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Economic downturn provides opportunity for mining contractors

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The economic downturn provides new opportunities for mining contractors, according to GBI's CEO, Graham Lumley.

Mr Lumley said the downturn provided contractors with the chance to hone their skills and make them more attractive to a mine.

"Mines want to increase outputs at decreased costs and as times get tougher, that is even more the case," Mr Lumley said.

"The economic downturn is a good opportunity for mining contractors to become more efficient in mining and, in doing so, pass on these efficiencies to their clients."

Mr Lumley said for contractors to remain relevant to mines in the future, they need to be able to provide a better service at a cheaper rate than mines can achieve themselves.

"In the past few years the resources industry has enjoyed strong growth. The focus has been accommodating this growth and meeting demand.

"Times have changed and now the focus is on achieving greater efficiencies," Mr Lumley said.

Mr Lumley said world-wide mining intelligence demonstrated that greater efficiencies for mining equipment were possible.

It is now known that best practice for large mining trucks is 52% higher than average; best practice for excavators is 41% higher than average, 38% in shovels and 35% in draglines.

"The data is in and the bell curve for performance is flat proving that underperformance is rife."

Mr Lumley said achieving improved productivity was as simple as engaging the operators in the process of increasing efficiency which involves employing proven tactics based on data research, analysis and experience. "Every mine operator and every piece of equipment works differently according to how it is set up and used," Mr Lumley said.

"GBI works directly with operators to optimise their performance, providing knowledge about what makes the equipment they are using more productive and how machines are achieving best practice productivity around the world.

For example, an operator with 30 years experience on a piece of equipment was performing a little below average in November 2008. A GBI mentor identified a sub-optimal filling technique and worked with the operator over a number of hours in December 2008 to change his methods. During December the operator's performance increased to 4.6% above the average of all other operators on the piece of equipment. The operator moved 10,000 BCM's more than what he would have otherwise done during this single month.

"99% of operators want to work on a best practice piece of equipment and given support they will achieve it," Mr Lumley said.

Tactics include examining equipment positioning, dig methods, buckets and rigging and recording and monitoring.

"The truth is the productive capacity of most mine operators and equipment can be significantly improved. That's not to suggest operators have been knowingly underperforming, but simply that with some additional knowledge and support their productivity can be enhanced.

In leaner economic times, the value of these potential efficiencies will become very significant and, I believe, mining contractors who are willing to hone their workers' skills and improve their efficiency will be rewarded for doing so in the future," Mr Lumley said.

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