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Inter-Resting News

From The Desk of the MD

LITTLE Things Mean BIG Things

Reflecting back over the previous six months since our last newsletter and after some employee adjustments within the business, it became apparent that the little things that we do, or don't do can make a big difference. It can be as simple as a "thank you", a smile or acknowledgement, a "high five" or a "well done" comment, showing commitment, productiveness, or just going that **extra yard**.

A technician recently had his paperwork signed off late afternoon by the client and he said to him – "I have 30 minutes to go before I finish work, can I look at anything else for you while I'm here?" The client – *impressed that he didn't bolt home early* - did actually have a problem in another area that was troubling him. The technician had a look and quickly resolved the problem, resulting in the client being extremely pleased, which has now strengthened their relationship on that jobsite.

If you skip the little things, you are also missing out on the big things and opportunities that may arise on a daily basis. Either in the workplace or socially, people are evaluated on their attitude, character and of course the little things **they do or don't do**.

"Go that extra yard and you'll get a mile in return."

Enjoy the fourth edition!

Graeme Blackman
MANAGING DIRECTOR

Director's Report

The last financial year has flown past. Unfortunately we had a small cut back of staff due to the economy and the loss of two large clients. It was a very hard decision for us to make but we had to think of all of our employees, your futures and the company as a whole. We are positive with the way forward and are already busy with lots of projects and new clients in both states. We have created a new role of Sales Development Manager and Brad Grimson is out there successfully kicking goals. Here we go again!!!

We are proud that another two of our employees have reached their ten year milestone. NSW technician, Silvano Ferlin, in March and our Administration Manager, Tracey Bell, in April. Well done to both of you and thank you for all of your hard efforts and dedication over the last ten years. This now makes six employees in our employ for over ten years. Well done guys. Who is next? It might be that NSW service co-ordinator who has the boys under control with her dedication, efficiency, sense of humour and devilish dirty laugh.

Geoff Sharp has stepped back as Victorian State Manager and is working as Project Manager three days a week. We welcome aboard Ross McVea as Project/Account Manager working alongside Dave Roberts and Steve Workman. Nicola is doing a great job keeping the Melbourne boys organized.

We have had an exciting year. Welcoming new employees, saying goodbye to other employees to follow their dreams, milestone birthdays, a baby girl, engagements, three weddings - here in the land of Aus and overseas, overseas trips and two puppies coming into two homes creating havoc.

Welcome back Stu. We all wish Stu a full recovery from his recent illness. You have been missed.

A lot has transpired since our last newsletter. The business is flourishing even in this hard economy and we need to thank each and every one of you for making this happen. Business is a team effort – thank you again guys.

Deb Blackman
FINANCE DIRECTOR

Business Manager's Report

The 2010-11 financial year has just finished and despite the loss of two key clients a very pleasing result has still been achieved. Projects division in NSW achieved their equal best result ever with sales of \$6.523m. Victorian projects were also very active with record sales of over \$2.5m for the year. Congratulations to Howard, Graeme & Geoff and all the technicians and support staff who worked on the projects team.

Since January 2011 the Company has been faced with some new challenges and difficult decisions had to be made. Some restructuring was needed and a new focus and direction required. Part of this has been the creation of the Sales Development Manager position and a Victorian Projects Manager role. Both these initiatives are proving very successful.

In business and in the competitive industry that we operate in, you learn and accept that what is around the corner may challenge you, will test your business resolve, the character of the Company and all its employees. We often refer to our three primary business divisions of preventative maintenance, service and projects. Each of these divisions is reliant on each other for flow on business opportunities and form an equally important component of the total company package that we market and provide to clients. The point I wish to make here is that no matter what your role is or in which division you are working the business needs and appreciates you.

Inter-Chillers has a proud history of always meeting these challenges and coming out a stronger and more successful Company. 2011 has been no different and all of you have remained loyal, committed and focussed and that's what makes Inter-Chillers the respected industry leader we are.

Throughout this our 4th edition, you will read about new clients, business leads and exciting projects. There will be information on new technology like asset tracking and Motorola Xoom tablet PCs and of course staff achievements, celebrations and some more 10 year service awards.

