Steel's Welded Products Mill at Unanderra, south of Wollongong, and to nearby Bisalloy Steels.

"We wanted to give our XLERPLATE® steel customers a better understanding of what goes on behind the scenes in the steel industry, ensuring their continued commitment to Australian-made



Smorgon's tour group included representatives from Sun Engineering, Bradken, GM Poles, PCD Steel Processing and Barfab.

steel," Smorgon Steel's Business Development Manager, Tony Wheeler said.

Tony said the visit proved a great networking opportunity for Smorgon Steel, its customers and BlueScope Steel representatives.

SAFETY MESSAGE: BOAT WITH CARE

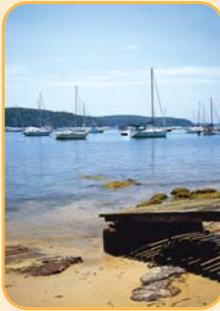
Now it's summer, many of us will be heading onto open water – lakes and the ocean – in small recreational boats.

While many safety-conscious boat users always pack flares, a two-way radio (and mobile phone), life jackets and fresh water, how many think of additional safety equipment?

Most Australian boating safety authorities list the following additional items as being very important:

- small fire extinguisher
- first aid kit
- a basic tool kit (for possible breakdowns)
- rope (for towing)
- a bucket (for bailing)
- oars (in case your outboard breaks down)

Always heed the day's weather forecast . . . and tell friends and family where you intend heading and your estimated time of return.



COMMODITY BOOM DRIVING STEEL SALES

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

Domestic demand, a major component of the Australian economy, grew 4.2 per cent in 2005/06. It is now slowing partly because of the Reserve Bank's decision to lift interest rates 0.75 percentage points this year in an effort to control inflation.

Falling house prices, particularly in NSW, appear to also be slowing domestic demand and impacting on consumer confidence. As house prices rose, consumers increased their borrowings. We now seem to be experiencing the opposite effect.

Investment, the other major component of the economy, remains strong, with the commodity boom helping to lift investment to unprecedented levels.

Non-dwelling building investment rose about 12 per cent, mining investment rose 68 per cent, and private plant and equipment investment rose more than 18 per cent in 2005/06. The 2006/07 outlook remains positive. However, prospects for rural production and investment appear to be deteriorating rapidly. An El Nino weather pattern will likely impact on rural production in 2006/07.

High commodity prices have boosted the mining states (Western Australia and Queensland) and investment in these states continues to rise, with the outlook for 2006/07 looking positive.

However, demand for labour and materials, especially in Western Australia, is outstripping supply, causing costs of both to rise. Future prospects may be less buoyant when the commodity cycle returns to more sustainable levels.

Total Mining Investment in Australia



New South Wales, Victoria and South Australia are affected by several factors including the following:

- Falling house prices are reducing housing activity and consumption;
- An overvalued Australian dollar (due to the commodity boom) is making local manufacturers less competitive, which is aggravated by China's efforts to increase its exports of manufacturing products into Australia; and
- Our national skills shortages are limiting expansion of some manufacturing components.

The drought is also having an impact on these states. Ironically, when the commodity boom subsides the dollar will be likely to weaken and aid recovery in these states.

Strong mining and non-dwelling construction investment is helping to lift steel sales in these sectors, although much mining equipment is imported. This lift in sales is, however, being partly affected by falls in both dwelling activity and in manufacturing and rural activity.

CHANGES TO END-OF-YEAR XLERPLATE® DELIVERY

Plate Mill maintenance work and wide-load delivery restrictions will affect XLERPLATE® and XLERCOIL® steel delivery times over the Christmas and New Year period.

Maintenance will be carried out at the Port Kembla Steelworks Plate Mill from 29 December to 15 January. XLERPLATE® steel will not be produced during that time, and extended lead times will apply. Please speak to the XLERPLATE® Customer Service group or your sales branch for further information.

Restrictions to XLERPLATE® Coil Plate and Coil Floor Plate will apply during this time because of the Metpol site closures, and deliveries will be allocated in line with Metpol's planned reopening.

Road and traffic authorities have also imposed wide-load restrictions that affect the delivery of Standard and General XLERPLATE® steel in December and January.

Widths of 2500mm or more cannot be delivered between 25 December and 5 January (DIS Week 52, Week 1). In NSW, load restrictions also apply between 22 January and 26 January (DIS Week 4).

Orders for widths of 2500mm or more during these restricted periods will be booked for delivery the following week.

HIGHEST THROUGHPUT SINCE 1982

Port Kembla Plate Mill throughput has reached its highest level in 25 years, in large part due to the combined efforts of the Plate Operations team and the XLERPLATE® Customer Service group.

