



## WELCOME

Welcome to the first Victorian & Tasmanian edition of *Steel In Touch*, a quarterly newsletter designed to add another channel to our current communications and interactions with our customers.

BlueScope Steel has recently undertaken a number of marketing activities involving our customers, including the Xlerate to XLERPLATE® campaign, the End User Steel Survey and our Customer Satisfaction Survey.

The XLERPLATE® campaign provided you with some great promotional items, as well as the opportunity to

win some amazing prizes, so I hope you enjoyed them. You'll find the encouraging results of our End User Survey covered in this newsletter.

*Steel In Touch* will help us keep you informed of the results and outcomes of these and future activities, as well as providing you with an overview of key issues, shared learning and future events of common interest.

**Simon Fieldsend**  
State Sales Manager - Victoria & Tasmania

## SOLID GROWTH FOR VICTORIA & TASMANIA

**Victoria** is known as the manufacturing State. Manufacturing-related activity and investment play a significant part of the economy, making it more exposed to the fluctuations in the Australian dollar.

The Victorian economy experienced solid Gross State Product (GSP) growth of 4 per cent in 2003/04, driven by strong business investment and dwelling construction.

While dwelling activity was expected to soften further in 2005/06, the business investment outlook is positive given the large volume of work in the construction pipeline (e.g. Mitcham/Frankston Tollway) and activity surrounding the 2006 Commonwealth Games.

The GSP growth outlook is expected to remain reasonably steady in 2005/06 at around 2.2 per cent.

**Tasmania's** GSP was a very healthy 3.5 per cent in 2003/04, driven by record growth in business investment and strong growth in dwelling investment and private consumption.

GSP growth is expected to remain solid at around 2.9 per cent in 2004/05, before falling to 2 per cent in 2005/06. Business investment, specifically projects including the continuation of Tasmanian Natural Gas Project and Basslink-related construction, will continue to underpin solid growth. Dwelling investment, however, is expected to fall.



## XLERPLATE® PROMOTION WINNERS

By any measure, participation in our Xlerate To XLERPLATE® campaign – which has secured two bronze awards in the 2005 Australian Promotion Marketing Association Awards (APMA) – was outstanding, with 44 per cent of all eligible people responding at some stage.

Following the campaign, we surveyed 408 people – including distributors and their customers – on their reactions to our recent XLERPLATE® promotional campaign, and came away with some impressive findings.

Since the campaign, 46 per cent of distributors surveyed say they now promote XLERPLATE® to their customers.

Overall, 55 per cent of respondents (71 per cent for distributors) believe XLERPLATE® outperforms the competition, and 25 per cent say they now use the XLERPLATE® brand name when discussing or ordering steel plate.



Promotional items

The APMA bronze awards were in the best business-to-business campaign and best use of direct marketing categories.

**Congratulations to all winners listed below . . .**

- Tony Wheeler, Smorgon Steel Qld
- Peter Allen, CBI Constructors WA
- Grant Hodshon, Smorgon Steel Qld (Townsville)
- Shane Sirett, Smorgon Steel Metals Distribution Qld
- Robert Hayes, Smorgon Metals Distribution
- Peter Warrall, Central Engineering Steel & Tube Qld (Currumbin)

**Final Draw Winners – a trip for two, valued at \$15,000, to any of the world's Club Med destinations:**

- Paul Pederson, Smorgon Steel NSW
- Adam Johnstone, Bradken Qld
- Tony Wheeler, Smorgon Steel Qld



## STARRING ROLE FOR XLERPLATE® STEEL

XLERPLATE® steel is starring in two BlueScope Steel television commercials currently airing across Australia.

Both advertisements are part of the rollout of the *Steel By BlueScope Steel* brand partnership program – of which you’ll be hearing plenty in the months ahead.

One features scenes of major redevelopment work underway at the Melbourne Cricket Ground, while the second features the building and launching of the *Oceanic Princess* being built by NQEA, in Cairns.

This ship is the largest passenger ship built in Australia since the *Empress of Tasmania* in the 1960s.

Built in Cairns by leading Queensland ship-building and engineering company NQEA for Cairns-based operator, Coral Princess Cruises, the \$20 million luxury cruise ship *Oceanic Princess* accommodates 80 passengers and a crew of 20.

With a full displacement of 1300 tonnes, we supplied 500 tonnes of XLERPLATE® steel in various grades and thicknesses for her construction.

Meanwhile, the contract to provide structural steelwork for the huge northern stand at the MCG was won by family-owned fabricator Alfasi Steel Constructions.

“All up, BlueScope Steel is providing 4500 tonnes of steel, including XLERPLATE® steel in Grades 250 and 350,” Alfasi director, Gill D’Vier, says.

The *Steel By BlueScope Steel* brand partnership program linking these television commercials is open to distributors and manufacturers who source 80 per cent or more of their flat, sheet or coil steel requirements each year from BlueScope Steel.

