

Down to Earth

Issue 24 May 2001
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Ian Olivier Managing Director
Komatsu Australia Pty Ltd

During May of this year Komatsu Ltd commenced celebrations of its 80th year in business.

From its creation on May 13th 1921, Komatsu Manufacturing Company Limited has grown into a global company, specialising principally in construction and mining equipment that is renowned for its quality and advanced engineering.

From 127 employees in 1921, the group now includes 142 subsidiaries and affiliates with some 30,000 employees worldwide. You will find a more detailed article outlining the first 80 years in this issue of Down To Earth.

Our history in Australia is somewhat shorter, with 35 years of distribution in the country, the last 10 of which has been through NS Komatsu.

During May of this year, this will also change as our current level of ownership by Komatsu Ltd will increase from 60% to 100% and we will say goodbye to our original partner and 40% shareholder, Nippon Steel Trading.

Although this will not require any changes to the operation of our company, it will result in a simplification of our name, from the current NS Komatsu Pty Ltd to Komatsu Australia Pty Ltd and the use of the Komatsu name only in our company logo.

I would like to thank Nippon Steel Trading for its contributions to our company over the past 10 years as a founding member and wish it well for its investments in the future.

I am pleased to announce that the future of Komatsu in this region of the world has been further enhanced by our acquisition on April 2nd of the operations of Motor Holdings, the Komatsu distributor for New Zealand.

We believe that New Zealand has many synergies with our current operations and that, as a result, there will be benefits from this acquisition on both sides of the Tasman.

I would like to offer a warm welcome to our New Zealand based clients and our new employees.

We look forward to seeing our New Zealand operations achieving growth in both the Komatsu products that we offer and the quality and range of our product support.

A blue ink handwritten signature, appearing to read 'Ian Olivier'.



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A large, stylized logo consisting of the letters 'S' and 'U' in a bold, white, sans-serif font, set against a yellow background.

Happy 80th birthday, Komatsu

In May this year, Komatsu Ltd celebrates its 80th year in business - having come from humble beginnings as a producer of cast steel products, to its position today as one of the world's leading manufacturers of construction and mining equipment.

The company started business in the town that gave the company its name, producing cast steel products for local mining and engineering businesses.

After narrowly surviving a severe recession that struck Japan in the early 1920s, the company began to grow and prosper.

Its move into the earthmoving industry proper began in 1932, when it produced its first crawler tractor prototype.

During the 1930s, the company steadily developed its expertise in the manufacture of earthmoving equipment - producing a line of diesel and gasoline powered dozers known as the G40/T40 range for the Japanese Army.

One of these machines, which was on a ship sunk during the war, was recovered and restored in Australia, spending many years of operation before being purchased by Komatsu during the 1960s and returned to Japan.

Komatsu's push into full scale earthmoving production occurred following the war - primarily focussing on the dozer market, selling significant numbers throughout Asia.

During the 1960s, Komatsu committed itself to a strategy of designing and manufacturing high quality, high durability equipment to allow it to compete effectively with US and European-sourced machines.

Those were still the days when Japan was best known for manufacturing poor quality, cheap products - and Komatsu set out to break this image.

Its move towards developing high quality equipment was rewarded when the company won Japan's prestigious "Deming Prize" for quality, twice - the only manufacturer ever to have done so.

In the 1960s and 1970s, Komatsu Ltd began to start seriously expanding its offerings in the heavy equipment market, initially with scrapers and wheel loaders, and then into other product lines.

By this time, its dozers were earning respect as high quality, durable, reliable machines.

Komatsu's role as a supplier of full-line products really took off in the early 1980s, when it released its first line of excavators, the Dash I series.

These machines quickly established a reputation as economical, productive excavators, both in Australia and around the world.

A few years later, Komatsu announced its intention of becoming the world's number one supplier of excavators - something it achieved during the 1990s when it outsold all other brands worldwide.



This performance was echoed in Australia, where Komatsu sold more than 2000 excavators to Australian contractors, plant hirers, forestry contractors, quarries and miners during that decade.

Komatsu's success in the excavator market was in large part due to the innovative hydraulic systems introduced on its Dash-6 line of machines in the early 1990s.

Its closed-centre hydraulic system set new standards of simplicity, reliability, economy and performance in excavators.

Komatsu's commitment to innovation did not stop with excavators.

The past decade has seen it set new standards in large dozers, including the release of the D575A-3, at 130 tonnes, the world's largest, and the WA1200-3 wheel loader, the world's largest mechanical drive dump truck.

These products have not only set standards in size and productivity, but have also delivered in terms of reliability and durability

with high levels of availability recorded at mine sites and construction sites around the world.

As well as growing organically, Komatsu also went on the acquisition trail to develop its business.

A mid-1980s joint venture with Dresser in the US eventually saw Dresser Industries exit the construction and mining business, leaving it to Komatsu.

Legacies of the Dresser products include the current Haulpak range, including the 320 tonne capacity 930E, the world's largest electric drive dump truck.

Its purchase of the mining equipment manufacturing operations of Germany's Demag in the late 1990s resulted in Komatsu having a full line of hydraulic mining shovels, including the PC8000, the world's largest.

At the smaller end of the scale, during the 1990s, Komatsu gradually increased its holdings in the Italian-based FAI - ultimately taking the company over a couple of years ago. That purchase brought it into the backhoe loader market - and allowed Komatsu to introduce the latest excavator technology to the backhoe market with the release in 1999 of the WB backhoe series.

As Komatsu enters its 80th decade, its commitment to innovative but productive, cost-effective and reliable equipment remains as strong as ever.

In the mining sector, it is moving rapidly towards operator-free environments with its Autonomous Truck concept, along with remote monitoring of all aspects of machine operating conditions.

These developments are likely to quickly filter down to the construction sector through the developments of such concepts as WebCare - which allows owners and distributors to monitor the condition of machine components via the Internet, and receive early warning of when vital components and parts are nearing changeout or repair time.

At the same time, the next few years will see further releases of new equipment models that continue to meet the challenges of the very tough industries in which they operate.

Neville Drayton retires after



Selection of machines sold by Neville Drayton during his 34 years

One of Australia's most experienced earthmoving equipment sales representatives - NS Komatsu's Neville Drayton - has recently retired after 34 years selling Komatsu equipment.

Neville started selling Komatsu in 1967, working out of the Victorian branch of then Komatsu distributor Wabco, which pioneered the selling of Komatsu equipment in Australia. He started with Wabco as a demonstrator/trainer in February 1967 - following eight years as an operator, initially with a government department, and then with a contractor - followed by three years with Contracting Plant Victoria, selling Steelweld equipment as a sales rep/demonstrator.

"After two months as a demonstrator, they gave me some sales territory - as well as demonstrating. I've been selling and demonstrating ever since," he said.

