Boral Awards for Excellence 2009

Wednesday 15 July 2009
Crowne Plaza, Terrigal
Winners & Finalists

**Competitive Advantage**

**Major Hume Projects – A Transportable Success**  
*Cement and Construction Materials (BCSC NSW, Ash, Transport)*

MonierLifetile’s Performance Improvement Programs  
*MonierLifetile, USA*

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Increased resource recovery by recycling of Marulan Kiln Baghouse dust into lime products  
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Alternative Fuels: Positioning for Enhanced Performance  
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**Sales, Marketing & Customer Relations**

**Yarwun 2 Project Gladstone**  
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Pathways to Customer Engagement  
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Prospector II  
*Plasterboard*

**Safety**

**Boral Plasterboard: Achieving Sustained Safety Performance**  
*Plasterboard*

Improving Safety through Workforce Empowerment  
*Plasterboard LBGA (Indonesia)*

Midland Brick Company – Clay Mining and Haulage Safety Journey  
*Clay & Concrete Products (Midland Brick)*
Competitive Advantage

Awarded to a team or business unit for pursuing strategies clearly focused on those areas where Boral has the ability to build and sustain an advantage over competitors. Competitive advantage can be generated from areas such as increased market share, improved productivity, lower costs, better inventory control, superior service, differentiated products, rationalisations of plant or products, improved capital management or simply through being first and being fast.

Entries should describe the competitive environment and detail what Boral is doing to stand out amongst its competitors.
Competitive Advantage

Major Hume Projects - A Transportable Success
Cement and Australian Construction Materials

Blue Circle Southern Cement and Boral Transport acquired a competitive advantage by winning and successfully supplying cement and fly ash to three major Hume Highway projects simultaneously. The projects required a mammoth logistics feat with an average lead distance of 360km. The distance travelled by the fleet was equal to 120 trips around Earth.

Despite the risk that Boral’s logistics resources were over-committed, the projects were an outstanding success in terms of safety, service, customer satisfaction and financial return. There were no lost time injuries and no successful contractor claims and the project volumes and returns were extremely important during a period of weak demand in the NSW base market.

Blue Circle NSW and Blue Circle Ash together with Boral Transport formed a project team to seamlessly deliver the logistics task. To achieve this the team grew bulk transport capacity, implemented night-shift, invested in isolainers, upgraded depots and harnessed Transport’s logistics ‘brain’ or allocations team. These and other core capabilities have “step changed” Boral’s competitive advantage for winning supply and delivering major civil projects in the future.

MonierLifetile’s Performance Improvement Programs
MonierLifetile, USA

In 2007, MonierLifetile began a structured performance improvement program consisting of an accelerated step-change program named Project Escalator, and a continuous improvement program (CIP).

Project Escalator commenced in August 2007 and the ideas developed were implemented as quickly as possible. By June 2008, nearly 90% of the Escalator ideas were put into operation, less than 10 months after the project began. Project Escalator achieved US$23m of annualised operating improvement.

In February 2008, using the concepts learned in Project Escalator, MonierLifetile launched a follow-up program to deliver ongoing continuous improvement. This structured CIP produced a further US$9m in annualised operating improvement by the end of 2008.

These structured performance improvement activities have grown to be a strong part of the culture of MonierLifetile. Another step change program called Radplan has been developed in 2009 which has the potential to improve operational performance by a further US$6m to US$10m.

These improvement programs are crucial for MonierLifetile to survive the unprecedented downturn in the US housing industry which is off nearly 80% from its peak and has enabled MonierLifetile to reduce its break-even volume by over 40%.

Meeting the Challenge: PACT
Boral Material Technologies Inc, USA

Over the next five years the US fly ash industry will be faced with a significant challenge as the EPA requires utilities to reduce mercury and other pollutants. To comply with these requirements, utilities are leaning towards emission control technologies that use powdered activated carbon (PAC). The injection of PAC results in high levels of carbon in fly ash, which makes it unacceptable for use in concrete. It is estimated that 20 to 30% of fly ash in the US could be affected by PAC injection in the near future.

Currently, there is no commercially proven method for mitigating against the negative impact of PAC on fly ash. BMTI saw this significant challenge as an opportunity to use innovation as a means for gaining a competitive advantage in an industry that is becoming increasingly commoditized. Building off BMTI’s existing FACT (Fly Ash Carbon Treatment) technology platform, BMTI’s Technology Development Group initiated a 15 month research project to treat the fly ash contaminated by PAC.