“Displaying the BlueScope Steel brand partnership logo is proof to your customers and others that your company’s products are backed by the strength, reputation and integrity of the BlueScope Steel brand,” our Corporate Brand Manager, Leo Kerema, says.



## ACTION ON THE SUPPLY FRONT



### WHAT WE'RE DOING

Materials to be used in building 12 new BlueScope Steel rail wagons have been delivered to EDI Rail’s Port Augusta plant.

Work on the purpose-built tilt wagons is expected to begin within weeks, with final delivery expected before the end of the year.

These new wagons have been designed to carry wide XLERPLATE® steel plate, and will complement the fleet of 38 similar wagons we already use for this purpose. Another 20 slab delivery wagons, converted to carry XLERPLATE® steel, have entered service.

As part of this rail fleet increase, Stan Clark, our National Sales Manager, Distribution and Manufacturing, says we’re studying the XLERPLATE® supply chain carefully.

As soon as we have an image of one of these new tilt wagons, we’ll publish it in *Steel In Touch*.

### WHAT'S HAPPENING?

The XLERPLATE® demand situation remains strong, and we can expect this to continue for the next few years.

With major resource and infrastructure projects absorbing as much steel as they can secure, we can expect global demand for minerals to continue growing.

China’s huge demand for steel in the lead-up to the Beijing Olympics and beyond is also driving up raw materials, alloys and freight prices.

However, in the face of this enormous demand, we remain committed to servicing the Australian market, and we’ve increased production of XLERPLATE® steel 58 per cent since January 2001. We’ve lifted output 9 per cent since January 2004.

When the first of our new tilt wagons arrive later this month, this will increase our capability to deliver more XLERPLATE® to the market.

So in future, our customers should have no concerns about meeting this demand.

## STEEL END-USE SEGMENTATION RESEARCH

We can all expect another solid year of domestic steel consumption.

Results published in our *Steel End Use Segmentation Research 2004* report show that those plate-using segments expecting to use

more steel in the year ahead include mining, manufacturing, engineering construction, vehicles and transport, and agriculture.

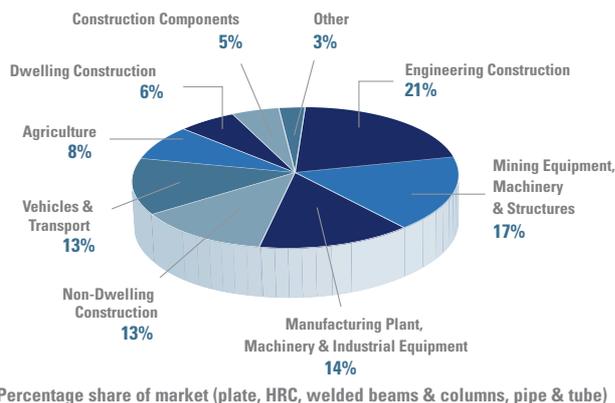
These segments cite more work, business growth, higher demand, growth in their overall segment and individual company expansion for their increased consumption.

Some also point to stronger exports.

If you’d like a copy of this report, contact BlueScope Steel Direct: 1800 800 789.

Or call your State team (see details on back page).

### RESEARCH RESULTS: NATIONAL STEEL-CONSUMING SEGMENTS



## SAFETY MESSAGE: DON'T PHONE AND DRIVE

A recent study has found that talking on a mobile phone while driving is more dangerous than being just over the legal alcohol limit!

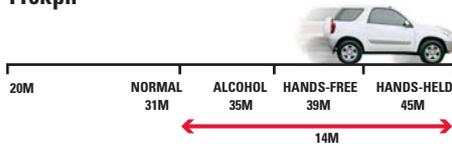
And statistics show that using mobile phones while driving is the root cause of many Australian road accidents, as it is overseas.

The study found reaction times were, on average, 30 per cent slower when talking on a hand-held mobile phone, compared with being just over the legal limit, and almost 50 per cent slower than under normal driving conditions.

At 110kph, a half-second difference equates to travelling an extra 14m before reacting to a hazard.

So it's not surprising that an increasing number of companies, including BlueScope Steel, are reviewing their policies concerning employees using mobiles while driving.

### Distance travelled before response at 110kph



Source: UK Transport Research Laboratory

## A SHIRT FOR A STORY

BlueScope Steel is always looking to feature stories on fabricators and manufacturers doing interesting work with XLERPLATE® and XLERCOIL®. These stories are featured in *Spotlight On Steel*, an email newsletter that is sent to over 8000 people as well as to national industry publications such as *Mining Monthly*.

If you know of one of your customers with an interesting



end use application or who would appreciate the exposure, please send an email to [Adam.Cheeseman@bluescopesteel.com](mailto:Adam.Cheeseman@bluescopesteel.com) and we will send you this XLERPLATE® polo shirt as a thank you.

## PLASMA CUTTER TO BOOST EFFICIENCY



A new plasma cutter has undergone final commissioning trials at Port Kembla, and will soon provide an extra dimension of efficiency at the Plate Mill.

