

D2E

» DOWN TO EARTH

» VOL 3. 2007 » ISSUE 46



In this issue:

- » SUPPLY CHAIN DELIVERS CUSTOMER BENEFITS
- » SPECIAL WA FOCUS
- » NEW HD1500-7 MINING DUMP TRUCK

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Bill Pike
President
Komatsu Australia Pty Ltd

As 2007 draws to a close, it is important we reflect on the past twelve months and also be aware of Australia's challenges which include the current water shortages and the increasing pressure from continued drought; high oil prices and a changing balance in the world economy as China dominates resource markets.

More than ever there is a need for us to deliver value-add to our customer base and to provide them with a cost effective end-to-end service.

We are developing a "Customer to Fulfilment" project which will be providing enhancements to our parts management system in order to improve parts interpretation and tracking. We are using the expertise of our own internal resources to improve support stock visibility, sourcing and transaction speed. We are progressing well with this development and we expect to "go live" during the first quarter next year.

2008 will also see several new branches open around Australia and New Zealand. Western Australia, Queensland, NSW, Victoria as well as Northern Territory will have new facilities to better serve

and support our customers and details regarding locations and contacts will be available in future D2E publications.

In this issue of Down to Earth we are pleased to present a special Western Australia feature. The focus is on successful Komatsu customers in the west where equipment sales are at record levels due to the Western Australian exploration continuance and the current phenomenal resources boom.

The new HD1500-7 mining truck is now available in Australia and complements the existing Komatsu mining equipment range. This is the largest mechanical drive truck in our range and features high horsepower, faster haul speeds and improved manoeuvrability resulting in lower costs per tonne.

I'm pleased to announce that the Komatsu Way process is being officially rolled out to all branches. It will manifest itself in improved efficiency in our workshops and service centres and deliver a safer and more efficient workplace into the future. I encourage you to embrace this new process as it will strengthen our organisation and deliver the very best to our customers and business partners.

Next year promises to be more exciting than ever with new facilities, new and enhanced systems, new and improved products and a relentless pursuit of Continuous Improvement (CI).

To all our customers and staff I would like to thank you for your support during 2007 and wish you a safe and happy new year.

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WA FOCUS: WHY BUSINESS IS BOOMING IN THE WEST

In this edition of D2E magazine, we focus on some successful Komatsu owners in Western Australia, where equipment sales are at record levels on the back of the massive resources boom.

Rob Rhodes, Komatsu Australia's General Manager, Western Region, told D2E that strong sales are being experienced across the entire industry, from the major iron ore producers – who are driving much of the growth and strength in the market – through to contractors and plant hirers.

"I'm sure everyone in the industry is aware of the massive demand in the iron

ore business," he said. "But that growth and demand is also driving the market in the construction industry, whether it's in mine infrastructure development, or demand for housing and other infrastructure in Perth and other major centres."

Rob said a major challenge for the industry – for suppliers such as Komatsu, as well as its mining and contractor customers, was meeting the demand for skilled labour and technicians.

"All sectors of the business are having to look at innovative solutions to try and meet the shortage of skilled technicians

and operators," he said.

"At the same time, the mining industry is attracting new people to the state – both from interstate and from overseas – which is adding to the demand for housing and other infrastructure."

A big success story for Komatsu in WA has been in sales of articulated dump trucks – for both mining and construction applications, according to the region's Business Development Manager, Grant Menhennett.

"Over the past 12 months, Komatsu in WA has gone from less than 5% of the ADT market to more than 40%. We've achieved this through having

the best, most reliable and productive and comfortable ADT on the market," he said.

"It's built much more strongly than any other ADT available, it's proven itself with contractors in Australia and around the world, our customers can see that – and they are responding by ordering significant numbers of them.

"We've just sold 15 to one company, and another customer is part way through a delivery of nine HM300s and HM400s.

"They are being used in applications throughout WA, in civil construction and in mining, going to hire fleets as well as to civil contractors," said Grant.



This Komatsu HM300-2 ADT is one of Brooks Hire's fleet of 14 Komatsu artic's at work or being delivered. It's shown next to a recently purchased WA480-6 wheel loader.

KOMATSU FINANCE HELPS BUILD BROOKS HIRE'S BUSINESS

Brooks Hire, one of Western Australia's largest heavy equipment hire specialists, has built up a fleet of more than 40 Komatsu loaders – plus articulated dump trucks and excavators – working throughout the state, financed by Komatsu Australia Corporate Finance.

The company specialises in wet and dry hire throughout Western Australia, with clients including resource companies, civil contractors and local government.

According to company owner Doug Brooks, the combination of equipment performance and reliability, the backup and support from Komatsu Australia, and highly competitive financing from Komatsu Finance is a key factor behind Brooks Hire's reliance on Komatsu.

"We now finance all our Komatsu purchases through Komatsu Australia Corporate Finance, and have been for a few years now since it was first offered by Komatsu," said Doug.

"Jason Warnes, our local Komatsu Finance rep has been

very good to deal with.

"He's pretty low-stress to work with, he usually knocks other brokers off on finance prices, and he has a good understanding of our business.

"We also get well looked after by Grant Menhennett and the guys from Komatsu, and it's a very good product, a very hireable product that our clients are happy to have," said Doug.

"They know it's reliable, good quality gear – and we can buy equipment without having to deal with our opposition!

"Most of our clients are very high turnover, hiring equipment from just a few hours, out to a few weeks – although we've also got gear that has been on hire to the same client for five years – so good, reliable equipment that's always ready to work is essential for us."

Currently Brooks Hire has a fleet of over 200 machines, including 43 Komatsu wheel loaders – with its latest machines being two WA470-6s, a WA430-6, one WA380-6 and two WA250PZ-5s, all delivered during the first half of October.

"We bought the two PZ loaders because we have a very diverse range of clientele hiring our equipment, and there's demand for a wide range of different products to meet their needs," Doug said.

Other recent deliveries include seven HM300-2s in the past four months, with another two order, and three HM400-2s – with another two on order. It has also just taken delivery of a PC200-8 and a PC300-8.

All these new machines are working for Brooks Hire clients throughout WA, going into its general hire fleet, said Doug.

"They are all are standard machines, though the excavators come with a couple of extra buckets. In addition, the majority have mining specifications, which allows them to go straight from a civil job to a mine project," he said.

WA mine specs include safety rails, lights and fire extinguishers.

The industry in WA is going extremely well at present, said Doug.

"As we are speaking, we have 140 machines out on hire around the state, through both Brooks Hire and our sister company B&J Breaker Hire.

"That's an indication of a very healthy industry; all our good frontline gear is working," he said. "The only gear that's not working are machines that are in transit to or from jobs, machines in the workshop, or machines we are looking to sell.

"We have a good position in the WA market, and we intend to keep it that way; we don't like to say no to work, so if we get an inquiry for a machine and we don't have enough in stock, we'll go out and buy one," Doug said.

"And in recent years, we've dramatically updated our hire fleet across the board, with new gear to ensure we offer our clients the latest, most up-to-date and reliable equipment on the market."



WA'S FORTE PLANT HIRE INVESTS IN KOMATSU TO MEET CLIENTS' DEMANDS

Western Australian plant hire company Forte Plant Hire has invested heavily in Komatsu articulated dump trucks and excavators over the past few years.

Forte Plant Hire began operations in 2004 from the same family behind WA specialist contractor TC Drainage, formed by Trevor and Carol Taylor 23 years ago. Trevor and Carol's son Adam and Trevor's brother Ross Taylor saw an opportunity arising in the WA market for a new equipment hire company to meet the increasing demand.

"We set up Forte to dip a toe in the water with the plant hire business about three years ago, and 12 months ago, we decided to ramp it up and start seriously servicing the mining and civil construction industries," said Adam.

Today, 70% of Forte's business is in mining – primarily in iron ore country in the northwest – and 30% in civil construction, according to Adam.

Over the past year, Forte Plant Hire has established the state's largest fleet of Komatsu

articulated dump trucks, owning two HM400-1 ADTs and 14 HM400-2s (including five in the process of being delivered).

"These trucks are mainly going to applications in the mining industry, doing earthworks for mining infrastructure construction," said Adam.

"Since they've gone into operation up there, we've had very good reports coming back, with very few issues being reported."