The result was the development of an extremely effective new technology referred to as PACT which is currently being patented. The process is cost effective and is the only technology we are aware of for activated carbon passivation.

PACT was introduced to the industry at the World of Coal Ash in May of 2009. The technology will be installed in the first facility in Denver, Colorado in August 2009 providing over $1.5m in revenue. Additional plants will be commissioned in Texas, providing continued sales of about 500,000 tons of fly ash. In addition, PACT will position BMTI to capture new contracts and potentially extract value from future carbon credits.
Environment & Community Relations

This Award is for a site or business unit with excellent environmental management or community relations. In the area of environment, entries should demonstrate commitment to the principles of sustainable development. This may include projects or programs designed to improve resource utilisation, energy optimisation, emission and pollution management, waste minimisation, materials recycling and site remediation and rehabilitation. Entries may also demonstrate environmental excellence in the design and implementation of operating practices or in products or services.
Stormwater & Groundwater Harvesting - SEL
Australian Construction Materials (QEU/DBU)

The Development Business Unit has been undertaking the rehabilitation of Boral’s former Prospect Quarry site since 1999. The final stage of the project is the rehabilitation and development of the quarry void itself, known as the Southern Employment Lands (SEL).

One of the key environmental and engineering challenges for the SEL was the management of groundwater and stormwater to prevent flooding of the site. Historical quarrying activities have resulted in the ongoing release of groundwater high in nutrients, pH and ammonia, which has the potential to inundate the development and requires treatment if subsequently discharged from site.

Early engineering solutions identified highly capital intensive solutions to groundwater and stormwater management with little attention to environmentally sustainable outcomes. As a review of the capital and operating costs of the project was being undertaken in 2007, the Cumberland Country Golf Club approached Boral to obtain water from the quarry’s on-site dams as a temporary measure. With the ongoing viability of the Club in question due to water shortages, a long-term engineering solution was agreed and approved to address both Boral’s SEL water management problems and the Golf Club’s water shortages. Supplying the groundwater and stormwater from the SEL for irrigation to the nearby Cumberland Golf Club provides the following benefits:

- Reduced capital spending;
- Enhanced land sales value due to lower outgoings for the land purchasers;
- Removes Cumberland Golf Club from Sydney’s top 100 potable water users and ensures its viability by providing a long term source of water for irrigation; and
- Irrigation for other community facilities.

Taking the Lead in Sustainable Manufacturing
Boral Bricks USA

Boral USA’s Terre Haute Brick Plant commissioned in early 2008 is the largest brick manufacturing facility in the US with a unique focus on sustainability.

The site of the plant was chosen due to its proximity to a municipal landfill and easy accessibility to raw materials. The landfill creates methane gas which is piped to the plant and has supplied approximately 70% of the thermal energy needed to run the kiln to date. The plant site is in close proximity to an old strip mining operation which provides access to un-reclaimed mine spoils and an operational coal mine which provides the opportunity to use the clay and shale removed above and below the mined coal seam. These factors reduce the demand for fossil fuel, decrease hauling distances and provide significant cost savings.

The goal for the Terre Haute plant was not only to employ environmentally responsible manufacturing processes, but also to create a facility that would adhere to LEED certification environmentally responsible construction guidelines. The plant design and construction has maximised natural lighting and energy performance, and addressed stormwater collection/re-use, as well as a range of other sustainable design principles.

The result is a plant which has achieved Silver (and possibly Gold) status under the US LEED rating system (which measures the environmental benefits in new facilities) and which at full capacity will be 40% more fuel efficient than the Boral Bricks US average.
In January 2008, Boral ACM Queensland entered into an agreement with Australia Zoo to develop the Narangba Koala Fodder Plantation on quarry buffer land at Boral’s Narangba quarry to provide Australia Zoo, the Australia Zoo Wildlife Hospital and local Koala carer groups access to fodder to feed injured, orphaned and resident koalas. Our Narangba Quarry Community Liaison Group was instrumental in identifying the need and opportunity for the plantation, which consists of more than 1,200 fodder trees.

