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AUSTRALIAN MATERIALS HANDLING EQUIPMENT MARKET

ASIA PACIFIC SOUTH
TRADE DEVELOPMENT DIVISION
EXTERNAL AFFAIRS AND INTERNATIONAL TRADE CANADA

Canada

Import Opportunities in the Australian Materials Handling
Equipment Industry

Foreword

The accompanying study of the current Materials Handling Equipment market in Australia indicates particular opportunities for Canadian manufacturers of pallets, racking and shelving hoists and cranes, forklift trucks and conveyors.

We have produced this work with the objective of making Canadian companies aware of the developments in Australian materials handling equipment and thereby enabling comparisons which may reveal Canadian capabilities able to satisfy Australian needs.

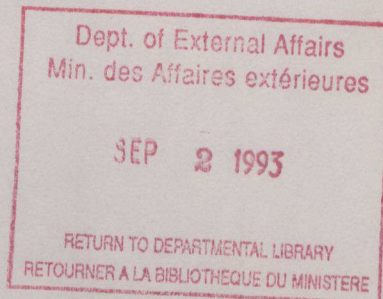
Canada has not been a leading supplier of materials handling equipment to Australia and currently falls behind Japan, Taiwan, U.S.A., U.K. and Italy. We believe that an effort to promote Canadian manufacture will result in a greater recognition, especially if presented as an invitation to joint venture or manufacture under licence in Australia. Such an approach will avoid the high tariffs presently levied on fully imported products and takes advantage of the lower tariff rates enjoyed by components and parts.

We are aware of many Australian companies that could be interested in this type of project and our endeavour is to develop negotiations to this end.

If, having perused this study, you are interested in pursuing further association with the Australian market, please write to, telex or fax the writer, detailing your company name, address and fax number and advising which particular equipment you presently manufacture and would like to promote.

We await your response with great interest.

Prepared by:
Consulate General
50 Bridge Street
Sydney Australia
June 1989
Tel: (02) 231-6522
Fax: (02) 223-4230



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AUSTRALIAN PRODUCTION

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INTRODUCTION

This report provides an overview of key sectors of the Australian market for materials handling equipment. Particular items covered are:

oMetal Pallets.

oRacking & Shelving.

oHoists & Cranes.

oForklifts.

oConveyors.

The primary objectives of the report are to identify:

- o market opportunities for imported Canadian materials handling equipment.*
- o present importers of material handling equipment.*
- o relevant customs duties and sales taxes.*
- o information sources including trade publications, associations, etc.*

1. EXECUTIVE SUMMARY

A) *Recommendations*

- *Opportunities now exist in the Australian Materials handling market for Canadian manufactures and exporters to explore the following product areas:*
 - i) *Automated racking and shelving systems.*
 - ii) *Narrow aisle forklifts and elevated cab turret trucks.*
 - iii) *Conveyor parts.*
 - iv) *Small to medium crane range.*

These markets are growing and are currently served by imported products and manufacturers of forklifts and hoists should not ignore the Australian market, despite their product sectors being most competitive. The Australian market is currently served by a wide range of locally manufactured and imported products and success will be determined by either cost advantage or unique product benefit. Canadian manufacturers with internationally competitive products should contact the Consulate to arrange further investigation of the market potential for their product range. Details of interested Australian manufacturers, who have been approached on a joint-venture or manufacture under licence basis will be advised as the result of such contact.

- *Metal pallet manufacturers should consider the present Australian market as small, with strong competition from both timber and plastic pallets but with a growing recognition in conditions of hard wear and difficult storage areas, where timber and plastic pallets fail to maintain performance. Metal pallet manufacturers service a clientele which has particular needs for greater protection, flexibility in size, collapsible walls and varying design, based on a "post type" product. The market for this type of pallet is steadily increasing.*
- *Any manufacturer considering export to Australia should ensure that their product complies to relevant Australian standards. Copies of these standards may be obtained from the Sydney Consulate.*

B) Market Overview

- *The Australian market for materials handling equipment will become more competitive over the next few years due to a slowing in the economy and a expected decline in the \$A exchange rate, which will adversely effect demand for imported equipment. Mitigating against this to some extent will be the phased reduction in import duties on material handling equipment from 25%-30% to 15% by 1992.*
- *Notwithstanding tighter demand conditions, the Australian market still offers good opportunities for imported equipment in selected product areas - predominately in racking, conveyors, hoists and cranes.*

The forklift market is generally well served by a wide range of domestically manufactured and imported equipment and as a consequence is extremely competitive. However forklift units with special features (e.g. longer mast, taking greater weight, etc.) are readily accepted in the Australian market.

- Metal pallets have an increasing recognition in heavy-wear warehouse and rough storage conditions. As a result the leading manufacturer (Tubemakers) report a market growth of 5%-7% per annum, largely for special design "post" type pallets.
- It should also be noted that Australian imports of materials handling equipment are substantial and represent almost half of the total domestic demand. In 1986/87 almost \$300 million worth of materials handling equipment was imported. Imports in 1986/87 for the product categories under consideration in this study were:

**Imports of Materials
Handling Equipment 1986/87**

Pallets	negligible
Racking & Shelving	\$ 2m
Crane	\$16m
Hoists	\$12m
Forklifts	\$72m
Conveyors (incl. parts)	\$12m

Further details of imports by product category are provided in the Appendix.

- The metal pallet market is worth around \$0.5 million p.a. and is largely supplied by local manufacturers. Plastic pallets have recently been introduced and these are taking market share from metal pallets. The potential for imported pallets is limited.

- The racking and shelving market is also predominately supplied by local manufacturers. There is, however, little domestic production of sophisticated automated racking and shelving systems. These items are currently imported for specialist applications in the motor industry, cold stores etc and new applications would be very acceptable in other industries.

- The majority of cranes are imported into Australia and there is potential for new suppliers in this sector. This is considered an ideal product area for Canadian manufacturers of cranes with any special characteristics to arrange a joint venture operation with an Australian partner. The market demands a variety of types and sizes and includes cranes for mounting on vehicles, fixed cranes built into vehicle bodies, mobile road cranes, tower cranes, jib cranes and special construction cranes.