Back in those days, Komatsu was best known for its dozers - which were all it sold in Australia.

"We offered two models - the D60A-3 and the D80A-8, which were both dry back-end dozers. A couple of years later, we introduced the D125A-1, a D8 sized machine."

Selling Komatsu equipment in the late '60s and throughout the '70s was not an easy job.

"Asian-sourced products are a lot more accepted now than they were then. There was still a lot of resentment against Japanese products following the war.

"It was hard work selling against the better known American brands in those days. The only advantage we had was price, and we just had to keep beating the bushes to get sales," said Neville.

"Fortunately, there were always customers prepared to take a chance on a machine to save a few dollars. We sold a fair number of machines over a wide range of industries: contracting, forestry, agriculture."

Despite selling primarily on price, Komatsu equipment began to gain a reputation for quality and reliability.

"In the late 1970s and early '80s, government departments really started to take notice because they recognised the durability and reliability of the range," said Neville.

In 1980, distribution of Komatsu equipment shifted from Wabco to Forcepower in the southern states, ANI Komatsu in NSW and Queensland, and MC Komatsu in the West. With that development, a much wider range of Komatsu equipment became available.

"We moved from selling just dozers, to selling wheel loaders, scrapers, dump trucks, and then a few years later, excavators."

One of the more unusual products Neville was involved in during the early 1980s was a D85AR remote-controlled dozer.

"Someone got the idea that there would be a good market for it here, but it was ahead of its time.

"We put it to work on a big Melbourne road project, but I think it frightened people a bit, and the technology was a bit too advanced for people.

"It actually worked very well, but there wasn't a market for it, so eventually we took the radio-controls off and it reverted to being a standard dozer.

"However, after we'd done that, we started to get a few inquiries from a number of harbour

authorities around the country who were interested in putting in underwater pipelines."

Neville's seen a lot of changes in the business - not only in the equipment available, but also in the way it is sold.

"I've really seen excavators grow in popularity and acceptance since we first introduced the Komatsu range in 1982.

"On the selling side, there's a lot more demands on sales reps these days to attain market share, and improve on it.

"And if computers have done one thing, they've the pace of life so much faster. They've made everyone work a lot faster than they used to - and that's not always a good thing in the sales game.

"There's less time to spend in front of people, winning customers' confidence. It's still important that we treat customers as people, not as numbers.

"My first boss told me: 'you're not in the machinery business, you're in the people business' - and he was absolutely right," said Neville.

"Of course, the way people purchase equipment has also changed. Customers don't have time any more than the sales person does.

"Also, people will borrow a lot more now - they used to take a lot more care to ensure they could cover it. These days, there's so many more types of finance around...

"On the other hand, people used to own - rather than lease or rent machines. Owning a fleet of modern, popular brands was a status symbol. Nowadays, they don't seem to feel

34 years of selling Komatsu

that need to own so much; equipment is just a tool to do the job."

And what have been some of Neville's most satisfying achievements?

"One was probably getting ANI Komatsu (by then the Victorian distributor) established as the distributor for Komatsu equipment on the island of Nauru in the central Pacific.

"We were invited by the Nauru government to send two large machines - a D375A dozer and a PC1000 excavator - in to do a pilot test project, and I eventually managed to persuade the company we should do it.

"These machines were used for mining phosphate and rehabilitating the island.

"They bought the machines at the end of the two month trial, and we began to set up a system of product support and training which included selecting two young Nauruan lads out of trade school and putting them through a four and a half year apprenticeship as diesel mechanics at our Campbellfield branch.

"As a result of this, ANI Komatsu Victoria was appointed distributor - NS Komatsu's Victorian office still looks after Nauru - and in 1993, we sold 10 more machines to them.



Neville Drayton:
"We're in the people business"

We also did a lot of parts business there."

Other particularly satisfying sales for Neville were a series of large mining excavator deliveries to Roche Bros.

"We sold Roche Bros Australia's first PC650-1 excavator, the first PC1000-1 and the first PC1600-1 - all for delivery to mines in

Western Australia. But because the company was based in Melbourne, the orders came through here.

"Overall, the machinery selling game is very rewarding. Of course, it can also be very disappointing. There's a lot of ups, a lot of downs, but the ups outweighed the downs," he said.

And he'll miss the business?

"Anyone who's spent 37 years in the industry as I have is going to miss it after leaving. It was a very hard decision to make, but I did make it in the end - and it was the right decision for me to make."

However, Neville is not right out of the industry. He's maintaining his interest in the operator side of it - he was a demonstrator/major accounts manager for NS Komatsu until he retired - through setting up his own company, Drayton Operator Training Services.

That way, he'll still be passing on some of his skills and knowledge to new generations of earthmoving equipment operators.

You can contact him on ph: (03) 9848 5153, mobile 0418 188 600, e-mail ndrayton@bigpond.com.

Timber yard loader does 20 years - and still going strong

A Komatsu W90 wheel loader purchased by Kempsey Timbers in June 1981 is still performing strongly after nearly 20 years of timber handling duties.

Kempsey Timbers, based on the far north coast of NSW, is a sawmiller and flooring manufacturer, processing logs from private properties and Crown lands in the region.

According to manager Brian Rabbitt, the Komatsu W90 - a 12.3 tonne, 113 kW loader - has carried out a variety of tasks at the mill since its purchase.

"Attachments include log grapples for handling logs, forks for stacking, a crane jib for slings of sawn boards, and a 2 m³ bucket for cleanup work around the mill," he said.

"Throughout its life here, it's been a very good performer. We've never had to replace any major components - it's only ever done the odd universal or a seal, never anything significant in an estimated 20,000 hours of service.

"In addition, our operators always found it a very good machine to operate. We also used to leave it outside the mill, so that any drivers who came along after hours could use it to unload logs."

Up until about six months ago, the W90 was carrying out the full range of duties at the mill, including log handling, stacking, loading and clean up work.

However, in a decision based on the performance of the W90, in the past 12 months, Kempsey



Kempsey Timbers W90 and WA320-3

Timbers has bought two new WA320-3 Komatsu wheel loaders which have taken over the main log handling tasks.

"If we get anything like as good a performance out of these two machines as we've had from the old W90, we'll be very happy," said Brian.

Today, the W90's main function is handling oversize logs that need to be split before being processed.

"Since buying the two new Komatsu loaders, we've put the W90 onto lighter duties and as a backup log handler," he said.

Boards milled by Kempsey Timbers are dried using solar-powered kilns - the largest bank of solar kilns in the world.

Once dried, the boards are processed for strip

flooring or parquet flooring.

Colin Chamberlain, NS Komatsu's senior product manager, wheel loaders said the performance of the W90 over the past 20 years was an indication of the durability and reliability of Komatsu wheel loaders.

