

Sulphide Corporation Pty. Ltd.

A Message from the Manager

Dec. 1976

Mr. J. W. Jolly

It is probably unnecessary for me to emphasise the fact that Sulphide Corporation, along with business generally, is caught up in a web of uncertainty about the immediate future. This seems to be a pattern of more recent times where it is difficult to see very far ahead.

The upward trend in business activity that we have been looking for following the recession of the past two years is slow in arriving, although we have seen some improvement in 1976 above the depressed situation for 1975.

The metal markets did improve through 1976 to the extent that zinc sales of around 50 000 tonnes are now expected to be achieved compared to 42 000 tonnes last year. Whilst this is a significant improvement, there is need for a further increase in sales so that the capacity of the plants can be more fully and economically utilised.

With the necessity to accumulate metal feed stocks for the coming maintenance shutdown, the level of plant operations through the year has been

satisfactory and we have been successful in maintaining a stable employment situation. We aim to hold this position as long as business conditions will allow.

Considerable development in the diversification of raw materials supply to the Sinter Plant has taken place. This is viewed as an important aspect of the Company's further development, and the announcement through the year of AM&S's participation in a new mine at Woodlawn near Goulburn NSW to commence production in 1978 may be anticipated to further improve our position in this area.

The successful establishment of fuel oil injection at the ISF and the operation of a re-boiler column at the Zinc Refinery have assisted to some degree to offset the effects of inflation and steeply escalating costs which continue to cause concern. Because of the particular cost structure of our operation, these improvements are examples of the kinds of developments we must continue to aim for to keep the operation viable.

It is unfortunate that another

long shutdown is required so soon after the last one only a year ago, but plant and equipment problems have dictated this action. The shutdown is expected to extend over a six-week period with operations resuming about mid-February. Throughout the period, the Zinc Refinery will continue to produce saleable products and adequate stocks of zinc will be maintained to meet market demand.

1977 plans to this stage are based on a further improvement in metal sales compared to 1976. However, as we approach the New Year there is now some uncertainty about this projection. Over the past two months the international metal markets have again become depressed, and on the local scene the impact of currency devaluation coupled with continued sluggishness in the economy has added to this uncertainty.

We will enter 1977 in this atmosphere and in the hope that the demand trend for our products will continue upwards — but we must maintain a position of flexibility in planning ahead.



The TL Roasters and "C" Plant are being rehabilitated and will be put into service at the appropriate time.

A significant level of capital expenditure concerned with new projects is planned for 1977. These projects involve plant improvements, new technology and a continuing effort to improve the environmental aspects of the Works. Assuming a reasonable demand for our products, this work will be progressed.

In other aspects of our operation we have continued to progress with pleasing results for both hygiene and safety. The co-operation and effort of all employees in achieving these gains is appreciated by management. It will continue to be rewarding to see this desired trend maintained.

Changes in the corporate organization of AM&S have reflected upon Sulphide Corporation and resulted in the centralisation of some senior Marketing and Sales personnel in Head Office. These changes will serve to strengthen and better integrate these important aspects because of the international nature of the business in which Sulphide is involved.

In conclusion, I wish to express my appreciation to all employees for their loyalty and contribution to the affairs of the Company throughout the difficult trading period and wish you all, together with your families, a Merry Christmas and a Happy New Year.



One of the most pleasant company developments of 1976 was in grounds and gardens. This is a view of new plantings at the Works entrance.

NEWS OF '76

Sulphidiers will be conscious of the absence of the COCKLE CREEK NEWS throughout 1976. This was brought about by the need for economies in the business climate then prevailing and, also, because of the retirement in February of Angus Orchard who was a principal mover on NEWS matters for more than twenty years.

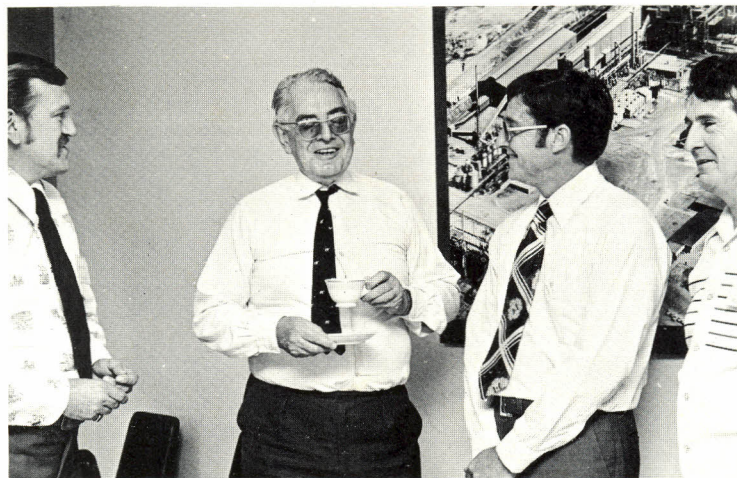
However, a good deal of consideration has and is being given to returning the NEWS to the Cockle Creek scene next year and, at the present time, it looks as though publication may be able to be resumed in the second quarter of 1977.

