



The Dominion Group is pleased to bring you our April 2009 edition of the quarterly *Dominion News*.

Upcoming Auctions

21 April 2009

R & G Engineering, **CNC & Engineering Plant**, Under Instructions From Bruce Mulvaney & Co



28 April 2009, Apollo Book Binders, **Bindery Plant & Equipment**, Under Instructions From Bruce Mulvaney & Co

30 April 2009, JW Ford & Co, **Precision Repetition Plant & Equipment**, Under Instructions From JP Downey & Co

Auction Attendance is Up!

With new equipment prices becoming less affordable buyers are increasingly aware that good quality assets are now available on the second hand market.

Recent Dominion auctions have been extremely well attended and long may that continue.

Occupational Health & Safety Update



importance.

When managing a business either as a director or under an insolvency appointment (ie. administrator), identifying OH&S issues and non-compliance issues is of upmost

In Victoria the work related death toll already stands at 11 for the first three months of the year.

Aside from the safety concerns for employees, potential penalties for management can be millions \$.

OH&S Major Issues

When inspecting trading premises (particularly manufacturing / engineering operations) the most common OH&S problems identified are:

1. Unguarded machines;

Industry Snapshot

Mining / Quarrying



No Prizes For 2nd Place - Go For Gold!

Over the past 12 months commodity prices have plunged dramatically, particularly commodities which Australia has enjoyed lucrative export contracts with Asia. On average base metal LME prices have dropped as follows:

- Nickel 63%
- Copper 50%
- Zinc 38%
- Lead 53%

Some overseas importers are also reducing imports, particularly iron ore. With the exception of gold, many operators have shelved plans for expansion, reduced output or have put plants into a care and maintenance mode. Some have shut down operations altogether.

The Outlook



Gold is the possible saviour in this sluggish market. The price of gold is currently around \$A1,240/oz and is predicted by many to go higher than \$A1,600/oz over the coming months. With many operator's costs well below the current gold price, some in the range of \$A600 to \$A750/oz, it should only be a matter of time before some operators expand production and new players enter the market.



Iron Ore: There are 3 or 4 iron ore companies waiting approval, some for environmental aspects and others are subject to foreign investment review. Iron Ore projects require crushing and screening plants, railway ballast suppliers and many other subcontractors all of which have requirements for second hand equipment.

Market Factors

- Surplus of redundant equipment on the market giving buyers a strong bargaining position.
- Limited interest from overseas for mining equipment located in Australia.

2. No traffic management plan (primarily forklifts); and
3. Lack of safety signage.

We would recommend that when managing a business, these three issues are addressed as a matter of urgency.

The Dominion Group in Victoria work closely with OH&S expert George Shiels of GDS Risk Consultants. George is available at short notice for all OH&S requirements and reporting. George can be contacted through the Dominion Group.

Second Bite Providing Food for Those in Need

The Dominion Group is a proud supporter of the fantastic not-for-profit organisation **SecondBite.**



SecondBite sources fresh food that would otherwise go to waste and redistributes it to over 70 food relief agencies throughout Victoria. The work of SecondBite provides thousands of meals to people in need, people who are homeless or living in disadvantaged circumstances.

If you would like to donate or become a supporter of SecondBite and for further information go to www.secondbite.org

The Dominion Group

15 Kingston Avenue
RICHMOND SA 5033

tel: +61 8 8351 7373

fax: +61 8 8351 7374

www.dominiongroup.net.au

- Strong gold price may increase demand for crushing and screening equipment, milling equipment and extraction plants.
- 2nd hand equipment prices have generally dropped 25-50% over the past 12-18 months and are reliant on the type and condition of what is on offer.

Dominion Profile: Wayne Eddy



Wayne joined the Dominion Group in 1987 and, (despite his deceptive boyish looks), has over 24 years experience in plant and equipment valuations. His areas of expertise include earth moving equipment, food processing, transport, textiles, wood and metal industries, plastics and

chemicals.

Wayne has completed his American Society of Appraisals accreditation and has considerable experience in insolvency, finance, insurance, pre- and company reporting.

Wayne is an avid Essendon supporter and assures us that once James Hird finally comes out of retirement, the Bombers will get back on track!

Wayne can be contacted on 03 9687 4955 for any queries or requirements you may have.