A total of 213,239 tonnes of XLERPLATE® steel has been produced at the Plate Mill in the last six months, and if production continues at its present rate, mill output will exceed 400,000 tonnes for the year. Annual output was initially budgeted to reach 388,000 tonnes.

On-time delivery performance into our customers' stores nationally, has risen almost 30 per cent, from 65 per cent in April 2003 to 92 per cent year-to-date to October 2006.

The XLERPLATE® Customer Service group consists of 15 officers – including six in the Planning and Scheduling team, six Customer Service Officers and two Technical Metallurgists. The six Customer Service Officers field inquiries, provide product information to customers, book orders and track the progress of existing orders to keep output on course.



Our friendly XLERPLATE® Customer Service group.

The group regularly deals with as many as 150 customers each week across Australia.

Queensland customers will be familiar with the voice of Customer Service Officer Keven May, who deals with their specific inquiries.

Keven has worked at BlueScope Steel for 17 years and has spent recent months tracking and managing orders for resources and mining projects in Queensland.

The XLERPLATE® Team

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Keven May
 Customer Service Officer

For technical enquiries
 call 1800 800 789

For XLERCOIL® enquiries
 call 1800 008 247

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GOODBYE AND FAREWELL DAVID FEA

Name: David Fea
Job title: David resigned on 17 November as Smorgon Steel State Manager – Metro Queensland. Ed Manzi has been appointed to the role. Welcome Ed!
No. of years with Smorgon Steel: 8
No. of years in the steel industry: 8
Description of current role: Responsible for large steel sales, processing and distribution centre, Brisbane
Previous position: State Manager (NSW) Smorgon ARC
Previous position duties: Managed \$200m steel reinforcing distribution business
Woman I most admire: Hillary Clinton
Man I most admire: Geoff Dixon – Qantas CEO
E-mails received on average per day: 40-50
Best invention of the last century: Screw-top wine bottles
Worst television program: *Big Brother*

Time I spend in my car each day: 160 minutes

Hardest habit to break: Cigars

Favourite drink: Red wine (Shiraz)

Best car on the road/favourite car of all time: Maserati Quattroporte GT

Most useless possession: Lawn mower

Favourite outdoor recreational activity: Boating (any kind)

What kick-starts my day: 60 minutes at the gym

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

A boat, of course

If I could have one person over for dinner, it would be... Bono (U2)

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

Spend less money on cars and boats!

Favourite holiday destination: Egypt



ANYTHING BUT STEEL

If you think the cost of living in Sydney is eye-watering, spare a thought for the denizens of Tokyo, London and Moscow; the world's most expensive cities. Sydney, while rocketing up the charts in recent years, is still down at number 20, nestled between equally cosmopolitan Vienna and Rome. Auckland, ranked number 80, is a much less expensive proposition.

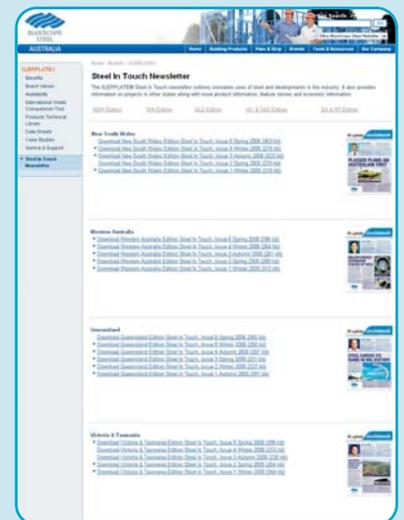
Mercer Human Resources Consulting, which compiles the annual figures, bases its rankings on 200 goods and services – including the monthly rent on a two-bedroom apartment, the cost of a hamburger, transport and entertainment.

The dearest rent (Tokyo) is approximately \$A6000 a month, while the rent in Buenos Aires for the equivalent standard apartment will set you back about \$A800 a month.

And the three cheapest cities in the world on Mercer's list of 144? Asuncion (Paraguay), Montevideo (Uruguay) and Santo Domingo (Dominican Republic).



STEEL IN TOUCH GOES ONLINE



Back issues of *Steel In Touch* are now available online.

The creation of the online archive provides readers with access to stories on XLERPLATE® steel projects published in all five state editions since *Steel In Touch* was launched more than a year ago.

It addresses feedback from a recent reader survey in which 95.6 per cent of respondents said they wanted to read about interstate developments.

To access archive editions of *Steel In Touch*, go to www.xlerplate.com.au and click on *Steel In Touch*.