

A QUICK WORD

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Helping to keep you informed



A Word from the Managing Director

When we took on the idea of producing a regular communication to those of you that provide our livelihood “our customers” and those of you that provide us with materials “our suppliers” and those that have some interface with our company we assumed that the number of copies of the publication that we would e mail out would be a couple of hundred. Delivery of the last two publications has been 3000 copies. This caused our IT e mail Server to melt down so we are not sure who received the communication and who didn't. We do know that not everyone received the communication. Our IT specialist has indicated that the problem has been resolved and our “A QUICK WORD” is back in business. At least we hope it is.

So just in case you missed our Christmas communication allow me to blatantly wish you all a prosperous 2011.

It would seem that the economy has stabilised for the mining industry at least and although we did it tough for many months Jeff Hort Engineering is again operating in the Black. Profit is hard to come by and our present 4% Profit only covers capital when added to the depreciation figure. In other words we are just operating at breakeven.

Most importantly we have survived. We are a much wiser organisation. We have had personnel and management changes. We're still in business and where planning to be here for a long time to come.

Our strategic direction hasn't changed in that we intend to continue growing the business. We want to improve relationships between our customers and ourselves. Doing this demands that our quality and our ability to get it right first time is critical. We need to improve our performance by reducing inefficiencies in our processes and duplication inherent in our present systems. We must improve our profit not by increasing our prices but by reducing our internal costs. This doesn't mean that we should not receive proper payment for our labour and our work but we must be competitive. To this end our Board of Directors recently approved a proposal to upgrade our Clergate Road facility. We have now approached our bankers Westpac for capital funding to carry out the works. We're hopeful that our SWOT and RISK Analysis will convince our banker that the efficiency gains and the resultant cost saving supports the funding required in making it happen.

If we are able to do what we want to do our Wear Resistant Material Handling and Application Processes, Abrasive Blasting and Industrial Painting will be best in the country.

Labour turnover is beyond anything that I have ever seen in my lifetime. We're finding that MONEY, more of it, for fewer weekly hours worked and less days at work is the major driver for 90% of our turnover. This situation is heightened by the construction works now on offer in our area of operation. With construction comes a short term boom and I am concerned for those local young men when the boom is over. However there is always new development in the planning and remaining positive is an absolute pre-requisite in our business.

So after the consolidation period of the last two years has come the positive moves in setting up our future. Now we need to get it right and we can do this given that we are well managed and we work together as a team.

Jeff H

Major Acquisition for Jeff Hort Engineering Expansion into Dubbo



Back Row (Right): Andrew Baker, Tom O'Neill, Hayden Coggan, Stace Frazer, Mark Williams, James Vaughan, Chris Ward, Ian Hawkins
Front Row: Anna Wilton, Maria Shen, John Tuo, Lincoln Wilton, Shane Dickerson

Left: 1500sq metres of floor space and additional trade resources



When asked recently “why expand outwards when there is so much development in the Orange area” our managing Director Jeff Hort replied as follows. As an enterprise we are neither small nor large. We are in a place where we know that not to grow our business is the pre-requisite to failure but to grow a medium sized business such as Jeff Hort Engineering demands major capital investment and a stable income stream. The major developments going on in Orange now are for the really big boys in the engineering and construction business; the next tier in the pipeline of work is still beyond our reach. We presently operate in the third tier of operations. We have received substantial work from the larger contractors and we are grateful for this work, but there is nothing in the pipeline that gives us the sustainability in the knowledge that we are needed by any of our customers in the long term or for that matter the short either in new developments or with routine maintenance of their facilities. We have no guarantees that our customers might want us tomorrow so we must look ever outwards for our survival if we are to maintain and grow our present 150 man workforce and our facilities. It is disappointing not to be able to develop relationships of trust but the facts are that the world is a very competitive place and we have to survive in it. It is and always has been a fact that our customers are in control. Whilst ever demand is high it will be controlled by players hugely bigger than us. We looked to expand outside the central west simply because we have no inkling about tomorrow and what tomorrow will bring. Of course we would prefer to stay at home but there is no guarantee of work for our 150 man workforce from our local customers. Setting up in Dubbo was driven by an original approach to us from the Dubbo City Council. Our market research indicated that there was some new mining potential in the Dubbo area that may open an opportunity for Jeff Hort Engineering in the near future.

Opening in Dubbo has given us an additional 1500sqm of workshop space and to date an additional labour resource that we intend to offer to our existing customers for their projects, shutdowns and maintenance programs. We’re also hopeful, that we will pick up additional construction work from our existing customers because we have substantially grown our capability.

We are in the process of developing a partnership with a major construction company that has the civil expertise, skills and knowledge that we presently don't have. This proposed partnership will bring with it the financial backing that will give our organization a larger profile for the future and give them the support needed to help develop their presence in the mining industry.

We are also aligning ourselves with other like-minded local companies that may give us some local clout; which presently is unattainable. Having a division of our business in Dubbo is part of this future vision.

Dubbo will be tooled up over the next few months and will have the ability to fabricate structural steel, abrasive blast and paint to industrial standards and the equipment to do sheet metal work. The Dubbo facility will be fitted out with tooling to provide machining and a component rebuild capability

Tim O'Neill has been appointed regional manager and will take up residence in Dubbo on the 14th of March. To contact Tim please ring 6884 2180 or e-mail tim.o'neill@jeffhort.com.au

Health and Safety Alert.....