A testament of our resolve, character and confidence in what we do.

Steve Workman

BUSINESS MANAGER

Sales Development Manager's Report

Firstly I must thank everyone at Inter-Chillers for the friendly welcome I have received since I started. It's great to work somewhere where the people are genuinely happy and enjoy a joke together.

For me you hear the word **culture** thrown around a lot these days where companies are trying to create a "positive" culture in their work place and believe me, when I say the culture we have here far exceeds any I have experienced previously and would be the envy of many organisations.

Now down to business. As everyone is more than aware by now I am here to pursue clients to increase our service base and assist all divisions where I can when things get busy. Recently I have been out there following leads and pricing jobs at a high rate for many service agreements primarily at this stage in NSW. At this point we have been added to many preferred contractors lists and some new contracts are due to start in the near future but unfortunately and frustratingly for us we are playing the waiting game on responses for many others and some of the work done by myself and others will take some considerable time to be noticed. By the next issue I'm sure there will be a lot more to report.

Also of late we have been assisting the Project team with pricing jobs and to date have been successful on several of these projects which also assists with future growth.

I also have to thank the staff here at Inter-Chillers as it is easy for me to walk into a site where we have a strong reputation due to their efforts over the years and this may not even be on a site where we have been working. Our reputation within the market place is second to none.

Again thanks for everyone's support and if you have anything that requires a follow up, please feel free to let me know.

Brad Grimson

SALES DEVELOPMENT MANAGER

Administration Manager's Report

The last six months has flown by with so many changes taking place. We welcome Rebecca who will be fulfilling Gabbie/Nicole's old role as well as having Leigh back to support us two days a week while she studies nursing at uni (we just can't get rid of the girl). We are looking at improving our reporting function for the technicians, as well as introducing an asset management system to assist our clients with the ongoing management of their plant and equipment, incorporating the introduction of tablet PC's. This process is being developed and tested at the moment and we are hopeful it will be rolled out before the next issue. Along with recent and continuing upgrades to Jim2, we are continuing to streamline the service reporting, risk assessment, time recording and leave request functions. I think we are all looking forward to making life a little easier and these tasks less time consuming for everyone.

Tracey Bell

ADMIN MANAGER

Safety First

We are coming up to the first anniversary of the introduction of our OH&S Management System and all indications are that it has been an overwhelming success with Inter-Chillers' experiencing no lost time injuries for a record 331 days (no pretty graph this issue). We are now looking at conducting our first annual internal audit of the system with the assistance of our consultants at Mutual Solutions. Sydney office has incorporated an element of safety training into our quarterly service meetings with Darren Perry leading the way conducting an informative presentation on ladder safety. The next Sydney service meeting will incorporate manual handling and general housekeeping as we have had a few minor incidents involving lifting or moving or tripping on objects. Our monitoring processes are helping to identify areas where our technicians and staff might need gentle reminders of things to look out for when carrying out their risk assessments.

On The Job

NSW – Howard Davies/Graeme Economos, Project Managers

It's a funny business we're in; last issue we said we could do with a few more jobs in the pipeline, now we're knocking them back. Even with the help of some of the Service Division guys, we are being selective in the tenders we quote.

Some of the projects we have been successful with, include a chiller changeover at 167 Macquarie Street, three cooling towers at 400 George Street, a staged changeover of two water cooled chillers, pumps and towers from air cooled (for a mission critical data center) at 101 Miller Street, North Sydney, three chillers at 201 Castlereagh Street, four cooling towers at Australia Post, four chillers at 477 Pitt Street, a new chiller at 259 George Street, a chiller at Concord Hospital, a chiller changeover at the Entertainment Quarter, and a major piping re-work at Zenith Centre. Several of these jobs include all new pumps and varidives as well as re-worked BMS systems.

The majority of these chillers are PowerPax but we do have some Carrier and York in the mix as a bit of a market change. The York chillers for 201 Elizabeth Street have to be installed through the side of the building into the Level 29 plant room. This will require the temporary closing of Elizabeth Street between Liverpool and Park Streets and the use of Borger's 500 ton mobile crane, including Road Traffic Management plan, Police and Council permits.

