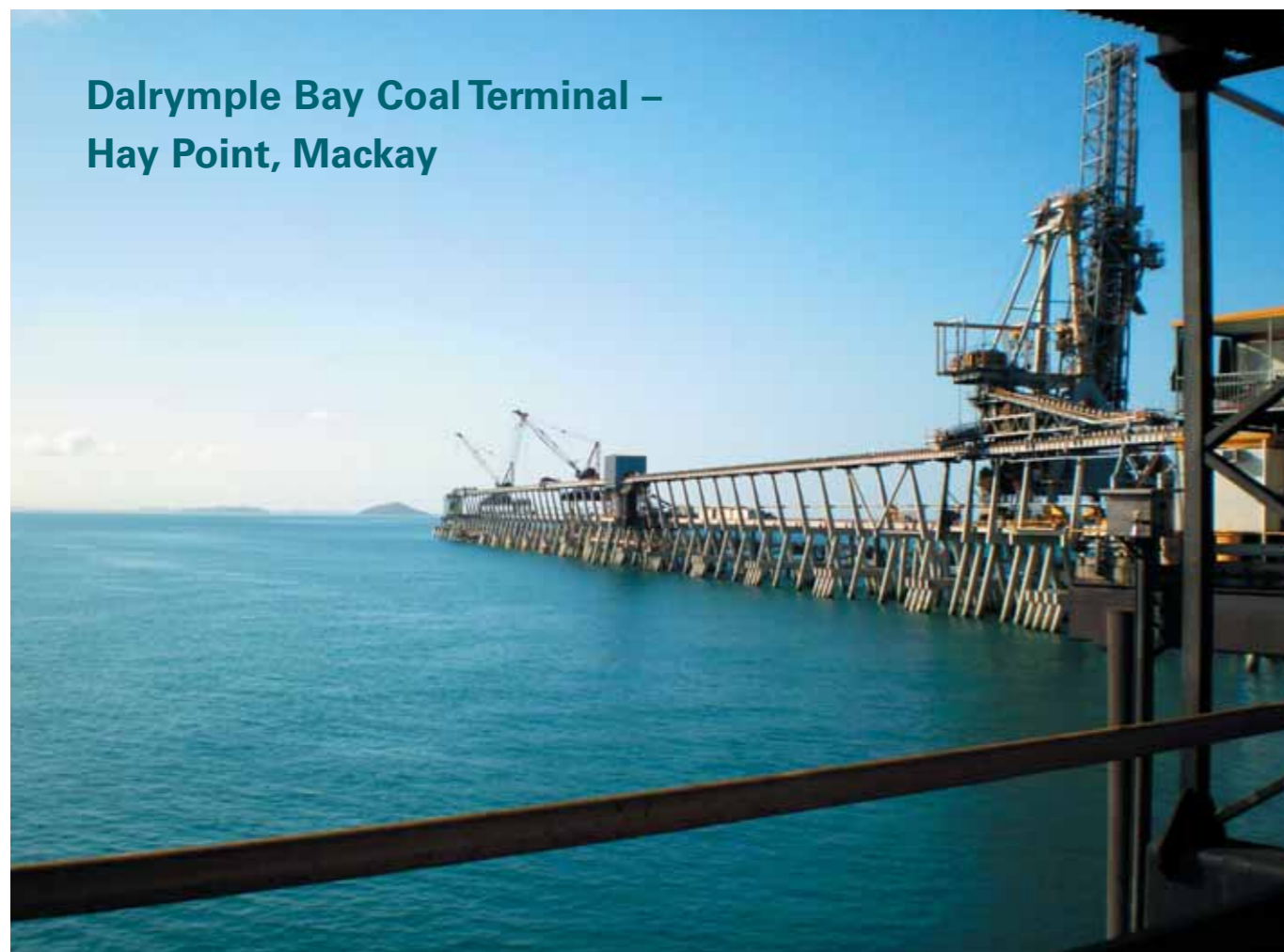


Controlling supply risk reaps local rewards

Dalrymple Bay Coal Terminal – Hay Point, Mackay



John Holland (JH) has achieved impressive success in supplying local fabricated steel for major coal loaders in Queensland's North Coast.