One of the NEWS' attributes has been its role as a recorder of events of importance in the long history of the Company.

Therefore, in order to maintain some continuity for record purposes we are taking this opportunity to report, very briefly, the important events, as we see them, of 1976.

This is how we see 1976 at Cockle Creek, principally in a "people" context:

— The retirement of Mr Jim Standish in April. Mr Standish was progressively Works Manager, General Manager, Managing Director and finally, Chairman of Sulphide Corporation between 1957 and 1971 and will be remembered as one of the chief archi-



Lord Shackleton pictured in the Conference Room with (left to right) John Bell (SEU President), Peter Mead (Technical Manager) and Wal Peck (SEU Vice-President).

— tects of the modern smelter. His contribution in building Greenleaf Fertilizers into an important company on the NSW rural scene was also very considerable.

— The death in October of Mr Struan Anderson was a shock to all who knew him at Sulphide and greatly saddened his many friends both here and throughout the CRA Group. Mr Anderson was Managing Director of Sulphide Corporation from 1955 to 1962 when he was appointed Managing Director of Hamersley Iron. Much of what the Works looks like today is due to Mr Anderson's untiring efforts on our behalf in the mid-fifties.

— The transfer, in August, of Mr Andrew T Thomson, our General Manager from 1971 to 1976, to the UK where he now holds the position of Managing Director, AM&S Europe. ATT had 28 years

(less 15 months at Hamersley) with Sulphide Corporation and left an indelible impression on Cockle Creek Works. His send-off on 15 July was a real night to remember.

— The appointment of Mr John Jolly as Manager, succeeding Mr Thomson and Mr Brian Tozer as Production Manager, replacing Mr Jolly.

— The appointments of Messrs George Hamilton (Commercial Manager) and Sid Hoare (Chief Engineer) succeeding two other long-serving and well-known Sulphidiers in the shape of Messrs Doug Rich and Ian Moon who are now happily retired.

— The Australian Mining & Smelting Board of Directors visited Cockle Creek in full strength at the end of September and, once again, we were very pleased to have the "bosses" along to show their interest and support.

— An important AM&S Board change was announced on 6 December when Mr J T Ralph succeeded Mr F F Espie as Chairman. Mr Espie remains a Director of the Company.

— Another top level visitor late last month was Lord Shackleton, Deputy Chairman of RTZ who quickly established himself as a sympathetic and keen observer and enquirer about what goes on at

Sulphide Corporation. We look forward to Lord Shackleton's next visit.

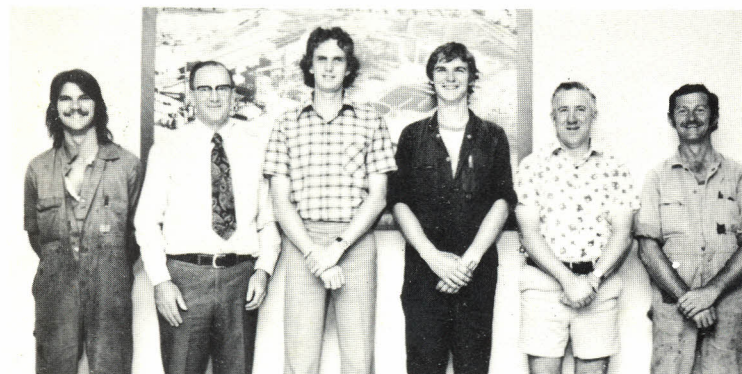
— In September Mr Albert Hawkins celebrated his eightieth birthday and we were honoured by a visit from him and two of his sons, Neville and John, for a special birthday luncheon. This had a real Sulphide flavour as AG is the same age as Cockle Creek Works, both having first appeared on the local scene in 1896.

— On 1 September the eighteenth Long Service Awards were presented — to the largest gathering of recipients since the Awards were first presented in 1959 — fourteen in all including two "40-year" people — Eric Burgin and "Pancho" Sweeney.

— A number of new appointments were made during 1976 when twelve acting assistant foremen were appointed assistant foremen with staff status. They are:

- ISF PLANT —
- Messrs J Batey
- W A Brockman
- D J Heisler
- P W McCabe
- ZINC REFINERY —
- Messrs F C Bolch
- D De Gioia
- A E Patrick
- K A Smith
- SINTER PLANT —
- Messrs P G Petherbridge
- A J Poigjase
- T C Sinclair
- C G Wishart

— Finally, last but by no means least, we must record the transfer to Melbourne at the end of the year of Mr Jack Kavanagh, Marketing Manager — Metals after sixteen years at Cockle Creek in a variety of activities ranging from Transport through Fertilizers to Metal Sales. Mr Kavanagh's deputy, Kevin Scribner (Executive Office — Metal Sales) will be joining him in Melbourne Office early in the New Year.



The Sulphide No. 1 group which won the teams event at the Heavy Industries Golf Day on 28 November. (Left to Right) Bruce Stephenson, David Cunningham, Ross Ellicott, Peter Jackson, John Harrison and Joe Walters.