They say when you bite off too much just chew like hell. We've all got indigestion at the moment.

NSW - Stuart Rothemund, Service Manager

Innovative Energy Savings

Our service team in conjunction with PowerPax is currently undertaking an exercise in providing further energy savings to one of our customers by installing Danfoss VSD's to the chilled and condenser water pumps to the building's chillers.

The chillers are one Powerpax and one retrofit Turbocor compressor chiller. The PowerPax has built-in outputs to achieve the variable flow requirements and has been used primarily on the condenser water side in the past. The desired condenser water flow is determined by the PowerPax machine and an output is sent to the Danfoss VSD which in turn drives the pump motor.

On the chilled water side, PowerPax are tailoring the existing software to suit the application.

Benefits and savings are gained through:

- energy savings gained through reduced pumping power required due to VSD operation;
- more efficient operation of the already super efficient Powerpax machine; and
- reduced wear and tear on chilled and condenser water pump drive trains providing greater service life.

All normal safeties remain in operation so minimum water flows and temperatures are maintained to prevent freeze ups or nuisance trips.

We are pleased with the progression of the project and expect to deliver real and beneficial savings to our customer over the service life of the chillers.

VIC – Ross McVea, Service/Project Manager, Geoff Sharp, Projects & Dave Roberts, Account Manager

They say one door closes and another opens, **how true is that!!** We lost a major maintenance contract recently to a new business structure that we were aware of however the phones are still running hot!

The recent addition of new technicians and a new Account Manager to our team has certainly rejuvenated our operation in Melbourne with our PM portfolio in both A/C and Data Room continuing to exceed expectations. Brad Grimson has joined the group as a one point of contact for new Service/PM/Contract works and we are reaping his rewards.

Our "**can do**" attitude is still a very strong part of our business and with the additional experience recently gained and new contacts our projects and installations are contributing to the rapid growth of our reputation in the industry.

Our Service Partner Agreement with PowerPax in Victoria has seen Inter-Chillers become a preferred contractor for "split chillers" from the factory to the plant room plinth, to pre-commissioning.

General office day-to-day operation is running efficiently and is utilising all the newly implemented systems allowing the Melbourne/Sydney server links to be maximized allowing full back up all year round.

Our relationship with one of two major retailers on our books is showing very strong growth in upgrades and new systems continually being installed.

Safety awareness in our operation has really lifted and will continue with a concentrated effort by all.

To all our support crew, sub-contractors, valued clients and loyal staff all we can do is "**continue to do well what we do best**" as reflected by another year's excellent result, a testament to the effort of all involved.

On The Job (Cont'd)

Projects

A major Target store expansion has seen our \$200k project completed efficiently and trouble-free, on schedule with good reports from all concerned, albeit a tough initiation for our new Account Manager, Ross.

A new contact in the service sector is showing growth and expansion for plant upgrades and equipment replacement with large orders being placed with safety access and associated OHS compliance also being part of our contract.



PowerPax Going Back Together

Our involvement with the “splitting” of the PowerPax chillers is really taking off with very satisfactory results being reflected on both parties with the numerous sites completed. PowerPax are at ease with the standard of our work and the excellent results demonstrated with the triple evacuation being achieved therefore complimenting their product. Alongside PowerPax our involvement with the larger mechanical contracting companies is another demonstration of the high standard of work being achieved as recently experienced with four chiller splits sub-contracted to AE Smith at 300 Latrobe Street, Melbourne.



300 La Trobe Street Re-Assembly



Mitcham 150 kw Heating System

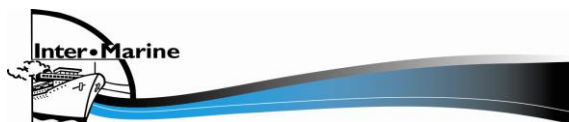
Total project value in excess of \$800k has recently been completed on a number of Coles Supermarkets installing various capacity HHW systems to the HVAC. Our “point of difference” to competitors was the use of Modulex condensing boilers running above 95% efficiency compared to an atmospheric boiler in the low 70%’s.