"For a machine of this vintage, notching up around 20,000 hours with no component, frame, brake or driveline problems, particularly in the tough operating conditions of a sawmill, with its rough surfaces and the stresses and strains of handling logs, is a major achievement," he said.

"That kind of performance is not unique to this wheel loader, as we'll be showing with our NS Komatsu Hall of Fame focus over the coming months."

How the used equipment business has changed

The used earthmoving equipment business today is very different to what it was only a few years ago - with some of the most fundamental changes occurring in just the last five to 10 years.

One who's been through these major changes is John Vandenberg, who has recently retired from NS Komatsu's central region used equipment department. He finishes with over 25 years' experience in the used equipment business.

John has worked in the earthmoving and construction equipment business for 44 years, and has specialised in the used equipment side since 1976. His observations on how this industry has changed are quite fascinating.



"Two of the biggest changes in the past 10 years have been the flood of imported low-hour used equipment into Australia, and the entry of Ritchie Bros auctioneers," he said.

"The availability today of low-hour used equipment has done a lot to change the dynamics of the earthmoving equipment selling business.

"It's been good for buyers generally, but it hasn't been so good for buyers of new equipment - because straight away, their equipment became worth about 20% less as soon as they bought it.

"That's meant life has become a lot more challenging for sellers of new equipment, and we've had to get a lot more sophisticated in meeting the demands of customers for a mix of new, low-hour used and older used equipment," said John.

The other major recent development has been the entry into Australia of the Canadian-based Ritchie Bros auctioneers.

"Certainly Ritchie Bros no-reserve auctions made a big difference to equipment values, and how they were perceived throughout the industry.

"The other big impact was the purchase by Ritchie Bros of hundreds of items of superseded excavators and other equipment from Korea, Malaysia and Indonesia at the time of the Asian financial crisis.

"With their sale in Australia on a no-reserve basis, all of a sudden you have a hundred or so pieces of equipment snapped up by contractors who otherwise would have bought new or used equipment through local supply sources.

"That's a hundred pieces of equipment, demand for which has been fulfilled from a completely new source," he said.

"This one factor is probably largely responsible for the fall in used equipment prices over the past three to five years."

While these developments appear to favour buyers, they do introduce distortions into the market that impacts everybody.

"Eventually, all these changes affect everyone in the industry," said John.

"Existing fleet owners find their equipment values are not what they thought they were, while the challenge for dealers is to defend the resale value of the new products they are selling. "This puts pressure on trade-in prices - and it flows right through to everybody."

John believes another wave of change is about to flow through the Australian construction equipment business as more dealers and manufacturers move into the equipment rental business.

"If all distributors follow the lead of one or two companies, that has the potential to release a lot more low-hour equipment onto the Australian market.

"Dealers will introduce new equipment into their rental fleets, but will then be happy to sell this fairly quickly to customers who wish to buy low-hour equipment.

"Then we'll not only have low-hour equipment available from overseas sources, but also from within Australia - and very much controlled by the OEM dealers."

All these developments show just how far the used equipment business has developed in the past 25-30 years.

"When I started in this business, there were

pretty tight rules on what used equipment you could and couldn't bring into the country.

"There were some machines you couldn't even import, and others you could only bring in without buckets, blades and rippers.

"However, once the import restrictions were taken off and the import duties lifted, about 10 years ago, the whole industry began to change."

Another major change has been the way in which equipment is financed today.

"The whole business today is much more on a cash flow basis. Some contractors these days have their entire fleet under finance and don't own anything," said John.

"In the 70s, the banks were a lot stricter about these things. If you had a fleet of, say, 10 machines, you had to own six, two could be leased, and the other two had to be on hire purchase.

"Of course the other major change has been the drop in value of the Australian dollar. In the late 1970s, the Australian dollar was worth \$1.08 US, and 400 yen," he said. "Compare that with the situation today..."

And what's coming up next for John Vandenberg?

"The first thing is a holiday in Europe," he said. "I've been working for 51 years, 44 of them in the earthmoving equipment business, so it'll be a welcome break.

"After that, well I've got quite a few golf courses to wander around on and quite a few beaches to walk."



Chris Tweedie rejoins NS Komatsu

NS Komatsu's used equipment customers can greet a familiar face at the company, with Chris Tweedie rejoining the company after nearly a 10 year break.

Chris, who was with NS Komatsu's central region used equipment department and with its predecessor ANI Komatsu, from the mid 1980s to the early 1990s, replaces John Vandenberg, who has retired.

His involvement in the industry goes back 32 years, and includes experience with a number of equipment distributors - plus a stint with his own company, CT Equipment, in the early to late 1990s.

Introducing Brennan Garbutt: trainee engineer

We are all familiar with the concept of apprenticeships, but what many may not be aware of is that companies such as NS Komatsu also offer university students the opportunity of combining work, gaining valuable industry experience and attaining a degree.

Brennan Garbutt, a trainee engineer with NS Komatsu's corporate services in Sydney, is six years into an engineering degree at Wollongong University, and will graduate this year.

He started with the company after completing one year full time at Sydney University. The job combines full time work



with part time study.

During his first three years with the company, Brennan was given the opportunity to observe the different aspects of its operations.

"I was rotated through various company departments, spending time with the head office service department, the training department, the parts department, in the warehouse and IN central region's service department - where I was involved in field service," he said.

"Since then, I've moved to a technical support role, which is where I am now.

"This involves providing support and assistance to our regional technical staff, covering such issues as structural modifications, troubleshooting and some applications engineering," said Brennan.

NS Komatsu appoints new product manager for drills and crushers



NS Komatsu has appointed Angus Fotheringham product manager for Ingersoll-Rand drill rigs and Komatsu portable crushers.

Angus's previous position was as sales and marketing manager for surface drill rigs with Atlas Copco.

A 22-year veteran of the surface drilling market, Angus was responsible for sales and marketing of Atlas Copco drill rigs throughout Australia, New Zealand, Papua New Guinea and the Pacific.

Primarily focussing on the contracting, quarrying and construction markets, he helped achieve significant sales to leading quarry companies and contractors throughout these regions.

In joining NS Komatsu, he sees significant opportunities for Ingersoll-Rand surface rigs throughout the construction, quarrying and mining sectors.

"Within the quarrying market, there are obvious opportunities to sell packages combining Komatsu truck and loader packages with Ingersoll-Rand drill rigs for blasthole applications.

"I believe we can also combine this approach with the availability of Komatsu portable crushers - allowing us to offer a one-stop-shop service to quarry companies," said Angus.

"And the ability of our portable crusher range to handle recycling applications, as well as conventional crushing tasks, makes them a highly versatile option for quarries and contractors.

"On the mining side, Ingersoll-Rand's range of rotary drill rigs means there are opportunities to develop more package deals to NS Komatsu's coal and iron ore mining customers," he said.