- Approximately \$13m worth of hoists are imported each year with both chain and wire rope hoists widely used. The majority of the market is for hoists in the 0-5 tonne capacity class.

- *The Australian market for forklifts is worth approximately \$110m with 70% sourced from imports. The market is extremely competitive due to the large number of suppliers and the importation of low cost secondhand equipment. Nevertheless, imported narrow aisle equipment and elevated cab turret forklift trucks are increasingly popular and represent areas of opportunity.*

- *The pallet and package handling conveyor market is worth around \$30m p.a. of which most are warehouse distribution conveyors. Components rather than full conveyor systems are likely to present the best opportunities for importers. There is a large number of local conveyor manufacturers utilising imported components which offer either cost advantages or advantages in specialised applications. Approximately \$10m worth of conveyor parts are imported each year and \$2m worth of conveyor systems.*

Pallets	negligible
Racking & Shelving	\$2m
Cranes	Approximately \$13m worth of hoists are imported each year with both chain and wire rope hoists widely used. The majority of the market is for hoists in the 0-2 tonne capacity class.
Hoists	
Forklifts	\$72m
Conveyors (incl. parts)	\$1m

Further details of imports by product category are provided in the Appendix.

2. THE AUSTRALIAN MARKET

2.1 General Characteristics

Australia has a population of 16.3 million which is highly concentrated in a few major cities primarily on the south and east coasts of the continent. The major cities are:

	Population (Million)	% of Aust. Population
Sydney	3.5	22%
Melbourne	3.0	19%
Brisbane	1.2	7%
Adelaide	1.0	6%
Perth	1.0	6%
Total	<u>9.7</u>	<u>60%</u>

Manufacturing, warehousing and retail businesses are similarly concentrated in these major metropolitan markets.

The Australian economy has been expanding strongly in recent years and this has been reflected in increased demand for plant and equipment including materials handling equipment. The level of demand may decline from current levels however, as the Australian economy slows under the influence of high interest rates.

Exporters to Australia must also be wary of volatility in the Australian dollar exchange rates. Imports of materials handling equipment in 1989 and 1990 may be adversely effected by the combined effect of a slowing in the Australian economy and increased import prices if the \$A exchange rate declines further. On the positive side however, the phased reduction in customs duty from the current 25%-30% to 15% by 1992 should assist the competitiveness of imported product on the local market.

2.2 The Materials Handling Industry

Management of materials handling has become a crucial issue in Australia. The industry is currently addressing specific areas of need including the development of new type conveyor systems for low cost handling in warehousing, automation and high technology in distribution centres, safe manual handling practices, inventory management and quality control. Storage and inventory systems are becoming increasingly sophisticated using the latest in computer technology, as are conveyor-belt systems using process control systems.

Recent developments in manufacturing, such as just-in-time inventory control have forced suppliers to increase their stockholdings while users reduce theirs. This trend in conjunction with the high cost of land, buildings and labour has increased the need for sophistication in the storing, processing, packing and despatching of goods. Nevertheless, fully automated systems still represent a minority part of the total market and offer an attractive market opportunity.

Current figures for the size of the total Australian market for materials handling equipment are not available, however the majority of this market is in cranes (derricks, hoists etc), work trucks (forklifts, stackers etc) and conveyors, conveyor systems and components.

Imports account for approximately half of domestic demand, with the main import items being forklift trucks, robot controlled handling/lifting machinery, cranes and componentry. Imports increased strongly in 1985/86 from \$194m to \$308m before dropping back in 1986/87 to \$289m.

Imports of materials handling equipment have faced high tariffs with most imports entering at rates of 25 and 30 per cent. However, the rates applying to almost all of these goods are being phased down to 15 per cent over the next four years starting from 1st July, 1988.

Materials handling equipment is covered by a range of product performance standards set by the Standards Association of Australia. While not compulsory, most buyers will require products to conform to the relevant standard. Canadian manufacturers considering export to Australia should, in the first instance, obtain copies of the relevant Australian standards (see standards section in each chapter) to ensure that their products comply with the relevant requirements.

2.3 Information Sources

There are a variety of trade magazines and trade Associations which are sources of useful information. These are listed below and specific product information is provided in the relevant product sections.

Trade Publications**Materials Handling and Distribution:**

Official journal of the Australian Institute of Materials Handling and the Logistics Management Association of Australia. Published by Redbank Press, 25 Falcon Street, Crows Nest, NSW 2065. Tel. (02) 438 3466.

Factory Equipment News:

Published monthly by Thomson Publications Aust. P.O. Box 65, Chippendale NSW 2008, Tel. (02) 699 2411 Telex TPAS AA 122226

Associations

Logistics Management Association of Australia (LMA)
c/- NSW Chamber of Commerce and Industry, GPO Box 4280,
Sydney 2001.

Tel. (02) 299 7888

Materials Management Council of Australia,
c/- P.O Box Q398, Queen Victoria Post Office,
Sydney, NSW 2000.

Tel. (02) 264 6413

Australian Institute of Materials Handling Ltd
15 Little Burton Street, Darlinghurst, Sydney NSW 2010,
Tel. (02) 331 1188

Trade Shows

Matpak - (Materials handling and packaging equipment exhibition).

A yearly event held alternately in Sydney and Melbourne:

1990 - Sept 25-27 - Sydney, Darling Harbour
1991 - Mid Year - Melbourne, Exhibition Bldg.
1992 - June or Sept - Sydney, Darling Harbour

Details from Mr. Ken English, XPO Exhibitions,
P.O Box 765, Artarmon, NSW, Australia, 2064
Tel. (02) 906 2077 Fax. (02) 906 2079

2.4 Sales Tax

The Australian Government imposes sales tax on:

- o goods manufactured for use in Australia
- o goods, whether new or used, imported into Australia for use or consumption in Australia

Sales tax is paid when the goods are sold by a manufacturer, importer or wholesaler to a retailer. Importers pay sales tax on the goods to the Collector of Customs when the goods enter Australia. Sales tax is levied on the final wholesale price and, in the case of importers, tax is payable on a value equal to 120% of the sum of the customs value of the goods and any customs duty payable on the goods. For example:

Goods	=	\$ 95
Customs Duty	=	\$ 5
		<u>\$100</u>
Taxable Value (120%)	=	\$120
Sales Tax @ 20%	=	\$ 24

Equipment used in manufacturing is exempt from sales tax and consequently in some situations, where the materials handling equipment forms an integral part of the manufacturing process these items may be tax exempt. In most cases, however, sales tax at the general rate of 20% will be applicable.