The dwindling koala population in South-East Queensland through destruction of habitat is a significant issue that has attracted Government attention in an attempt to protect this species. The Narangba quarry is situated in a Koala Conservation Area under the Nature Conservation (Koala) Conservation Plan 2006 and Management Program 2006-2016.

This partnership is part of a broader strategy of stakeholder engagement at the Narangba quarry that has been instrumental in securing a 60 year life for a key quarry resource with the full support of the community. The decision by authorities to approve the quarry extension was handed down in 9 months compared to a typical Queensland timeframe of 2-5 years for quarry extensions.

Boral’s leadership in working with the community and the competitive advantage it has given us was recognised by the Queensland Minister for Sustainability at the opening of the koala fodder plantation.

In response to rapidly rising natural gas prices (from 17% of brick costs in 1999 to ~35% of costs) and an objective to avoid replacing natural gas with other fossil fuels, Boral Bricks has undertaken a comprehensive program of assessing and testing alternative fuels for brick manufacturing in the USA.

After testing several technologies and fuels, three processes have emerged as solutions to reduce our dependence on natural gas: (1) gasification, (2) landfill gas and (3) direct injection. The choice of alternative fuel system is driven by location, fuels available and compatibility with product line and equipment. In most cases alternative fuels will be introduced into the kiln at points above 1400° F which represents approximately 60% of most kiln systems’ energy needs.

The slowing economy has presented challenges that are impacting growth in Boral’s Alternative Fuels Program. Nevertheless, based on a maximum forecast investment of US$40 million through to FY2014, this is expected to result in annual savings of around US$24 million, additional potential savings through carbon credits and annual carbon offsets of around 200,000 tonnes per year.
The purpose of this Award is to recognise successful initiatives undertaken to grow Boral’s businesses and to facilitate the company’s growth into the future. The Award will be presented to a site or business unit that has successfully initiated and implemented an expansion or growth project that has substantially changed Boral’s products, production volumes, sales revenue or costs. The project will have made (or have potential to make) a measurable contribution to the company’s profitability.
Expansion & Growth

Profiting from Waste
Australian Construction Materials Victoria

Boral Waste Solutions is part of ACM’s Quarry End Use business and commenced formal operations in January 1999 with the opening of the Boral Western Landfill.

Over the past ten years Boral Waste Solutions has expanded consistently but the growth in the past five years has been particularly strong with profits quadrupling over this period. This has been the result of:
- increased volume and market share through developing and maintaining strong client relationships and customer service;
- pricing discipline;
- a new product offering (Pinegro established a green waste processing facility within the site); and
- adding a new revenue stream through a Biogas to Energy facility.

The Biogas to Energy facility was opened in 2005 and converts the biogas generated by degrading waste in the landfill into electricity that is fed into the national grid. The facility now has three biogas to energy modules. Each module produces enough electricity to power around 1000 homes.

The financial results of the business are supported by an excellent safety record and industry leading environmental standards. The business has had zero employee lost time injuries since the gates to the landfill opened in 1999.

Plans for future expansion include a resource recovery facility, expanding the biogas to energy plant and opening new landfills.

Outdoor Factory Outlet: Budget Landscape Clay & Concrete Products (Masonry East)

In March 2008, Masonry NSW opened its first Outdoor Factory Outlet at its existing plant at Prospect, selling its products direct to the public. Since the opening of the factory outlet, it has become the most successful single retail outlet for Masonry products in NSW.

To avoid channel conflict with Boral’s existing masonry resellers, the factory outlet sells only seconds and obsolete stock to the public, which are largely not sold through the existing reseller channel. Masonry NSW has maintained market share with existing resellers and has therefore been able to grow the market in the seconds landscaping segment.

After nine months of operation, the factory outlet is contributing over 7.5 times the level of EBIT that was initially estimated in the capital proposal to create the factory outlet.

The factory outlet concept will now be expanded throughout Masonry East. In June 2009, Boral Masonry Victoria launched the Deer Park factory outlet.

From Selling to Business Development - A New Way Forward
Plasterboard LBGA

In August 2006, the Lafarge Boral Gypsum Asia (LBGA) Export management team began exploring a “new way forward” for delivering earnings growth to LBGA by making a step change in the way the Export business was being managed. It was agreed the focus would be to generate penetration and growth in the key export markets through a fresh approach involving innovation, value added products and a technical support/projects focus, as well as a strong focus on price management. The focus is more about developing markets rather than just selling into them.