"I've worked on tasks such as PIP [Product Introduction Procedure], product testing, lift capacities, the Komatsu Excellence Awards, and more recently forestry machine research and development.

"The other major task I've been involved in has been developing NS Komatsu's national technical issues log - which is a computer-based management and reporting system for technical issues. I'm continuing to run that.

At the end of this year, Brennan will be a "real, qualified engineer".

And what are his plans once he's achieved that?

"I'd like to get into design work, for example, designing for special application machinery or design work for improvements to current machines.

"My ultimate aim would be to work as part of a factory design team," he said.



Wanted: creative, artistic photos of Komatsu machines at work

NS Komatsu is on the hunt for creative, highly artistic photos of Komatsu equipment at work - and the best images will be in the running for some generous prizes.

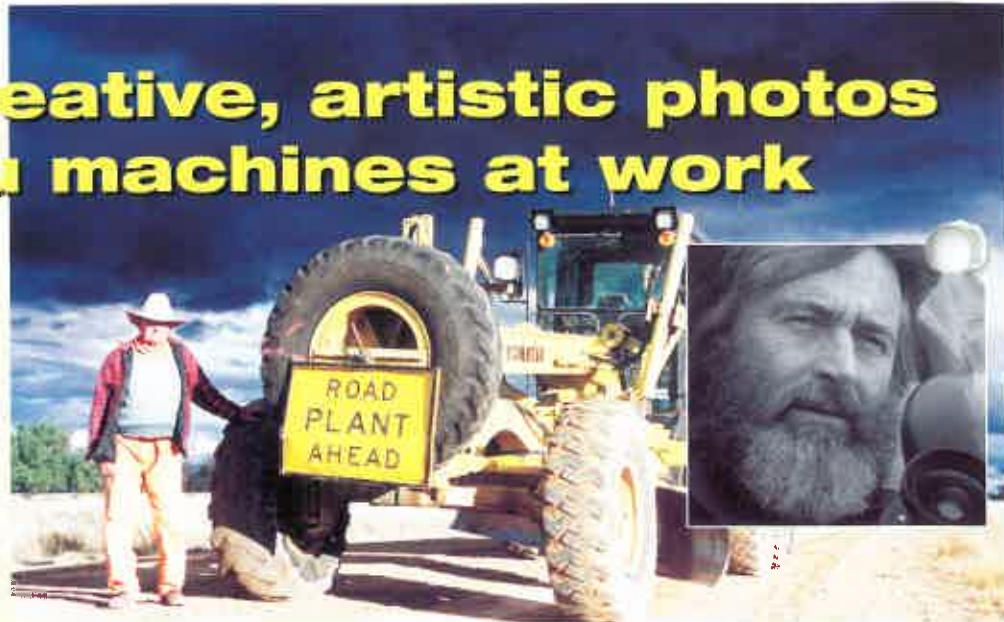
The company is looking for striking, attention-getting photographs of Komatsu equipment at work for the inaugural Images of Komatsu photographic competition.

In particular, it is looking for creative work where the unique personal style and talent of the photographer comes through in the composition.

The competition is open to NS Komatsu customers as well as operators, engineers, supervisors, students - in fact, anyone coming in contact with Komatsu products, including members of the public.

Entrants may choose to show Komatsu equipment working in a spectacular setting, an unusual application, or from a striking angle or perhaps will opt for a "personality" shot showing an owner or operator with his favourite piece of equipment.

NS Komatsu will be awarding two prizes. NS Komatsu will be awarding two prizes. The NS Komatsu Photographer of the Year will



A dramatic skyline is captured in this photograph; inset, Judge Richard Bennett.

receive a Canon Powershot Digital IXUS camera valued at around \$1200, while two runners-up will each receive a Canon ELPH 2 camera valued at around \$500.

In addition, a selection of the best photographs will be featured in NS Komatsu's 2002 calendar, and will be used for other NS Komatsu promotions.

Judging of the competition will be by the internationally recognised Australian photographer Richard Bennett.

Images can be in black and white or colour, as prints or on slide film. Unfortunately, due to printing limitations, digital photographs cannot be accepted.

Canon

"Promotion in conjunction with Canon"

Entries for the Images of Komatsu photographic competition close on July 31, 2001. For details, contact Annemaree Gear on ph (02) 9795 8252, fax (02) 9795 8244, e-mail agear@nsk.com.au.

NS Komatsu assumes New Zealand distribution

NS Komatsu has signed an agreement to distribute Komatsu equipment in New Zealand.

The agreement, effective the beginning of April, 2001, has been signed between ourselves and the existing Komatsu distributor, Motor Holdings Komatsu (MHK). MHK has been the Komatsu distributor in New Zealand since 1964.

NS Komatsu, which has been the distributor for Komatsu products in Australia since 1991, operates Australia's largest national distribution and support network for heavy equipment, with 25 branches and 35 service depots strategically located throughout the country to ensure minimum response times for service requirements.

We employ more than 1000 people, with 70% of these having customer support responsibility.

In New Zealand, MHK has been based out of Auckland, with a network of service partners carrying out aftermarket product support, parts distribution and service throughout both the North and South Islands.

According to NS Komatsu's managing director, Ian Olivieri, all existing MHK personnel have been offered jobs with NS Komatsu and it is very much "business as usual" now that we have begun distribution in New Zealand. "Integrating the distribution of Komatsu in New Zealand with the current operation of NS Komatsu will provide benefits in both countries," Ian said.

"New Zealand customers will now be able to take advantage of the greatly increased resources within NS Komatsu - such as our extensive central parts holdings in Sydney and our experienced support staff - complementing the existing in-depth knowl-

edge of Komatsu products within MHK.

"In addition, our New Zealand customers will also be able to use our oil analysis and conditioning monitoring services and will have access to our remanufactured components facility."

"We will also be looking to increase the Komatsu product's profile into New Zealand's growing mining industry, as well as servicing its forestry sector," he said.

"Overall, with the additional resources at our disposal, we'll be looking forward to seeing Komatsu's market share and profile in the New Zealand market lifted to similar levels to those we've achieved in Australia over the past 10 years," said Ian.

Further information:

NS Komatsu Pty Ltd, ph (02) 9795 8222, e-mail agear@nsk.com.au, website www.nsk.com.au.

Introducing PIP ... ensuring products are ready for the market

NS Komatsu customers taking delivery of new equipment, and selected used equipment, will start noticing the affixing of a sticker marked "Product Introduction Procedure APPROVED". Over the past 12 months, NS Komatsu has implemented a new program, known as the Product Introduction Procedure (PIP), aimed at assuring all customers that the product meets certain minimum standards.