"The operators speak very highly of them, particularly in terms of operator comfort.

"They tell me they are very good compared with other makes, in terms of comfort, reliability and performance. We are getting a very good run out of them," he said.

Other Komatsu equipment in Forte Plant Hire's fleet includes a PC200-6, two PC800-7s, a PC850-7, a PC600LC-7, a PC270-8, a PC300-8, a PC400-7 and a PC450-7 excavator, plus a WA250PZ-5 loader (doing construction work in Perth) and a WA500-3.

As an indication of the health of the plant hire and resources sector in WA, and the pace of growth – over the past two or three months, Forte Plant Hire has taken delivery of its PC850-7, PC270-8, PC300-8, the WA250PZ-5 and eight of its HM400-2s.

Adam said that TC Drainage's 20-year relationship with Komatsu was an important element of the company's ownership of so many Komatsu machines, along with the trust he has with the Komatsu Western Region team.

"The western region fellows held off on bringing in the new articulated trucks until they'd seen how they went elsewhere, and didn't rush to bring them on the market here until they'd been proven in other markets," he said.

"That gave us a lot of confidence in the trucks, which has been justified with our experiences since buying them."



WA's Forte Plant Hire has 16 HM400s in its fleet -- the largest in WA -- along with a substantial fleet of Komatsu excavators.



RAPID CRUSHING STICKS WITH KOMATSU, MOVES INTO ARTIC DUMP TRUCK BUSINESS

WA crushing and screening specialist Rapid Crushing & Screening has cemented its relationship with Komatsu with the recent purchase of four new HM400-2 articulated dump trucks.

This dump truck purchase follows the company's long-standing relationship with Komatsu, particularly through its successful ownership of Komatsu wheel loaders.

As reported in the Winter 2006 edition of *D2E* magazine, Rapid Crushing's owner Neil Irvine purchased the first production WA600-6 wheel loader sold in Australia.

Delivered in early 2006, it has been working 24 hours a day, seven days a week at the BHP Billiton Nickel West Kambalda Nickel Concentrator – racking up more than 9,000 hours since delivery.

Rapid Crushing, a privately owned Western Australian company, established in 1978, provides WA's mining, construction and quarrying industries with a range of crushing and screening services.

The company has been awarded crushing and screening contracts with major mining companies and civil and earthmoving contractor throughout WA and Australia.

According to Neil Constantine, Rapid Crushing's business development manager, since starting work at the Kambalda Nickel Concentrator, the WA600-6 has had no problems.

"We've had a very good run from that machine, which replaced two WA500-3s, working on the ROM pad, and building stockpiles and chevrons. It's working around the clock, seven days a week, and we're not getting any complaints about it.

"In May 2007, at 6000 hours Komatsu in Japan asked if they could take out the engine and give us a new one so they could take it back to the factory and pull it apart. So we got a new engine free of charge at 6000 hours. Since then, it's done a further 3000 hours, so we're now up to a total of 9000 hours over 18 months," he said.

Rapid Crushing recently

purchased two more WA600-6s, which are going to the same project as the new dump trucks. Also, two new WA500-6s were delivered in early 2007 to replace older WA500s at Kambalda.

"With the delivery of these two new WA500s, we've refurbished our older two WA500-3s – giving them a second life – and putting them to work elsewhere in our operations.

"We also have a PC300-7 excavator fitted with a rock breaker operating in our fleet.

"At the nickel concentrator, we are doing crushing and sampling of the product coming through from BHP Billiton and Nickel West, processing all the ore that's going through there."

The four new HM400-2 articulated dump trucks have been earmarked for infrastructure earthworks on a major resources project in the Pilbara.

"We went for these artic's because of our relationship and trust in the Komatsu organisation in WA," said Neil.

"They had advised us that these trucks were getting a good reputation with other contractors in the West, as well as in the eastern states and overseas.

"In addition, many in the industry here are changing across to the Komatsu trucks from other brands due to their performance and reliability.

"Particularly for our mining-related activities, reliability and performance is critical," he said.

"For that reason, we run predominantly Komatsu equipment in our other operations, and they represent good continuity with the rest of our fleet.

"We stick with Komatsu due to its customer service and backup we get from them – in addition to the machine performance and reliability.

"Generally any issues are resolved quickly before they become problems through good communication with our Komatsu representative, Grant Menhennett," said Neil.

Rapid Crushing is having a very successful run with its WA500-6 and WA600-6 wheel loaders.



GRIFFIN COAL ADDS EIGHT 830E MINE TRUCKS, REFURBISHES 630E FLEET



Griffin Coal, Western Australia's largest and oldest coal producer, has recently added eight 830E AC-drive trucks to its considerable fleet of Komatsu equipment.

Based in Collie, approximately 220 km southeast of Perth, Griffin Coal produces over 3 million tonnes of coal annually. It started operations in 1927, and is the largest individual supplier of coal to Western Australia's industrial coal market.

Its new 830E AC drive trucks join a fleet of three 830DC trucks and eight 630E trucks, which have recently undergone a multi-million dollar refurbishment. Other Komatsu equipment on site comprises two WA 1200 front-end loaders, a D575A dozer with over 35,000 hours and two PC5500 face shovels, one with 10,000 hours and one with 6000 hours, according to Graham Cleggett, Griffin Coal's Mobile Plant Superintendent.

Graham said the 830Es were purchased to enhance Collie's operations at its Muja and Ewington mines (which are adjacent to each other, and share equipment).

The new trucks have been delivered and commissioned, and are primarily used for overburden removal. They are loaded by the two PC5500s, plus three other shovels, forming part of Collie operation's primary loading fleet.

"We bought our new Komatsu 830Es to supplement our current truck fleet and to support the mine plan going forward," said Graham.

"We started taking delivery of the trucks in mid-September and it has been a very smooth process.

The standard of workmanship during assembly was very high and the product support after delivery has also been of an appreciated standard," he said.



"Griffin Coal Mining Company equipment specifications focus heavily on safety, operator ergonomics, ease of maintenance without interfering with equipment designed performance.

"Environmental concerns with hydrocarbon containment during servicing and refuelling also are very high on the equipment specification priorities," said Graham

"Operator feedback on the new

trucks has been good, and the training package provided by Komatsu to our maintenance trades people has been well received.

So far, the trucks have been meeting, and exceeding, our expectations," he said.

Collie's eight 630E trucks, four of which have high-volume trays allowing them to carry larger volumes of coal, underwent a major refurbishment program in 2006.

Cumulative hours on these trucks are now between 51,000 and 62,000.

Each truck was stripped down to the chassis, which then underwent non-destructive testing (NDT) and identified repairs performed to original equipment specifications.

Upgrades and improvements installed included improved access equipment and service points to structural modifications from the original

equipment manufacturer and complete operator station upgrade, just to name a few.

"Following the refurbishment program, we are now budgeting a further 40,000 hours from each truck as a minimum, which will get each chassis out to 90,000-100,000 hours," said Graham.

"Mechanical availability of these trucks is now in the low to mid 90s, which is exactly what we expect from them."

KOMATSU RELIABILITY IS THE KEY FOR THIS HOBART CONTRACTOR

Kelly Civil Constructions, based in Hobart, operates a fleet of Komatsu excavators, along with two Komatsu skidsteers, all of which are giving very reliable operation, according to owner Peter Kelly.

Work carried out by the company – which has been operating for about 16 years – covers the whole gamut of civil construction, including road construction, subdivisions, house foundations, and so on, as well as operating a quarry at White Beach, south-east of Hobart.

This quarry produces a range of coloured stone for concrete and decorative applications.

Its fleet of equipment includes a recently purchased PC200-8, two SK714-5 skidsteers (one with 3000 hours, another just purchased), two PC200-7s, two PC95s and a PC75.

In total, it operates around 20 pieces of earthmoving equipment plus trucks and trailers.

According to Peter, its Komatsu equipment is used for all general civil construction operations, except for one of the PC200-7s, which is fitted with a breaker and spends all its time at White Beach breaking quarry rock.

“We’ve gone for Komatsu because of its reliability,” said

Peter. “We’ve always had an excellent run from our Komatsu gear, and we get good resale values.

“Our loyalty to Komatsu is also due to the service we get from the branch here in Cambridge, Hobart. They are very good service-wise, with good personnel who know their equipment.”

