Komatsu Customer Service Excellence
Komatsu Tailor Made Finance
Release 8 Tonne Mini Excavator
Komatsu Australia has begun an important new phase in its long term plan for enhanced Customer Support. The appointment of seasoned customer support expert Scott Grant to the management team is a clear indication of the direction taken by Komatsu Australia.

On top of this extensive activity, Komatsu has expanded its product line up with a number of new models now available. Even though credit availability has now become an issue within the industry, through our affiliate company Komatsu Australia Corporate Finance (KACF), Komatsu is well placed to assist customers in securing the necessary credit to finalise the purchase of Komatsu product.

The latest financial results of Komatsu Australia suggest the business is in good shape with a strong presence assured in the Australian and New Zealand markets. Although some players in the market are struggling, we here at KAL would be delighted to work with you on your next project.

Bill Pike, President
Komatsu Australia Pty Ltd
BUILDING A CUSTOMER SERVICE CENTRE OF EXCELLENCE

Komatsu Australia has opened a customer service centre of excellence, based at its Fairfield premises, which will become the cornerstone of its product support and customer support operations.

Currently we have a lot of things we can offer in terms of customer service, but we recognise that they are not all as well-integrated as they should be. We are looking to get a lot more synergy across all our customer service operations rather than having them all operating vertically, we want to get them working together.

“Our aim is to create a better and more importantly, more consistent level of customer service experiences. This is part of further building up and developing the Komatsu brand,” he said. “Our aim is to build these levels of commitment up right across the company, and really get some momentum behind the Komatsu brand.”

“We want to leverage what our best people know, deliver that to everyone throughout the company, identify our strengths and our weaknesses and keep developing the business. We want to leverage what our best people know, deliver that to everyone throughout the company, identify our strengths and our weaknesses and keep developing the business.”

“Komatsu rolled out its new customer service centre of excellence at the end of March, and from this point on, plans to extend it incrementally,” said Scott. “For us, it will be a never-ending journey to meet and exceed our customers’ expectations.”

Our aim with this centre is to leverage what our best people know, deliver that to everyone throughout the company, identify our strengths and weaknesses, and then roll out that expertise and commitment to customer service to everyone throughout Komatsu Australia, and from there to our customers.

“We are consolidating our customer service offerings, capturing the know-how, preserving the intellectual property so we can deliver a consistent and ever improving service to our customers.”

“This new centre will be the central point for all our customer service operations, from parts through to repairing and maintaining Komatsu equipment,” Scott said. “We have some great people, some really experienced and passionate people that go all-out for the customer. Our aim with this centre is to leverage the best of our people in support and service roles, and then roll out that expertise and commitment to customer service to everyone throughout Komatsu Australia, and from there to our customers.”

“We are doing things differently than our competitors, we are providing more data for our customers to make informed decisions, and we are providing a more integrated service to our customers.”

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He said that Komatsu was able to offer some key points of differentiation that separated it from its competitors in the market. These included:

- Technical support, with equipment and engineering specialists in Australia who had direct links back to Komatsu factories and design centres around the world.
- Komatsu Condition Monitoring Service, with its ability to accurately monitor and report on a whole host of machine component and parts condition.
- Integrated technologies, such as R&M care, VHMS and KOMTRAX, Komatsu’s remote monitoring system.
- “Today, we can provide our customers with near-total visibility of the working characteristics of their equipment, and we can use that to improve the quality of what we offer our customers,” Scott said.
- “We understand equipment and components better than anyone else in the industry – and because we understand it better, we can maintain it better, we can help our customers operate it better, and we can lower their overall costs.”
- “We have a whole new range of technologies now available to us - and our customers - that were not previously available to us, or in fact the industry as a whole, which dramatically increases the visibility of the Komatsu equipment internals.”
- “Our aim is to develop a ‘Komatsu touch’: something that we do better than anyone else,” Scott said.
- “We all recognise that things do go wrong with equipment on occasion, but we are looking at systems and processes that will minimize the risk and improve our speed and accuracy of response.”
- “The true test of what we achieve will be our customers’ experience in their day of need,” he said.
- Komatsu Australia’s new Customer Service Centre of Excellence follows the introduction of its Customer Support Charter (as outlined in Edition 50 of Down To Earth) in October last year.

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“We have a lot of jobs in remote areas and usually have strict deadlines for them to be completed by, so good backup service is extremely important to us,” said Martin.

“I have worked on pipelines in remote Queensland with Komatsu machines in the past and was very impressed by this service. Keep up the great product!”

The final word comes from one of Pipe and Civil’s operators, Nicky Murphy, who operates a PC450LC-8 and is currently working on the Sugarloaf project. Victoria’s Sugarloaf project is a $750 million, 70km pipeline with associated infrastructure to link the Goulburn River near Yea to the Sugarloaf Reservoir in Melbourne’s northeast. According to director Brenton Euster, Pipe and Civil opted to use its Komatsu equipment on this time-critical project to minimise downtime.

“We went with Komatsu over other brands because of a number of different reasons,” he said. “Firstly from a cost point of view, the Komatsu excavators were considerably cheaper to run per hour than other brands we were considering. Also, Komatsu machines hold their value better than any other make we looked at – all combining to bring down the long-term holding costs of these machines,” said Brenton.

In terms of product support for the company’s equipment away from its home base, Komatsu has been very good to deal with, according to Martin Noonan - Pipe and Civil.

“Komatsu has been great to deal with when it comes to service down in Melbourne,” he said.

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“The Komatsu is a fine machine. It is very quick and easy to operate, has plenty of digging power and has been very reliable so far.”

“Find the cab is quite comfortable and quiet, the tracks are very smooth and all the pins and bushes haven’t any movement at all,” said Nicky.
Moorevale Earthmoving, based in the central Queensland coal region west of Mackay, has recently converted its fleet of articulated dump trucks to Komatsu HM300-2s due to operator preference, lower hourly running costs and increased reliability.

Most of its works are at the Vale-owned Carborough Downs Mine, but it also carries out works at Vale’s Brodies mine, and Macarthur Coal’s Moorvale and Coppabella mines. Included in the company’s equipment fleet are four HM300-2 ADTs, a PC300-7 excavator, a PC200-8 excavator and a WA900-1 batter, along with other brands of dozers, graders, excavators, water carts and compactors. It also has additional Komatsu dump trucks and excavators on hire on its projects.