The aim of the PIP program is to ensure all new products introduced to the Australian market by NS Komatsu meet key criteria, including:

- suitability for the Australian market, including meeting minimum OH&S and environmental requirements, and complying with relevant Australian standards
- whether any local modifications are required
- parts availability - including components which may have to be sourced from third parties (such as tyres, buckets or other attachments)



- product support and technical expertise, including parts and service literature and training
- product knowledge on the part of the sales and marketing team.

"The aim of the PIP program is to ensure that every new piece of equipment we introduce to the market has been through a formal process, ensuring that every base has been covered," said Roger Millar, NS Komatsu's product support director.

"It ensures that when customers purchase a

newly introduced machine, they can be confident that we have full parts availability for it, that our technical people are familiar with it, and that we can properly service and support it. "In addition, PIP means our sales representatives know how to sell the product, and how it will benefit customers.

"And, very importantly, customers will know that the product is appropriate for Australian conditions, and that it meets all relevant standards, including those relating to safety and the environment," said Millar.

Research and development on the PIP program has been carried out by NS Komatsu's sales engineers Amber Rickard and Brennan Garbutt. From April 1, 2001, PIP stickers will be affixed to all new products sold by NS Komatsu - both Komatsu and non-Komatsu - as well as used products bought from the company, and which are on the approved product list.



Omega Plumbing's Komatsu PC12-8 is able to work in very confined spaces.

A new Komatsu PC12-8 mini excavator is allowing plumber Allan Ferguson, of Omega Plumbing, to offer a much better level of service to customers - and save him money.

"The main reason I bought the machine - which is my first piece of earthmoving equipment - is that I found I could never get a machine when I wanted it," said Allan, whose company is based at Hornsby, in Sydney's northern suburbs.

"We would have a need for an excavator on a weekly basis - but I could never get one when I needed it.

"And in our business, customer service is

Komatsu excavator helps plumber improve customer service

very important. If someone has a sewer pipe that needs digging up, or a burst stormwater, they want it fixed in a hurry.

"I decided having my own machine was the only way to go."

In addition to being able to increase his level of customer service, Allan believes the machine will certainly pay for itself over the next few years.

I won't have to pay out on hiring machines in, plus it's allowing me to do jobs for a lower price," he said.

"Instead of digging out a trench by hand, which is getting very expensive, and which might take half a day, I can bring in the excavator and do it in half an hour.

"With it being only 1 metre wide, we can easily get into sites with narrow access.

And because I own the machine, it's worth bringing in for smaller jobs.

"Not only will that save me money, but it will also let me bid on jobs for a lower

price," he said.

Allan purchased his new Komatsu excavator after receiving a brochure from NS Komatsu in the mail.

"Because I was on the lookout for a mini excavator, when the brochure arrived, I was very interested. I asked around a few other owners, and they all told me Komatsu excavators were the best on the market.

"So I rang up NS Komatsu, there was someone to talk to immediately, and the next afternoon, I had a demo unit.

"The price was right, they were responsive, and the machine came highly recommended - so I bought it without even shopping around."

Since purchasing the PC12-8, it has received good acceptance among Allan's operators.

"I've got three who are now trained up to operate it, and we're training the others.

"They all find it easy to operate - plus it's making their job a lot easier," he said.

NS Komatsu develops coal dozer variant of D475A-3



D475A-3 working on site at Gladstone Port Authority's Coal handling facility.

Over the past 18 months, NS Komatsu has developed a coal dozer variant of Komatsu's D475A-3 dozer.

Since developing its D475A-3 Coal Dozer, NS Komatsu has sold four units, with the latest going to the Gladstone Port Authority's coal handling facility at Gladstone on the central Queensland coast.

The other three have been sold to Capricorn Coal in central Queensland.

In addition to a substantially larger blade - 65.6 m³ capacity, compared with the conventional D475A-3's 25.6 m³ semi-U blade - the Coal Dozer variant features a significant number of other changes.

A number of these relate to the highly corrosive nature of coal, which forms sulphuric acid when wet, as well as the very dirty and dusty environment the dozer has to work in. These include:

- substantially larger capacity blade, with stainless steel liners, to inhibit corrosion
- additional cabin pressuriser and filtration to the integrated air conditioning system
- open "grill type" belly plate to prevent coal dust collecting under the engine yet still providing protection to the engine and power

train components and stopping pick up of coal dust by the engine cooling fan

- track frame skirts to prevent coal dust and grit packing in the track chains and frame
- solid engine covers to prevent coal getting into the engine compartment
- additional high-power lighting; when working at night, the dark mass of coal makes it very hard to see contours and the working area
- roof deflectors, for when the machine is working under discharge conveyors
- specially tailored counterweight to take the place of the ripper in a conventional dozer; the weight of this had to be calculated carefully to ensure the "balance" of the dozer was maintained.
- specially protected and sealed wiring harnesses and electrical connectors
- special lubricant and corrosion protection for the track chains and shoe mounting.

To win the order, NS Komatsu had to provide a trial machine, specced up for the application, for six weeks.

All other coal dozers on the stockpile are of another brand.

This sale by NS Komatsu represented the first alternative dozer sale into the Gladstone Port

Authority's main stockpile.

According to Peter Ibbotson, the Gladstone Port Authority's earthworks and training foreman on the stockpile, since being delivered in January 2001, the machine has performed well in its first 500 hours.

"It's early days yet, but I haven't heard too many complaints from the operators," he said. "So far it's performed all right, although it's still in the development phase and we are still experimenting with the right counterweight set up."

Ibbotson said the authority opted for the Komatsu D475A-3 Coal Dozer based on its performance during the trial, and the cost reductions it offered.

"During the trial, the performance of the machine was very impressive.

"In addition, NS Komatsu was able to provide it at a good price, and we anticipate it will deliver reduced operating costs, plus we believe we will achieve excellent track life with the conventional-design tracks," he said. "We base that on our experience with an old D455A at our Barney Point terminal. It's been there for 18 years, and we've never yet had to put new track gear on it."



First WF550T landfill unit is "a marvellous machine"

A new Komatsu WF550T landfill compactor - the first in Australia - is living up to all the expectations of its owner since delivery to a landfill site in South Australia in early January 2001.

The compactor is owned by Cleanaway, which operates the Southern Region Waste Disposal Depot at Pedlar Creek, south of Adelaide, on behalf of three councils; City of Onkaparinga, City of Marion and City of Holdfast Bay. Cleanaway has operated the Pedlar Creek facility for the past 10 years, and has recently been awarded another 10 year contract. The facility is in the middle of the McLaren Vale wine growing area, which means stringent environmental standards apply.

According to Colin McArdle, Cleanaway's South Australian Landfill Manager, the WF550T processes all general and putrescible waste at the facility, as well as some construction and demolition waste.

"We've only had the machine a few months, but so far its lived up to all our expectations - and we had very high expectations of it," said Colin. "It's a marvellous machine.