Peter has been particularly impressed with the performance of the SK714-5 skidsteer – which is why he’s recently bought a second one.

“That skidsteer has been faultless; we’ve never lost a day’s work from it,” he said.

“We use this machine, and our new one, for clean up works, putting metal into trenches and general skidsteer-type works around our projects and jobsites.”



Above, Peter Kelly with one of his two Komatsu SK714-5 skidsteers. Main photo, one of his two PC200-7 excavators.





Above, Peter Ellis, a familiar face from Komatsu advertisements over the past couple of years. Main photo, Peter's PC220-8 excavator.



THE "FACE OF KOMATSU" WON'T LOOK AT ANOTHER EXCAVATOR

Peter Ellis, of South Australian-based Riverland Earthmovers, has become a key "face of Komatsu" in the past year through his appearance in Komatsu Australia's "One-Call" advertisement.

Peter, who's been buying Komatsu excavators for many years, won't look at any other brand when looking for a replacement machine.

"With the Komatsu excavators, we have no problems at all," he said.

"I operate the excavators myself, so I must think they're pretty good if I keep buying them... Basically I won't look at anything else; I can't see the need to look elsewhere."

Most of Riverland Earthmovers' work is in the Riverland area

of South Australia, covering the towns of Renmark, Berri, Mildura and Loxton, and the surrounding region.

Its work includes wet plant hire, contracting and subcontracting. Typical jobs include council works, pipelaying and earthworks.

The company's current Komatsu equipment includes a PC220-8 he's had for about three months (as of October 2007), a PC228US-3 he's had since 2003, a PC300-7 he bought in 2003 and a GD655A-3 grader he's had for about two years.

"I've had a bit of a play on the new Dash 8, and it's a pretty impressive machine," said Peter.

"It's certainly nice to see standard items on it such as

hose-burst protection and hammer piping – which cost us a lot of money to put on otherwise.

"All in all, the new Dash 8 seems pretty dandy to me.

"The Dash 7s were a big jump up from the Dash 6s – which are very good machines – and the Dash 8 looks even more of an improvement from the Dash 7."

Now Peter's hanging out for a zero-swing Dash 8 machine.

"When we bought our new excavator, I would have gone for a zero-swing, except it's not available in the Dash 8 range yet.

"Our three-year-old PC228US-3 is doing a lot of roadside work for Transport SA, working on

verges, maintaining overtaking lanes and so on, and it's ideal from the safety side," he said.

"Because it's zero swing, it doesn't stick out into the traffic, so it's so much safer to work with. I'll certainly get another one of these, that's for sure."

Peter did concede he had a few issues early on with the GD655A-3, "but Komatsu's Adelaide branch sorted them out quickly along the way.

"Any time there's a problem, the Adelaide boys come along and sort it out.

"Darryl Bennett in product support out of Adelaide has been very very helpful. If I have a problem, he's the one I yell at – and he makes it go away," said Peter.

NZ'S NIGHTCAPS CONTRACTING GETS RELIABLE PERFORMANCE FROM KOMATSU

Southland-based contractor Nightcaps Contracting switched to Komatsu equipment three years ago when Komatsu NZ set up its own Invercargill branch – and has since bought five machines, all covered by service contracts.

“Having service contracts on the machines ensures they run reliably, because the ball is in Komatsu’s court to keep the machines running,” said Tony Philpott, co-owner of Nightcaps Contracting with his wife Nikki.

Based out of Nightcaps, 70 km northwest of Invercargill, the company was started on April 1, 1999 – “a date which made us nervous”, said Tony – in a 50/50 partnership with the HW Richardson Group.

It started with two excavators, including a Komatsu PC150, a transporter, two full-time employees, one of which was Tony, and a part-timer.

Today, Nightcaps Contracting employs 15 full-time staff and up to 10 part-timers, operating a fleet that includes three Komatsu PC200-7s and a PC200-

8 excavator and a D65EX-12 dozer.

The company carries out a wide variety of work throughout Southland, including dairy conversions, farm drainage, coal mining, forestry, roading and all types of land development and civil construction, plus full cultivation and silage services.

Tony Philpott said that until 2004, the company’s excavator fleet consisted of two other brands.

“I was approached by Ron Chilton, Komatsu’s Invercargill branch manager, to see if we would consider buying a machine off them, because they were setting up their own branch,” he said.

“Having known Ronnie and Greg Stewart (the Otago/Southland territory manager) for many years I knew they would make the branch work, so over the next three years we purchased five machines off them.

“Our operators were keen to give the Komatsu excavators a

go, as one of the other brands had been quite uncomfortable and unreliable.

“Since we’ve had them, the machines perform very well, with the PC200s averaging around 22 litres of fuel an hour – which is less than one of our previous brands.

“The odd problem that has occurred, being sorted by Ronnie and his team very quickly,” said Tony.

In 2005, after the death of Bill Richardson (owner of HW Richardson Group), Broad Acre Farms and Hamish and Liz Wilson brought these shares out.

Tony manages the company with Nikki doing administration, while Hamish Wilson manages the day-to-day running of the agricultural side of the company.

“Nightcaps Contracting has no plans for any further expansion, as we can handle most big jobs that come along now – but I have said this before...” said Tony.



NZ’s Nightcaps Contracting operates a fleet of Komatsu excavators, plus a D65EX-12 dozer.





Dennis Burke with recently purchased PC138US-2 short-tail excavator. Inset, the first PC300-7 purchased by Burke Industries.

BURKE INDUSTRIES HAPPY ABOUT SWITCH TO KOMATSU

Toowoomba-based demolition and earthmoving contractor Burke Industries bought its first Komatsu excavator – a PC300-7 – three years ago, and since then has purchased only Komatsu machines.

Its fleet now includes a PC138US-2 short-tail excavator, a PC50MR-2, a PC35MR-2, and a PC18MR-2 which it's bought in the past couple of months. Other equipment makes in the company's line-up include a 20 tonne excavator, three mini excavators, a backhoe, plus some skidsteers.

Burke Industries, which was started by Andy Burke around 20 years ago, mainly operates around the Toowoomba region, as far west as Dalby and Quilpie, and down as far as Gunnedah to the south.

Today around 40% of its work is demolition, and 60% is earthmoving – primarily hire work digging footings and

pads, bulk soil removal and excavation, and site cleanup. Clients include contractors, local government and local builders.

Andy Burke runs the company along with his three sons Dennis, Mark (who looks after the demolition operations) and Simon (who looks after the plumbing side).

When he first set up the business, Andy did plumbing work and a few months later bought himself a backhoe – which he found increasingly in demand as a hire unit from others on jobsites. He bought more machines, moving more into the plant hire side, then a few years ago, started doing demolition works.

According to Dennis Burke, since moving to Komatsu, they have been very happy with the performance and customer support.

“Certainly our operators prefer them; they are a lot easier to operate, more comfortable to drive and smoother to operate,” he said.

“They are also a lot more reliable than the other machines.

“We’ve had no problems at all with the Komatsu machines; even small niggling problems with the other machines have ended up costing us dollars, as we’ve had to spend time and money getting them sorted out.

“Now, as our other makes are getting on, or their hours are going up, we are trading up to Komatsu. As we trade other machines, if Komatsu comes up with the right price at the time, we will definitely go with them,” Dennis said.

Burke Industries has recently entered into a service agreement with Komatsu, covering not only its Komatsu

machines, but also some of its other plant.

“This covers our regular scheduled services, oil and filter changes, and so on. We went for this service because it’s very handy, we know what it’s going to cost us, plus we are very happy with the Komatsu fitters and service people.



MCCOURT DANDO EXPERIENCES GROWTH INTENSIFICATION

McCourt Dando has undergone extraordinary growth and success in the past seven years – from a two-person operation out of a spare room in Paddington, to a large contracting organisation with operations in Mackay, Gold Coast, Canberra, Sydney and future offices for Victoria and every other state in Australia.

Founded by Lee McCourt and Jonathan Dando, the company began operating from Lee's home in August 2000, project managing the installation of underground networks for Optus, Powertel and Uecomm in and around Sydney.

Since then, McCourt Dando has diversified to underground power, water and gas – and is now undertaking some of the largest water projects ever carried out in Australia's history.