A yearly event held alternately in Sydney and Melbourne.

There are a variety of... Sydney Darling Harbour... Melbourne... and... are sources of... specific... sections.

Details from Mr. Ken English, XPO Exhibitions,
P.O. Box 965, Artarmon, NSW, Australia, 2064
Tel. (02) 906 2077 Fax. (02) 906 2079

3. METAL PALLETS

3.1 The Market

There are currently approximately 9.5 million pallets in use throughout Australia, of which only 0.4 million are of metal. Timber pallets of standard size, 1168 x 1168mm, dominate the market.

The market for pallets is cyclical due to the seasonal variations in consumer demand, particularly in the food and drink industries.

Approximately 70% of all pallets are hired, with the remainder owned by the end-user.

The annual market for pallets is estimated at 3 million units of which 15,000 are of metal. At the current (3/89) market price of \$50, ex-tax and ex-works, the annual metal pallet market is therefore worth approximately \$750,000 compared to the total market value of nearly \$35 million.

In the last 2 years plastic pallets have been released on the Australian market and these are taking market share from both wooden and metal pallets. Both plastic & metal pallets tend to be used for in-house applications particularly in the food industry. Concern over theft has restricted growth of the metal pallet market.

The major suppliers of metal pallets are:

Celsiunator Industries - importers of pallets from the Groko Company in Sweden.

Tubemakers - manufactures metal pallets.

Gerrard Strapping - manufacturers Palpac steel pallets.

Palmat Engineering - manufacturers of the "Perma" pallet.

Boral Cyclone - manufacture steel pallets.

3.2 Importers

Two companies are currently importing metal or plastic pallets:

Celsiunator Industries - 63 Turner Street
 PORT MELBOURNE VIC 3207
 TEL: 03 645 2011

Hudson Holden & Assoc - Unit 4D, 128-130 Frances Street
 LIDCOMBE NSW 2141
 TEL: 02 649 1968

3.3 Australian Standards

There are two Australian standards relevant to metal pallets:

- i. AS 2068 for Flat pallets with the dimensions 1165 x 1165mm
 General Purpose, not intended for use on 150
 Series 1 Freight containers.
- ii. AS 1899 for Flat Pallet with dimensions 1100 x 1100mm
 suitable for use on 150 Series 1 Freight Containers.

Both codes include specifications regarding dimensions, load rating and requirements for construction and testing of reusable flat pallets for the unit load method of materials handling.

3.4 Import Duties

	STD. Rate	Developing Country Rate
Pallets, box pallets and other load boards (4415.20.00.03)	15%	10%

3.5 Sales Tax

Pallets are subject to sales tax at the general rate of 20%.

4. RACKING AND SHELVING

4.1 The Market

Racking and shelving is used in a variety of industry segments but particularly by the chemical, paint and oil, paper, printing and publishing, retail and wholesale warehouses.

The retail and wholesale market for racking and shelving is growing at an estimated 7% per annum with the current market estimated at A\$80m. Shelving (gondola and wall mounted) accounts for almost 80% of the total market.

The major Australian companies supplying racking are:

- Metro
- Dexion
- Brownbuilt
- Boral Cyclone
- Acrow
- Unistrut
- Colby Handling System
- Handy Angle

The major suppliers of shelving are:

- Metro
- Trollope, Silverwood & Beck
- Kingfisher
- U-Rect-It
- Shopfitting of Australia

In Australia most warehouse operators do not perceive the need for automated systems which involve the use of racking conveyors or sophisticated systems - in many cases they perceive such equipment as increasing costs and reducing the percentage of useful warehouse space. In Japan and elsewhere the ascendancy of automated systems can be largely explained by local factors such as the lack of land and associated costs of construction.

In Australia the use of traditional narrow aisle racking, with reach and deep reach vehicles, has been found to be more efficient than automated systems. Nevertheless there remains a place for fully and semi-automatic systems in applications for the motor parts, hardware, cold storage and other industries having specialised requirements.

Racking is now generally sold as part of a total warehouse system rather than as a hardware item 'over the counter'. Traditional racking companies are now providing the whole gamut of materials handling and storage equipment in static and mobile distribution networks. Warehouses also now have colour co-ordinated racking to segregate and identify particular areas.

4.2 Importers

The vast majority of standard racking and shelving requirements are sourced from domestic manufacturers. Imports are generally sophisticated, automated racking and shelving systems. Whilst local manufacturers are the major importers of such equipment, there are also two specialist importers:

- Daly Smith Corporation - Distributors of Spacerack
F1/62 Maddox Street
ALEXANDRIA NSW 2015
TEL. (02) 319 3766
- Angle Built Sales Pty Ltd
17 Benaroon Road
BELMORE NSW 2192
TEL. (02) 750 8088

The manufacturer/importers are:

- Acrow (Imports Daifuku warehouse systems)
P.O. Box 233
GUILFORD NSW 2161
TEL: (02) 681 3222
- Boral Cyclone Ltd (Import control systems used for racking and shelving)
88 Reserve Road
ARTARMON NSW 2064
TEL: (02) 436 1014
- Brownbuilt Ltd
12 Cawarra Road
CARINGBAH NSW 2229
TEL: (02) 526 0555
- Colby Handling Systems
75 South Creek Road
DEE WHY NSW 2099
TEL: (02) 981 5555

- Dexion (Australia) Pty Ltd
Tattersall Road
BLACKTOWN NSW 2148
TEL: (02) 621 1777
- Handy Angle Pty Ltd
1 Edward Street
ARNCLIFFE NSW 2205
TEL: (02) 597 1888
- Humes - ARC
World Trade Centre
Cnr Flinders & Spencer Streets
MELBOURNE VIC 3000
TEL: (02) 611 3777
- Lincoln Engineering
91-93 Cochranes Road
MOORABBIN VIC 3189
TEL: (03) 555 9788
- Shopfitting of Aust International Pty Ltd
421 Smith Street
FITZROY VIC 3065
TEL: (03) 417 5374
- Unistrut Australia Pty Ltd
85 Long Street
SMITHFIELD NSW 2164
TEL: (02) 609 6444

4.3 Australian Standards

There are no standards in Australia for the design of adjustable pallet racking.