"Basically, it will compact whatever it runs over. The design of the wheels gives us a greater surface compaction area than we were used to with our previous machine - so we are getting considerably higher levels of compaction that we were.

"Its high rim pull and versatility are good features; we have to cover waste every night, so this is very important to us.

"And on top of all this, the operators really like it. It's a very comfortable machine, and easy to operate."

Cleanaway's WF550T is essentially a stock standard machine, fitted with factory compaction wheels, standard dozer blade and reversing self-purging fan. About the only

extra is an auto grease lube system.

In deciding on the Komatsu compactor, Cleanaway went through a detailed evaluation procedure.

"We compared it very closely with other makes of compactors, and also took into account the reliability and support we were getting with our other Komatsu equipment," said Colin.

"The structure of the machine was an important consideration for us. The WF550T is not simply a modified wheel loader - it's been considerably redesigned for compactor applications.

"For example, the rear differential trunnions are purpose-built for landfill, which means we should get more life out of them.

"The compactor wheels are also a very good design. This style is ideal for easy rebuilds and adding wear plates - plus it gives very good compaction," he said.

NS Komatsu opens new branch at Wollongong

NS Komatsu has opened a new branch at Wollongong, servicing the south coast of NSW.

The new branch, which opened on April 1, 2001, is on the corner of Doyle Avenue and Orange Grove Avenue, Unanderra, an industrial suburb of Wollongong.

Supervisor of the new branch is Tim Callaghan.

"We have a lot of major customers down here: CSR Readymix, Rail Services Australia's

Bombo Quarry, Cleary Bros, as well as smaller contractors such as Cato Constructions.

"Opening a branch in Wollongong will help us offer them an even better service," said Tim.

The new branch incorporates a 330 m² parts and service facility, a 6 tonne gantry crane, and about 100 m² of office space.

Three field fitters are based out of the branch:

- Tony Gray, who has been resident in Wollongong for some years.

- Brett Henderson, who has moved down from NS Komatsu's Fairfield offices.

- Craig Brindle, who will be resident in Nowra.

Parts and service administration is being carried out by Phill McIndoe.

NS Komatsu sales reps covering the area include Peter Calder, Terry Chessor and Charles Wheeldon.

Phone number for the new branch is (02) 4272 1877, e-mail tcallaghan@nskomatsu.com.au.

NS Komatsu supports anti-drug motocross riders



Alex McLeod, Race Against Drugs stunt rider & founder

NS Komatsu's southern region has thrown its support behind a group of young motocross stunt riders who preach a strong anti-drugs message to school kids.

RAD (Race Against Drugs) Riders was started by Alex McLeod, one of Australia's leading motocross racers and stunt riders, about five years ago.

While teaching kids how to ride motocross bikes in Queensland, Alex met up with a 12 year old boy whose mother had died from a drug overdose.

"That was where Race Against Drugs got started. Because of what I was doing in terms of stunts and racing, I found kids listened to what I was saying," said Alex.

"I'm trying to lead by example, to show kids they don't need to do drugs. They can achieve their dreams if they put their minds to it.

"Sure, it will be tough, but it's all worth it when they get there."

Alex and his team of three other riders puts the message across by visiting schools around Australia - he'll get to around 100 this year - and other events, putting on a daring motocross stunt shows, with the bikes leaping across cars, trucks, earthmoving equipment and other obstacles.

Included in those 100 schools will be 15 schools for troubled kids, including schools where the children have been in jail, or in serious trouble with the law.

In addition to school visits, RAD Riders also puts on free shows for non-profit organisations.

This year, in addition to performing stunts, the RAD Riders team will also start racing, participating in Australia's national motocross competition.

Upcoming events include one at the Melbourne Tennis Centre in May, and at the Sydney Entertainment Centre and Brisbane Entertainment Centre in June.

His primary sponsor is Ford Australia, with NS Komatsu providing sponsorship in the form of constructing earth jump ramps for the bikes to perform on.

"Sponsorship is the major element in the success of the RAD Riders concept," said Alex.

"There's about eight top motocross riders in Australia, and I've worked with all of them. But eventually someone's made them a better offer.

"Now with this corporate sponsorship from Ford, I'll have a better chance of keeping this team together, and we'll be able to get our message out to more schools and communities.

"Full credit also needs to go to NS Komatsu for their support. I approached Andrew Lambing [southern region sales manager] about building an affiliation and the only reason he supported us was because of our anti-drugs message."

You can check out the RAD Riders website at www.radriders.com, or get in contact with Alex McLeod via e-mail at alex@radriders.com.

NS Komatsu has successful show at Victoria's ACE



NS Komatsu's stand at the recent ACE construction expo in Melbourne's northern suburbs turned into a highly successful event, despite the show having to be closed on the first day due to a major rain storm the night before.

With the site turned into a quagmire on the Friday, the three-day expo was reduced to a two-day event over the weekend.

"Despite this, it was a worthwhile couple of days for us," said NS Komatsu's southern region sales manager, Andrew Lambing.

"We had very good crowds on the Saturday in particular, covering all our key market segments - particularly the utility market.

"Visitors to our stand included plumbers, builders and owner-operators, as well as general construction contractors.

"In total, we would have picked up over a hundred good leads from the show.

"We also attracted lots of attention with Alex McLeod, from RAD Riders carrying out some spectacular stunts around the stand with his motocross bike," said Andrew.

Buy a Komatsu excavator - and you could win big prizes

In the next couple of months, NS Komatsu is looking forward to achieving some significant milestones in excavator sales in Australia - the 1500th Dash 6 machine, and the 4000th Komatsu excavator.

The buyer of Australia's 1500th Dash 6 excavator - the most popular line of excavators sold in Australia over the past 10 years - will win a luxury trip for two to the Melbourne Cup in November, including travel expenses and accommodation in a top Melbourne hotel.

And the lucky buyer of the 4000th Komatsu excavator ever sold in Australia will win an even bigger prize - a trip for one to Japan, including a visit to Komatsu Ltd's world head-

quarters and our excavator factory, plus an opportunity to do some sightseeing.

"Selling these numbers of excavators is a major achievement for NS Komatsu," said Craig Hahnel, NS Komatsu's product manager for excavators.

"When you consider that Komatsu excavators only appeared in Australia in the early 1980s - less than 20 years ago - and we have since outsold most other makes on the market, that's a reflection of the quality of the product and the skills and strength of the Komatsu distribution operation in Australia.

"On top of that, achieving sales of 1500 Dash 6 excavators reflects the quality, reliability and reputation this line of excavators has



built up over the past decade," he said.

For more information on how you could be a lucky buyer of a Komatsu excavator, contact your local NS Komatsu excavator sales representative.

