

BOOSTING SOVEREIGN CAPABILITIES FOR MAJOR PROJECTS WITH BLUESCOPE DISTRIBUTION'S NATIONAL PRODUCT, PROCESSING AND SOLUTIONS HUB

EVENTS OF THE LAST 24 MONTHS HAVE HIGHLIGHTED THE VULNERABILITY OF GLOBAL SUPPLY CHAINS AND THE DIFFICULTIES THAT MANY INDUSTRIES HAVE FACED IN SECURING VITAL GOODS AND MATERIALS, INCLUDING BUILDING PRODUCTS. BLUESCOPE DISTRIBUTION'S NEWLY COMMISSIONED \$6.9 MILLION NATIONAL PRODUCT, PROCESSING AND SOLUTIONS HUB (THEHUB) WAS CONCEPTUALISED WITH THE GOAL OF PROVIDING A UNIQUE AND DOMESTICALLY COORDINATED SUPPLY CHAIN SOLUTION, ASSISTING IN THE DELIVERY OF LARGE-SCALE NATIONAL PROJECTS.

Plans for BlueScope Distribution's National Product, Processing and Solutions Hub started being made in 2017, long before the COVID-19 pandemic, and back then identified a growing number of major infrastructure, renewable energy and defence projects that were to begin across the country. The arrival of the pandemic only further cemented the viability and strategic importance of the facility.

According to Mick McPhan (National Manager Operations and National Products, Processing and Solutions Hub, BlueScope Distribution), the facility is well-placed to provide customers within the defence, infrastructure, renewable energy, transport, mining, oil and gas and agriculture industries a holistic product and service offering that will help them deliver significant projects Australia-wide.

"BlueScope Distribution's National Product, Processing and Solutions Hub is a new and complimentary business. It is the 16th site for BlueScope Distribution in Australia and is designed to coordinate steel and aluminium

supply for significant projects nationally. The aim of this new capability is to help our Australian manufacturers grow and deliver more projects through a sovereign supply chain," said McPhan.

"The company identified the need for sovereign capability to support customers with steel and aluminium products, processing of semi-finished components and project management solutions relating to surety of supply and a single point of contact for all material requirements. We've listened to our customers talk about the complexity of international supply chains associated with delivering some major projects in Australia and we're delighted to be able to support them in this space."

"We're offering local solutions, a domestically managed supply chain and working with well trusted partners; this value proposition has already been very warmly received by both new and existing customers - even though the facility was not officially opened until May 2022, we were already providing materials to some partners in December 2021."

"Australia has flagged significant investment in defence, infrastructure and renewable energy projects, and this new capability enables us to provide supply chain solutions to better meet the requirements of these major projects," said McPhan.

"We have large, modern plate processing facilities, straight plasma cutting, complex variable bevelling and thermal cutting. We can handle all weld preparation work for downstream fabricators. We ink jet mark, drill, tap and counter sink."

"The facility can also support mining, oil and gas projects along with projects for the transport sector, by offering solutions such as supplying material in kit form, ready for final assembly and installation by customers."

"We can produce kits and shorten the supply chain for customers who are delivering large scale projects. We can deliver parts that are ready for fabrication - there is no need for customers to spend any time undertaking weld preparation."





"We're geared to undertake all the work on customers' infeed materials, allowing them to concentrate on their core areas of business, and in doing so, providing added efficiencies. Offering customers an alternative, by providing them with semi-finished components means they can concentrate more on what their business specialises in."

"Many of our customers also tell us that floor space within their own operations is vital. Offering customers semi-finished components often saves them considerable floor space and frees up their own labour."

"Customers have already reported that they have upwards of 25% additional capacity in their facilities by being able to take advantage of a kitted solution."

BlueScope Distribution's National Product, Processing and Solutions Hub offers 16,000m² of undercover floor space, of which only 4,000m² is currently being used by the facility's 20-strong team, providing ample infrastructure for future growth.

On 15 March 2022, the Australian Federal Government awarded a Modern Manufacturing Initiative (MMI) grant of \$55.4 million to BlueScope, which triggered a further investment of \$161.6 million by BlueScope and its Illawarra partners. This investment—which will create an Advanced Steel Manufacturing Precinct at the Port Kembla Steelworks—will see the building of a new fabrication facility to manufacture components for the renewable energy, defence and other sectors, as well as upgrades and modernisation of the Port Kembla Plate Mill. BlueScope Distribution is proud to announce that it has secured part of this funding under the MMI grant to support the next phase of capability investment to strengthen its service and capability offer supporting customers who will be manufacturing a range of assets. "With our customers front of mind, we are proud to be working on plans to deliver the next phase of investment in state-of-the-art laser cutting technology. We have listened to our customers, particularly those servicing defence projects, and now adding to our existing plasma

capability with a first-class laser will support them grow," said McPhan.

A STRATEGIC LOCATION

Located in Unanderra, New South Wales, BlueScope Distribution's National Product, Processing and Solutions Hub is ideally situated mid-way down the east coast of Australia, and within close proximity to key suppliers and materials' sources, including the Port Kembla Steelworks, Bisalloy Steels and Blast and Prime. It's also based within a well-established intermodal freight region, further adding to logistical efficiency.