Aaron said that Moorevale Earthmoving has been running Komatsu equipment for about three years, following its purchase of the Komatsu backhoe — a machine it bought used.

“While it wasn’t a high use sort of machine, we found it to be pretty well liked by our operators,” he said.

“Then we hired a couple of Komatsu articulated dump trucks for a while and the operators quite liked them and they were pretty competitively priced, reliable trucks.”

“We’ve now got four HM300s — two we bought in March last year, and two more just before Christmas, plus the FC300 which was also late last year, and the FC200 that we have just picked up.”

“The trucks are doing our civil works on these contracts and carrying material as well as doing rejects works in some of the mines and drain planning jobs.

“We’ve found their performance has been excellent,” said Aaron.

“We had another brand of trucks here, but we got rid of them and went all Komatsu.”

“Our operators really love the Komatsu trucks and the running costs per hour are better.”

“They are lowest capital cost machines, the reliability is pretty good, and we believe they have a better brake system, with Komatsu’s fully sealed wet disk brakes,” he said.

“Huon has been using Komatsu excavators for about the past six years, when it assisted a subcontractor in purchasing a PC220-7 and then subsequently bought it from him when he retired.

“Certainly with the three machines we have, we haven’t been let down. We’ve been very happy with their reliability.

“They do all we ask of them, and the operators really like them.”

“The support we got from Komatsu has been very good. Paul Brownlie has been a very good representative for the company since his came on the scene,” said Pat.

“And we are now converting him into a Brumbies supporter!” added Martin.
According to managing director Pat Hallinan, two big issues confronting the quarrying and construction materials sector include availability of resources close to key markets, and the forthcoming introduction of some form of carbon trading or carbon tax system.

Sydney-based Hi-Quality Group, which operates quarrying, waste management & resource recovery facilities in NSW & Victoria, is taking head-on some of the challenges it sees facing its industry sector over the next few years.

“Hi-Quality’s resources include more than 80 million tonnes of material throughout NSW and Victoria — with over 40 million tonnes of approved sand and sandstone quarry materials available to the construction market within the Sydney Basin.

“The proximity and reserves of these sites also have the potential to provide future resources for the waste industry, with increasing demand on landfills and growing populations in these cities,” he said.

As well as its quarrying operations, Hi-Quality operates within the waste management industry, with several approved landfills operations across NSW and Victoria. It also operates recycling operations in both states, processing building and demolition wastes & other waste-derived materials. Products supplied by the company to customers in NSW and Victoria include both naturally quarried materials and a full range of recycled products, as well as soils, gravels, aggregates and sandbase materials.

In Sydney, Hi-Quality is affiliated with Bradown Pty Ltd and between them, the two companies own and operate more than 120 items of heavy mobile plant and equipment.

Hi-Quality’s latest WA470-6 loaders replace a fleet of WA470-3 loaders purchased new around 10 years ago, and which have now logged up to 20,000 hours.

“We’ve had an excellent performance from those machines, they’ve been very reliable and the operators have liked them, plus we’ve had excellent service and support from Komatsu over the years,” said Pat.

“We tend to buy a mix of new and low-hour quality used equipment, and we get good advice from Chris Tweedie in used equipment on what best suits our needs, and which led to the sale of new equipment, assisted by Kees Valkens, Komatsu’s sales representative for this area.

“The support we get from them on the sales side, plus from the Komatsu Finance people — who we’ve used for 10 years now — have really helped us develop and grow the business over the past seven or eight years,” he said.

“They understand where we are coming from, they have an understanding of where the business is and the footprint that our business has got in the industry.” For Pat, an important feature of the new wheel loaders is the fitted KOMTRAX remote monitoring system.

“We’ve had satellite tracking on our road trucks for about four years now, & we’ve found it’s been a good tool to develop our businesses.”

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“Now with KOMTRAX on the loaders, it will give us benefits such as which loaders are doing what job, their performance and the sorts of fuel savings we are getting”.

“And if we see some operators using more fuel, or taking longer to perform certain tasks, then we’ll be able to see that perhaps an operator might need more training.

“It will let us gauge the performance of the drivers — and also let them gauge their own performance compared with others; if they want to develop in the company, we can tell them ‘this is the best way to drive this machine and this is the way to operate so you save fuel’ — because doing all those things will save money,” said Pat.

“It’s important that everyone works together to get the benefit out of the business, so it will be great to know that of the six drivers out there driving the loaders, three could be very good, and perhaps the others need additional training.”

In addition to the six new WA470-6 loaders, Hi-Quality purchased a low-hr D375A-5 dumper for ripping virgin rock and pushing blasted rock in its four Sydney sandstone quarries.

According to Pat, the D375A-5, which has been on site since the beginning of January 2009, is proving nearly as productive as a D475A-3 the company previously had in on hire.

“We brought this machine in because we’ve got a lot of ripping to do, we’d been getting a bit behind with our rock, and needed to boost production.

“In terms of fuel consumption, we’re averaging about 450 litres/day, working 10-11 hours a day, which is very good. In comparison with other makes of dumper this size, it’s heaps better.

“It’s also definitely better at ripping, because the ripper is further out from the back of the tractor, combined with the very slow track speed, giving us very good production and performance,” he said.
A family-owned alluvial aggregates extraction operation and concrete plant based in Southland has been buying Komatsu equipment since the mid-1980s, and is “fanatical” about the quality, performance and reliability of the product.

Its excavators are used for aggregate extraction from the river operation, while its loaders carry out loading, material handling and stockpile work around the concrete plant and material handling and stockpile work around the concrete plant and crushing and screening operation.

Wreys Bush Concrete bought its first Komatsu machine, a PC120-3 excavator, in about 1985, and has been buying Komatsu ever since, according to Grant McGregor, General operations manager, and son of Don McGregor.

“The service we get from Komatsu is also very good. It’s really come of age in the past couple of years, and the operation in Invercargill has really mixed with the region to provide good year-round levels of support for us.”

Wreys Bush Concrete operates throughout Central, Western Southland and Fiordland, supplying ready-mix concrete, aggregates & other alluvial products throughout the region. Concrete products range from large orders of ready-mix concrete through to patterned and textured concretes, as well as special mixes to customer specifications, while its aggregates include many different types and grades of screened and crushed product.