The project was launched in January 2007. The plans were communicated to the whole department which assisted in building momentum, buy-in and a sense of involvement. In 2008 the LBGA Export business achieved a 58% increase in sales and an impressive 120% increase in EBITDA compared to 2006.

Other initiatives which were key to the success of the project were the creation of two new positions to support the business plan, the introduction of monthly sales and marketing meetings and developing closer relationships with the logistics team.
Innovation

Awarded to a site or business unit for successfully encouraging and implementing innovation to further improve Boral’s processes, products or services. Entries should highlight innovative initiatives and actions to strengthen Boral’s competitive position through better products, improved services and reduced costs.
Meeting the Challenge: PACT
Boral Material Technologies Inc, USA

In the US, the most significant quality challenge faced by the fly ash industry arises from contamination of ash by residual carbon from coal combustion. BMTI addressed this issue in 2003 with the successful introduction of an innovative technology referred to as Fly Ash Carbon Treatment (FACT).

Over the next five years the fly ash industry will be faced with a new and potentially more challenging problem. As utilities strive to meet more stringent mercury emission limits, the highly absorptive powdered activated carbon (PAC) will be injected into the flue gas to capture mercury. PAC contaminated ash has about a 10 times more negative influence on concrete than typical fly ash - a performance deficiency beyond the capacity of FACT technology to remedy. It is estimated that 20 to 30% of fly ash in the US could be affected by PAC injection in the near future.

To address this challenge, BMTI’s technology team initiated a 15 month research project building off the technology base developing from its FACT invention. The development process consisted of a collaborative effort including university support, several chemical suppliers, and specialty consultants.

The result was the development of an extremely effective new technology Powdered Activated Carbon Treatment (PACT), which is currently being patented. The process is cost effective and is the only technology we are aware of for activated carbon passivation. The implementation of PACT will allow the beneficial use of this material that would otherwise be sent to a landfill.

PACT is scheduled to be installed at the first plant in Denver Colorado in August 2009 and additional plants in Texas thereafter, allowing for continued sales of about 500,000 tons of fly ash.

Masonry One
Clay & Concrete Products
(Masonry East)

Boral Masonry NSW has developed a new lightweight mix for the full range of grey concrete blocks. The product weights have reduced by an average of 23%, providing blocklayers increased productivity and reducing masonry production and transportation costs.

In mid 2006, Boral’s NSW Masonry business was under threat from a new competitor who entered the NSW market with a unique, lightweight, load bearing masonry block. In response Boral developed an innovative lightweight mix that utilises bottom ash and fly ash to achieve a product that exceeds that of the competitor. While many masonry manufacturers, including Boral Masonry, have tried to develop a lightweight ash block in the past, no-one until now had achieved a load bearing, lightweight block utilising bottom ash.

In addition to the reduction in product weights, Masonry One, the all-in-one solution, is load bearing, fire rated and has 57% recycled material. The new product also:
- resulted in cost savings of over $675,000 per annum in raw materials; and
- increased revenue for Blue Circle Southern Cement, Blue Circle Ash and Boral Quarries as 90% of the material used in the manufacture is coming from internal sources.

Importantly, since the release of Masonry One, the lightweight block has resulted in Boral recovering significant lost market share in NSW masonry.

Increased Resource Recovery by Recycling
Blue Circle Southern Cement
(Minerals)

Boral’s Blue Circle Southern Cement operations successfully completed a project to recycle kiln and fugitive dust at its Marulan lime kiln in 2008.

The initiative to recycle kiln dust has been driven by the limited availability of hard limestone at the Marulan mine which is expected to conclude by 2012. Thereafter only soft grade and high magnesium limestone will be available. The hardness of limestone is very important for optimum quality and yield based on the current technology used at the Marulan lime kiln.

The Marulan kiln loses about 7% of its production volume as kiln dust generated by lime crushing into lime products. This kiln dust is either dumped on the mine dump site or sold to another aglime supplier at very low prices. Trials to recycle kiln dust have previously been undertaken but resulted in quality issues. As a next step, installation of a kiln dust automated pneumatic conveying system was undertaken to resolve these quality issues.