The special cold formed steel sections used in rack structures generally fall outside the range of conventional structural design standards, such as AS1250-1981 SAA Steel Structures Code.

The nearest available standard, AS1538-1974 SAA Cold-Formed Steel Structures Code, does not effectively deal with the special holes and slots that are punched into adjustable pallet racking, nor does this standard deal with the bear end connection that is used to provide ready adjustability.

4.4 Import Duties

Racking & Shelving falls under the following Harmonised code for customs duty:

	STD Rate	Developing Country Rate
Storage structures and shelving, of iron and steel (Customs Tariff code - 7308.900005)	15%	10%

4.5 Sales Tax

Racking and shelving is subject to sales tax at the general rate of 20%.

- Daily Smith Corporation
17/62 Maddox Street
ALEXANDRIA NSW 2015
TEL: (02) 913 2766
- Angle Built Sales Pty Ltd
17 Benaroon International Pty Ltd
BELMORONG NSW 2192
TEL: (02) 557-5200
- Acrow (Imports) Pty Ltd
P.O. Box 233
GUILFORD NSW 2161
TEL: (02) 882 2222
- Boral Cyclone Ltd (Import control systems and shelving)
85 Reservoir Road
There are no standards in Australia for the design of racking.
The nearest available standard, AS1575-1974 SAA Cold-Formed Steel Structures Code, does not effectively deal with the special holes and slots that are punched into adjustable pallet racking. This standard deal with the bear end connection that is used to provide ready adjustability.

5. CRANES AND HOISTS

5.1 The Market

a) Cranes

Australia relies largely on imported cranes with local manufacturers concentrating on the production of a range of components and attachments for inclusion into imported cranes. In cases of building construction work, when combined with site erection costs, such crane equipment may represent a local content of 20 to 25 per cent of a total contract value.

Some local companies also undertake complete manufacturing activity including the design, procurement, fabrication and assembly. Activity of this kind generally entails the import of the more complex crane components, including engines, hydraulics, and any special componentry of high tensile steel and other special materials.

Indicative figures of cranes imported into Australia are:

CRANE IMPORTS

	<u>85/86</u>	<u>86/87</u>	<u>87/88</u>
UNITS	1600	1490	1476
VALUE (AUD. MILLION)	17.10	15.98	19.03

The crane industry is considered a most vital part of Australia's materials handling equipment and, whilst local manufacture of cranes is steadily growing, the ratio of importations is expected to be maintained, particularly in regard to special large heavy duty cranes for big construction in rough terrain conditions.

Overhead travelling & swinging jib cranes are the most commonly used. Order picked stacker, semi-portal and portal cranes represent a smaller portion of the market (20%).

The majority of cranes (60%) are in the 0-15 tonne range.

The crane market can be divided into 5 segments as follows:

1. Truck loading cranes;

This market segment, which includes the production of scissor-lift boom lifts and truck mounted elevating work platforms, is an area of rapid growth. A number of local companies, including Evans Deakin Industries, Abbey, JLG Industries, Crown Controls and Johns Engineering have made significant investment in the development of this equipment. However, imports of second hand equipment are having a severe effect on sales of new equipment in this sector.

2. Tower cranes, offshore and special application cranes;

Two companies, Favco and Favelle, undertake manufacturing activity from the design stage through to fabrication and assembly. Favco claims that its products, which generally lie at the heavy capacity end of the market, represent state-of-the-art design in tower and offshore cranes, and are sold successfully on the export market. Both companies import a range of components for inclusion in the final product.

3. Mobile cranes under 15 tonnes capacity;

This market segment, including both truck and tractor-base mounted cranes, is served by a number of local producers who add varying levels of value to the products. The market appears to be expanding, and Australian producers face limited import competition due to the special requirements needed for cranes operating under Australian conditions.

4. Mobile cranes above 15 tonnes capacity;

Included are truck and crawler mounted cranes with both lattice and hydraulically extendable booms.

5. Special-Design Cranes includes cranes required for specific applications in particular industries. A typical case is a crane unit built to work in foundries where space and height is limited but access must be obtained to work in furnace areas.

The major suppliers of cranes are:

- Mannesman Demag
- Kone Cranes
- Johns Perry
- Vettler Trittler

Mannesman Demag is the market leader in this field.

b) Hoists

Domestic manufacturers produce 3,000 - 4,000 electric hoists per annum worth between \$50m and \$65 million per annum.

In addition around \$12m - \$13m worth of hoists are imported.

Both chain and wire rope hoists are widely used. The large majority (75%) of hoists are in the 0-5 tonne capacity class.

Other Hoists & Cranes
 (Imports)
 Hoists
 Cranes

Mannesman Demag Pty Ltd
 93 Long Street
 4512445 (20)
 4529995 (20)

The market for new hoists and cranes has expanded significantly in recent years with domestic production almost doubling from around \$180 million in 1984/85 to around \$350 million in 1987/88.