A Particularly Nasty Critter

Jeff Hort Engineering broke the story of **Rove Beetle dermatitis** back in January this year following the report of six cases in the Orange NSW district. The increase in reported cases has been put down to the recent weather conditions and the extent of the Queensland floods. Since that safety alert was distributed there have been widespread reports and sightings of the Rove Beetle.

The Rove Beetle bodies contain the toxin paederin (hence paederous dermatitis) that causes burns on human skin whenever the beetle is crushed. Interestingly the beetles were used to burn off warts in the past It starts off with some erythema/redness and then with patches of ulceration where the beetle has been crushed. The pictures to the right are some of the effects caused by this particularly nasty bug.

The beetles are small less than 1cm and very easy to miss. The body is dark orange and the tip of the abdomen and the head are black, the upper middle iridescent greenish abdomen region are the hard wings (elytra). A pair of transparent wings are neatly folded and hidden under the hard wings. During daytime the beetle can be seen crawling around swiftly with hidden wings resembling ants.

When disturbed it raises the abdomen in a threatening gesture like a scorpion and can fly away. It can also run on water swiftly!

Since the beetle is attracted to bright lights at night it is advisable to minimise the lighting, close all the doors and windows during the beetle epidemic. Use fine mosquito netting, aerosol insect spray and glue traps etc.

It is imperative that you do not squash the beetle on to your skin surface, just brush or blow it away. If there is contact with the beetle immediately wash the affected area with soap and water. Those, who suffer a skin reaction, should contact their medical advisor immediately.



Carl Roberts from Camden has recently been appointed to the role of Workshop Manager for Jeff Hort Engineering (Edward Street Workshop). Carl's has a wealth of industry knowledge and his role will be to continue to develop and streamline the systems to ensure maximum production capability and complete customer satisfaction. I managed to catch up with Carl during his busy routine and spent 5 minutes.....hear is what he had to say.

Welcome Carl

"Hey Carl you got five minutes"?

"You're new here at Jeff Hort Engineering... the new boy on the block so to speak".

"When did you start"?

14th February 2011

What is your job title and what will you be doing at Horts?

I am the Workshop Manager for Jeff Hort Engineering @ Orange, managing the business and as thy say" the sky the limit, "so attempting to take it to the limit, with the rest of the team.

So where did you work before you came here and what did you do?

I worked for Nylex Water Solutions; I was the Plant Manager there, also a satellite manager and reported to the Victorian head office

So why did pick Orange to live?

A country town, a country boy at heart, what better place to possibly retire to, apart from the fact that Sydney is becoming a rat race and in spite of living in Camden (God's country), that is becoming strangled as well.



Five minutes with.....

Carl Roberts Workshop Manager

Any kids or family?

Yes, I have one soul mate (Julie) been married for 33 years, and 4 beautiful children (Natasha 30 now married, Nicole 29, Matthew 27 engaged, and Christian the late arrival 12, who has just been selected for the N.S.W. City side to play against Country in Hockey at Lithgow.)

I know it is still a bit early for you but what do you like about our organization so far?

Everyone's acceptance of me as an individual, and the camaraderie shown in most departments where we are all aiming for the same goal.

If you had a magic wand what one thing would you change in the world today?

Definitely!! Poverty I believe no one should ever go hungry. The world has enough food it's a matter getting to the needy.

If you were stranded on a deserted island what three things would you like to have with you?

3 Magic wands.

Thanks you for your time and good luck with your career with Jeff Hort Engineering

MY FINAL WORD

I was driving down the street the other day it was a beautiful but windy day. It was hard not to notice all the people in the park flying their kites so I pulled over and watched them for a few minutes. There seemed to be dozens of kites multi-coloured creations of varying shapes and sizes filled the skies like beautiful birds darting and dancing in the heady atmosphere above the earth. As the strong winds gusted against the kites, a string kept them in check.

Instead of blowing away with the wind, they rose against it to achieve great heights. They shook and pulled, but the restraining string and the cumbersome tail kept them in tow, facing upward and against the wind. As the kites struggled and trembled against the string, they seemed to say, "Let me go! Let me go! I want to be free!" They soared beautifully even as they fought the imposed restriction of the string. Finally, one of the kites succeeded in breaking loose. "Free at last" it seemed to say. "Free to fly with the wind."

Yet freedom from restraint simply put it at the mercy of an unsympathetic breeze. It fluttered ungracefully to the ground and landed in a tangled mass of weeds and dirt against a dead bush. "Free at last" free to lie powerless in the dirt, to be blown helplessly along the ground, and to lodge lifeless against the first obstruction.

How much like kites we sometimes are. We all have adversity and restrictions in our lives, rules to follow from which we can grow and gain strength. Restraint is a necessary counterpart to the winds of opposition. Some of us tug at the rules so hard that we never soar to reach the heights we might have obtained. We never seem to rise high enough to get our tails off the ground. We all have the capability to rise to great heights by recognizing that some of the restraints that we may chafe under are actually the steadying force that helps us ascend and achieve.