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John Magee, Perth-with the first PC30MR-3 mini excavator in Australia.
AWARD-WINNING CANBERRA CONCRETE SUPPLIER GOES FOR KOMATSU

Elvin Group Pty Ltd, concrete pre-mix supplier in the ACT, has recently taken delivery of a WA200PT-6 wheel loader for handling and mixing materials at its Mitchell Concrete Batch Plant.

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“Currently we have chattel mortgage finance on our machines,” said Vicki. “Moving to Ballina has been a fantastic experience for us, it’s nice and relaxing, with a laid back lifestyle,” said Vicki. “Our two children Toby and Molly were born here and we’ve set up a business. In terms of running the business, Simon looks after the machines and Vicki answers all enquiries and does the book work. In this, they are assisted by Toby who just loves to be around the machines, his favourite being the PC18, which he calls “My Baby Digger”. “Molly is not far behind, following Toby in climbing all over the machines and getting all excited when they see them,” said Vicki. “It has been a great family business for us, with Simon on site while I do all the organising of machinery, hire contracts and servicing – with Molly constantly around my feet in the office!” Toby is more than happy to help his Dad with the diggers on Saturday mornings and helping with the organising of machinery, hire contracts and servicing – with Molly constantly around my feet in the office.”

“SAFETY /> PERFORMANCE”

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“When we first looked at this machine, we were so impressed with it that it pretty much sold itself,” she said. “We followed it up two months later with another new PC56MR-2.”

“We’ve since bought a third PC56MR-2, and also a PC120-7 which we bought through Ron, which had previously been owned by another local contractor. This machine had been very well maintained and is in very good condition”. “All of our machines are in constant demand, & we have found with the reliability of Komatsu - we hardly have any mechanical problems,” said Vicki.

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Anard operates through his own company, Shorts Plant Hire, which he has run for the past 12-13 years, providing services throughout the Brisbane metropolitan area. Most of his work is on housing development projects, installing and upgrading stormwater, sewerage and water mains pipes for drainage contractors, councils and councils. His WB97R-2 is fitted an extending dipper, 4:1 bucket and pallet forks.

“I bought it from Komatsu in 2004 as a low-hour used machine with about 4000 hours on it; today it has around 9500 hours,” said Anard.

“It’s been a pretty good machine, very reliable. I had another make of backhoe before this one, and when I was offered the Komatsu I took it.

“Its performance is very good, it digs well, and when the time comes for me to buy another backhoe, it will certainly be a Komatsu,” he said.

“Still a very tight machine, with no oil leaks, and all the bucket and backhoe links very firm and clean.

“I think I will stick with this machine for a few more years yet; it’s got a lot more life left in it, especially if I keep operating it myself and looking after it,” Anard said.

“9500-hour backhoe keeps earning for Brisbane owner-operator”

Brisbane-based owner operator Anard Kamur finds his Komatsu WB97R-2 backhoe, which he purchased used in 2004, is still performing reliably and productively despite getting close to 10,000 hours on the clock, and will keep him going for a few more years yet.

“Since we got the dozer in January, it’s put in a great performance and has been very reliable.”

Brian, who’d been a fan of the Komatsu product for many years – owning almost exclusively Komatsu from when he started in business in 1972 until the mid 1980s – shifted to another brand after issues with the previous New Zealand distributor.

“However, I’ve always really liked Komatsu machines, and now with the new Komatsu NZ operation, and its completely different attitude to service and support, I’ve started buying Komatsu again,” he said.

“Dave and Lois Gibson from Gibson Equipment Repairs – our local Komatsu Service Partner – have played a significant part in restoring our confidence in the product support of the Komatsu product.

“Their team should be commended for their commitment to the Komatsu product,” said Brian.

“We bought the D65E-15 in early 2008, and it’s put in a great performance. We’re replacing a couple of our excavators next year (2009) and we’ll be buying Komatsu now there is a great support network in place.

“Since we got the dozer in January, it’s put in a great performance and has been very reliable,” he said.

“By the end of the year, it’ll be up to around 1900 hours.

“The operator who’s on it – we’ve had the one guy on it since we bought it – he loves it; he finds its quiet, very easy to operate and good to service.”

“When the time comes for me to buy another backhoe, it will certainly be a Komatsu.”

ANARD KAMUR

NELSON-BASED BRIAN STANAWAY ROADING RETURNS TO KOMATSU

Nelson-based forest road contracting contractor Brian Stanaway purchased his first Komatsu machine in 20 years, a D85EX-15 fitted with U-blade and rippers in January 2008 for work in steep forest country around the Nelson region.

Incidentally, Guy Gaddan, Brian’s operations manager, and who was very proactive in setting up all the company’s OH&S procedures has remained with the Rotorua/Bay of Plenty operation – since renamed SEGAR – and now owned and operated by Derek and Janie Masey.

“While we were expanding our Nelson operations, working for Nelson Forests Ltd and other forest owners,” said Brian.

“We like the challenges of working in high country forest roadbuilding – which is almost 100% of our work, plus just a bit of farm development work.”

In addition to his Komatsu D85EX-15, Brian operates two other dozers, plus around 10 excavators, ranging from 12 to 30 tonnes. This includes a wheeled excavator which he plans to replace with a Komatsu.

The D85 is being used in an area of forest that was previously logged 28 years ago, building new and upgrading existing skid sites, together with associated forest road rebuilding in preparation for harvesting.

“Since we got the dozer in January, it’s put in a great performance and has been very reliable,” he said.

“For our sort of work, we prefer the conventional dozer drive; there’s less wear in the tracks; and the stability is great, it’s top.”

In terms of support from Komatsu NZ, Brian said he has found his local rep Ian Gardner to be very good.

“Ian is very approachable and helpful, always keeping his integrity and delivering what he promises, he’s a great guy. He’s helped us with the financing, and looked after all that for me,” he said.

“We financed the dozer through Komatsu Australia Corporate Finance (KACF), and Mike Gray at KACF gave us a great interest rate, and showed he really understands our business. We were able to do the whole deal over the phone with Ian’s and Vitalo’s help, and it went through no trouble at all.”

