



# everyday

OUR STORIES OF STRENGTH

DECEMBER 2012

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***“We have introduced a new supply chain structure to deliver a more cost effective service.”***



## Moving Forward



**As 2012 draws to a close, I am reminded of how the organisation has continued to be transformed over the past months. Even**

**though we have been tested and tempered by great change, we have accomplished extraordinary things.**

One Company, our major reinvigoration programme, has delivered significant and sustained benefits to our business and customers across New Zealand. Staff and customers alike are engaging with the initiatives and the enthusiasm for our approach demonstrates a strong commitment to the organisation and confidence in our direction.

An absolute priority remains the provision of a safe environment for our staff, contractors and visitors. This year, we increased our health and safety resources. We launched the first Workplace Safety Awards, which have been designed to recognise and reinforce good behaviours and initiatives. The programme was highlighted in an extremely successful awards event, where staff were recognised for their exceptional commitment to safety.

We have introduced a new supply chain structure to provide better product accessibility and options for our customers. The structure introduced several enhanced procurement, replenishment and delivery processes, and development will continue into 2013.

Our facilities-rationalisation programme also continues. Our Nelson operation, for example, has been consolidated from three sites into a single new facility. The new facility houses all the businesses from the former sites, introduces a new level of customer

service and greatly enhances Steel & Tube's profile in Nelson. Our Hamilton facilities have also consolidated onto the one site. We have taken the opportunity to move our National Support Centre in Lower Hutt to new premises in Petone. The new office space is much more supportive of the One Company approach. With regards to capabilities and equipment, we have recently commissioned new plate-processing equipment in Auckland and Christchurch to supply higher-quality finished processed plate to customers around the country.

Clearly, a significant development in recent weeks has been the change in Steel & Tube's shareholding ownership. The divesture by Arrium and subsequent rebalancing of our share registry is not only good news for New Zealand and our shareholders, but also provides the organisation with far greater freedom to set its own course, particularly in a highly competitive industry.

I am enthused by this new share profile, as I am by the various initiatives that have repositioned the business during the year. Despite a challenging external economic environment I am optimistic about the future.

It is an on-going journey and thanks to your continued support and enthusiasm, the organisation is moving forward with resolve. It is a path I look forward to continuing with you in 2013.

I wish you and your families a safe festive season.

**D W Taylor**

Chief Executive Officer

# The Year in Review

Over the last 12 months, Steel & Tube has gained significant traction with embedding our One Company values, brand and operating model into the fundamental culture and day-to-day operations of the business.

We have found more effective ways to reinforce our supply chain and offer the benefits of One Company to a wider range of customers. These changes have made the organisation stronger and improved almost every aspect of what we do.

We completed several projects that demonstrate our new operating model works well and can offer tangible benefits to our customers. These achievements were important milestones that mark our progress as we have worked to reinvigorate the entire organisation.

Steel & Tube will continue this process of improvement throughout 2013. We will maintain the momentum gathered in the last 12 months and consolidate our industry-leading position as we focus on developing new solutions for changing New Zealand markets.

## Arrium Sells Majority Shareholding

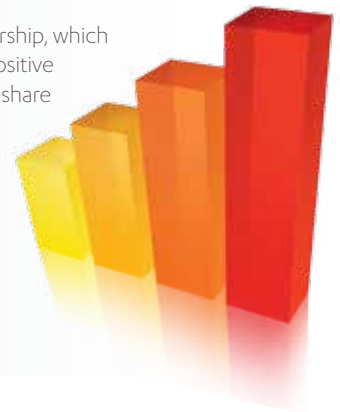
**Australian-based Arrium Ltd, formally known as OneSteel, sold their 50.3% majority shareholding in Steel & Tube on 9 October 2012.**

New Zealand-based institutional investors acquired approximately two-thirds of the shares that became available as a result of the sale. The remaining third were taken up by smaller retail investors. The largest institutional investor to take up shares was ACC, which acquired a significant amount of stock to take their total shareholding to 7.2%. The majority of New Zealand-based institutional investors participated in the purchase of shares.