In addition to recycling the kiln dust without any quality issues, the project has resulted in a:
- 2.6% decrease in lime manufacturing cost;
- 7% decrease in greenhouse gases from lime manufacturing activity;
- decrease in lime dumping costs of $100,000 per annum; and
- decrease in power costs of $18,000 per annum.
People Practices

Awarded to a team or business for the most significant contribution in ensuring that we have the best people in our businesses. Entries could include a wide range of human resource projects and programs covering areas such as performance management and appraisals, leadership development and skills training, recruitment, selection and induction, remuneration and recognition, and succession planning. Entries could also cover programs to improve equal employment opportunities and increase employee participation at all levels in Boral’s decision-making processes.
Baulderstone / Boral Development Program
Australian Construction Materials Queensland

Australian Construction Materials (ACM) Queensland has successfully implemented a Graduate Exchange Program and Joint Cadetship program as part of its Strategic Business Alliance (SBA) with Baulderstone Queensland.

The SBA was established with Baulderstone two years ago with the objective of developing closer working relationships and adding value to both organisations. One of the streams of the SBA, the People stream, identified graduate development and cadetships as a potential opportunity to build relationships through exchange of graduate engineers and a joint cadetship recruitment program.

Under the Graduate Exchange Program Boral graduate engineers have been seconded to Baulderstone for six months and worked as Project Engineers. Under the Joint Cadetship program, cadets were appointed to both Boral and Baulderstone businesses and then placed on rotation through both the Baulderstone and Boral ACM businesses. These cadetships are 2nd and 3rd year students working on average 20 hours per week.

The success of the program has developed strong relationships between Boral and its customer Baulderstone, helped address skills gaps in both businesses and provided unique opportunities to cadets and graduates. The programs have also positioned Boral and Baulderstone as innovators in the graduate recruitment field.

Boral and Baulderstone have a target of a minimum six inter-business transfers and secondments during 2009.

‘Pride, Passion, Performance’ - Building Foundation for Turnaround Cement (Thailand)

A substantial improvement in the performance of the Thailand Concrete & Quarries business has been achieved in the six months to January 2009. This improvement resulted from a turnaround plan that was underpinned by the Boral Values and the ‘Perform and Grow’ paradigm.

Since the acquisition of the Thailand business in 2004 from Hanson, the business had struggled to meet expectations. Morale became a serious challenge in the business which was further exacerbated when a strategic review of the business was undertaken.

Following a change in management of the business in August 2008, a turnaround plan was developed that focused upon improving the overall cost management in the business. However it was recognised that to build a solid foundation for any sustainable turnaround an urgent improvement in employee morale and engagement was required. The ‘Pride, Passion, Performance’ initiative was created to build this foundation. This initiative included: (1) a focus upon living the Boral Values; (2) new vision for the business; (3) communication initiatives for employees; (4) new reporting and benchmarking tools; and (5) a new bonus scheme and objectives.

A dramatic improvement in the profitability of the business was achieved by October 2008. Anecdotal indications are that employee morale is also continuing to improve despite the uncertainties arising from the global financial crisis.

The ACM National Recruitment Methodology

In response to tight labour market conditions, Australian Construction Materials’ (ACM) HR team commenced a project in mid-2007 to develop a national recruitment methodology. Many of the existing practices at the time had evolved over the years and the market conditions had reached a point where the business had to challenge itself to determine if those practices met current needs and delivered optimum outcomes.

The ACM National Recruitment Methodology which was implemented in February 2009, involves the use of a single in-sourced HR driven recruitment model across ACM, using standardised recruitment tools and procedures. To identify a preferred methodology the project involved an extensive review of the recruitment segment activity; identifying the various recruitment process models operating in ACM; identifying market trends and engagement with a range of experts in the area.

The benefits of the new recruitment methodology are numerous and include a consistent, streamlined and contemporary hiring practice; reduced recruitment costs; shorter recruitment cycle time; stronger employment brand; documented processes with audit logs; documented process to reduce the duplication of effort; and, the development of a candidate database through the use of the e-Recruitment tool. The model is also scalable beyond ACM.
Performance Enhancement

This category recognises a business or team that has set challenging business improvement or turnaround objectives and has demonstrated success. Recognition of Performance Enhancement achievements aligns with Boral’s Perform and Grow strategy and reflects the ongoing importance throughout Boral of Performance Enhancement Projects (PEP).
To combat the effects of an unprecedented downturn in the US housing industry and to systematically enhance its performance culture to survive the downturn, in 2007 MonierLifetile initiated an accelerated step-change program named Project Escalator. The organizational development that occurred during Project Escalator enabled MonierLifetile to institute a structured continuous improvement program called CIP in 2008.