MARKET FOR HOISTS AND CRANES
 VALUE \$ MILLION

Johns Perry Cranes Pty Ltd
 5581 807 (20) FAX: 5581 807 (20) TEL: 5581 807 (20)

A.P. Millon Pty Ltd
 82/83 83/84 84/85 85/86 86/87 87/88

	82/83	83/84	84/85	85/86	86/87	87/88
Domestic Production (20)	180	210	240	270	300	350
Electric Hoists	150	180	210	240	270	320
Other Hoists & Cranes	30	30	30	30	30	30
Imports	12	13	12	13	12	13
Hoists	10	11	10	11	10	11
Cranes	2	2	2	2	2	2

Johns Perry Cranes Pty Ltd
 4512 452 (20) FAX: 4512 452 (20) TEL: 4512 452 (20)

6. CRANES AND HOISTS (COMBINED)

6.1 The Market

The market for new hoists and cranes combined in 1986/87 was worth over \$120m. The following table provides domestic production and import data, but as imported components often form part of a domestically produced finished item, the figures below are given as purely indicative.

MARKET FOR HOISTS AND CRANES - 1986/87

		UNITS	VALUE \$ MILLION
i)	<u>Domestic Production</u>		
	Electric Hoists	3,700	59
	Other Hoists & Cranes	n.a.	90
ii)	<u>Imports</u>		
	Hoists	48,340	12
	Cranes	1,490	16

The market for new hoists and cranes has expanded rapidly in recent years with domestic production almost doubling from under \$80 million in 1984/85 to around \$150 million in 1986/87.

MARKET FOR HOISTS AND CRANES 1982/83 - 1987/88

	VALUE \$ MILLION						
	82/83	83/84	84/85	85/86	86/87	87/88	
i)	<u>Domestic Production</u>						
	Electric Hoists	56	44	43	na	59	na
	Other Hoists & Cranes	65	38	36	na	90	na
ii)	<u>Imports</u>						
	Hoists	na	na	4	9	12	13
	Cranes	na	na	14	17	16	19

The major suppliers of hoists are:

- PWB Anchor
- Mannesman Demag
- Austin - Balkariar
- Pacific Hoist
- Vetter Trittler

6.2 Importers

a) **Cranes & Hoists (Combined)**

PWB Anchor Pty Ltd
23 Fitzpatrick Street
REVESBY NSW 2212
TEL: (02) 771 3633 FAX: (02) 774 2250

Kone Cranes Aust Pty Ltd
Lot 3, Redfern Street
WETHERILL PARK NSW 2164
TEL: (02) 604 9355

Mannesman Demag Pty Ltd (Travelling Cranes, Jib Cranes)
92 Long Street
SMITHFIELD NSW 2164
TEL: (02) 609 9500

Lloyds British Pty Ltd
11 Bullecourt Avenue
MILPERRA NSW 2214
TEL: (02) 772 3788 FAX: (02) 774 1108

Johns Perry Cranes Pty Ltd
263 Northam Avenue
BANKSTOWN NSW 2200
TEL: (02) 708 1855 FAX: (02) 708 1855

A.P. Morling Pty Ltd
4 Curtis Road
BALMAIN NSW 2041
TEL: (02) 810 6977 FAX: (02) 818 5089

Vetter Trittler Pty Ltd
70a Harley Crescent
CONDELL PARK NSW 2200
TEL: (02) 707 4483

Supercrane
37 Justin Street
SMITHFIELD NSW 2164
TEL: (02) 725 1933 FAX: (02) 725 1871

b) **Cranes (Only)**

Atlas (Truck Loading Cranes 1.5 mt to 35 mt)
 Cnr Walter & Redfern Streets
 WETHERILL PARK NSW 2164
 TEL: (02) 604 3733 FAX: (02) 609 3696

Crown Controls Pty Ltd
 Cnr. Long & Cooper Streets
 SMITHFIELD NSW 2164
 TEL: (02) 604 6000

Favco Cranes Pty Ltd (Tower Cranes)
 28 Yarrunga Street
 PRESTONS NSW 2170
 TEL: (02) 608 2000 FAX: (02) 607 0022

Favelle Ett & Assoc. - Tower Cranes
 10 Childs Road
 CHIPPING NORTON NSW 2170
 TEL: (02) 726 0999

Morrow Crane Company (Aust)
 21 Resolution Drive
 CARINGBAH NSW 2229
 TEL: (02) 525 7741

PM Truck Mountable Cranes
 30 Hawker Street
 AIRPORT WEST VIC 3042
 TEL: (03) 338 2088 FAX: (03) 330 3513

c) **Hoists (Only)**

Pacific Hoists Pty Ltd
 71 Atkins Road
 ERMINGTON NSW 2115
 TEL: (02) 638 4511 FAX: (02) 684 2073

Anchor Engineering Pty Ltd
 200 Evans Road
 SALISBURY QLD 4107
 TEL: (07) 277 9544 FAX: (07) 275 2491

SWF Hoists & Industrial Equipment Pty Ltd
 4 Mitchell Street
 CONDELL PARK NSW 2200
 TEL: (02) 609 6660 Mr. Cuthbertson
 (07) 271 2266 Mr R. Hart

6.3 Australian Standards

AS-1481.1 generally referred to as the SAA Crane Code, sets standards for design, construction and testing which apply to cranes, hoists and winches.

AS-1481.6 sets out further, more detailed requirements of the above machinery used exclusively as appliances for storing and retrieving materials.

6.4 Import Duties

a) Cranes

Australian customs tariff reference number 8426 covers Derricks, Cranes, including cable cranes, Mobile Lifting Frames, Straddle Carriers and Work Trucks fitted with a crane. Specific product tariffs are:

	Standard	Developing Country
- Overhead travelling cranes on fixed support	24%	19%
- Mobile lifting frames on tyres and straddle carriers	27%	22%
- Other	24%	19%
- Tower cranes	24%	19%
- Portal or pedestal jib cranes	24%	19%
- Other lifting machinery, self-propelled;		
On tyres	24%	19%
Other	18%	13%
- Other lifting machinery;		
Designed for mounting on road vehicles	27%	24%
Other	27%	24%

b) Hoists

Australian customs tariff reference number 8425 covers pulley tackle and hoists (other than skip hoists) and winches and jacks. Specific product tariffs are:

	Standard Rate	Developing Country
Chain hoists and chain pulley tackle, Wire rope hoists powered by electric motor	21%	16%
Pneumatically operated and other Chain hoists and chain pulley tackle	21%	16%
Pit-head winding gear; winches specially designed for use underground	21%	16%
Other winches; capstans	21%	16%
Jacks; hoists of a kind used for raising vehicles:		
Built-in jacking systems of a type used in garages	24%	19%
Other jacks and hoists, hydraulic	21%	16%

6.5 Sales Tax

Cranes and hoists are subject to sales tax at the general rate of 20%.