"The team is strategically located in the Illawarra, in an area where BlueScope Distribution had not operated before. This gives us proximity to the feed source – whether that's Bisalloy, or the mill for products like Truspec or laser cut plate. The intent there is that we take the plate directly from the feed source, add value through processing and project management, and ship it directly to our customers. This provides the shortest possible supply chain and optimises lead times.

PROCESSING CAPABILITY AT THEHUB

The BlueScope Distribution National Product, Processing and Solutions Hub provides customers with state of the art steel processing including:

- Straight plasma cutting
- Constant angle bevel
- Complex variable bevel and K bevel
- Power hole thermal cut
- Drilling
- Tapping
- Etching
- Laser or inkjet printing
- Blast and prime available on request

BlueScope Distribution's National Products, Processing and Solutions Hub utilises a state of the art, MicroStep multi-functional processing line to deliver both Plasma and Oxyfuel cutting capability.

This allows BlueScope Distribution to provide unique, optimal solutions across a range of thicknesses up to 150mm while maintaining cut tolerances to meet or exceed ISO 9013 standards. Our market leading integrated laser scanning and auto-calibration capability allows for this to be achieved

while maximising yield performance for customers. In addition to thermal cutting, BlueScope Distribution has an operational capability to deliver on a range of high-end product solutions, including complex variable bevels, drilling and tapping capabilities rounded off with a variety of marking functionalities including etching, laser and inkjet marking.

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Mick McPhan (National Manager Operations and National Products, Processing and Solutions Hub, BlueScope Distribution) and Irena Kupkovic (Sales Manager BlueScope Distribution Product, Processing and Solutions Hub)

We ship the cut part or yielded product to the customer. The waste remains on-site at BlueScope Distribution, and is fed back into the BOS. This drastically reduces costs, shipping and delivery timeframes. Based on our initial estimates, we anticipate this will result in a reduction of approximately 100 trucks per annum off our roads."

"The site also has the capacity to handle surge capability to meet project timelines."

"It's the combination of a dedicated facility, purpose-built to deliver large-scale projects, supported by BlueScope Distribution's established national distribution network and broader service capabilities, that will allow us to maximise new opportunities."

A DEDICATED TEAM

As well as offering the added capacity to handle significant projects and the convenience of dealing with a single provider for product, processing and service solutions, BlueScope Distribution's National Product, Processing and Solutions Hub is home to a dedicated team who are well credentialed to offer complete and customised end-to-end solutions, depending on customer requirements.

The team's industry expertise, technical know-how and local product and processing knowledge incorporates many skillsets, which customers can benefit from throughout their projects. BlueScope Distribution encourages customers to invite the team to become involved in each project early on, so that they can better assist at the design and specification stages, and provide a single point of contact throughout the lifespan of a project.

A further benefit of the facility is its centralised project management

services, which help coordinate the complex supply chains that are typically associated with large steel intensive projects, providing supply chain certainty. "Our collaboration with our trusted partners is incredibly important. We are part of the broader BlueScope group and have a well established partnership with Bisalloy and blast and prime partners. We work together closely to ensure all aspects of a project's requirements can be met and well co-ordinated to ensure we maintain a lean supply chain."

McPhan said there had been great enthusiasm and support from both customers and employees for the facility. "We are incredibly fortunate to have such a strong national network across BlueScope Distribution. It's a very experienced team who are incredibly dedicated to supporting the customers within their own region. It's great to have their support and the enthusiasm of the employees working at the site."

"The culture on-site is fantastic. There's a realisation from the team that they are involved in something very special. The chance to contribute to major projects of national significance and the legacy of this is certainly exciting for all of us," said McPhan.

"Already, we've seen an interest from prospective customers across many sectors who are wanting to partner with us, including renewables, infrastructure and defence. We already have many notable projects in the pipeline."

A NATIONAL FOOTPRINT

BlueScope Distribution is a leading steel and aluminium distributor and solutions

provider. With a national network of branches across metro locations and major regional towns, BlueScope Distribution can help coordinate a full suite of product, processing and project management requirements for customers' needs.

"BlueScope Distribution operates 16 sites across Australia, including THEHUB, ranging from locations in regional areas through to major metro facilities that undertake shearing, thermal cutting, plate profiling and aluminium routing cutting and shearing. At last count, we carried over 32,000 line items nationally and our customers value the ability to source all of their steel and aluminium products from one trusted and highly experienced supply partner," said McPhan.

"The new capability enables us to support our existing business to flex up and down to cope with increased capacity and large-scale projects. With increasing government expenditure on infrastructure, renewables and defence projects, we estimate that there will be approximately 200,000 tonnes of additional plate and associated processing and fabrication requirements to deliver additional projects. BlueScope Distribution's National Product, Processing and Solutions Hub will help support the Commonwealth government and Australian manufacturers to deliver on those big projects."

"Our aim is to be the distributor of choice by carrying the specific products needed in the regions in which we operate. We support our customers to do what they do best in their region and continue to grow together."

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