Recent major projects to be awarded have included a five-year water capital works contract for the Pine Rivers Council North of Brisbane, plus various water and sewer pipelines for the Tenix Alliance in the Gold Coast, a dual pipe line project in Mackay for John

Holland, and the construction of the pipeline for the Gold Coast Desalination Alliance, said Lee McCourt.

McCourt Dando now operates out of four offices in NSW and Queensland – with another to open soon in Victoria. It employs over 150 staff and operates a fleet of Komatsu machines which include around 40 excavators as well as Komatsu backhoes and skidsteers.

"Our latest deliveries include two PC220LC-8s, two PC300LC-8s, a PC450LC-8, a PC78MR-6, a WB97R-5 backhoe and a SK820-5SF skidsteer," Lee said.

"These join our six existing PC300-7s and two PW200-7 wheeled excavators – the only two in Australia, and which are attracting a lot of interest from other underground utility contractors," he said.

Lee said he and Jonathan had opted for Komatsu because of the quality of the product and the backup service.

"Backup from Komatsu is second-to-none in the industry. Our operations are now very

spread out from Mackay in Queensland, down to Canberra, and Komatsu's backup is always where you need it.

"Their people are always excellent to deal with, and our Komatsu rep Matt Watton is great to deal with. We won't look anywhere else," he said.

"Matt's worked with us since we started buying mini excavators for our telecoms utility work, and since then we've stuck with him as we've grown into a need for much larger excavators.

"He's always looked after us, and as we've grown our business, he's grown his sales to us," said Lee.

Recently McCourt Dando has been purchased by Servicestream, an Australian-based, publicly listed specialist in infrastructure, communications and training services.

"Having the financial backing of this company puts us in a much stronger position to bid for larger projects and continuing growth. It has always been part of our business plan to become

part of a larger company," Lee said.

Both Lee and Jonathan have signed on as general managers responsible for the McCourt Dando operations under a three-year contract.

"There will be no fundamental changes to the business, but we will have more financial backing behind us and we will always be a quality driven company focusing on a single corporate vision to become the 'first choice' multi-utility contractor.

"We have developed a specialised expertise in providing turnkey solutions for multi-utility projects nationwide which we modelled on very successful companies in the UK.

"McCourt Dando has the equipment and personnel to carry out contracts of all sizes and complexity in both urban and rapidly growing regional locations," Lee said.

McCourt Dando Civil Pty Ltd can be contacted at email info@mccourtdando.com or phone (02) 9620 4577.





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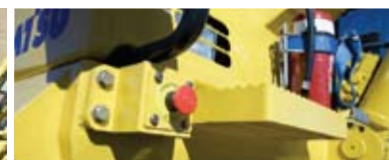
The list of additions include anti-burst valves, dual flow hammer piping, quick hitch piping, extra lights, pre cleaner, beacon lamp with protective guard, E-stops for left, right and in cabin use, rear view camera and more.

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- ✓ Komtrax machine tracking asset management system





Tara Shire has just bought a second WA430-6 loader, following its success with its first one, bought at the beginning of 2007. Inset shows the shire's D275AX-5 dozer.

TARA SHIRE OPTS FOR KOMATSU LOADERS

Following the successful introduction of a new Komatsu WA430-6 loader to its operations at the beginning of 2007, Queensland's Tara Shire Council is about to take delivery of a second unit.

The shire, based in southern Queensland about 100 km west of Toowoomba, bought its first Komatsu loader in December 2006, with the machine going to work in January.

According to council overseer Lenny Wright, the loader, fitted with a 4 cu m capacity bucket, is used for loading the local white rock into crushers at the council's various quarries around the shire, and then from the crusher stockpiles into trucks.

"As far as performance goes, we've had no trouble with the loader," said Lenny. "The operators like it and they find it very comfortable. They say it's good to use, and it's giving us very good fuel consumption.

"One thing we are very impressed with is the automatic greasing system," he said.

"The operator can set this according to the type of work he's doing, and it will automatically keep all pivot points properly greased.

"So even if the machine's being worked hard in dusty conditions, where the operator may not have time to get out and grease it, it will still get done.

"It's a very good idea and it's a standard feature on the Komatsu machine; on other makes, it's an extra option.

"In fact, we are so happy with this machine, we are buying another one," Lenny said.

Both the shire's existing WA430-6 and its new one have been traded on loaders of another make.

"When we look at new machines, we go on operator

preference, we talk to other owners, and we take the machines for test drives," said Lenny.

"We did that process when we got our Komatsu PC200-7 excavator [in 2004], which we went for because the operators thought it was a better machine.

"With the new loader, we rang around, and had a yarn with different people who use this model, we had a test drive, and we were very happy with what we saw and heard – which is why we bought the first one," he said.

In addition to its WA430-6 loaders and its PC200-7, Tara Shire also has a Komatsu D275AX-5 dozer purchased in 2003.

According to Lenny, the dozer, which primarily does ripping work, has stood up to the demands of the job very well, and is still on its original undercarriage.



He has also been impressed with the levels of support from Komatsu Australia.

"If we have any problem, it's just a matter of ringing Komatsu and they'll be here as soon as they can," he said.

"We recently had a small problem with the pump on the loader, which required taking the cab off. They came here and worked on it over a Saturday and Sunday, so it was ready to go on the Monday, and we didn't lose any time.

"We can't fault the service," said Lenny.

PRS STANDARDISES ON LOADER RELIABILITY

Pioneer Road Services in Victoria – one of Australia’s leading bitumen and asphalt suppliers and contractors – has standardised on Komatsu loaders since buying its first WA200-1 in 1986, a machine it still operates.

Pioneer Road Services (PRS) operates throughout Australia, as well as in Hong Kong, in the business of pavement construction, maintenance and rehabilitation, applying leading technology and innovation to provide pavement solutions to its customers.

With annual turnover now exceeding \$300 million, Pioneer Road Services is one of Australia’s largest asphalt producers, with annual sales exceeding one million tonnes. Australia-wide, over 50 million litres of bituminous binders are sprayed each year, while annual emulsion production exceeds 20 million litres.

According to Phil Olsson, the company’s Victorian production manager, it currently owns seven Komatsu loaders, which it has standardised on for its Victorian fleet.

These include its first Komatsu loader, the WA200-1 bought in 1986 and now at its Mildura plant, a WA120 bought in 1992, a 1994 WA180-1 at its Warrnambool plant, a 1997 WA180-3 at its Geelong plant, and two WA320-3H loaders bought in 2003 – one of which is at its Brooklyn asphalt plant in its recycling operations, with the other at its Westall asphalt plant.

It’s latest machine is a WA380-6 loader used for general loading duties at PRS’s Brooklyn plant.

“Our first Komatsu loader was the WA200-1 which we bought in 1986, originally for our Melbourne plant, and is now operating up at Mildura,” said Phil.

“It’s still going extremely well that one, it’s a very good machine.

“And our 1992 WA120 works with our spray seal team, travelling around the state.

“These machines are just Pioneer Road Services’ Komatsu loaders in Victoria; we also have numerous other Komatsu machines in our operations around Australia,” he said.

The company has good reason for standardising on Komatsu loaders.

“To sum up, in years gone by, we’d operated a number of different brands of loaders, and they’d always had headaches attached to them,” Phil said.

“We found they tended to be very unreliable and constantly giving us problems – but we just assumed this was common to all wheel loaders.

“Then when we switched to Komatsu, we were very pleasantly surprised. We realised that a wheel loader wasn’t necessarily an unreliable piece of equipment,” he said.

“Since then we’ve really only considered Komatsu loaders and one other make – but we’ve always found Komatsu to be ahead in terms of quality, performance and reliability.

“We get very good backup and service from Komatsu Australia, and Bob Jones, who’s looked after us since we bought the first one, is excellent to deal with.

“Nothing’s ever too much trouble for him and the Komatsu team,” said Phil.



Pioneer Road Services’ recently purchased WA380-6 loader works at its Brooklyn plant. Inset shows Phil Olsson, the company’s Victorian production manager.



RELIABILITY KEEPS BARRO GROUP COMING BACK

The reliability record of Komatsu wheel loaders has prompted leading Victorian-based quarry products and resources supplier Barro Group to purchase additional Komatsu loaders over the past 12 months.