6.6 Associations

The industry body for cranes is:

Mr. L.H. McLean (Executive Director)
The Australian Crane Marketers Association (ACMA)
P.O. Box 167
CAMMERAY NSW 2062
TEL: (02) 929 3170

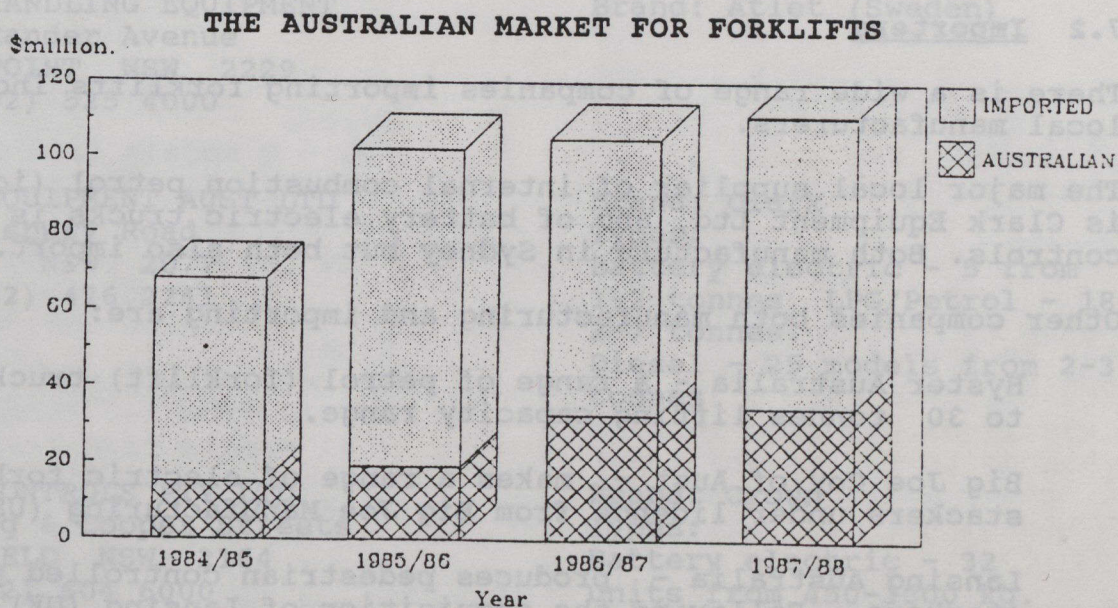
SWF Hoists & Industrial Equipment Pty Ltd
4 Mitchell Street
CONDILL PARK NSW 2200
TEL: (02) 809 6660 Mr. Guthbertson
(07) 271 2266 Mr R. Hart

7. FORKLIFTS

7.1 The Market

Forklift trucks are widely used across most industries and particularly in the wholesaling & retailing trade. The market is highly competitive with a wide range of models available to meet a variety of applications. Petrol, LPG, diesel and battery electric power types are available in lifting capacities up to 45 tonnes.

It is estimated that 4000 - 6000 forklifts are sold each year with internal combustion petrol (icp) trucks accounting for almost 90%. The following chart shows the size of the market in value terms with the shares of domestically produced and imported forklifts.



At the wholesale level, the total value of sales of ride-on trucks is currently around \$110m per annum. Local producers' share of the market varies significantly according to lifting capacity. Most sales are made in the 1 to 3 tonne lifting capacity range with local manufacturers' share of this segment of the market being approximately 30 per cent. Nearly 80 per cent of all imports are sourced from Japan. In the larger capacity lifting ranges, (above 5 tonnes), local producers share is approximately 50 per cent, but for other trucks, with lifting capacities below 1.5 tonnes, demand is largely met by imports.

The push for increased warehouse efficiency has increased demand for narrow aisle equipment instead of the traditional counter-balanced forklift with its 3.5m - 4m wide aisles. The next development in warehousing is toward aisles 1.75m wide with storage height of 6 - 12m. Elevated cab turret trucks are increasingly popular for this work.

A variety of selling/distribution methods are used, ranging from sole distributors in each of the major markets, to distribution networks, owned by the importers and manufacturers. After-sales and general maintenance service are regarded as important requirements in the local market.

It is now common practice for distributors to hire or lease as well as sell forklifts. Short term hiring is a growing practice where heavy demand periods can be foreseen.

7.2 Importers

There is a wide range of companies importing forklifts including some local manufacturers.

The major local supplier of internal combustion petrol (icp) forklifts is Clark Equipment Ltd, and of battery electric trucks is Crown controls. Both manufacture in Sydney but both also import.

Other companies both manufacturing and importing are:

Hyster Australia - a range of petrol (forklift) trucks in the 7.5 to 30 tonnes lifting capacity range.

Big Joe Coy of Aust - makes a range of electric forklifts & stackers under licence from Big Joe Manufacturing (USA).

Lansing Australia - produces pedestrian controlled pallet stackers. Following the acquisition of Lansing (UK) by Linde (W.G.), Lansing may also commence importing Linde forklifts.

The technology used by local manufacturers is based on overseas designs, but in some cases local manufacturers carry out minor design work, adapting to suit local conditions.

A full list of forklift importers follows:

BIG JOE CO. AUST PTY LTD
6 Cord Street
DUDLEY PARK SA 5008
TEL: (08) 269 6777

Brand: Big Joe
Types:
Battery electric - 19
models from 0.5-3 tonnes

CATERPILLAR AUST LTD
1 Sharps Road
TULLAMARINE VIC 3043
TEL: (03) 338 0314

Brand: Caterpillar
Types:
Battery electric - 16
models from 1-5 tonnes.
Diesel - 49 models from 2-50
tonnes.