“As with other Komatsu construction equipment, the D85EX-15 comes standard with Komatsu’s KOMTrax remote monitoring system.

“It’s been working well,” said Brian.

“Ian has helped us with it to make sure it works for us – and already it’s alerted us to a minor hydraulic issue before it became a major problem.

“It’s been great to get back with Komatsu. It’s good gear, good on fuel consumption – and these days as a supplier, there’s a much better attitude and all-round better service,” he said.

“Down to Earth” Issue 51
The Southern Region Waste Resource Authority (SRWRA), a regional subsidiary established by the Cities of Onkaparinga, Marion and Holdfast Bay – and which has featured in previous editions of Down to Earth magazine – operates a landfill at McLaren Vale, in the southern outskirts of Adelaide.

This site is one of the major waste disposal sites in Metropolitan Adelaide, receiving in excess of 200,000 tonnes of waste annually. It has recently taken delivery of a new Komatsu HD785-7 dump truck and a PC2000-8 backhoe excavator.

Both trucks are engaged in overburden removal and coal extraction. In addition, two of the trucks are fitted with DT bodies. These have a lighter weight than conventional truck bodies, allowing the trucks to carry larger loads.

According to National Plant & Equipment's owner Mark Ackroyd, the new machines are giving excellent fuel consumption and operator acceptance. "Fuel consumption is superb; all the new ones are an improvement on the old ones and that's very good for us," he said.

"And operator acceptance has been very good. They really appreciate the new machines; they are really comfortable to work in," said Mark.

"These machines are going to replace lots of pieces of paper," he said. "We'll be able to keep a good eye on what it can do."

"II think that will be a very handy tool, particularly when budgeting and looking at where our costs are," he said.

"We've been very happy with the reliability & productivity of this equipment." As well as the company's Newcastle headquarters, it has an office in Mackay, Queensland.

"We operate in Queensland, NSW and Western Australia – predominantly in the mining industry, but also the construction and quarry industry, and we basically operate on a dry hire basis," he said.

"In addition, all our equipment is MDG15-compliant, which is something you have to have today to work in the mining industry."

Newcastle-based National Plant & Equipment, which offers a substantial dry hire fleet of heavy mining and earthmoving equipment around Australia, has recently purchased six new Komatsu HD785-7 dump trucks and a PC2000-8 backhoe excavator.

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**TOPCON 3D-MC2 AUSTRALIAN JOB SITES**

Topcon Positioning Systems’ just-released 3D-MC2 dozer control system is delivering major productivity and cost-saving benefits to Queensland-based contractor BulkEarth, which has adopted the technology for use on its recently delivered D155AX-6 dozer.

The new system allows dozers to carry out final trim work at speeds two to three times faster than dozers fitted with conventional machine control systems.

Typically, dozer final trim is carried out in first gear, up to 4 km/h. Topcon’s 3D-MC2 – which combines advanced high-precision hydraulic control software, the latest in inertial sensor technology and the industry’s leading multi-constellation GNSS receivers – allows more than 100 blade position checks per second – five times as many as being possible with conventional machine control systems.

BulkEarth’s Komatsu D155AX-6, fitted with Topcon’s 3D-MC2 system, is working on a subcontract basis for Golding Contractors, on the Gold Coast University Hospital project.

KOMATSU SUPPORT REMAINS “INVALUABLE” FOR BEACON

Last year a busy and productive year for the Beacon Foundation, with the support provided by Komatsu remaining invaluable to Beacon’s work and its impact on youth unemployment around Australia.

Komatsu employee involvement during 2008 included activities throughout Australia.

Queensland - Komatsu’s Business Champion sponsorship of $1500 for Loganlea High School has resulted in the school holding a Peer Power Day for Loganlea High School has resulted in the school holding a Peer Power Day for youth unemployment.

Komatsu has also made a commitment to be Champion Business Sponsor for Beerwah and Clontarf Beacon State Schools in 2009. A year long open day has been scheduled for the Beerwah and Clontarf Beacon State Schools in 2009. A year long open day has been scheduled for the school.

New South Wales - Beacon representatives met with Komatsu’s and Mary Huxstable to develop a plan for individual workplace mentoring for students at the Beacon Foundation.

Victoria - Komatsu Mt Thorley branch will also be involved with these arrangements.

Australia - Komatsu committed to engage with Northern No Dole schools for individual workplace mentoring throughout 2009.

Western Australia - Students from Armadale Senior High School and Yule Brook College completed an onsite visit to the Komatsu factory in Welshpool, and the branch’s Neville Warwick attended a business event hosted by Yale Brool College.

Komatsu employees have been actively involved in mentoring year 10 students across Yale Brook College, Swan View, Governor Stirling and Balga Senior High Schools.

A school-based indigenous trainee from Midland Indigenous Youth Project (MIYP) has completed his year at Komatsu and another MIYP participant is keen to apply once a position becomes available, due to the level of support given by Komatsu people.

Northern Territory - Beacon representatives met with Komatsu’s Darwin Branch Manager Colin Binkle to discuss future engagement.

The branch also hosted a work experience student, along with holding site visits for students from Palermo High School.

**KOMATSU PC88-8 REPLACES POPULAR 8 TONNER & INCORPORATES KOMTRAX**

Komatsu Australia has released the PC88MR-8 excavator, an 8.4 tonne machine replacing its popular PC78MR-6, & incorporating Komatsu’s KOMTRAX remote monitoring system & an interim-Tier 4 low emission engine.

Other features include a significantly larger cab than in its predecessor - the same size as on the 13 tonne PC130-8 excavator - a full-size LCD monitor, and full climate control air conditioning.

Operating weight of the standard machine is 8.42 tonnes and it is powered by a Komatsu SAA4D106E-6 engine rated at 48 kW.

According to Carl Grundy, Komatsu Australia’s national sales manager, utility, the new PC88MR-II excavator is a major advance over its predecessor.

“The PC88 was one of our most popular machines, being a reliable, economic and productive machine in the 7-8 tonne class,” he said.

“With the new machine, Komatsu has brought all the advances introduced in the Dash-8 construction line, into a compact sub-10 tonne excavator.

“These include auxiliary hydraulics - including hammer pipings - as standard, five working modes, and automatic two-speed travel.”

The five working modes are power, economy, lifting, attachments and hammers. Two track options are available: steel or Roadliners.