Barro Group is a leading independent supplier and distributor of premixed concrete, quarry products and other construction materials, and since commencing business in 1946 has established, acquired or secured an interest in a range of associated operations.

Based in Melbourne, it operates quarries, concrete plants and related activities in the states of Victoria and Queensland, Australia. Its operations include some 12 hard rock and sand quarries and 15 concrete plants, builders' supplies outlets and

the manufacture of concrete roof tiles.

Barro Group also operates one of the largest independent retreading plants, including earthmover-tyre relugging and major repair facilities.

Its Komatsu fleet includes HD465-6s and HD465-7s plus recently purchased HD605-7s, along with loaders including WA480-5s, WA480-6s, WA500-6s, a WA500-3, a WA600-6, as well as smaller loaders such as WA420-5s.

The company also owns a number of Komatsu excavators, including a PC800-7, PC200-7, PC450-7, PC400-8, plus GD625A-3 graders.

According to Silvio Debrincat, Barro Group's area manager and mobile equipment manager, the main reason the company goes for Komatsu is reliability.

"We've purchased four or five Komatsu loaders over the past 12 months," said Silvio.

"Certainly at present, we find them reliable, and the pricing we've been given has been good.

"The machines are all performing to our expectations," he said.

"Bob Jones at Komatsu is my main backup person. If I have any problems regarding backup, parts, service, etc, I'll just go to him.

I find him very helpful. I've been dealing with him a long time, and he knows our needs and the requirements of our business very well," said Silvio.



Above: Silvio Debrincat, Area Manager states that Komatsu equipment delivers performance and reliability for Barro Group.



BUILDING EXPERTISE IN GPS, MACHINE CONTROL

Over the past few months, Komatsu Australia has been building its expertise in the fast-developing field of precision GPS-based machine control.

GPS-based machine control, which combines global positioning satellites with sophisticated on-board control systems, allows substantial productivity improvements for the most popular types of earthmoving, construction and mining equipment, including excavators, dozers and graders.

Australian users of GPS-based machine control are seeing productivity improvements of up to 200% compared with traditional manual control, said Sean Taylor, Komatsu Australia's general manager, construction.

"GPS-based machine control eliminates much of the guesswork from civil construction, it cuts out the need for stringlines and pegs in final trim work, and helps ensure every job is done right, first time," he said.

"The latest technology allows grader and dozer operators to achieve tolerances of less than 10 mm on final trim work."

Sean said that in recognition of the importance of GPS-based machine control – and its

increasing impact in the future – Komatsu Australia has been working closely with some of the leading suppliers of this technology.

"In the US, Europe and Japan, Komatsu has entered into alliances with Topcon Positioning Systems, which allow us to provide machines that are factory-ready for machine control," he said.

"In Australia, we have been working with Topcon and its local dealers in providing in-depth training to our sales representatives and marketing people, so we now have a good understanding of the applications of this technology, and how it benefits Komatsu customers," he said.

"All our reps throughout Australia and New Zealand are now able to talk with customers about the productivity, cost-saving and safety advantages of GPS-based machine control, and how it can be used on Komatsu products."

Sean said that the combination of GPS-based machine control with Komatsu's recently released KOMTRAX system would be an ideal combination for many owners.

"GPS-based machine control and KOMTRAX can be highly complementary products,



Sean Taylor



Komatsu Australia representatives are given training in the use and applications of the latest GPS-based machine control technology.

providing Komatsu owners with the ability to increase productivity and site safety, and reduce costs – while constantly monitoring the condition, location and operating conditions of individual machines," he said.

"This is all part of Komatsu's commitment to making intelligent use of the latest technologies available to reduce customers' costs when using our equipment."

BRENDAN HENNESSY, OUTSTANDING APPRENTICE

Brendan Hennessy, a second-year apprentice at Komatsu Australia's Wollongong branch has been achieving some outstanding results during his training, topping his Wollongong TAFE plant mechanics course in 2006.

Brendan achieved a near-perfect score of 99% across a mix of theoretical exams and practical tests.

As an apprentice, he works closely with the four other

plant mechanics at the Wollongong branch, assisting with field servicing, repairs and maintenance as well as also working on component repair, maintenance and cleaning at the branch workshop.

"I work with a great team of guys, and Komatsu is very supportive of me," said Brendan. "It's also great being able to work with the best range of equipment on the market."



SUPPLY CHAIN OVERHAUL BRINGS MAJOR CUSTOMER BENEFITS



Komatsu Australia is engaged in a complete overhaul of its supply chain – covering shipping from its factories, transport within Australia and New Zealand, uniform quality machines, and the implementation of strategic procurement – which is delivering major benefits to customers.

Headed by Michael Bragg, Komatsu Australia's general manager, supply chain, the overhaul of the company's supply chain and procurement systems is already delivering substantial customer benefits including shorter delivery times, better and more consistent machine quality, and improved cost control.

When Komatsu Australia's restructuring began three years ago under company president Bill Pike, there was no supply chain management within the company, said Michael.

He was appointed with a specific brief to focus on logistics deployment and supply chain management across the company.

"We are looking for opportunities for efficiency, with one of the first areas being to focus on the machine logistics pipeline. This includes mapping the supply chain from factory to customers, understanding lead

times and developing shipping standards," he said.

"For example, we are dealing with 12 different factories around the world. No matter where a machine comes from, we will eventually require it to be in a standard set up and a standard package – with the aim being to reduce shipping costs and gain more control over our cost structures."

Komatsu Australia is using its SAP system's logistics management capabilities to improve supply chain management.

"This is allowing us to cover the entire pipeline of logistics, all the way from the factory through to delivery to the customer," said Michael.

Already this is paying dividends in delivery of machines from the factory to the customer.

Another major change has been the appointment of a single company to handle machine transport throughout Australia.

"In early October 2007, we appointed McAleese Transport to handle all our heavy haulage of equipment around Australia, covering both mining and construction," he said.

"In doing so, we've gone from 70 different players to a single transport supplier. Before we

did this, our transport costs were going through the roof.

"However, costs were not the only issue for this move. There were also OH&S issues and compliance issues that were not being addressed with so many different transport suppliers.

"Consolidating our transport ensures we have much better visibility of where equipment is at any one time, we are fully complying with legislative requirements, and we are better controlling our costs."

Komatsu Australia's Utility Central (profiled in D2E, Summer 2006 edition) was one of the first implementations of the company's improved supply chain management.

Utility Central has just delivered its 600th machine since it was established in late 2005.

"The advantages of centralising our utility products pre-delivery preparations in one place include improved quality, faster delivery times to customers, lower costs and the delivery of a standardised machine," he said.

"We are now working on implementing strategic procurement on a wide range of goods and services nationally, with the aim of keeping our costs down, and delivering a

uniform standard of products and services throughout Australia and New Zealand."

One of the company's next developments will be the release of Komatsu Genuine Attachments – a Komatsu-branded, Australian- and New Zealand-built, engineering-compliant range of buckets and quick hitches for excavators and wheel loaders across the construction range.

Komatsu Genuine Attachments will be available from the first quarter of 2008.

"As part of this, we are substantially reducing lead times for the supply of buckets and attachments," said Michael.

"We have adopted a philosophy of developing strategic supplier relationships, working closely with these suppliers with the aim of having a long-term relationship, and helping them grow their capabilities – even to the extent of supplying Komatsu markets outside of Australia and New Zealand," he said.

There is also a range of other supply chain projects in the pipeline sponsored by his colleagues in sales and operations, said Michael.

NEW CMS CENTRE OPENING IN NEWCASTLE

Early in 2008, Komatsu Australia will open a new Condition Monitoring Service (CMS) centre in Newcastle, serving Newcastle and the Hunter Valley region, as well as NSW generally.

The new CMS centre will join Komatsu Australia's two other centres in Australia, in Perth and Brisbane.

Services available through the Newcastle CMS centre will include oil analysis, coolant and grease analysis, metallurgical inspections, vibration analysis and thermal imaging.

According to John Hardy, Komatsu Australia's national condition monitoring manager, the new centre will meet demand from clients in Australia's south-eastern and southern regions and the Hunter Valley, as well providing additional national capacity for CMS around Australia.