A Bitzer CSH screw and Buffalo air cooled condenser with new Modulex HHW system and GJ Walker AHU is being installed at Croydon North with the complete project valued in excess of \$240k.

Together with our supplier we are setting a site with identical units to complete the retro-fitting and monitoring of a system to M099 an initiative mirrored from our Sydney office’s experience.

Maintenance

The PM portfolio is expanding with six large recently awarded contracts in the private sector and five more shopping centres added to our list. Three large data rooms have been added and three project sites have taken up PM contracts following expiry of the DLP incorporating chillers and main plant.

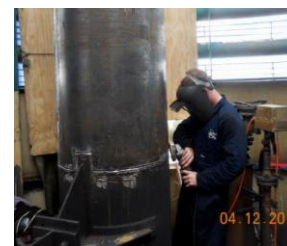


Inter-Marine Report

“2011 – Year of the Riding Crew”

With only one Dry Docking scheduled for this year, we have had a flying start to new works in the provision of (18) eighteen “Riding Crews” carrying out specialised repairs and maintenance at sea.

Pacific Pearl – Tiling, Pacific Jewel - Boiler flue funnel extensions, Pacific Jewel – Insulation, Pacific Sun – Chiller R438a retrofit, Pacific Pearl – Bunk repairs, Sun Princess – Laser alignments, Sun Princess – Cabin Innotech control upgrade, Pacific Dawn – Propulsion upgrade survey, Pacific Jewel – Freezer system maintenance, Pacific Pearl – Cabin conversions, Dawn Princess – Laser alignments, Sun Princess and Dawn Princess – Disabled ADA ramp installations and Pacific Jewel - Evaporator re-tubing, Pacific Pearl – HVAC works, etc.



Rudi at Work - Pac Jewel Boiler Flues



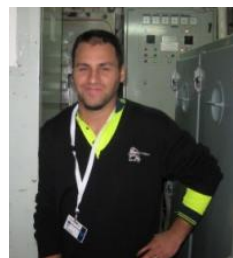
Sun Princess Chopper Lift

Job of the year to date was arranging and hoisting the ADA disabled ramp and equipment to Sun Princess Deck 15 via helicopter as a mobile crane permit wasn’t allowed on the quay at that time. A Sydney cruise shipping first!

We sadly said goodbye to the old Inter-Marine Isuzu truck and bought a new black one which someone has “Pimped Up” a bit (understatement??). Andre and Amber now fight over the keys to drive it.



Proud New Fleet Addition



Pete Spiteri

The old white one is the only Isuzu to have worked in the HVAC industry over three states. It originally came from Four Seasons Air Conditioning, Qld, then Inter-Chillers/Inter-Marine, NSW and now is enjoying the trams in Melbourne, VIC with Bright Heating & Cooling, one of Inter-Chillers’ subbies.

Lastly - the Canadian Navy war ship “HMCS Ottawa” recently visited Australia for some war games and had a Chiller problem within their HVAC system – they asked the Australian Navy, “Who do you call?” and next thing Pete Spiteri and Luke Phillips are doing the big hours down in the engine room. Thanks Boys!!



HMCS Ottawa

Who We Are – Employee Profiles

Jasmin Nikolovski – Service Administrator, NSW



How long have you been with Inter-Chillers?
Six years in September.

What type of work were you doing before?
My husband Steve and I had our own hot water business.

What made you choose this type of career? I had worked in the service industry previously.

What is your favourite job at Inter-Chillers?
Everything! Only because of my gorgeous

ladies in the office!

What is your least favourite job at Inter-Chillers? **Easy! Chasing paperwork from subbies.**

What would you consider your greatest achievement? **My beautiful kids. They're pretty cute ;)**

What was your most embarrassing moment at work? **I think I manage to embarrass myself at least once a day.**

What was your scariest moment at work? **When we discovered there may have been a mouse in our office and watching the amount of chocolate that is brought into Inter-Chillers daily!**

What interests do you have? **Well I LOVE singing at work and I'm very interested in anything sparkly!! Oh and Shopping of course!**

Do you have a nickname? **Jas, Jazzy, Jaza, etc., etc.**

Do you play any sports? **Does taking my kids and watching them play sport count???**

Where did you grow up? **Mortdale**

What's News?