CARGO HANDLING EQUIPMENT
60 Alexander Avenue
TAREN POINT NSW 2229
TEL: (02) 525 4000

Brand: Atlet (Sweden)

CLARK EQUIPMENT AUST LTD
30 Salisbury Road
HORNSBY NSW 2077
TEL: (02) 476 2241

Brand: Clark
Types:
Battery electric - 5 from
1-2 tonnes. LPG/Petrol - 18 from
2-7 tonnes.
Diesel - 25 models from 2-30
tonnes

CROWN CONTROLS PTY LTD
Cnr Long & Cooper Streets
SMITHFIELD NSW 2164
TEL: (02) 604 6000

Brand: Crown
Types:
Battery electric - 32
units from 450-3600 kg.

G & H HARRIS
PO Box 440, Round Corner
DURAL NSW 2158
TEL: (02) 654 2011

Brand: Manitou
Types:
24 Diesel powered heavy
duty units with capacities
from 2-10 tonnes.

HYSTER AUSTRALIA PTY LTD
1 Bullecourt Avenue
MILPERRA NSW 2214

Brand: Hyster

Types:

Battery electric - 26 basic units
from 1-5 tonnes. LPG 13 models
from 1.5-12 tonnes.
Diesel - 31 models from 1.5-42
tonnes.

LANSING AUSTRALIA PTY LTD
12 Carter Street
LIDCOMBE NSW 2141

Brand: Lansing

Types:

Battery electric - 25nes
units from 1.5-12 tonnes.
LPG - 13 models from 1.5-12 tons.
Diesel - 31 models from 1.5-42
tonnes.

MLA HOLDINGS PTY LTD
26 Pike Street
RYDALMERE NSW 2116
TEL: (02) 638 5844

Brand: Mitsubishi

Types:

LPG - 8 models from 1-8.5 tonnes
Diesel - 26 models from 1-42
tonnes.

MEBAM EQUIPMENT PTY LTD
881 Princes Highway
SPRINGVALE VIC 3171

Brand: TCM

Types:

Battery electric - 36 different
models from 1-3 tonne. LPG/Petrol
- 34 models from 1-41 tonnes.
Diesel - 30 models from 1-36
tonnes.

POWERLIFT (NISSAN) PTY LTD
62 Alexander Avenue
TAREN POINT NSW 2229
TEL: (02) 540 1666

Brand: Nissan

Types:

Battery electric - 40
models from 1000-3000 kg.
LPG - 110 models from
1000-7000 kg. Diesel - 67 models
from 1000-7000 kg.

QBM PTY LIMITED
 15-19 Summit Road
 NOBLE PARK
 TEL: (03) 795 7455

Brand: BT/NYK/Kalmar
 Types:
 Battery electric - 20
 different models including
 reach trucks from 1350-2000 kg,
 NYK reach trucks from
 1000-3000 kg and pneumatic and
 cushion-tyred counter-balanced
 units from 1000-5000 kg.
 LPG - 6 Kalmar Climax counter-
 balanced forklifts from 1.5-5
 tonnes. Diesel/Petrol - 6 Kalmar
 Climax forklifts from 10-26
 tonnes.

THESIS TOYOTA PTY LTD
 Atkinson Road
 TAREN POINT NSW 2229
 EL: (02) 526 3333

Brand: Toyota
 Types:
 Battery electric - 52
 models from 500-3000 kg.
 LPG/Petrol - 38 models from 1-40
 tonnes.

TNT MATERIALS HANDLING PTY LTD
 Forklift Division
 oward Street West
 NSW 2020
 TEL: (02) 669 2288

Brand:
 Types:
 Battery electric - 26 MASCOT
 reach trucks from 1-2.5
 tonnes, 5 cushion-tyred
 counter-balanced forklifts from
 1.5-3 tonnes and 22 counter-
 balanced pneumatic-tyred
 forklifts from 1-3 tonnes.

YALE - LTC INDUSTRIAL TRUCKS
 75 Stubb Street
 KENSINGTON VIC 2222
 TEL: (03) 376 2122

Brand: Yale
 Types:
 Battery electric -
 several models from 1-6.8 tonnes.
 LPG - 27 models from 1-5 tonnes.
 Diesel - 35 models from 1-7.5
 tonnes.

7.3 Australian Standards

Forklifts are covered by the Australian Industrial Truck Association code AS 2359 which is in two parts:

- i. Design and manufacture
- ii. Operation

The code is the bible for Australian suppliers and is accepted by most State statutory authorities.

In addition AITA has a recommended practices manual (1985) which should be used in conjunction with AS 2359. Aspects of the manual may become an Australian standard. The manual covers noise, visibility, tyres etc.

7.4 Import Duties

Australian customs duty on imported forklift trucks is 25%. Forklift trucks manufactured and imported from developing countries attract an import duty of 20%.

7.5 Sales Tax

Sales tax of 20% is payable.

7.6 Associations

The Australian Industrial Truck Association is the industry body for industrial truck manufacturers & distributors. AITA has 16 members who represent 90% of truck sales in Australia. The association may be contacted via:

Mr. Howard Grant (Director)
 AITA
 P.O. Box P162
 Queen Victoria Terrace
 ACT 2600
 TEL: (062) 951 961

8. CONVEYORS

8.1 The Market

The conveyor market has declined in recent years but is expected to grow significantly over coming years as more production and distribution facilities upgrade to the use of conveyors.

High speed sorting is one area of growing demand in high volume industries such as general freight and distribution of manufactured products.

The pallet and package handling conveyor market is estimated to be worth around \$30m p.a. Of this approximately 85% derives from distribution conveyors and 15% for conveyors used in manufacturing operations.