"There is considerable pent-up demand in Newcastle and the Hunter Valley for the sophisticated, high-level condition monitoring services we are able to offer," said John.

"However, for us to be able to cater for this demand, we need

to have a local CMS centre to meet turnaround, service and reliability requirements, and so that our own technicians can carry out on-site testing and inspections, as well as providing direct customer support.

"This covers not only mobile plant, such as earthmoving and mining equipment, but also fixed plant, including mining crushing and conveying equipment, as well as coal and bulk-handling equipment at the Port of Newcastle – which is the world's largest and busiest coal-handling port."

He said that currently 45% of Komatsu's CMS business in Australia covered non-Komatsu mobile and fixed plant – and that this was set to grow with the opening of the Newcastle centre.

"Already we are working with a major client in Newcastle, providing CMS-related consulting and advisory services."

John said that the Newcastle facility would offer the same range of services as were available in Brisbane and Perth, but with additional

instrumentation, testing suites and specialised support to cater for the large amount of fixed plant in the region.

Services offered through Komatsu's condition monitoring centres include:

- › Oil analysis, for all types of equipment including earthmoving, mining, forestry, utility, marine and on-highway vehicles, along with fixed plant, such as conveyors, crushers, screens, coal loaders and other bulk-handling equipment
- › Coolant analysis for cooling system maintenance and troubleshooting
- › Grease analysis
- › Metallurgical inspections (surface crack detection, ultrasonic testing, NDT and failure analysis)
- › Vibration analysis
- › Thermal imaging.
- › Particle imaging
- › Failure analysis programs.

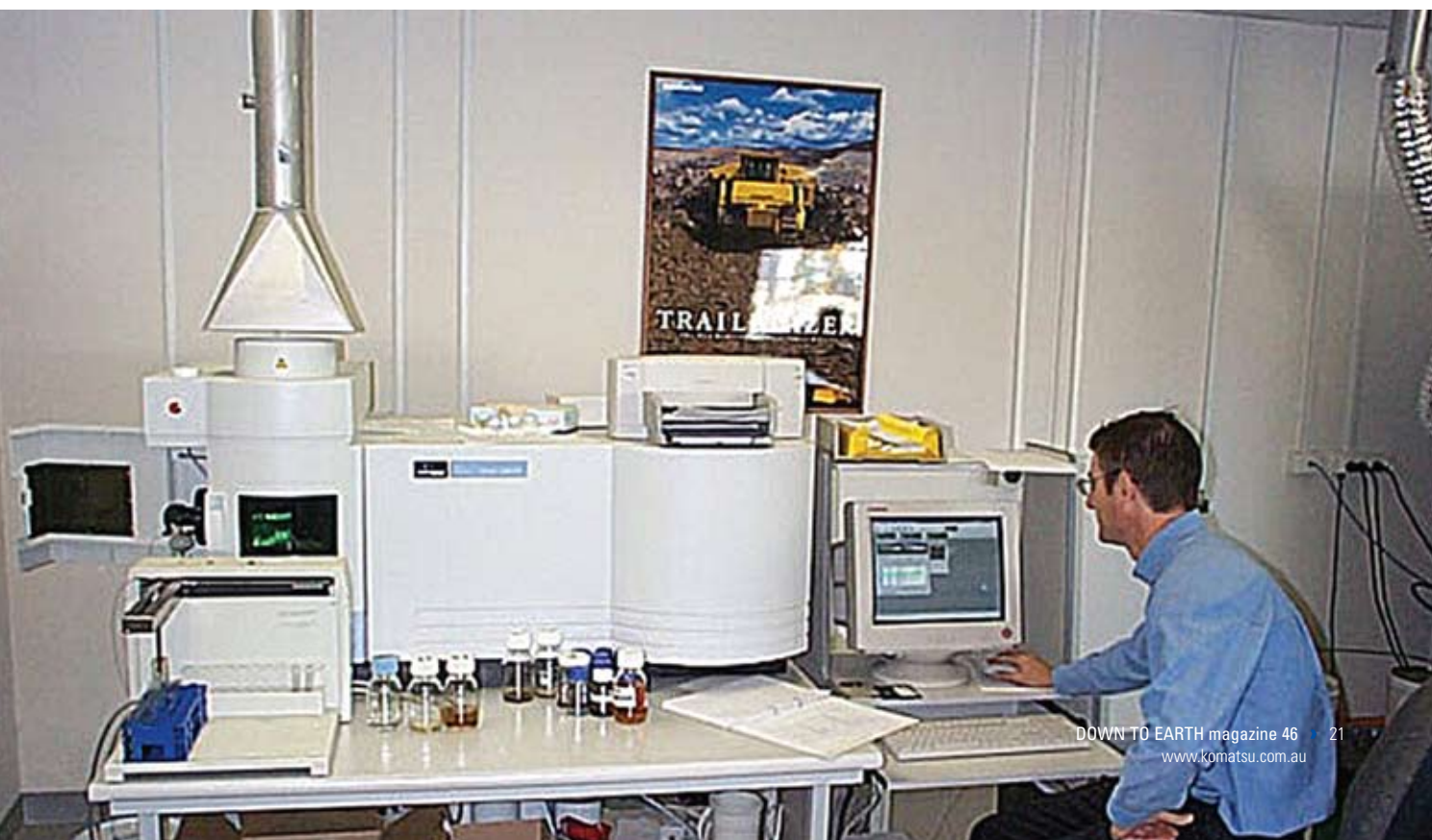
Oil analysis, which has been an important element of Komatsu's product support program for

many years, uses regular analysis of oil to identify and predict potential problems in key components in both mobile and fixed equipment. This includes:

- › Spectroscopic and infra-red analysis
- › Viscosity and neutralisation number
- › Fuel and water detection
- › Particle analysis
- › Grease and fuel analysis
- › A wide range of physical tests.

Today, CMS also plays a significant role in managing Komatsu Australia's risk exposure in major contracts and agreements by providing key data for parts and maintenance planning.

Komatsu's Newcastle CMS facility will be based at Tomago, and will be a part of the company's main Newcastle Branch at 25 Tomago Road, Tomago, NSW, 2322, ph (02) 4966 0122, fax (02) 4961 9988.



NEW KOMATSU 160 TON TRUCK IS FASTER, MORE PRODUCTIVE THAN COMPETITION

Komatsu Australia has released the HD1500-7 mining truck, a 160 US ton (144 metric tonne) capacity mechanical drive dump truck, featuring significant enhancements to its drivetrain, cab and frame.

The largest mechanical-drive truck in Komatsu's range, it has higher horsepower than its predecessor, faster haul speeds and improved manoeuvrability, resulting in lower costs per tonne.

Power comes from a Komatsu SDA12V160 turbocharged diesel rated at 1048 kW through a fully automatic, electronically controlled seven-speed transmission giving a maximum travel speed of 58 km/h.

According to Kris Burford, Komatsu Australia's National Product Manager, Mining, key features of the HD1500-7 include:

A lock-up transmission system in all forward gears for increased fuel savings

Oil-cooled multiple disc brakes, giving the greatest retarding capabilities in its class

A MacPherson strut type front suspension system, resulting in the smallest turning circle in its class (3.05 m less than its closest opposition)

A "new generation" operator's compartment, matching the design concepts of Komatsu's latest mining trucks, dozers, wheel loaders and shovels, providing increased room and driver comfort, along with lower in-cab noise levels

Advanced transmission system, including Komatsu's K-ATOMiCS system and Auto Retard Speed Control for greater safety on downhill runs

Automatic spin regulation (ASR), which automatically prevents the rear tires on either side from slipping on soft ground for optimal traction and improved braking

Optional ABS (anti-lock braking)

Easier maintenance through doubled oil change intervals and centralised greasing points and filters.

The new HD1500-7 also features an enhanced engine damper assembly, matched

to the Komatsu electronically controlled transmission.

In addition, both the front and rear propulsion shafts have been redesigned to provide a smooth transition of power to the updated final drive assembly, said Kris.

"The final drive housing is cast with 25 tonne yield strength material, significantly re-contoured to more effectively reduce stresses on the drive components.

"As well, the final drive features planetary gear teeth with a larger profile, while the internal drive shaft diameter has been increased to more closely match the torque requirements of the drivetrain," he said.