New Starters: NSW: Brad Grimson, Rebecca Gollan
VIC: Ross McVea, Leigh Carrott

Weddings:



Pat Soper to Fiona (January)



Sam Williams to Kelma (April)



Amber Monsell to Daniel (April)

New Arrivals: Baby Lulu to Brad & Tegan Grimson (April)

Milestone Birthdays: Steve Ellis, Craig Sullivan & Dave Roberts (50), Luke Phillips (21).

10 Years' Service: Congratulations to Silvano Ferlin and Tracey Bell for reaching this milestone.



Nicola Higginson – Service Co-Ordinator, VIC



How long have you been with Inter-Chillers?
Eighteen months.

What type of work were you doing before?
Same as I am now (there is a pattern forming here, obviously I like bossing men around).

What made you choose this type of career? I wanted to challenge myself.

What is your favourite job at Inter-Chillers?
Would have to say bossing the guys around and giving them an earful when they don't

listen (I am harmless really).

What is your least favourite job at Inter-Chillers? **Filing.**

What would you consider your greatest achievement? **Leaving New Zealand and moving to Australia.**

What was your most embarrassing moment at work? **Locking myself out of the office.**

What was your scariest moment at work? **Haven't had any as yet (touch wood).**

What interests do you have? **Learning to snowboard (when I can stay standing), exploring Victoria, being creative making arty stuff and, of course, I LOVE to shop.**

Do you have a nickname? **Nic.**

Do you play any sports? **Not that I can remember.**

Where did you grow up? **A little old town called Te Awamutu, New Zealand (as many people refer to – the land of the long white cloud).**

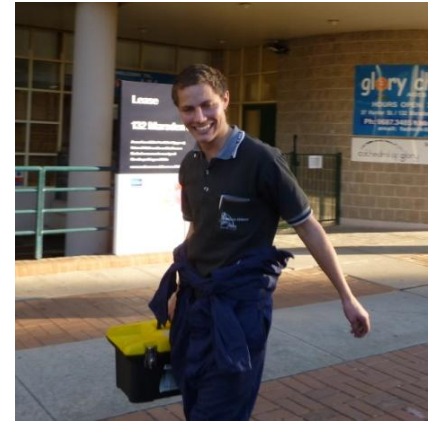
What's News? (Cont'd)

Honourable Mention:

Our third year apprentice Owen Mackay who is currently studying at Granville TAFE has reached the top eight of his year group, which totals some 100 apprentices, in the World Skills Competition. Owen will now compete against another seven apprentices to see who moves into the top four.

Once the top four have been named they will then go up against other NSW TAFE institutes to see which apprentices move forward to represent NSW in the national finals. The purpose of the World Skills Competition is to give apprentices the opportunity to match their skills against each other and there is a particular focus on fault finding of refrigeration and air conditioning systems, be it of an electrical or mechanical nature.

The diversity of equipment that Owen and our other apprentices are exposed to during the course of their apprenticeship certainly gives each of them a solid foundation for a successful future in the HVACR industry, this is reflective in Owen's achievements so far. Our congratulations go to Owen, it's a massive achievement to even reach this level. We wish him every success in this endeavour, who knows he may go on to represent Australia against the rest of the world.



What The?

Melbourne service technician, Trent Krzywinski, completed an oil change and a sump inspection (normal PM task) on an operating compressor. We were completely gob smacked when we opened it up and found a piston in upside down in the cylinder with the broken rod sitting in the sump – not a regular thing you come across by any means. The client was informed and, due to the circumstances, instructed us to remove the rod, lock it up and turn it on. It's still running some two months on.



Sydney service technician, Ian Campbell, got himself a new trailer – sources say he found it in a "Barbie" Easter Show Bag.



