



Bringing supply closer to customers

Surdex automated plate cutting in Victoria.

Brice Metals General Manager, Phil Badcock welcomes South Australian Premier, the Hon. Mike Rann MA and Southern Steel Group Managing Director, Peter Smaller at the launch of the company's \$12 million flat products processing facility.

Steel Australia talks with General Manager Business Development for the Southern Steel Group, Dr Anthony Sive on the role of steel service centres in the Australian steel value chain. While steel supply has at times been accused of being complicated, Dr Sive clarifies the value steel distribution adds with a snapshot from his corporate experience.

There's a lot of talk within steel industry circles about the distributor as a one-stop-shop for steel materials for the manufacturer and fabricator. Dr Sive certainly agrees this is efficient in terms of purchasing and the Southern Steel Group certainly embraces that approach with flexibility being a key factor to meeting industry needs.

"We are the fabricator's bank; we carry large quantities of stock direct from mill rollings and provide it to the market to meet daily requirements and we fund this stock while carrying it within a tight stock turnover range," he said.

"We also offer the customer steel cut and drilled to their requirements, that fulfils two very important functions.

"For one, it allows our customers to carry minimal stock and rely on us to carry material which we can supply rapidly. We order in bulk and supply on demand, saving fabricators from holding huge inventories

and having their cash tied up.

"Secondly, our processing equipment is operated around the clock. More often than not, customers don't have the volume to support a beamline or the sort of plasma cutting equipment we use. We put in the equipment and pass on the efficiencies to our customers. In this day of staff shortages, automation has got to be a winner."

For Dr Sive, it's the capital investment in steel processing, coupled with bringing service closer to customers that really counts.

Australia's largest independent steel distributor, Southern Steel has been busy of late expanding its geographical spread to tighten delivery times and increase service flexibility to its customers, whether their needs are large or small.

According to Dr Sive, with increasingly quick response and 'just in time' delivery being demanded by customers, it pays to take the business as close as possible to where customers are with the focus on service, and plenty of it.

As this issue of Steel Australia goes to press, the Southern Steel Group is finalising its latest acquisition by buying WA Cutting Services, a specialist in steel plate profiling as well as Computer Numerical Control



(CNC) machining. Based in Perth, the purchase expands the Group's operations to cover five mainland Australian states; NSW, Victoria, Queensland, South Australia, and now Western Australia.

The Group comprises Southern Steel Supplies, Southern Sheet & Coil, Southern Steel Cash & Carry and RJE (formerly Rigby Jones) in NSW, Southern Queensland Steel, Brice Metals (SA) and Surdex Steel (Victoria).

The WA acquisition comes hot on the heels of the Group's opening of a new \$12 million flat products processing facility for Brice Metals in Adelaide during April with a total of ten slitting and cut-to-length lines.

Acquired by Southern Steel in 2001, Brice Metals appears a decent fit for the Group offering slit and cut-to-length steel in whatever form it is required. Brice Metals supplies steel to a wide range of industries including automotive, building products, appliances, rural industries, air conditioning and office furniture and its structural division supplies long products and building products to manufacturers and fabricators.

Turnaround times are up there with turnover in terms of propelling the business and the Group has accordingly invested heavily in inventory control systems that streamline delivery times out the door and optimise stock levels.

Southern Steel has four branches in NSW; the 'mother-ship' in Sydney servicing locations in Wollongong, Newcastle, Tamworth and Dubbo offering a range of structural steel, plate, merchant bar and tubular products plus an extensive cutting and drilling service.

Milperra's CNC beamlines work continuously, providing fabricators 'just in time' that allows them to increase the throughput in their workshops by up to 30 percent in some reported cases. Milperra also runs automated flat bed oxy-fuel and high definition plasma cutting machines able to handle plate to 300mm and 32mm thick respectively and an automated laser cutter that handles plate up to 6 metres by 2.4 metres in size and 16mm thick. The plasma cutter processes anything within an eight by 40 metre bed area.