"Overall, our new HD1500-7 has over 4% more horsepower than its competition in this class of truck, providing a 10% speed advantage on an effective 12% grade at maximum payload capacity," said Kris.

"Downhill, the difference is even greater, with the HD1500-7 providing an 18% speed-on-grade advantage while

traversing a 10% downhill effective grade, fully loaded.

"These distinct differences between the new HD1500-7 and other trucks in its weight class translate to shorter cycle times, greater hauling efficiency, and a significantly lower cost per ton," he said.

Komatsu has also worked in other ways to reduce the fleet ownership costs of the HD1500-7, with many components standard between its predecessor 530M/HD1500-5 mining trucks.

"This effort to make many components common between models gives owners ready access to an existing pool of new and reman parts inventory to lower the costs of maintaining these trucks," said Kris.

Brief specs of the new truck are: Payload capacity, 160 US tons; SAE heaped capacity, 78 cu m; engine, Komatsu SDA12V160 turbocharged diesel rated at 1048 kW; maximum speed, 58 km/h; standard tyres, 33.00 R51; minimum turning radius, 12.2 m.



MODULAR MINING PROXIMITY DETECTION MODULE GIVES GREATER MINE SAFETY

Modular Mining Systems, the Komatsu-owned market leader in information management solutions for mining operations worldwide, is about to launch a new mine safety tool, the ProVision Proximity Detection Module.

Available on all ProVision-enabled equipment, Modular's Proximity Detection Module is designed to protect capital assets and improve mine safety by minimising the risk of mining equipment accidents, according to Eric Davidson, Modular Mining's Australian general manager.

"It does this through advanced GPS-tracking technology used in Modular products," said Eric.

"Using Modular's Proximity Detection Module, operators can receive real-time notifications of unsafe proximity to hazards."

The module is already functioning on some of the world's leading copper and iron ore mine sites.

According to Eric, the Proximity Detection Module lowers incident risks for both personnel and equipment through real-time monitoring and a three-level alarm system.

"The first-level alarm, which consists of a text message and a short beep being sent to the operator, is triggered upon detection of equipment or hazards within the equipment's safe zone.

"If the detected equipment or hazard encroaches further into the safe zone, the system then triggers the second- and third-level alarms," he said.

"The third-level alarm is continuous and will not cease until the danger is averted."

Modular's ProVision system operates on its MasterLink communication architecture

and integrates seamlessly with the DISPATCH system. ProVision can be used on shovels, excavators, drills and dozers – both Komatsu and other brands of equipment.

Eric said ProVision is currently undergoing development and testing for a number of enhancements, including traffic control, identification of road conditions, increased visibility for truck operators through the use of cameras around the vehicle, remote access to cameras, and detecting the proximity of light vehicles to other equipment.



AMBER MAHONEY, TECHNICAL SUPPORT SYSTEMS MANAGER



Amber Mahoney

Amber Mahoney, Komatsu Australia's technical support systems manager, has been with the company for 12 years

since joining the Komatsu team as an engineering cadet after completing her first year at university.

During that time, she has completed a Bachelor of Mechanical Engineering – including a Diploma of Engineering Practice (in 2001) – and a Master of Engineering Management (2005).

As technical support systems manager, her role covers a very broad area, including:

- › Application engineering activities
- › Assessment of locally manufactured attachments and modifications
- › Reporting on machine risk

- and compliance issues
- › Assisting with the introduction, maintenance and improvement of technical support systems
- › General engineering support.

“This job is great in that it entails so much variety and no one day is ever the same,” said Amber.

“One of the more recent projects I have been involved in is the introduction of KOMTRAX in Australia and New Zealand.

“Understanding the technology, the capability of the system and assisting with the implementation process has been very interesting.

“Probably the best thing about working for Komatsu Australia is being encouraged to identify areas for improvement and then having the opportunity and support to act on them,” she said.

“I also really enjoy working with such a great team of people.”

And how did she get into engineering in the first place?

“I enjoyed studying maths and physics at school, even though I found it challenging at times.

“I also really enjoyed problem solving, relating theory to the practical and figuring out how things work,” said Amber.

RENAE KENNEDY, NATIONAL MINING ADMINISTRATOR



Renae Kennedy

Renae Kennedy, joined Komatsu Australia in mid 2006 as the national mining administrator. She brought with her many years' experience working within the mining and earthmoving industry and is proving to be a pivotal manager within the Komatsu Mining team.

Before joining Komatsu Australia, Renae worked within the mining equipment supply sector, and previously to this for a leading plant hirer, contractor and used equipment dealer.

Her in-depth knowledge across all aspects of sales administration within the new equipment, rental and used equipment administration sectors has been a valuable asset to the company.

As national mining administrator, she is responsible for Komatsu's mining business processes, sales administration and mining systems management throughout Australia and New Zealand.

“A key focus of my role has been to establish a centralised approach to our mining business, allowing Komatsu to better service our customers needs and expectations, while implementing better internal controls for our business,” said Renae.

“This includes looking at our business processes, formulating better and more robust solutions for our customers with a more consistent approach as to how machines are processed within our organisation.

“As a result of this, we are now in a better position to meet our customers' expectations and requirements, while supporting our internal requirements.”

Another element of Renae's job is to facilitate the sales forecasting process for customer demands and requirements based on the input from our marketing team, again with the aim of ensuring shorter lead-times for equipment deliveries.

“We are always working to ensure that we have the correct and sufficient stock in the pipeline, so that we can meet market and customer demands as they occur.

“Ongoing system improvements with our SAP system will help us improve our internal and external administration sectors of the business and improve further one of our key goals in the mining division: customer satisfaction.”

The Komatsu Mining division has over the past two years established a centralised National Mining Head Office; part of this has included some internal restructuring and external recruitment.

This has bolstered Komatsu Australia's support levels with additional valuable and knowledgeable staff with extensive skills in all aspects of the mining sector, said Renae.

“This approach further demonstrates Komatsu Australia's ongoing commitment to both our customers and shareholders.”

MICHAEL BRAGG, GENERAL MANAGER SUPPLY CHAIN



Michael Bragg

When Michael Bragg joined Komatsu Australia in April 2005, he brought more than 25 years' supply chain experience to the company.

His previous career experience included 20 years in the Royal Australian Navy, in Navy supply, working on ships and bases around Australia.

He then spent four years with CSL Ltd, the last 18 months as national logistics manager, responsible for inbound and outbound logistics management of pharmaceuticals, vaccines and plasma products across Australasia. This included managing export activities to 65 countries and was heavily involved in market development projects in Eastern Europe.

Following this, he did 12 months' contract work back in the defence industry, implementing the DIDS (Defence Integrated Distribution System) – at \$100 million, the largest-ever third party logistics contract implemented in Australia – before joining Komatsu Australia.

“Our company president, Bill Pike, has a supply chain background, and he was acutely aware of the need to implement company-wide supply chain and procurement strategies,” said Michael.

“The whole of Komatsu Australia is being re-engineered – and supply chain management is a key element of that.

“In the past, the company has had too many systems, too many suppliers, there's been too much variation in products supplied – so that we've spent too much money on procurement and machine preparation,” he said.

“But we also recognise that you can't improve supply chain management within a company in isolation; it's got to be done with the support of strategies across the company as a whole.

“Due to the nature of our

business, Komatsu Australia has a very complex supply chain, sourcing new equipment from multiple factories around the world, along with used equipment, parts and components.

“Then we have to deliver to customers throughout Australia and New Zealand, as well as providing spare parts and backup when required by customers.

“Effective supply chain management is all about information, speed, visibility and cost control, and that's what our strategies are putting in place.

“All this means there is an ever-changing, ever-dynamic feast of things to do in this job,” said Michael.

CHRIS MOROZ, BUSINESS MANAGER, CONSTRUCTION



Chris Moroz

Komatsu Australia has appointed Chris Moroz as its business manager - construction, with responsibility for product management and marketing of construction excavators and crushers.

Chris, who has a degree in Mechanical Engineering and an MBA, has been in the construction and heavy equipment industry for more than 10 years, working with a number of leading suppliers.

His roles with other equipment suppliers have included national service manager, state sales and rental manager, sales engineer, logistics management and maintenance contracts manager.