NS Komatsu supplies 13 rollers to Boral Asphalt



One of the Ingersoll-Rand DD70 rollers to be delivered to Boral Asphalt was on display at the NSW CivEnEx show in Sydney in late February. Show with the machine are, from left, Jim Harris, Ingersoll-Rand; David Young, Boral Asphalt general manager; Ian Olivieri, NS Komatsu's managing director; and Dave Stuart, NS Komatsu's central region utility sales manager.

NS Komatsu has just signed a deal with Boral Asphalt in NSW for the supply and on-going maintenance of 13 Ingersoll-Rand asphalt rollers.

The 13 rollers - a mix of tandem and multi-tyre machines - completely replace

Boral Asphalt's existing metropolitan NSW fleet.

According to David Young, Boral Asphalt's general manager, the supply agreement offers a number of advantages for the company.

"To begin with, we'll have a substantially upgraded roller fleet.

"Our existing fleet has an average age of 15 years, and with these new rollers, we'll overcome a number of safety issues, as well as achieving increased productivity and reliability," he said.

"In terms of safety improvements, these new rollers have ergonomically designed seats with the ability to swivel for forward/reverse travel, so there is less strain on operators' backs and necks; they provide improved visibility; and all have failsafe braking systems." A number of modifications to the rollers to suit Boral Asphalt's requirements will be carried out by NS Komatsu prior to delivery. David Young said the new Ingersoll-Rand fleet would allow Boral Asphalt to increase productivity through improved compaction and fewer breakdowns.

"We've contracted for NS Komatsu to provide a complete support package for us: training, all maintenance, support and parts backup, through its state-wide service network," he said.

"We chose NS Komatsu because of its ability

to supply the type of equipment that best suits our needs, combined with its network of service and support outlets throughout NSW to meet all maintenance and service needs.

"We feel very confident that these requirements will be achieved by NS Komatsu, and deliver the productivity and performance improvements we are after," said David Young.

Dave Stuart, NS Komatsu's central region utility sales manager, said the supply and maintenance agreement was a significant development for the company.

"We believe we will see a lot more of these arrangements in the future," he said.

"NS Komatsu has been providing equipment supply and maintenance agreements to the mining industry for many years, and this is an extension of the concept to the construction sector.

"Our nationwide network of service facilities - both in state capitals and regional areas - makes us ideally suited to these types of arrangements," said Stuart.

Machines supplied to Boral Asphalt include four DD70 (6.7 tonne) tandem rollers, one DD30 (3.15 tonne) tandem, two DD14 (1.4 tonne) tandems, five PT125R (4 tonne) multi-tyre rollers plus a 3 tonne multi-tyre.

Delivery is scheduled to take place during May and June 2001.

NS Komatsu does business at CivEnEx



February's CivEnEx show in Sydney proved highly worthwhile for NS Komatsu, with a good mix of customers - representing private sector contractors, local government, quarries and owner-operators. With the largest stand at the show, NS Komatsu displayed a wide range of its products and services.

Equipment on display covered wheel loaders, including its new Active Plus range of fuel-efficient machines; Dash-6 excavators, including the new Thoroughbred line; plus a range of utility equipment such as mini excavators, small wheel loaders, backhoe/loaders, compressors and Ingersoll-Rand rollers.

A highlight of the three-day event was the NS Komatsu Sports Night, where more than 750 customers and guests enjoyed the company's hospitality, listened to sporting anecdotes - and raised around \$6000 for charity.

"This year's display, which we put a lot of effort into, certainly paid off for us," said Ian MacCowan, NS Komatsu's central region general manager.

"We had a lot of interest in our products and support services from the wide variety of customers we had through the stand during the three days," he said.



Komatsu Colouring-in Competition Rules

1. Contest of skill. This is a contest of skill. Winners will be selected based on judges selection of colour, neatness, originality, creativity and accuracy of Komatsu dump truck likeness. In the event of a tie score for a prize, the entry with the highest point score for Komatsu dump truck likeness will win.

Winners will be notified by telephone and in writing by email by 13 July 2001. The winner will be published in Down To Earth in August 2001.

2. Competition Period. The competition runs from 30 April 2001, until 29 June 2001. All entries must be post-marked on or before 29 June 2001.

3. Eligibility. Any child is eligible for entry. Only one entry per child. Offer open to Australian and New Zealand residents only, however children under 12 must have parental permission. Entries that do not comply with these official rules will not be eligible to win a prize.

4. Entering the competition. Entrants must colour in the Komatsu dump truck activity sheet included on the back page of this edition of Down To Earth. Fill out the entry form and send coloured activity sheet to: Attn: Editor, Down To Earth, NS Komatsu Pty Ltd, PO Box 66, Fairfield, NSW, 2165. Entries will not be returned. Entries must be received on or before 29 June 2001 to be eligible to win a prize.

5. Prizes.

a) First prize. A model of the dump truck featured in colouring competition valued at \$180.00

b) Two runner-up prizes. Child's Komatsu t-shirt.

Odds of winning any prize depend of the skill of the entrants and the number of entries received. All prizes will be awarded. Prizes are not transferable. No substitutions (including for cash) are permitted. All prizes won by minors will be awarded to their parents or legal guardians on their behalf.

6. Miscellaneous. Entrants agree to be bound by these official rules and by the decisions of Komatsu colouring competition judging panel.

7. Release. By entering the competition, you (and, if you are a minor, your parents or legal guardians) release NS Komatsu Pty Ltd and agree to hold harmless its parent, subsidiaries and affiliates, and each of their directors, employees, and agencies from any liability whatsoever for any claims, costs, injuries, losses or damages or any kind arising out of or in connection with a) entering the competition, b) acceptance of any prize or c) otherwise arising out of or related to the competition.

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NS Komatsu Sports Night raises \$6000 for charity



Around 750 people attended the NS Komatsu Sports Night charity fundraiser on the Friday night of Sydney's CivEnEx Show (formerly Engineers Field Days), this year held at Warwick Farm near Liverpool.

During the evening, various items of sporting memorabilia were auctioned

off - raising a total of \$6000 for NSW's CareFlight Venture, a fundraising motor rally to raise money for the NRMA CareFlight helicopter rescue service.

The non-profit CareFlight organisation is a registered charity and is recognised as one of the world's most advanced and medically proficient rapid-response emergency helicopter and medical retrieval services.

Steve Jones, NS Komatsu's central

region sales manager, said the Sports Nights were a great way for the company to give something back to the community - and promote its products and services, and entertain customers.

"The NRMA CareFlight operation provides an absolutely vital service to the people of NSW, both in the Sydney metropolitan area and regional areas. It's something we are extremely proud to support," he said.

NS Komatsu's Ian MacCowan has a rough trip to Hobart



Ian MacCowan, NS Komatsu's central region General Manager (5th from left) en route to Hobart.

NS Komatsu's central region general manager Ian MacCowan had the trip of a lifetime over the summer break, when he crewed on Komatsu Blue Lady for the Sydney-Hobart Yacht race.