The major suppliers in the PPH conveyor market are:

	Estimated Market Share
Colby (Rapistan)	30%
Logan Fenamec	20%
Sandvik	20%
Dexion	10%
AP Morling Loadmaster Conveyors (formally Mathews)	10%

Other significant suppliers include:

Conveyor Company
E.W. Cox
Lamson Engineering

8.2 Importers

Most of the suppliers of conveyors import a certain percentage of their conveyor components. Components imported are either special requirements not presently manufactured in Australia, or imported components which are cheaper than those manufactured in Australia.

Two companies in Australia supply imported components for conveyors but do not manufacture themselves:

-Engineering & Export Services Pty Ltd

10 Sturt Street
SMITHFIELD NSW 2164
TEL: (02) 632 0244

-Rexnard Australia Pty Ltd

37 Bryant Street
PADSTOW NSW 2211
TEL: (02) 770 575

Manufacturers that are also importing are:

-Colby Handling Systems

75 South Creek Road
DEE WHY NSW 2099
TEL. (02) 981 555

-Clyde-Apac

1 Factory Street
GLANVILLE NSW 2142
TEL. (02) 637 8288

-Conveyor Co. of Australia Pty Ltd

17 Bourke Road
ALEXANDRIA NSW 2015
TEL. (02) 698 1133

-E.W. Cox Pty Ltd

101 Woodpak Road
SMITHFIELD NSW 2164
TEL. (02) 632 2111

-Dexion (Australia) Pty Ltd

P.O. Box 470
BLACKTOWN NSW 2148
TEL. (02) 621 1777

-Logan-Fenamec Pty Ltd

68 Hume Highway
LONSVALE NSW 2166
TEL. (02) 726 6644

-A.P. Morling Pty Ltd

9 Bando Road
SPRINGVALE VIC 3122
TEL. (03) 548 3122

-Sandvik Process Systems Pty Ltd
 P.M.B. 27
 SMITHFIELD NSW 2164
 TEL. (02) 604 1600

-Lamson Engineering Australia Pty Ltd
 165 Rookwood Road
 BANKDOWN NSW 2200
 TEL. (02) 708 3000

-Prok Holdings Pty Ltd
 769 Pacific Highway
 CHATSWOOD NSW 2067
 TEL. (02) 411 2277

8.3 Australian Standards

Conveyors are covered by the Australian Standard Code AS 1755. The code covers standards on design, construction, installation and safety requirements for conveyors and conveyor systems.

8.4 Import Duties

Australian customs duties for various types of conveyors are listed below:

	STD Rate	Developing Country Rate
o Pneumatic elevators and conveyors (8428.20.00.12)	24%	19%
o Other continuous action elevators and conveyors for goods or materials		
- Specially designed for underground use (8428.31.00.13)	21%	16%
- Other bucket type (8428.32.00.14)	24%	19%
- Other belt type (8428.33.00.15)	21%	16%
- Other	24%	19%

8.5 Sales Tax

Items associated with conveyors are taxable at 20%.

8.6 Associations

The Conveyor Association of Australia is the industry body for industrial conveyor manufacturers and distributors.

Address: Conveyor Association of Australia
P.O. Box 460
SPRINGVALE VIC 3171
TEL: (03)

-Colby Handling Systems

75 South Creek Road

GLANVILLE NSW 2142

TEL: (02) 828 738

-Clyde-Apac

1 Factory Street

GLANVILLE NSW 2142

TEL: (02) 828 738

-Conveyer Co. of Australia Pty Ltd

10 Trumper Road

ALEXANDRIA NSW 2102

TEL: (02) 698 1133

-E.W. Coy Pty Ltd

101 Woodpak Road

SMITHFIELD NSW 2164

TEL: (02) 632 3111

-Dexion (Australia) Pty Ltd

P.O. Box 470

BLACKTOWN NSW 2102

TEL: (02) 777 1777

-Logan-Panama Pty Ltd

60 Hume Highway

LONGVALE NSW 2164

TEL: (02) 654 5544

-A.P. Holding Pty Ltd

9 Bando Road

SPRINGVALE VIC 3171

TEL: (03) 645 3122

VALUE AUSTRALIAN PRODUCTION \$(000's) 1980-87

<u>Product</u>	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>	<u>1984/85</u>	<u>1986/87</u>
Conveyor Belting (321.12)	\$37,204	\$38,512	\$33,317	\$26,532	\$22,109	\$63,032
Conveyors and Appliances, Hoists, Cranes, Lifting Machinery (511.01)	\$142,836	\$183,793	\$165,868	\$124,017	\$117,871	\$118,678
Electric Hoists (512.11)	\$39,666	\$47,407	\$56,104	\$44,355	\$42,988	\$58,630
Other (excluding hydraulic hoists for trucks) (512.01)	\$72,843	\$80,500	\$64,989	\$37,359	\$35,916	\$98,121
Forklifts (513.01)	\$34,184	\$37,037	\$27,532	\$11,363	\$15,209	\$33,385
Pallets (predominantly wood) (980.02)	n.a.	\$21,891	\$18,549	\$24,190	\$23,500	\$33,767

N.B. 1985/86 figures not available

Source: ABS Manufacturing Commodities Principle Articles Produced,
Catalogue No. 8303.0

VALUE AUSTRALIAN PRODUCTION (\$1000's) 1980-87

Items associated with categories are taxable at 20%

Product	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
Conveyor Belting	231,423	237,294	232,722	243,212	222,584	229,000	247,032
Conveyors and Appliances, Hoists, Cranes, Lifting Machinery	511.01	512,836	513,793	515,888	514,017	517,971	518,678
Electric Hoists	512.11	239,666	247,407	256,104	244,352	242,988	258,630
Other (excluding hydraulic hoists for trucks)	512.01	272,843	280,500	264,989	237,359	235,916	268,121
Forklifts	513.01	234,184	237,037	227,232	211,363	215,209	233,282
Pallets (predominantly wood)	980.02	n.s.	211,891	218,242	224,190	223,500	233,767

N.B. 1985/86 figures not available
 Source: ABS Manufacturing Commodities Principle Articles Produced, Catalogue No. 8103.0



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