Project Escalator commenced in August 2007 and the ideas developed in Project Escalator were implemented as quickly as possible. By June 2008, nearly 90% of the Escalator ideas were put into operation, less than 10 months after the project began. Project Escalator achieved US$23 million of annualised operating improvement.

In February 2008, using the concepts learned in Project Escalator, MonierLifetile launched a follow-up program to deliver ongoing continuous improvement. This structured CIP produced a further US$9 million in annualised operating improvement by the end of 2008.

These successful projects helped to develop the organisational performance improvement culture within MonierLifetile. Two additional initiatives have since been launched since Project Escalator and CIP – one to improve the performance in the commercial side of the business named Sales-Up and the other called Radplan which is an additional accelerated step-change program. Combined these two initiatives will improve performance by a further US$9 to US$13 million.

Although the downturn has been extremely difficult on the organization and its employees, many positive outcomes have resulted. These performance improvement programs have elevated the sense of urgency and greater awareness of the overall profitability of the organisation. Because of them, MonierLifetile is now in a much better position when the returns to ‘normal’.

Boral Quaries SEQ implemented a Quarry Reporting System in 2007 which has enabled the business to meet market opportunities and has embedded a performance improvement culture. The system has been pivotal in delivering a substantial lift in sales and EBIT in the business between 2006 and 2008. During the 12 month period to December 2008, Quaries SEQ’s average availability improved from 72 % to 82% and efficiency from 78.5% to 90%.

In 2006, Quaries SEQ identified that the business lacked capacity to meet forecast demand. In addition the performance of SEQ Quaries’ key assets, fixed crushing plants and mobile equipment was not measured accurately and there was no performance data available to embed a disciplined performance improvement culture in the business. Latent capacity in the business was identified that could be utilised with an improvement in asset performance.

The ACM Qld/NT Business Systems Team worked with Quaries SEQ to develop a system to collect and report on operational performance to provide the basis for the implementation of a disciplined performance improvement process in the business. The new Quarry Reporting System developed incorporates site recorded data to provide a wide range of functionality for quarry businesses, with various members of the quarry business able to interact with the system both populating and retrieving data.

The system is currently under review for use in Boral Quaries nationally.
Safety

Awarded to the business unit that demonstrates overall safety excellence, an exceptional improvement in safety performance or an outstanding improvement in workers’ compensation management or performance. Entries related to performance should demonstrate excellent systems and procedures, sustained outstanding safety performance or a significant and sustained improvement in safety performance indicators for the period. Although a zero or very low injury rate and percentage hours lost will be important criteria, the size of the operation by number of employees, hours worked and risk of injury will also be taken into account.
Safety

Boral Plasterboard: Achieving Sustained Safety Performance
Plasterboard

Over the past eight years, Plasterboard has come a long way in its safety journey. It has moved from a largely ad-hoc approach to safety to one where there are robust systems and processes in place and there is ownership for safety at all levels and areas of the business.

This desire and commitment to improve has translated into sustainable results. Measures of success include:

- A reduction in LTIFR from over 12 in 2001 to zero in 2008 and YTD 2009 of 0.8;
- Reduced % hours lost from 0.4 to zero in 2008, and YTD 2009 of 0.03;
- Managers consistently exceed Safety Conversation targets;
- Employees have identified and controlled over 3,600 hazards since 2004/05;
- Plasterboard has developed industry best-practice programs for forklift drivers, contractor safety, permits to work, delivery and stacking of plasterboard, traffic management, management systems, and data analysis and reporting;
- Plasterboard continues to achieve “all green” in the Corporate Best Practice Elements Governance Traffic Light Review;
- Second party audits verify system compliance;
- Boral Interior Lining HSE Management System is an award winner; and
- Employee Survey results reinforce its safety strategy is on track.

With strong leadership, teamwork and the continued efforts of everyone in the organisation, Plasterboard has moved far closer to its goal of zero incidents, injuries and illnesses.

Midland Brick Company - Clay Mining and Haulage Safety Journey
Clay & Concrete Products (Midland Brick)

The Clay business at Midland Brick achieved a substantial improvement in safety performance during 2007/08 through implementing a structured approach to safety and through strong leadership. Midland Brick’s Clay business operates eight mine sites in the greater Perth metro area.