Most institutional and retail investors were on-shore, meaning the majority of dividends will remain in New Zealand. It will also allow those institutional fund managers the opportunity to reinvest in Steel & Tube and other New Zealand businesses.

Dave Taylor, Steel & Tube's CEO, says the new investor profile is the ideal situation for the company.

"This change in shareholder ownership, which happened very quickly, is a very positive outcome for Steel & Tube and our share registry now has a nice balance between institutional and retail investors," he says. "As well as being very good for the company and our investors, it's a positive move for the local economy and for New Zealand Inc."



Steel & Tube's National Support Centre has relocated to the IBM Building in Petone, the Hutt Valley's only Green Star-rated commercial building.

## National Support Centre Relocates

**The 70-strong team at Steel & Tube's National Support Centre are settling into their new surroundings following a move to a new office in Petone.**

The National Support Centre completed the first stage of its relocation to a new building in Petone at the end of November, marking the latest step in Steel & Tube's One Company reinvigoration journey.

One Company requires the business to be more accessible, flexible and open as we strive to work as a truly national operation delivering better outcomes for our customers and shareholders.

We have relocated to the IBM Building at 25 Victoria Street in Petone. The building built in 2009, has seismic strengthening in excess of 100% of the current Building Code.

Staff will be temporarily situated on level 4 while construction is completed before transitioning to their permanent location on level 7, scheduled for March 2013. All contact phone numbers and postal address details are unchanged.



# Enhanced Supply Chain Improves Customer Certainty

## Steel & Tube's new nationwide supply chain introduces a range of enhancements to benefit customers.

Over the past 12 months, Steel & Tube has invested in a new nationwide supply chain structure, which builds on our existing skill base and brings in new expertise and systems to provide better levels of service and a greater experience for customers when purchasing products.

One of the ways we have improved performance is through our new replenishment process, which makes

sure stock is held at a more consistent level and ensures that the right product is delivered at the right time in a more efficient manner.

At the same time, we have committed to building and retaining stronger relationships with steel manufacturers and other key suppliers.

Ultimately the changes are designed to benefit our customers by ensuring we have a high-performance supply chain in place that provides unrivalled certainty in product, service and delivery.

# Awards Event Honours Safe Behaviour

## The winners of Steel & Tube's inaugural Workplace Safety Awards were announced at an awards dinner held in August.

The Safety Awards programme was launched in 2011 by Dave Taylor. The first awards were presented at a prestigious new annual prize-giving event to recognise individual or team commitment to Health & Safety.

Seven award categories were available this year:

- › Employee Safety Award
- › Best Workplace Safety Initiative Award
- › Work Team / Department Safety Award
- › Line Supervisor Award
- › Line Leader Award
- › Safety Leader Award
- › Contractor Safety Award.

Some 23 finalists from around the country attended the awards dinner in Wellington. They were recognised for their contribution to safe behaviour leadership, initiative and action.

Four category awards were presented: Employee Safety Award; Line Supervisor Award; Work Team / Department Safety Award and Best Workplace Safety Initiative.

Although this was the first Workplace Safety Awards presentation, the programme has already had a positive affect on the business. The programme reflects our heightened awareness and behaviour of the safe practices expected of our staff, contractors and visitors to ensure that everyone gets home safely at the end of the day.



Award recipients enjoy Steel & Tube's inaugural Workplace Safety Awards dinner.





# Christmas Hours

This is the last issue of *everyday* for 2012. The Steel & Tube team would like to take this opportunity to thank you for your business during the year and wish you a happy and safe holiday season and a prosperous New Year.

All Steel & Tube sites will close at midday on **Friday 21 December 2012**. Selected sites will reopen to provide essential services on **Monday 7 January 2013** while the remaining sites will return to full operational status on **Monday 14 January 2013**. Please contact your local Steel & Tube branch if you would like to discuss final ordering and reopening dates.

The next issue of *everyday* will be delivered to you after quarter one next year. Until then, we hope you enjoy the coming weeks and we look forward to working with you again in 2013.

