

# **M.B. NEWS**

APRIL 2010 EDITION

"Without prejudice"

## **INTRODUCTION**

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Christmas has passed and we are well into the New Year. A new year, that for the building industry in the Geelong region, I believe will grow steadily and I would not be surprised to see, with all the new land becoming available, that it continues to grow for 5 years or more. It will obviously have to rely on the continual opening of new paddocks and with the completion of the ring road; it will do nothing but enhance this. I quite often travel the ring road and personally it can save as much as 15-20 mins, from the entry point to Highton (visa-versa), depending on traffic conditions and the lights. This type of road and Geelong's prices (compared to Melbourne's) must be encouraging for anyone working this side of Melbourne, but not wanting to live near Melbourne. Victoria is fairing far better than all the other states. Queensland has just started to pick up, after a very quiet period. NSW has been steadily creeping forward after a number of years in the doldrums. Places like SA & WA are reasonable, without hitting any "boom" stages. But Victoria is seen as the place to be. We look forward to the growth continuing.

On a more sombre note, most of our builders knew Jason who worked for MMR Transport doing our truck deliveries. On December 23 last year, after the employee's breakup, Jason went home feeling unwell and told his kids to call him about 6 o'clock as he was going to lie down for a while. Unfortunately when one of his daughter's went to wake him, he didn't respond. We believe he passed away shortly after going to bed. He was 39 and left a wife and 4 daughters, ages ranging from 10 to 18 years of age. Jason had been delivering for us with us for some 18 years, working for his father-in-law at Riley's Transport and then for Knights Transport, Truss Me Transport and lastly with MMR Transport. Jason and his family were great supporters of the annual employees' family day.

The passing of Alex Popescu from Belmont Timber & BT Wholesale was another shock, mainly because it was so quick. At 93 he led a long and fruitful life working right up to the week prior to his death and will be missed not only by those in the industry, but also the Geelong Football club. Our thoughts are with his wife Helen & his daughter Christine and her family.

## **TIMBER INDUSTRY**

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Timber price predictions were correct. The prices went up as much as 7.5% and as low as 5%. The 5% was on the less popular timber sizes and grades, but the main products such as 90x35 & 90x45 p10, p12 & p15 did get the full increase. There were some rumblings about another possible 5% around July this year, but at this stage there has been nothing definite. If the suppliers tried they may end up getting less than what they are getting at present, due to discounting of certain lines to get sales. I am not sure if the availability of timber is going to hold up if the growth goes too fast as we are hearing from one source there are no problems and from others there is a shortage in certain sizes. We still have the European timbers coming into the country and I haven't heard any whispers about them having problems supplying. The only thing may be the price the way the dollar is performing at the present. We will wait and see. Our main supplier has assured us of continued supply, so we are happy.

## **THE BUILDING INDUSTRY OUTLOOK**

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The number of housing starts is still way short of what is needed. The opening of more land to developers and the continuing of the first home buyers grant has to affect the building game, one way or another. If things are positive in relation to new land and grants, it will grow. If they are negative, the result will be negative. I saw a report from the HIA about the Growth Areas Infrastructure Contribution of \$95,000 per hectare being defeated in the Upper House of the Victorian Parliament. This type of thing

cannot be ignored by those in the building industry, whether they are directly involved as a builder or indirectly as a supplier. In the end, one way or another all will be affected by this.

It's interesting the energy efficiency star rating is now going to 6 Stars, in May 2011. With the implementation of this rating we should see further growth of insulation products such as Foilboard. This product has been making inroads into the industry over a number of years now and the sales of Foilboard are increasing every month. If you need any information regarding Foilboard or any other product, don't hesitate to give us a call.

Pryda Australia was guest speaker at the last HIA Geelong Branch meeting. Their presenter spoke about the problems that can and do occur on site due to poor erection. It was extremely interesting to see some of the photos of problems out in the field and the section on correct bracing even enlightened me to a couple of things. Another area was the incorrect use of hold downs, such as multigrips and especially the girder brackets.

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## **FTMA AUSTRALIA**

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It has been over 12 months since we appointed our new executive officer and it has been a fruitful 12 months. The executive officer has done an extremely good job. The FTMA now has a new and a more user friendly web site. We have been heavily involved in a number of issues such as "fit for purpose" (timber) with the timber mills (and hopefully meeting again next month), the South Australian collapse, which I believe is yet to be finalized. They have been heavily involved in a number of other areas including the setting up of a "career path" for our industry, in conjunction with Forest Works. This will give year 12 students and others the opportunity to see what our industry can offer in regards to the types of jobs available in different areas from the factory through to the office areas. The Certificates will be recognized throughout Australia and we eventually hope in New Zealand. Students will be able to see what qualifications they will need for each position and eventually what their minimum earnings can be in those positions and at what level. It will finally be attached to an award which we do not really have at the present. They will be able to get recognized certificates throughout Australia from Cert 2 to Cert 4 and even a Diploma. If there are people that have been in the industry for say some 10 years, their prior knowledge and capabilities will be taken into account, if they wish to obtain a certificate. They will be tested and they will have their work examined to get the Certificate they require. If they are at Cert 4 level and wish to take on a Diploma, then it may mean that they may have to do 3 or 4 modules at night school to obtain the Diploma.

The FTMA has picked up another 4 or 5 new members over the past few months and a number of new sponsors. One of the new sponsors Hyne Timber is a well known Queensland based family company that has been around for donkeys' years. It's great to see them come on board and support our industry, especially at a time when a lot of companies have been slashing their sponsorship budgets. Another company is a health company, HCI which is a non profit organization and is available to all persons associated with the timber industry. Comparing "apples to apples", Medibank Private Advantage Plus Hospital & extras cover (family) is \$140 a fortnight and the HCI, for the same cover and no waiting period for changing over is \$113.95 per fortnight. That's a saving of \$667.30 a year. Something to think about!