“The operator’s cab is equivalent in space and comfort to our larger excavators and with a noise level of 71 dBA is one of the quietest available in the industry, while all major maintenance points can be accessed from ground level,” said Carl.

Service & maintenance features include:

- Wide opening engine cover and side covers
- Side-by-side radiator and oil cooler for easy inspection
- Extended lubrication intervals
- Ground level maintenance
- Easy access to engine oil filter, engine main fuel filter & fuel drain valve.

KOMTRAX remote monitoring system allows owners, plant managers or operators to track the location of all Komatsu machines and monitor their performance.

“KOMTRAX is that it makes these machines virtually theft-proof, as we are able to track the location of all Komatsu machines and monitor their performance.”

“Those easy maintenance features are complemented by having a KOMTRAX remote monitoring system supplied as standard on this machine,” Carl said.

“This allows us to work closely with machine owners - whether fleet owners, contractors or owner-operators - to ensure that their machines remain in optimum operating condition at all times, with early warning of any potential issues or component failures.

“With KOMTRAX, we are able to alert owners, plant managers or operators to any unusual occurrences, allowing them to carry out preventative maintenance before unscheduled downtime occurs.

“And the other great advantage of KOMTRAX is that it makes these machines virtually theft-proof, as we are able to track the location of all Komatsu machines and monitor their performance.”

Brief specs of the new Komatsu PC88MR-8 are:

- Operating weight, 8420 kg
- Engine, Komatsu SAA4D106E-6
- Engine rated at 49 kW
- Bucket capacity, 0.28 cu m
- Maximum dig depth, 4915 mm
- Arm breakout, 2700 kgf
- Bucket breakout, 6250 kgf
KOMATSU OPEN NEW CMS CENTRE IN NEWCASTLE

John said that the Newcastle facility would offer the same range of services as were available in Brisbane and Perth, but with additional instrumentation, testing suites and specialised support to cater for the large amount of fixed plant in the region. Services offered through Komatsu’s condition monitoring centres include:

- Oil analysis, for all types of equipment including earthmoving, mining, forestry, utility, marine and on-highway vehicles, along with fixed plant such as conveyors, crushers, screens, coolers and other bulk-handling equipment.
- Vibration analysis for cooling system maintenance and troubleshooting.
- Grease analysis.
- Metallographic inspection for surface crack detection, ultrasonic testing, ND and failure analysis.
- Vibration analysis.
- Thermal imaging.
- Particle imaging.
- Failure analysis programs.

Oil analysis, which has been an important element of Komatsu’s product support program for many years, uses regular analysis of oil to identify and predict potential problems in key components in both mobile and fixed equipment.

This includes:
- Spectroscopic and infra-red analysis
- Viscosity and neutralisation number
- Fuel and water detection
- Particle analysis (microscopy)
- Grease and fuel analysis
- A wide range of physical tests.

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

Komatsu’s Newcastle CMS facility is based at 400 Ingleburn Road, Thornton, NSW 2322. Contact details are phone (02) 4028 5883, fax (02) 4028 5885, email crms@komatsu.com.au.

KOMATSU OPEN NEW WELLINGTON BRANCH

The new branch, which opened on December 1, incorporates a parts warehouse, a complete drive-through workshop bay capable of taking machines up to PC300 size, plus a separate workshop capable of handling major component rebuilds.

Personnel at the branch include Komatsu’s Wellington region Customer Support Representative Steve Armstrong, who has been based in the region for the past 18 months; territory Sales Manager Neil May and two field service technicians with fully equipped mobile workshops.

“We are very pleased with how the expansion of the facility will service our customers,” said Neil May. “With this facility we can offer a separate workshop capable of handling major component rebuilds, as well as a parts warehouse and a complete drive-through workshop bay capable of taking machines up to PC300 size.”

Government Tax Allowances Great News for Contractors

The Federal Government’s recently announced business tax breaks mean that purchases of earthmoving and construction equipment vital to rebuilding the nation’s infrastructure have become significantly more affordable, according to Sean Taylor, general manager construction of Komatsu Australia.

Latest changes announced in the May 2009 budget provide even more incentives for small businesses (those with a turnover of less than $7 million).

In February, the government’s $42 billion Nation Building and Jobs Plan included an investment tax break for all Australian businesses, designed to help boost business investment, bolster economic activity and support jobs.

Under the February plan, businesses—such as civil contractors, quarries, plant hire and owner-operators—are able to claim a bonus deduction of 30% for eligible assets—including earthmoving and construction and other capital equipment—costing $13,000 or more.

Then in the May 2009 Federal Budget, the bonus deduction was increased to 50% for businesses with an annual turnover of less than $2 million.

To be eligible for the 30% investment allowance, businesses must:

- acquire or start to hold the equipment under a contract entered into between December 13, 2008 and the end of June 2009 and
- have it installed ready for use by the end of June 2010.

For eligible assets purchased between July 1, 2009 and December 31, 2009, the bonus deduction drops to 10%.

These deductions are on top of the usual capital allowance deduction claimable for the asset as part of a business’s income tax return.

The latest 50% investment allowance for small business applies to equipment costing $100,000 or more, and purchased between December 2008 and the end of this year.

As an example, under the latest 50% business tax break, a piece of equipment costing $300,000 will be eligible to claim a deduction of 50% of that ($200,000) or $100,000.

At the standard company tax rate of 30%, that would equate to a tax deduction in the tax for the 2008-09 financial year of $30,000 as well as normal depreciation (although all companies should check with their accountants or financial advisors before making any commitments, to ensure they are eligible).

“When announced, the Federal Government’s 30% business tax break presented an excellent opportunity for contractors, plant hirers and quarry operators to purchase equipment, and gain significant reductions in their tax for this current financial year,” said Sean.

“We are delighted to see it has been expanded to a 50% deduction for our smaller customers—such as owner operators and smaller contractors—and extended until the end of the year.

“These measures present a very good stimulus for the industry at a much-needed time.

“In addition, through Komatsu Australia, we are able to provide flexible finance and total support services to deliver to our customers additional security and peace of mind as they operate in these challenging times.

“Through Komatsu Australia Corporate Finance, we can advise businesses on the best way to tailor their equipment finance to optimise this tax break and maximise productivity,” he said.