Inter-Chillers In Action:



Recognising Our Loyal & Dedicated Employees (proudly mounted in the Inter-Chillers' Boardroom)



Welcoming Inter-Marine's New Addition (in the absence of a hat, Chris had to ad-lib)



How often do we see water running down the drain of a cooling tower? All too often I think and it's more common when the condenser water pump shuts down. This is not only a waste of water but also the chemicals used to treat it. There are a few reasons for this and most of them are easily corrected.

- Leaking pump check valve – Easy fix
- Incorrectly designed pipe work – Maybe not an easy fix
- Incorrect setting of the make-up water float valve – Easy fix
- Open top on the overflow – Easy fix

As the water return to a tower is always higher than the water leaving, the level wants to balance when the pump goes off. This is prevented by the pump check valve. If this valve leaks the water will flow backwards through the pump and up to the tower basin and out the overflow. This can't be detected with the pump running so good maintenance procedures dictate that the tower should be observed during shut down. Often the pump can be seen spinning backwards when this happens so this is a dead giveaway. At other times more detailed investigation is required but regardless, it should be fixed.

The fix is simple; replace the check valve.

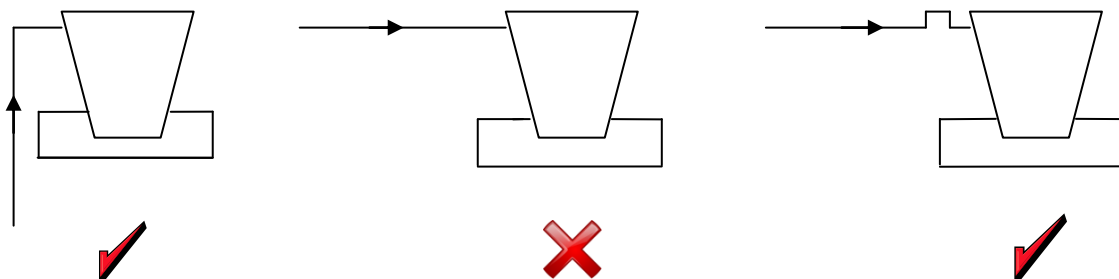
Not only is the water return to a tower at the top, it should also be the highest point in a condenser water system. Over the years the water sump volume of cooling towers has been reduced to the absolute minimum and there are good reasons for this. Excess water in the sump does nothing for heat rejection and after all, this is the purpose of the tower. Water is heavy. More weight in the basin means the tower structure has to be stronger (and more expensive) to support it. As towers are usually at the top of a building, the entire building structure has to be engineered to support this weight. Weight reductions at the top of a building can mean significant cost reductions.

The difference between the operating water level and the shut down water level of a tower can be quite critical. This difference is usually designed to hold the water in suspension during operation and not water in the return line, as the overflow is not much above the shut down level. Water in suspension is the water in the hot deck distribution arrangement and the water actually running down through the tower fill when running. When the pump stops all of this "suspended" water drains to the sump. If the operating level is too high, any excess will run down the drain.

So you can see if there is a long horizontal pipe run at the same height as the water return connection to the tower, all of the water in this line would end up in the tower sump, or more likely down the drain. This is a very common occurrence and unfortunately correcting it can often be difficult and expensive.

Another problem when this happens is that the return line has to be filled with water again when the pump starts. Often this means the system cavitates or sucks air until the water has time to make up. Often techs will raise the water level in the sump to try and overcome it. Sometimes this will work but it doesn't stop losing the water at shutdown.

The fix is to rework the pipe layout; sometimes difficult but again, it should be done.



Often the water level is simply set too high. People look at the level when the tower is operating and assume that it's okay if it's below the overflow. This is not correct. The level should be below the overflow when the pump shuts down after the water in suspension has drained to the sump. This means when operating the level should be well below the overflow.

Fix: Keep the level as low as possible whilst ensuring the level doesn't fall below the outlet at start up.

Most overflows have a cover to prevent water from the fill dropping straight into it. Sometimes this becomes dislodged or is never fitted.

Fix: Too obvious to mention.

Saving water is saving money and conserving resources. The Guru believes this is our responsibility so be on the lookout.