Chris said that given the strong construction market outlook

and continuing infrastructure spending, Komatsu Australia is well-positioned to capitalise on these opportunities – including its construction excavator business.

“Our intention is to continue to supply the world's leading hydraulic excavator,” he said.

“I'm also looking forward to continuing on the work and seeing the benefits of a number of key projects that have been implemented over the past two years.

“These include finalising the introduction of the Dash 8 excavator range, with a number of additional features provided as standard on Australian machines,” said Chris.

Some of these additional factory fitted options include safety

features such as emergency stops and rear camera, along with boom and arm hose-burst protection, plus factory-fitted hammer and quick-hitch piping and KOMTRAX remote monitoring.

“With this Australian specification now carrying through to the rest of the Dash 8 range we are better positioned to respond to market demands – and I think that will help secure our leading position in the excavator market.

“I'm also looking forward to getting out with our sales teams throughout our regions, and meeting with customers in the field, enabling us to best understand their needs and on-going requirements,” said Chris.

KOMATSU ANNOUNCES NEW DEDICATED MINING EXCAVATOR FACTORY IN JAPAN

Komatsu Ltd has announced plans to build a new manufacturing plant in Kanazawa, Ishikawa prefecture, for the construction of its PC4000 400-tonne class mining excavators and shovels.

The PC4000 is the largest hydraulic excavator/shovel



Komatsu will open a dedicated factory to build its PC4000 mining excavators and shovels.

produced by Komatsu in Japan.

With expanding demand globally for construction and mining equipment, Komatsu has been strengthening its production capacity by building new plants in Japan and other regions, as well as increasing capacity at existing plants, said

President and CEO Kunio Noji.

“Komatsu believes that demand for its large equipment will continue to increase into the future, driven by thriving resource development activities worldwide,” he said.

“At present, Komatsu Mining Germany GmbH, our wholly owned subsidiary based in Dusseldorf, Germany, and our Rokko Plant in Kobe, Japan produce super-large hydraulic mining excavators.

“With the addition of this new plant, we will be further expanding our production capacity,” said Mr Noji.

He highlighted two key reasons for building the new plant in Kanazawa: the improved capabilities of the Port of Kanazawa as an international cargo port and a high



Kunio Noji, President and CEO Komatsu Limited

concentration in Ishikawa prefecture – where Komatsu was originally established.

KOMATSU RECOGNISED AS ONE OF AUSTRALIA'S TOP APPRENTICE EMPLOYERS

Komatsu Australia was recently announced as a finalist – one of just six companies – in the Large Host Employer of the Year Awards organised and hosted by Group Training Australia (GTA).

GTA is the peak body representing over 150 Group Training Organisations (GTOs) throughout Australia, employing more than 41,000 apprentices and trainees.

Komatsu Australia uses a number of GTOs around the country to assist with the management of its apprenticeship and traineeship programs – and was nominated for the award by Hunter Valley VTEC, which provides its apprentices and trainees in Sydney and the Hunter Valley, said Matt Buttigieg, service manager at Komatsu Australia's Fairfield Branch.

“For these awards, the GTOs nominate the clients who they believe are looking after their apprentices and trainees the best, in terms of providing a supportive training environment, along with the highest levels of HR management and OH&S awareness,” Matt said.

“We were extremely pleased to have reached the finals of these awards, and to have been judged one of Australia's top six employers of apprentices and trainees.”

This is not the first time Komatsu Australia and its trainees and apprentices have been recognised in national awards.

In recent years, a number of Komatsu apprentices and trainees have been won awards through GTA and other training organisations.

Komatsu Australia also has a strong on-going commitment to training young people wishing to enter this sector of the industry.



Komatsu's Matt Buttigieg (centre) with presenters of the Large Host Employers of the Year awards, Virginia Judge, MP and Parliamentary Secretary, and Ian Silk, CEO of Australian Super.

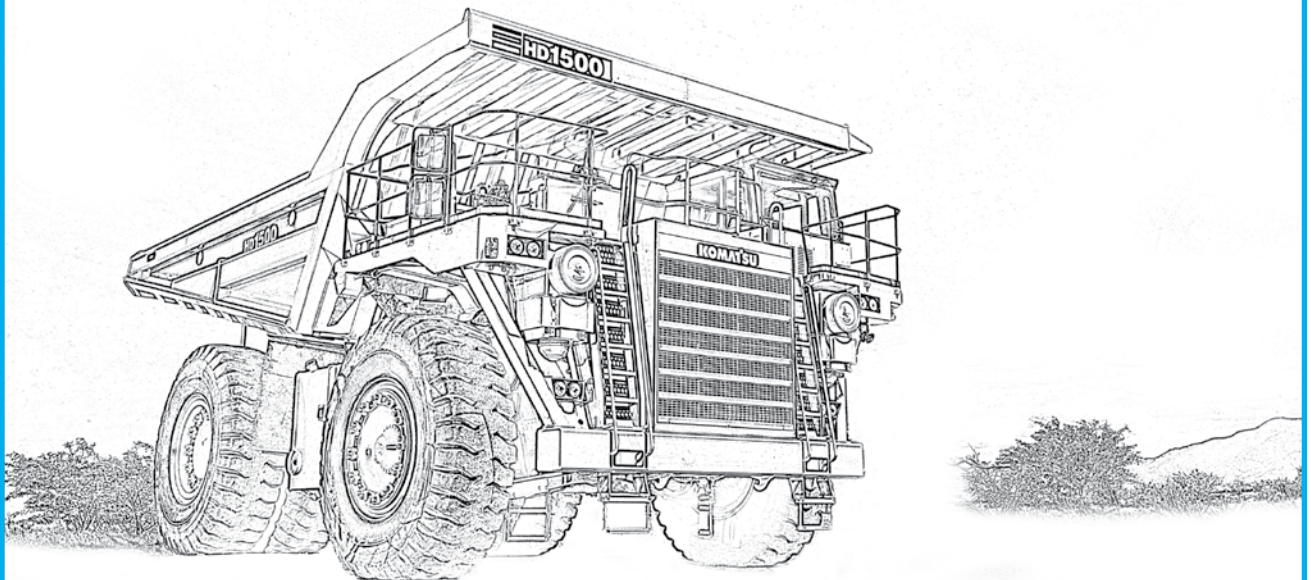


Komatsu Kids Corner

Welcome to the last issue for 2007!

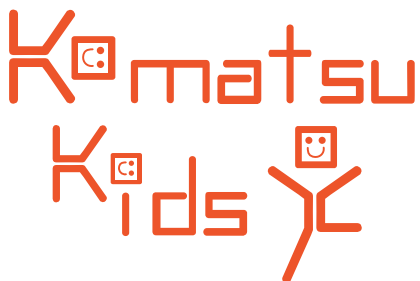
In this issue we have the HD1500 for you to colour in over the festive season. The three best entries will receive a Komatsu Kids Pack.

Entries close February 29, 2008.



After colouring in the HD 1500 fill in your details below and mail it back to KOMATSU COMPETITION, KOMATSU AUSTRALIA PTY LTD P.O. BOX 943, NORTH RYDE, BC 1670.

Name: Age:
Address: Postcode:
Email: Parent or Guardian Signature:





“We Understand This Business”

Komatsu Corporate Finance is an equipment finance company owned by Komatsu Limited Japan. The company provides the following services to customers of the Komatsu Australia group:

- Finance Lease
- Operating Lease
- Commercial Hire Purchase
- Chattel Mortgage (loan secured by a mortgage over the equipment)
- Power by the Hour™

We use funds supplied by our Japanese shareholders and from other Japanese capital market sources.

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Komatsu Corporate Finance's reputation as a competitive and flexible financier has seen the company supply financial solutions to many of Australia's largest companies.

The advantages of using Komatsu Corporate Finance include competitive rates and flexible repayment structures such as seasonal, structured or hourly rates. In addition, we can tailor solutions to meet your cashflow, currency, taxation, interest rate outlook and balance sheet requirements. By diversifying your funding sources, this means your bank facilities are free to support your other working capital requirements. You can also transfer your equipment resale risk and maintenance responsibilities to us.

For more information about Komatsu Corporate Finance, talk to your local Komatsu Sales Representative or call the following contacts at Komatsu Corporate Finance below.

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