“And because we offer the most comprehensive customer service and support network in Australia, Komatsu owners have the ability of knowing that their equipment will be fully serviced and supported, no matter where they may have to go in order to obtain work.

“No other supplier of earthmoving and construction equipment in Australia can offer a nationwide customer service and support network to match this,” Sean said.

“As other elements of the government’s stimulus package work their way through the economy—including promised increased infrastructure expenditure, we and our customers would be hopeful of seeing additional civil construction work rolled out in the months and years ahead.

“Therefore, customers who are looking to tender for infrastructure-related work in the coming months would be well-advised to look closely at these tax breaks, short-term opportunities to purchase equipment and obtain significant tax deductions,” said Sean.

Komatsu Australia is the Australia, New Zealand and New Caledonian distributor for Komatsu construction, utility and mining equipment.

Further information (AUSTRALIA):
Komatsu Australia, Ph 1300 komatsu.com.au, e-mail info@komatsu.com.au.
Despite the well-publicised issues occurring as part the global financial crisis, including the reduced availability of finance, for some sources of finance for construction and earthmoving equipment, it is “business as usual”.

One of these is Komatsu Australia Corporate Finance (KACF) which works alongside Komatsu Australia providing finance to Komatsu customers in Australia and New Zealand.

According to Simon Rawther, KACF’s general manager construction finance, the company’s funding budget for 2009 is the same as it has been in previous years.

“As far as funding goes, our 2009 budget is basically the same as prior years with only minimal changes—unlike many other financiers, even large ones, who are having funding difficulties which will severely hamper their 2009 lending abilities,” he said.

“We are in the fortunate position of being owned by two very large, very well-funded Japanese parent entities who have a huge global presence.

“Because of this, we are not going to pull out of the Australian market, as has been happening with many other foreign-owned institutions lately—particularly some of the high-profile US ones.”

However, Simon said there was a considerable amount of misinformation and a lack of understanding of what recent interest rate changes meant to finance costs.

“As everyone would know, over the past few months, the Reserve Cash Rate set by Australia’s Reserve Bank has dropped considerably, to the lowest levels in many years.

“Unfortunately, commercial finance costs have not dropped to the same extent as customers may have expected,” he said.

“This is because the actual cost of funds to financiers has increased significantly over the past 12 months, due to the overall levels of uncertainty in global financial markets.

“This is confusing some clients as we keep hearing the Reserve is dropping rates—which is flowing through to market rates. However, the Reserve Rate is adjusted on a daily basis and the Reserve Bank has a target range, which is where we see it is heading.”

At Komatsu Finance, we never offer this type of financing; rather we prefer to simplify and offer true market interest rates, in which everything is transparent and up-front,” he said.

“Because of our in-house relationship with Komatsu Australia we are able to provide a seamless ‘one stop shop’ package to customers.

“Customers see this as a big advantage in saving time and hassles, allowing the entire purchase, negotiation and finance to be kept with a single supplier, eliminating the need for outside parties to fund the machines.

“Our staff are based within the major Komatsu branches throughout Australia and New Zealand, ensuring we are always on site to assist customers with their financing needs whenever they come into a branch,” said Simon.

Finance packages available through Komatsu Australia include:

- Finance leases
- Hire purchase
- Operating leases
- Power by the Hour™
- Chattel mortgage

Interest rates on equipment finance have come down to a certain extent, but not to the degree which people may have expected.”

Simon also said that in these challenging economic times, prospective purchasers should be on the lookout for finance packages claiming “zero interest” rates.

“You never get anything for nothing, and this applies to finance just as much as anything else,” he said.

“Headline claims of ‘zero interest’ appear to be used often to try to clear out older stock or when a manufacturer is in trouble—for example, some US-own manufacturers trying to move stock to obtain quick cash.

“Customers generally pay for such ‘zero interest’ rates through an inflated purchase price anyway, so it can be quite misleading, with any savings over the life of the finance package are offset by the higher price.

“It’s also important to read the small print in any such finance agreements to look for any hidden extras and other charges that will inflate the true cost to customers.

“Chattel Mortgage can be used to finance up to 100% of an item of equipment’s value (including GST). If the borrower has surplus cash, this can be used as equity in the equipment to reduce the amount financed by the lender (KACF), and thus reduce the borrower’s repayment commitments.

Under a Chattel Mortgage contract, the borrower is the legal owner of the equipment while KACF has a loan secured against the specific item of equipment being financed.

The loan is secured by a registered mortgage or charge over the equipment with Komatsu Corporate Finance noted as mortgagee/chargor and the borrower noted as mortgagee/chargor. The term “ chattel” is a legal reference to “ goods”. The accounting and taxation treatment of a Chattel Mortgage contract can be summarised as follows:

**Question.** Is it on or off the borrower’s balance sheet?

**Answer.** On balance sheet.

**Question.** What proportion of the instalments is paid for Australian Accounting Standard purposes?

**Answer.** The interest component of each instalment is paid.

**Question.** What proportion of the instalment is tax deductible?

**Answer.** The interest component of each instalment will generally be tax deductible. However, the borrower can also claim depreciation deductions on the equipment.
KOMATSU’S CUTTING EDGE APPRENTICE DEVELOPMENT SYSTEM

Komatsu Australia has established a new Apprentice Development System that is being piloted at its Hunter Valley Branches. “The new System builds on the extensive arrangements that Komatsu already has in place for developing apprentices” Komatsu’s General Manager Human Resources, Anthony Crowley said.

“As part of Komatsu’s commitment to continuous improvement the company designed a new system for developing apprentices to maximise skills acquisition, career pathways and future growth and sustainability of the business” said Anthony.

This initiative further adds to Komatsu’s significant commitment to apprentices, with more than 130 apprentices in development across Australia and New Zealand.

The new Apprentice Development System lifts the learning methods and competency outcomes for apprentices to new standards in terms of technical and business skills.

The new Apprentice Development System started in January this year with 13 locally recruited apprentices, including 12 Plant Mechanics and 1 Auto Electrician. The apprentices were directly employed by Komatsu following a rigorous recruitment process that began last September.