## New Equipment Extends Plate Processing Capabilities

Steel & Tube has made a major investment in new equipment to expand its plate processing service capability and deliver a wider range of processing options to our customers.

Our new Peddinghaus high-speed plate processor offers plasma or oxy-fuel cut components, plus CNC drilling, machining, tapping, part marking, countersinking, milling and several other services. The machine's common line cutting and efficient nesting techniques minimise scrap and reduce the cost to customers.



The new Peddinghaus high-speed plate processor greatly extends our capability in efficient CNC machining, milling and part marking.



The reinvigoration of Steel & Tube through One Company builds proficiency and expertise in our people, facilities and equipment. The addition of this new machinery in Auckland and Christchurch is a major investment in the One Company model.

The new Peddinghaus plate processing machine is most efficient with high volume repetitive components. It appeals to customers in manufacturing or heavy engineering, such as structural engineers, farm equipment manufacturers and specialist fabricators.

To learn more about Steel & Tube's plate processing capability or to place an order, please call **0800 478 335** or email [plateprocessing@steelandtube.co.nz](mailto:plateprocessing@steelandtube.co.nz).

## Nelson Facilities Consolidate

Steel & Tube continues to rationalise and strengthen its facilities around the country. Most recently, our Nelson operation consolidated its three existing sites into a single new facility.

The larger site offers a greatly enhanced level of customer service and now houses all our Nelson-based steel, reinforcing, fastening and stainless steel businesses previously distributed across the three former locations. The Tradeshop has also been updated and stocks a comprehensive range of steel and associated sundry products.

As well as being a positive move for the business, the consolidation is seen as an improvement for the region and the new facility has already significantly enhanced Steel & Tube's profile in Nelson.



Steel & Tube has consolidated its three Nelson operations into a single new facility.



# Filling a Gap in Christchurch

**Steel & Tube is helping to bring a little colour and life back to Christchurch city's vacant blocks as part of our on-going commitment to the earthquake recovery effort.**

Gap Filler is a charitable trust that aims to temporarily reactivate Christchurch's post-quake vacant sites with creative projects for the benefit of the community. It aims to make the city a more

interesting, dynamic and vibrant place, by working with local businesses, community groups, artists, architects, landowners, librarians, designers, students, engineers, dancers – anyone with an idea and initiative.

Many Gap Filler projects require additional support from local businesses and community organisations, and Steel & Tube is pleased to have been able to assist with several community projects, most recently the Dance-O-Mat and the Summer Pallet Pavilion.

## Dance-O-Mat



Organisers and volunteers enjoy the Dance-O-Mat's opening night in central Christchurch.

Dance-O-Mat is a dance floor with a coin-operated lighting and sound system courtesy of a converted washing machine (a laundromat, hence the name). Anyone can use the site, plug in their MP3 player and start dancing. Organisers say the project was created in response to the loss of many of the dance studios and performance spaces around the city.

Steel & Tube was able to support the project by donating materials and expertise during the installation of the Dance-O-Mat on a vacant site on Oxford Terrace in the central city.

***“Steel & Tube was incredibly helpful in getting the project up and running.”***

It needed to be a robust, outdoor installation so we provided galvanised pipes and fittings to house the electrical cables connecting the dance floor, lighting and sound systems, and sections of bent steel plate to serve as ramps over the pipe.



The Dance-O-Mat has proven very popular with Christchurch residents following the demolition of several central-city dance studios.

“Steel & Tube was incredibly helpful in getting the project up and running again in the city,” says Richard Sewell, Gap Filler Project Coordinator. “Your support is greatly appreciated.”

The Dance-O-Mat has proven so popular that this is the second installation of its kind to appear in

Christchurch. The original amassed over 600 hours of use in the three months it was operating and organisers say they expect even larger numbers this time around.

“It has been receiving increasing use as people discover its new location and has already had over 80 hours of dance time,” says Mr Sewell.

The Dance-O-Mat even received royal approval when Prince Charles and the Duchess of Cornwall, Camilla, visited the site in November, with the Prince accepting an invitation to dance from a local woman. Organisers say the exposure has been invaluable for Gap Filler and Christchurch city.