In 2006 a new management structure was implemented in the Clay business of Midland Brick and safety and sustainability were identified as key areas for improvement. The new management team recognised that while the safety statistics were of an acceptable standard they were not sustainable because formalised safe systems of work had not been implemented as effectively as possible. Many of the standard safety tools were either absent or not working.

The management team embarked on a plan of improving the culture and the tools available. A program was initiated in late 2006 to tackle the major areas of risk, including hazard identification, developing work procedures, improved controls over contractors and training. This program addressed system and process issues and placed emphasis on positive performance indicators. As a result the Midland Brick Clay business has seen a significant improvement in attitude towards a safer work environment and a lift in reporting of incidents. The reportable injury frequency rate for contractors and employees has also declined from 66 in 2006/07 to 31 in 2007/08.

The Clay business at Midland Brick achieved a substantial improvement in safety performance during 2007/08 through implementing a structured approach to safety and through strong leadership. Midland Brick’s Clay business operates eight mine sites in the greater Perth metro area.

Improving Safety through Workforce Empowerment
Plasterboard LBGA (Indonesia)

The safety record for the Cilegon plasterboard plant in Indonesia had been good for a number of years based on LTIFR, however the attitude of employees towards safety was not at the world class level required and this was reflected in a number of areas including poor housekeeping. It was also recognised that safety statistics don’t necessarily tell the whole story because in Southern Asia many businesses have a high incidence of fatalities despite a history of low LTIFR.

LBGA management decided to mobilise the workforce to achieve a mindset change so that employees were able to recognise the safety risks and behave differently in the plant than they were used to outside of the plant. Through a strong focus on housekeeping and empowerment the business aimed to achieve a higher reporting of near miss and first aid injury incidents together with ideas for improvements from the shop floor.

A number of key changes were made in the plant and the safety committee was restructured to include opinion leaders from the shop floor. Employees were encouraged to come forward with their ideas and employees at all staff levels were set safety objectives. To address housekeeping the improvement initiative commenced with the renovation of the staff amenities and canteen.

As a result of these initiatives, the plant achieved exceptional safety performance (zero LTIs and 1 MTI in 2008) and was awarded a safety award for the Lafarge Gypsum Division worldwide.
Boral’s Strategic Intent is to be a value(s) and market driven, focused building and construction materials supplier, operating in Australia and increasingly offshore. In line with this Strategic Intent, this Award is presented to the team or business unit that has initiated the best sales and marketing program or made the best contribution to give Boral customers better value and service than Boral’s competitors, clearly demonstrating our market driven focus.
Boral Country Concrete and Quarries Qld/NT secured the concrete supply to the second stage of the Yarwun Rio Tinto Alumina Refinery expansion project in Gladstone (Yarwun 2) as the sole invitee to tender. This followed the successful supply by the business of 90,000 m³ of concrete to stage 1 of the project (Yarwun 1) between May 2002 and October 2004.

Yarwun 1 exceeded expectations in all key areas of safety, environment, customer service and financial outcomes. Bechtel Construction maintained contact with the Boral team and both parties were keen to continue to work together on Yarwun 2. Through this close relationship Boral was asked to submit a tender for the supply of 80,000 m³ of concrete to Yarwun 2. The Yarwun 2 project required a substantially higher production rate than Yarwun 1.

To successfully meet the capacity and quality requirements for Yarwun 2, the business procured a high capacity mobile concrete plant. No other concrete manufacturer in Australia owns a high capacity mobile concrete batching plant. The purchase of this plant and the commitment of the team that operates it has given Boral a continued competitive advantage for the major infrastructure and engineering projects scheduled for the next five years in Qld/NT.

Australian Construction Materials Qld/NT established a Strategic Business Alliance (SBA) with Baulderstone Queensland in February 2007 with the objective of developing closer workings relationships and adding value to both organisations. The SBA has delivered significant tangible and intangible benefits to Boral through a better understanding of our client’s needs.

The SBA was structured into three streams, covering People, Process and Strategy to address the identified areas for developing competitive advantage. The intent of these streams is to:
- People – Build understanding through relationships and competencies;
- Process – Enhance intercompany processes to reduce cost and improve service; and
- Strategy – Win more work together.