The Farley plasma cutter will be used in conjunction with our current oxy-acetylene gas torch, rotary shear line and guillotine shear line, which is expected to help increase

throughput at the mill by increasing process capacity as well as increasing overall yield as a result of fewer plate diverts.

"The new equipment will also add extra processing flexibility and efficiency as we can now switch between several methods of cutting XLERPLATE® steel," says Scott Dunstan, Customer Service Manager - Plate Products.

## HELP FOR INJURED HORSES

The world's first equine hyperbaric oxygen chamber is now helping Australian horses to recover from injury.

Designed by Melbourne company Fink Engineering – on research provided by another Australian company EquiiOx – the first chamber was installed at Flemington in Melbourne, and has already proven successful in speeding up the healing process for more than 350 prize-winning race horses.

EquiiOx, established by a team of veterinarians and scientists, invested in Fink Engineering for the project. EquiiOx is a combination of the Latin word for horse (equus) and Ox (for oxygen).

The rectangular equine chambers hold as many as three horses simultaneously, and use specially designed masks providing 100 per cent pure oxygen to stimulate new collagen and decrease swelling on injured tissue.

The innovation provides the same hyperbaric oxygen treatment used in hospitals around the world to speed up the healing process for injured athletes and sports people.

The treatment can speed up treatment of acute and chronic injuries in horses by as much as 70 per cent.

The first equine chamber took six months to design, but Fink Engineering's Managing Director, Eric Fink, says his company can now build them at a rate of one a month. The potential global market for the chambers could be as high as \$100 million.

"A number of round equine hyperbaric chambers have been used in North America, but these haven't



been as user friendly, for humans or the horses," Mr Fink says. "The rectangular shape is far more suitable for horses and other large animals."

Mr Fink says he was determined the chambers would be Australian-built, and Coffs Harbour (NSW)-based engineering company W.E. Smith Hudson was enlisted to build them using various grades of XLERPLATE® steel.

"W.E. Smith Hudson was the obvious choice because it is one of the best pressure vessel shops in the world," Mr Fink says.

Each chamber uses 12 tonnes of XLERPLATE® steel, supplied by the local OneSteel Metaland supplier.

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# Xlerplate®



## BLUESCOPE STEEL

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## IN THE HOT SEAT - ADAM CHEESEMAN



Account Manager Adam Cheeseman has been with BlueScope Steel for 18 months. He is responsible for managing relationships and activities with customers in Victoria.

We asked Adam some interesting questions to fill in a little more background information. Here's what he had to say.

**Name:** Adam Cheeseman

**Job Title:** Account Manager

**No. of years with BlueScope Steel:** 18 months

**No. of years in the steel industry:** 18 months

**Description of current role:** Managing customer relationships and liaising across sales and supply activities to ensure customer issues are addressed.

**Previous position:** Product Planner & Buyer

**Previous position duties:** Purchasing, scheduling, import costing and marketing analysis of product range catalogues.

**Person I admire the most:** Lance Armstrong

**E-mails received on average per day:** 15

**Best invention of the past century:** The Internet

**Worst television program:** Neighbours

**Time I spend in my car each day:** 2 hours

**Hardest habit to break:** Biting my nails

**Favourite drink:** Bourbon and coke

**Best car on the road/favourite car of all times:** 1956 AC Cobra

**Most useless possession:** Old 1980s video recorder

**Favourite outdoor recreational activity:** Rowing

**What kick starts my day:** A strong coffee

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

Many overseas holidays

**If I could have one person over for dinner, it would be...** Richard Branson

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

I'd backpack through Europe

**Favourite holiday destination ever:** Italy

## ANYTHING BUT STEEL

**Q1:** What is the collective name for a group of tigers?

**Q2:** Which city is further north - Perth, Port Augusta or Dubbo?

**Q3:** What was the original colour of Coca-Cola?

**Q4:** Mel Blanc (voice of Bugs Bunny) was allergic to carrots. True or False?

**Q5:** What is the cost of raising a medium-size dog to the age of eleven?

**Q6:** Intelligent people have more zinc and copper in their hair. True or False?

**Q7:** What country was the Titanic's last port of call?

## THIS BAG COULD BE YOURS

As this is the first issue of *Steel In Touch* and because we want the publication to be useful and relevant, we welcome feedback. In fact we'll send you this BlueScope Steel sports bag just for giving your opinion of the first edition and letting us know what you'd like to see in future editions.

Simply send an email to Adam Cheeseman (contact details above left) by August 31 and this bag will be yours.



Closing date 31st August, 2005.

## Your requests:

How can we improve our service to you and better meet your ongoing requirements? Let us know.

Did you know we can offer the following services:

- Training
- Joint Customer Visits
- Mill Tours
- Shared Safety Learnings and Practices
- Technical Assistance
- Promotional Assistance
- Electronic Transactional Activities

A1: An ambush of tigers A2: Dubbo A3: Green A4: True A5: \$6,400 A6: True A7: Ireland