## Summer Pallet Pavilion



Once complete, the distinctive blue pallets of the Summer Pallet Pavilion will host up to 200 guests on the old Crowne Plaza site at the top of Victoria Street in central Christchurch.

The Summer Pallet Pavilion is a visually engaging and dynamic space that hosts live music, outdoor cinema and a wide range of other events. Built from nearly

3,000 wooden pallets, it was created using volunteer professional and community labour and loaned, reused and donated materials.

After the loss of clubrooms and community halls demolished as a result of the earthquakes, the Pavilion aims to help address the city's need for new small-to medium-sized event venues and draw people back into Christchurch city over the summer months.

Steel & Tube was happy to sponsor the project by providing construction expertise and materials. To do this, a number of key suppliers and customers were also engaged. This resulted in the supply



of plate by New Zealand Steel, Reid Bar by Pacific Steel and Flat Bar by OneSteel, which was very generously cut and drilled by John Jones Steel.

“The community spirit behind this project is fantastic,” says Coralie Winn, Founder of Gap Filler.

“Volunteers are doing everything

from building to drilling holes to landscaping to de-nailing residential red-zone timber to painting. Thank you for your support, we truly couldn't do it without you and feel humbled by your generosity. We are very very lucky.”

With a capacity of 200 people, the Pavilion is open as a public space to host organised events most evenings. It is equipped with a basic sound system, a small triangular stage and a video projector and screen.



# A Roof Over Our Heads

Steel & Tube has banded together with local businesses to put a roof over Auckland's animals in need.

The old roof on the SPCA Auckland Animal Village in Mangere was leaking badly and urgently needed to be replaced.

But with over 16,000 abandoned and abused animals to shelter each year, it's a large roof and the repair bill represented a significant capital investment for the organisation.

"We've been wanting to replace the roof for quite some time," says Christine Kalin, Chief Executive of SPCA Auckland. "But we're a charity and all our money is directed towards saving and finding homes for our animals."

When the roof reached a critical stage of disrepair earlier this year, she turned to local businesses for help. In a novel campaign, the organisation printed "It's raining on our cats and dogs" on sections of old rusty roofing iron and sent them to a few specialist roofing companies.

"The results were absolutely brilliant – before long we had a group of companies putting their hands up to donate labour and materials," says Ms Kalin.

Among them was Steel & Tube, which manufactured all the ST963 Maxx Indigo Blue roofing sheets free of charge using COLOURSTEEL® donated by NZ Steel, while Hylton Parker Fasteners provided the fastenings, Tasman Insulation donated the insulation and ACR Reroofing carried out the installation.

"It's a dream come true for us and we really can't thank all these wonderful companies enough," says Ms Kalin.



Staff and animals at SPCA Auckland will benefit from a healthier and safer environment, thanks to a local businesses banding together to donate a new roof.

**Front left to right:** 'Bright Eyes' (the dog who was almost starved to death by her owner but made a miracle recovery earlier this year), SPCA Auckland CEO Christine Kalin, Owner of ACR Reroofing Ltd Brendan McLoughlin, 'Dobby' (black cocker spaniel adopted by Brendan from SPCA Auckland), 'Hamish' (brown kelpie also adopted by Brendan from SPCA Auckland).

**Back left to right:** SPCA staff members: Amy Symes, Amy Waddell, Alysha Mills (with kitten), Deputy Chief Inspector Kevin Plowright, Canine Attendant Sean Ryan and Steel & Tube's Auckland Roofing Manager, Simon Cheer.

**On roof:** Four ACR Reroofing Ltd workers.



## Contact us

Please contact your Account Manager, local Steel & Tube office or email [info@steelandtube.co.nz](mailto:info@steelandtube.co.nz)

PO Box 30543  
Lower Hutt 5040  
+64 4 570 5000

[www.steelandtube.co.nz](http://www.steelandtube.co.nz)

For specific locations and phone numbers, please visit our website.