The SBA, through these streams, has delivered strong relationships between Boral and Baulderstone providing a point of competitive advantage and enabling both organisations to win more work together.

The SBA has delivered:
- A $4m increase in revenue to Boral;
- An increase in margin outcome for Boral;
- Reduced graduate turnover;
- Access to engineering cadets; and
- No lost time injury, medical treatment injury or reportable incidents involving Boral employees on Baulderstone project sites.
Outdoor Factory Outlet: Budget Marketing
Clay & Concrete Products (Masonry East)

In March 2008, Masonry NSW opened its first Outdoor Factory Outlet at its existing plant at Prospect, selling its products direct to the public. The concept of an Outdoor Factory Outlet was developed through a coordinated effort by Sales and Marketing to open up a new channel to market for its landscape products in NSW.

As a first for Boral Masonry, the sales and marketing strategy for the factory outlet would set a precedence for the marketing of future factory outlets. New avenues of marketing were explored and implemented alongside traditional vehicles of marketing. For example for the first time in Boral’s history, Boral Masonry utilised the online selling site eBay. An effective leads tracking system was also employed to track the best dollar spend. In the nine months to December 2008, eBay has accounted for over $274,000 worth of sales.

The factory outlet is now the most successful single retail outlet for Boral Masonry products in NSW. Through the introduction of the factory outlet, Boral Masonry has maintained market share with existing resellers and therefore been able to grow share in the seconds landscaping segment.

The factory outlet concept will now be expanded throughout Masonry East. In June 2009, Boral Masonry Victoria launched the Deer Park factory outlet.

Prospector II
Boral Plasterboard

After nearly a decade of using state-based Customer Relationship Management (CRM) databases, Plasterboard initiated a project to develop a national CRM-based solution in 2005, named “Prospector II”.

The solution required was one that extended into new planning, reporting and marketing functions and, above all, facilitated unique relationship-capturing requirements. The need for a Boral-wide market analysis and planning solution was also defined and articulated.

Plasterboard worked with Microsoft to develop a tailored market analysis and planning system that would serve as both pilot and platform for all relevant Boral divisions to use within their respective sales forces. The team were striving towards a vision of cross-divisional implementation and then inter-divisional collaboration of market intelligence and sales leads. The roll-out across Plasterboard was completed by July 2007. Australian Construction Materials (ACM) subsequently sought to also deploy Prospector II across its division which commenced in April 2008 and concluded in December 2008.

The most significant measurable result from implementing Prospector II across Plasterboard and ACM has been from the inter-divisional sharing of market intelligence resulting in over 6,000 sales leads within seven months. Other benefits include sales force efficiencies, improved product mix ratios and revenue and margin enhancements (totalting over $10 million to date).
Managing Director’s Awards

**Australian Construction Materials, Queensland for “Delivering an Outstanding Performance and Positioning the Business for the Long Term”**

ACM Queensland has demonstrated strong bottom line performance over a sustained period of time, effectively capitalising on a rising market to maximise returns at the top of the cycle. The team has done an outstanding job to develop and sustain customer and community relationships, to deliver on major projects, and to de-bottleneck capacity at the peak of the market.

As the Queensland market has softened, the business has effectively introduced cost reduction and improvement measures to continue to deliver strong results despite volume pressures.

Sound safety performance has been delivered and leadership in resource security, environmental management, community relations and people practices has also been demonstrated.

**MonierLifetile for an “Outstanding Operational Performance and for Positioning the Business for the Long Term”**

The MonierLifetile team has done an outstanding job of containing operating losses in extremely challenging market conditions. Well before the US recession was recognised the team took actions to ensure that the business was aligned to the down cycle.

US$32m of cost savings were delivered through Project Escalator and a Continuous Improvement Program. A second round step change program known as RadPlan has identified a further US$6-10m of bottom line benefits.

Substantial cost down programs take courage and conviction to implement. The business is operating at around 20% of capacity and has reduced head count by some 70%, or more than 850 people, since the cycle peak in FY2006.

Whilst the business has been reporting a loss since the second half of FY2007 (following a record profit of US$28m in FY2006), the US$10m loss reported in the first half of FY2009 was steady on the prior corresponding period despite volumes being down ~35%.

MonierLifetile’s performance in other areas such as safety & environmental management and product development & customer service has remained solid. The business is well positioned to respond to the inevitable pick up in demand.