The famous race, which starts in Sydney on Boxing Day, ends in Hobart several days later (depending on the winds and boat speed).

For Ian and the rest of the crew, it was well into New Year's Day, after being becalmed off Hobart for 24 hours.

Eight people were on the yacht - four experienced sailors and four novices, one of whom was Ian.

"I found the race quite challenging," he said. "The start was extremely exciting, being around all the other boats, followed by tacking out towards Sydney Heads.

"The run down the coast with the spinnaker up was terrific - but then was followed by the next four days battling through 40-50 knot head winds and 4-5 m swells.

"I have to say there were a few times when I wondered why I was doing this..."

Throughout the trip, crew members were on three-hour on/three-hour off shifts, with everyone expected to pull their weight.

"It was a working boat, and everyone had their jobs to do," said Ian.

The slog through the heavy seas turned to frustration when Komatsu Blue Lady was becalmed around Tasman Island and Storm Bay, at the entrance to Hobart.

"We sat out there, watching the fireworks in Hobart going off for New Year. However, when we crossed the finish line on New

Year's Day, and got cheered into Constitution Dock by the other racers and spectators, it was just one of those memorable moments," said Ian.

In this year's race, Komatsu Blue Lady came 30th on handicap, out of a fleet of 82, and 5th in her class. In the 1998 Sydney-Hobart, during the massive storm, she finished the race, coming 4th in her class and 16th overall.

Komatsu Blue Lady is operated by Getaway Sailing Adventures, which offers sail training, both on Sydney Harbour and other centres and on the ocean for novices and more experienced sailors.

The yacht is sponsored by NS Komatsu.

Getaway Sailing Adventures owners', Shane Kearns and Jacqui Begbie, have been offering Australian Yachting Federation accredited sailing courses for the past three years.

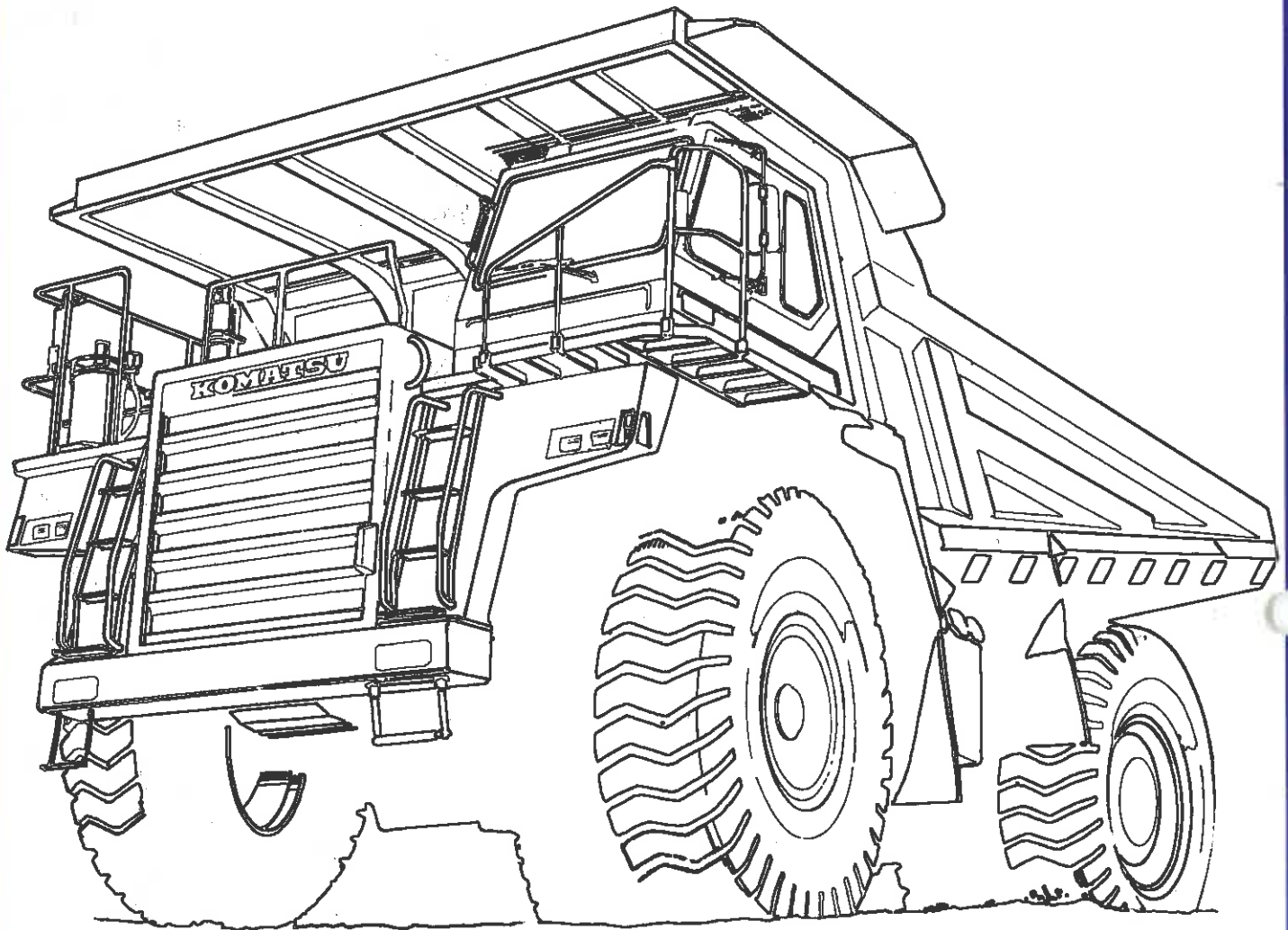
Formerly in the Australian Army, Shane got to know Komatsu people when the Army took delivery of a large contingent of Komatsu scrapers and dozers in the mid 1980s.

"Since then, we've built up a strong relationship, resulting in NS Komatsu's sponsorship of the yacht," said Shane.

"Although this is the first time I've taken someone from NS Komatsu on the Sydney-Hobart, we often take Komatsu customers and employees out on the harbour for an afternoon's sailing."

Getaway Sailing Adventures can be contacted at shane@getaway-sailing.com if you would like to be added to its growing email list of upcoming courses and sailing opportunities, or visit the website at www.getaway-sailing.com.

KOMATSU DUMP TRUCK colouring-in competition



Child's Name _____

Parent/Guardian Name _____

Address _____ **Postcode** _____

Email Address _____ **Telephone** _____

Parent/Guardian Signature _____

**PLEASE READ COMPETITION RULES ON PAGE 12 AND SIGN PRIOR TO POSTING.
ALL ENTRIES MUST BE POST-MARKED ON OR BEFORE JUNE 29 2001**