Don't forget that the DVD "Prefabricated Timber Roof Truss Installation - Good Practice is available for purchase for \$15.00 each. All monies go to charity.

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## **ADVANTAGECARD**

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You too have the chance to get extra benefits for the dollars you spend – by using M.B. Pre-Fab Framing and other AdvantageCard suppliers and being rewarded for your loyalty! All of our account holders have been sent an AdvantageCard, so if you aren't actively using yours, then you are missing out. There are a number of AdvantageCard suppliers in the Geelong area where you can earn points and this will only increase with time.

The way it works is, for every dollar you spend with participating suppliers, you will earn reward points.

With us, for example, if you purchase \$10,000 (ex GST) worth of walls and roof trusses, and you pay for them within the required period, your card will automatically be credited with 10,000 points. If you were to do this say three times a year that would mean 30,000 points on your card. Then if you went to Fagg's Mitre 10 and over a year spent another \$30,000, you would end up with another 30,000 points bringing your total to 60,000 points from just two suppliers. You are not restricted to use your AdvantageCard only in Geelong; you can earn points with any participating business listed on the AdvantageCard trade website, just open an account with them – there are even some online businesses that reward you up to 10 points per dollar or more! Imagine how many points you could earn if you were building three or four houses a year and your main suppliers were AdvantageCard suppliers!

The points you earn hold a dollar value, so 10,000 points is equal to \$65.00 to spend, and you can spend these points with any participating business in the program. You even earn points when you make a redemption! AdvantageCard is not like other reward programs; you don't lose the points if they aren't used, as they don't hold an expiry date, there is simply an annual renewal fee of 1000 points (which you are exempt from if you are an MBA AdvantageCard member). Remember, you are going to spend that money anyway, so why not get some extra benefits for your dollar!

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## **PREFABRICATION INDUSTRY**

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I have mentioned over the past few newsletters, the need for outsourcing of Estimators & Designers overseas is not reducing. Although I am probably in a minority in some areas as to my thoughts on this, I firmly believe we are only looking at the short term here and not the future of not only our industry, but our own businesses. I can see the need to outsource for a number of reasons, obviously costs, but more importantly at this point of time, due to lack of qualified people to pick from. But I believe if we have resources available to us here, even though at a higher cost we would use those resources. It is our industries future and I do not wish to be 5 years down the track and have someone from overseas phone me and tell me as of next month there will be a 50% increase in the cost of the service, knowing that due to the lack of availability to the industry of qualified Estimators & Designers, I will have no choice but to accept the extra costs.

I have been informed that steel prices have risen some 25% over the past few months, so we can more than likely expect to see an increase around June or July this year. The amount has not yet been finalized or if it has, it hasn't been released as yet.

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## **LIGHT HEARTED**

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Complaints from UK Council House Owners. These are genuine clips from council complaint letters:

1. My bush is really overgrown round the front and my back passage has fungus growing in it.
2. He's got this huge tool that vibrates the whole house and I just can't take it anymore.
3. It's the dogs' mess that I find hard to swallow.
4. I want some repairs done to my cooker as it has backfired and burnt my knob off.
5. And their 18-year-old son is continually banging his balls against my fence.
6. I wish to report that tiles are missing from the outside toilet roof. I think it was bad wind the other night that blew them off.
7. My lavatory seat is cracked, where do I stand?
8. I am writing on behalf of my sink, which is coming away from the wall.
9. Will you please send someone to mend the garden path? My wife tripped and fell on it, yesterday, and now she is pregnant
10. I request permission to remove my drawers in the kitchen.
11. 50% of the walls are damp, 50% have crumbling plaster and 50% are plain filthy.
12. The toilet is blocked and we cannot bath the children until it is cleared.
13. Our lavatory seat is broken in half and is now in three pieces.
14. This is to let you know that our lavatory seat is broke and we can't get BBC 2.

## NEW STAFF

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We have two new trainees, Tim Blossfeld & Catherine Martella. They have now been with us for some 5 months. We would expect over the next 7 months for them to develop their skills and we look forward to a long and fruitful journey with them.

After 11½ years with us Neil Edwards has decided to move on to a new career in the OH&S area. He started in the factory and over a period of time he came into the office and was trained as an Estimator. He performed well in this position and we wish him all the best in his new position.

## DIRECT LINES

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If you need to know something or require any assistance please do not hesitate to use the contacts set out below. Remember if you need a set of plans picked up; give one of the C.D.O.'s a call or call our office. We will arrange a time and place convenient to you.

<b>Contact</b>	<b>Area</b>	<b>Phone Number</b>
Doug Maxwell	Longreach Floor Trusses	5249 4411 Direct Fax 5223 1022
Clive Martella		5249 4412 Direct Fax 5223 1022
Darren Benn	General Manager / Logistics Manager	5249 4403
Anne Preston	Deliveries / Orders / General Enquiries	5223 2888
Lauren Barrow	Accounts / General Enquiries / Orders	5223 2888
Tim Watson	Customer Development Officer / Estimator	0407 232 884
Paul Christie	Customer Development Officer / Estimator	0409 940 757 or 5249 4423
Davin Pate	Truss Designer	5249 4410
Matthew Lauder	Truss Designer	5249 4409
Ryan Darling	Truss Designer	5249 4419
Andrew Graham	Wall Frame Designer	5249 4415
Neil Thomas	Wall Frame Designer	5223 2888
James Compston	Estimator	5249 4420
Elliot Connell	Estimator	5249 4421