The successful applicants are an even mix of mature age people, Year 12 and Year 10 school leavers. Following advertisements in Hunter Valley newspapers the company received 270 applications for the apprenticeship positions. High schools students who had undertaken work experience with Komatsu’s Newcastle Branch were also invited to apply. The screening process included assessment of the applications, trade aptitude testing with Komatsu managers.

A feature of the new Apprentice Development System is the establishment of an education alliance between Komatsu and the Hunter Institute of TAFE. Kurri Kurri Campus, the main centre for the Heavy Vehicle Mobile Equipment Certificate III program in the Hunter, worked closely with Komatsu’s Hunter Valley managers to tailor the program to Komatsu’s needs.

“Families and friends of the new apprentices were invited to an Orientation Day and barbecue last November to inspect Komatsu’s facilities and learn about the company and the new Apprentice Development System,” said Komatsu’s Mt. Thorley Branch Manager, Reg Rogers. “It is important that we engage the apprentices and their support networks, this is an important part of our approach to apprentice development,” said Reg.

Each of the apprentices received a 200 piece tool kit and trolley cabinet as part of the week long induction program at the Mt. Thorley Branch. The induction week included training on safety, environment, policies, procedures and access to Komatsu’s new online induction program ‘The Komatsu Challenge’.

The induction week was followed by a 3 week intensive mechanical hand skills and tools utilisation and care program delivered by TAFE as a dedicated Komatsu course designed and developed by Komatsu managers and TAFE teachers. Through this program apprentices were able to demonstrate safe working practices, manufacture metal devices, learn about basic first aid, undertake green card training and complete practical tests and basic servicing on Komatsu equipment. Komatsu staff and trainers were also involved in the program including the delivery of one of Komatsu’s customer service programs, ‘The Face of Komatsu’.

Gavin Manning, Komatsu’s Newcastle Service Manager says “The advantage of this approach is that apprentices arrive at the workplace ready to contribute from day one.”

“Gavin played a significant role in the development of this program and has been the primary interface to TAFE,” says program sponsor and Komatsu’s General Manager Central Region, Ian Mc Cowan.

Komatsu’s Gladstone Branch Manager, Kirk Duffy also sent his new apprentice Kody House to the 3 week intensive program. Kirk said “She (Kody) has come back to us with increased knowledge and definitely got a lot of value out of it so it was really worthwhile”.

Brad Hackett, Komatsu’s Operations Manager NSW says “Gavin; Newcastle Branch Manager, Christian Dumas; Newcastle REMAN (Remanufacturing) Manager, Robert Lui; and Mt. Thorley Branch Manager, Reg Rogers, are responsible for getting this new system for developing apprentices off the ground. It is their passion and enthusiasm for this approach that has made the difference”.

The new apprentices will complete three, four month rotational assignments each year at Newcastle Branch, Newcastle REMAN and Mt. Thorley Branch. When not at work the apprentices will attend seven, one week blocks at Kurri Kurri TAFE, per year for three years completing the Certificate III. At Komatsu’s request, TAFE have established a dedicated Apprentice Development System apprentices complete a daily Learning and Experience Record (LER). “This will become a valuable assistance as evidence leading to competency achievement, as a learning reinforcement tool, as a reference to review apprentices’ training, as an aide to developing communications skills and later when apprentices are applying for promotional positions” Komatsu’s Organisational Development Manager, Paul Richardson said.

“Apprentices will also be provided with Komatsu in-house Technical Training programs geared to their development stages and undertake skills development in Presentations, Communications, Customer Service and Business Processes” says Paul.

KOMATSU NEWS

KURRI KURRI TAFE and the Mt. Thorley Branch Manager Reg Rogers says “The new Apprentice Development System has very much been a team effort with all of the Hunter Valley Branches working together and the National Organisational Development group based in Sydney providing learning design and support” says Reg.

Once each part of the new Apprentice Development System is implemented, tested and reviewed, the system will be implemented at other Komatsu locations.

“We are very excited about this initiative and I am keen to see it working at other Komatsu sites” Komatsu’s General Manager Central Region, Ian Mc Cowan said “The effort our Hunter Valley people have applied to this is commendable and I am pleased our Human Resources Division provided their support” says Ian.
Komatsu Australia has developed an Online Induction Program called "The Komatsu Challenge", which can be accessed by all employees.

Komatsu Australia’s President Bill Pike decided that KAL needed a fresh approach to inductions and he announced that all existing employees must complete the new induction program. The Komatsu Challenge provides a highly interactive online learning experience, that enables Komatsu people to learn about important aspects of the Komatsu business, and so ensures they know what the company is all about. This is done at their own pace, at any time, from any location.

The new program was rolled out over the past few months and is accessible via any suitable computer with an internet connection.

"This is a significant initiative in further developing our people and the first Online Learning Program developed by Komatsu Australia", says Anthony Crowley, Komatsu Australia’s General Manager Human Resources. "As well as equipping Komatsu people with technical and business skills to meet the needs of our customers, it is essential that every employee understands the workings of the business, our values, our policies, compliance and our commitment to safety and the environment. The Komatsu Challenge achieves this.” He said.

The Komatsu Challenge will ensure that all employees, through an interactive, standardised and structured learning experience, are able to learn consistent and authorised material about the business regardless of their location or position within the company.

All new and existing employees have received access to the Komatsu Challenge and have completed the program by the end of March this year. Existing employees will undertake Komatsu Challenge Refresher programs every two years.

Komatsu has a deep commitment to people development. The Komatsu Challenge adds to the extensive suite of classroom and online learning and development programs available to Komatsu people in the areas: Technical Training, Business Skills Training, Computer Applications Training, Occupational Health, Safety and Environment Training, Product Training, Sales Training and Manager/Leader Development.

The Komatsu Challenge is a high-quality online learning tool consisting of animations, still and video graphics as well as text and audio. The first two Modules of The Komatsu Challenge include an introduction and welcome to the company from Komatsu Australia’s President, Bill Pike, where Bill provides an overview about the company and highlights the importance of Komatsu’s Values. "It is important that the company engages new staff from day 1. This introduction from Bill along with information about our organisational structure and history and the induction as a whole helps to make people feel like they belong. A positive induction experience reinforces their decision to join us and helps them to settle in quicker” Anthony said.