John Holland's SMP business is currently completing a new wharf and conveyor contract as part of the Dalrymple Bay Coal Terminal (DBCT) development for client BBI Management.

The DBCT is located at Hay Point 38km south of Mackay and facilitates the export of metallurgical and thermal coal mined in the Bowen Basin. It is one of the largest coal terminals in the world and is being upgraded to increase its output from 60 to 85 million tonnes per annum due to an increase in customer demand.

John Holland's \$280 million marine works contract at the terminal is due for

completion early in 2009. The contract includes all piling, structural, mechanical and electrical works associated with a new off-shore outloading conveyor along a widened jetty that extends 3.8km over the ocean to a new 420 metre long fourth berth.

This entails placing over 400 steel piles of 1200mm diameter in thicknesses of 12mm and 16mm. As part of the contract, John Holland is manufacturing the 7900 tonnes of superstructure steelwork required for the project in-house at its facilities in Queensland and through alliances with local fabricators.

This project followed John Holland's highly successful Central Queensland Ports Authority Berth 4 expansion works project that included construction of a 400 metre long wharf extension, 800 metres of wharf widening, a new approach jetty and 1.5km of

onshore conveyor work. This involved 1200 tonnes of structural steel and 23,600 workshop labour hours.

John Holland also won the contract for fabrication assembly and installation of a third shiploader, transfer bridge and tripper for the RG Tanna Coal Loader in Gladstone, a major coup for local fabrication.

Successful completion of these projects is seeing John Holland enhance its position as a favoured contractor, also recently winning the follow-on development of Abbot Point wharf, land side conveyors and coal loader.

"One of John Holland SMP's key competitive advantages is our ability to support our construction arm with the in-house manufacture of structural steel through our fabrication arm," said John Holland

"We offer security of delivery based on our ability to locally source and fabricate the steel needed to deliver major projects efficiently."

SMP's Business Development Manager, **Ron Zahorodny**.

"We offer security of delivery based on our ability to locally source and fabricate the steel needed to deliver major projects efficiently. We also offer extensive marine construction knowledge and a large and modern crane and plant fleet - all packaged into one competitive offer."

Although fabricated materials may only make up around 30 percent of the project cost, Mr Zahorodny stressed that late or poor quality steel can jeopardise a whole project.

While John Holland has overseas sourcing experience, the supply of local steel and other services (Dalrymple Bay had 21 local subcontractors) allows all parties to understand and work together to solve project or material issues. Conversely, it can be more difficult to resolve problems with substandard materials and services supplied from overseas.

"We have had much success with local material suppliers," said **Albion Manning**, Fabrications and Coatings Manager for John Holland's SMP business.

"We also provide local fabrication and marine services ourselves and manage paint facilities at our Rockhampton, Townsville and Brisbane facility as we need to guarantee paint quality to stringent marine requirements - a critical part of the process.



"The main fabrication standard is the Australian welding code AS 1554 (Part 5) and as many overseas suppliers do not understand our requirements, we risk noncompliance with Australian codes, particularly for welding."

Construction Manager DBCT 7X Marine Project, **Chris Hall** appreciates the importance of having a local fabricator as flexibility is also crucial to the program.

"In-house fabrication definitely strengthens the John Holland offer," he said.

For the Dalrymple Bay project, John Holland worked closely with BlueScope Steel to provide firm prices and a guarantee on steel supply.

John Holland also works with key partners such as Cairns Steel, Ryco and Pacific Coast

to manage supply. These relationships are long-term and spur repeat business as further projects are won.

John Holland's work on the DBCT expansion project will be followed by significant new projects in the coming year. In Queensland, the \$287 million Abbot Point Coal Terminal X50 Expansion Marine Works, Shiploader SL2 and the X25 Expansion, In-loading and Conveyor Upgrade Contract, all on behalf of Ports Corporation of Queensland, will move forward.