Paul Richardson, Komatsu Australia's Organisational Development Manager says, “The Komatsu Challenge was developed by the national Organisational Development, and Occupational Health and Safety Environment Teams in consultation with many other work groups. This included rigorous User Acceptance Testing with numerous people across the organisation”. Paul said “The program is designed in modular form to provide flexibility for our people when undertaking the training. The Komatsu Challenge consists of 5 Modules that must be completed in sequence.”

"A feature of the design of the program is the inclusion of “Challenge Points” or assessment questions in each Module, that not only adds to the interactivity of the program but also helps people test their understanding and learning”, he says.

"Because it is important that we measure the success of the learning through the assessment steps, the program is designed so that it is not possible to move to the next Module until the present Module “Challenge Points” have been correctly answered to a set minimum standard. The concept is one of mastering the learning material and applying it in the workplace”, Paul said.

Mark Sproull, Komatsu Australia’s Occupational Health & Safety Environment Manager, says “Komatsu has a genuine commitment and dedication to the safety of our people and protection of the environment. The Komatsu Challenge enables us to emphasise and reinforce these principles with both new and existing staff whenever and wherever that is needed, it's a great tool.”

"With The Komatsu Challenge induction program we are able to ensure that all new employees have completed the material to the required standard within the first week of starting work”, Mark said. "By using an online solution and focusing on sound instructional design principles we have been able to develop The Komatsu Challenge to a high standard of educational integrity and to a level that meets the programs learning outcomes, maintains the learner’s interest and assesses the success of the learning”, says Paul Richardson.

“The online solution means we were able to provide the same content and quality of training to around 1800 people across more than 70 sites in Australia, New Zealand and New Caledonia in the space of 3-4 months. A classroom solution could not have achieved this level of rollout in the timeframe or ensured consistent standards of quality or met cost effectiveness criteria”, Paul said. Kristy Mc Worthy, Komatsu Australia’s Executive Assistant to the General Manager of Customer Support and Business Development, who has completed The Komatsu Challenge and was also part of the User Acceptance Testing (UAT) group says, “My overall impression is that it is very good. It is interesting to watch. The narrator speaks very clearly and is very easy to understand. I like the idea of text and voiceover, so that you can re-read all the information again if you miss what was said.”

In line with Komatsu’s practice of Continuous Improvement, The Komatsu Challenge will be reviewed and updated regularly to ensure it continues to be a valuable development tool for Komatsu employees.

Komatsu’s Organisational Development team would be pleased to share their experiences of developing The Komatsu Challenge, with any of Komatsu’s customers who may be contemplating a similar approach to the induction of their own staff.

“IT IS IMPORTANT THAT THE COMPANY ENGAGES NEW STAFF FROM DAY 1. THIS INTRODUCTION FROM BILL ALONG WITH INFORMATION ABOUT OUR ORGANISATIONAL STRUCTURE AND HISTORY AND THE INDUCTION AS A WHOLE HELPS TO MAKE PEOPLE FEEL LIKE THEY BELONG.”

ANTHONY CROWLEY

“THE ONLINE SOLUTION MEANS WE WERE ABLE TO PROVIDE THE SAME CONTENT AND QUALITY OF TRAINING TO AROUND 1800 PEOPLE ACROSS MORE THAN 70 SITES IN AUSTRALIA, NEW ZEALAND AND NEW CALEDONIA IN THE SPACE OF 3-4 MONTHS”

PAUL RICHARDSON
While teammate Jamie Whincup took pole position for the 200km race, Lowndes, who started from the second row of the grid got an early edge, electing to start the race on his used soft compound tyres from yesterday. A safety car on Lap 20 of the race saw the team call both cars in for their compulsory pitstop. Lowndes was the first car in and was able to exit his pit bay ahead of rival Mark Winterbottom but Whincup was forced to wait in the queue, losing a substantial amount of time and positions.

A jubilant Lowndes who has jumped eleven places in the championship order following his clean sweep of the weekends races acknowledged it was nice to be back in the winner’s circle and for the team to start understanding the strategies that will evolve with the soft tyre option.

“We had good speed all day today but the last 15 laps the tyres had definitely gone off and there was not a lot of rear bar left either,” Lowndes explained.

“The pitstop congestion was certainly chaotic and I feel disappointed for Jamie who clearly had a quick car but was caught up in the safety car queue.”

“Today feels like payday, it is nice to be back,” he concluded. It was the other end of the scale for Whincup who came through from 28th to 13th battling with a mixture of soft and normal tyre competitors mid fleet.

TeamVodafone has won its sixth consecutive round of the 2009 V8 Supercar Championship Series with Craig Lowndes comfortably winning his second race of the weekend at Winton Motor Raceway today.

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“That was the worst race I have done for a long time,” said a bitterly disappointed Whincup.

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“If that was the worst race I have done for a long time,” said a bitterly disappointed Whincup.

“Thankfully there is still a long way to go in this championship.”

Thanks to everyone who entered the competition to name our excavator friend. Our winning name is: “PERCY” Because Komatsu excavators begin with the letters PC. (E.g. PC200) Congratulations to Natalie O’Connor, Age 7 of Townsville, QLD, for her winning name!

The other four winning names were:

- “Exy”, Nathan Bush, Age 11, Gisborne South, VIC
- “Claudie”, His bucket looks like a claw. Kylie O’Reilly, Age 7, To Kauwhata, NZ
- “Digger”, Joyce Ruparamanga, Age 9, Darwin, NT
- “Digga”, Matthew Gasiorowski, Age 9, Kingsley, WA

Congratulations to all winners!
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For more information talk to your local Komatsu Sales Representative or call the following contacts at Komatsu Corporate Finance below.

**NSW & ACT:** Warwick Matthews, (02) 9795 8489, wmatthews@komatsu.com.au  
**QLD NORTH:** Peter Samson, (07) 4940 3134, psamson@komatsu.com.au  
**QLD SOUTH:** Shane Kennedy, (07) 3246 6232, skennedy@komatsu.com.au  
**VIC, SA & TAS:** Peter Johnston, (03) 9205 9377, pjohnston@komatsu.com.au  
**WA & NT:** Jason Warnes, (08) 9351 0555, jwarnes@komatsu.com.au  
**NZ:** Mike Gray, +64 (9) 920 5300, mgray@komatsu.co.nz  
**MINING:** James Dwyer, (02) 8962 8601, jdwyer@komatsufinance.com.au