

M.B. NEWS

February 2007 Edition

Welcome back to all and we hope you had a pleasant and relaxed break over the Christmas / New Year period. We are looking forward to this New Year and hoping also, it is better than the previous year. Our industry has been what could only be described as pretty average over the past 12 to 24 months. We have seen at times complete chaos in some periods with no rhyme or reason for what was happening. We saw some manufacturers operating on 4 day a week, with others not being able to keep up. We have seen some get out of the industry all together. Let's hope we see more stabilization of the industry over the next few years.

FUEL

There has been a slight reduction in the fuel prices over the past month or so, but the diesel price has still remained at a higher price, even with its slight reduction and considering it is a by product of petrol, it remains dearer.

TIMBER

Over the past months some suppliers have put a fuel levy of some sort on their product. This is to be expected as the industry has not seen a good two or three year of profitability. In some cases we have seen sackings, from the top, down, as of results that have not obviously met the expected targets. We are seeing reductions in manufacturing, to reduce stock holdings and to reduce the levels of stock available in the market. This will as demand for the product increases, create a price increase on the product and that is what they are after. Every now and then we will see a producer that will have some lines that are short lengths, over produced sizes, or over stocked grades that they wish to move, so they will put them out as specials. This is not happening, so we know that they are producing less already. We now have been informed of an across the board pine increases of 5%. We can expect another increase of around the same percentage within the next three months. The prices of timber have been around the same price as it was some ten years ago (if not cheaper) and have not been sustainable.

We have also been informed that MDF products will rise 5%, imported plywood and timber products will rise 10%, Australian plywood products 5% and James Hardie products will rise between 1.5 and 3%.

SP GRADE UPDATE

The SP Grade situation has not progressed at all and at this point does not look like getting off the ground. The biggest problem is the grades and the quality that are to be used in the roof truss area. We will keep you informed of this in the future months.

NAIL PLATES

In the last newsletter I spoke about the cost of steel and the cost of nail plates and even though the cost of steel had come down, we haven't seen a reduction in the cost of the nail plates. About a week later I was watching the business news on Channel 28 and it was interesting to note that the price of "zinc" had for the past two years virtually followed the price of "gold", except for the last two quarters as gold steadied and then started to fall slightly, zinc kept going. This year alone, from memory I think they said it had risen some 64%. This is due to supply & demand. It is in great demand, but you can't get enough of it. We are now seeing the price of nail plates rise again, this time by 11.3%. Some other products like fasteners have only gone up 4%, whilst brackets, connectors, tie downs and hangers have gone up the 11.3%.

EBA

Our EBA comes up for renewal at the end of the month. We were one of the first couple of manufacturers in our industry to introduce an EBA. It was initially done with a lot of caution and in trepidation not just on our behalf, but also on behalf of our employees. Since that time we have seen a number of EBA's go thru and it seemed that each one would be continually hampered and drawn out by the union.

This year we had our employees come to us after forming a committee and wanting to deal with us one on one. This has withdrawn yet another wedge that was put there in trying to divide us into the old, "us and them" categories. With this approach it will mean a longer EBA, our blokes knowing and having a better understanding of what we require and we understand a bit better what their problems are and between us finding a solution and the implementation of those solutions. In them approaching us in this manner meant we only needed some three meetings and we had everything sorted out.

eNEWS

Prefer to receive this quarterly newsletter electronically? Please email info@mbprefab.com.au and let us know.

FTMA

The FTMA (Frame & Truss Manufacturers Association of Australia) has really started to get some momentum. The numbers in some states have been slow, I would say mainly due to a number of reasons, such as still being members of other industry groups, the unsureness of some in knowing and understanding what and where the association is going. Yet in a lot of States the complete opposite has happened. We have seen a steady growth of membership over all and more astounding has been the support of the association thru major sponsors.

We have already acquired some three gold sponsors that will assist in meeting the running costs of the association. This time next year we hope to have a full time (paid) executive looking after the association. We have now had a number of chapters set up in other states such as Tasmania, NSW and South Australia with more coming on line and we look to this continuing and this year growing even stronger. We are looking at having our first "National" Awards night in October this year, to be held in Melbourne at the Crown. Each year this will move around from State to State. The aim of the FTMA is to look at what is required to improve the industry overall, not just for manufacturers.

HIA GEELONG AND WESTERN DISTRICT BRANCH

The first meeting for the year is to be held on third Wednesday in February, which is the 21st. Keep your eye out for the invitation. We look forward to seeing you there. Like most things in life, success comes from support and the local branch was set up to support and inform you as members.

LIGHT HEARTED

(G – Rated)

A man and his wife were dining at a plush restaurant. The husband keeps staring at a drunken lady who keeps swigging her drink as she sits alone at a near by table. The wife asks, "Do you know her?" To which he replies "Yes, she's my ex girlfriend, I understand she started drinking after we split up some seven years ago and she hasn't been sober since". "My goodness" says the wife, "who would think a person could go on celebrating that long".

(M Rated)

A couple were invited to a masked costume party. She got a terrible headache and told her husband to go alone. He protested but she insisted, so he put on his costume and away he went. Taking some aspirin and sleeping soundly for an hour, the wife awoke without pain and as it was still early she decided to go to the party and have some fun with her husband as he didn't know what her costume was. She joined the party and spotted her husband cavorting on the dance floor, dancing with every body and copping a feel here and a little kiss there. The wife sided up to him and let him go as far as he wished; he manoeuvred outside and had a little quickie, in fact two. Just before the midnight unmasking she slipped away, went home got into bed and wondered what his explanation would be for his behaviour when confronted. She was sitting up reading when he came in. She asked, "did you have a good time?" "Not really" was his reply, "it would have been better if you had of been there". She asked if he danced much? "No, not at all" came the reply. I met Pete, Bill and Geoff so we played cards all evening, but you will not believe what happened to Andre: he didn't have a costume so I gave him mine.

STAFF

In December last year Darren Benn completed 15 years service with us. We thank him for his past 15 years and we look forward to the next 15 years.

Lisa Montagnat is no longer with the company. Her position has been filled by Gary Monteith. Gary has worked for us for approximately two years now. He has been trained by us and by Pryda. Gary has had a number of years experience in the timber industry, previously being employed with Barwon Timber and Belmont Timber.

Damo, one of our truss detailers has decided to take 12 months off and travel around Australia. He and his wife have no children, but want to start a family and they see this as their last opportunity to travel. He has packed the four wheel drive, attached the van and they left in January off on their adventure.

The last email we received was on the 16th January:

“We are a little ahead of schedule due to some stinking hot weather. Travelled to Port Lincoln where we stayed for a few nights, which is nice because we don’t have to put the camper up and down all the time. Went fishing and we were there at the right time as you were catching fish as soon as you put your line in. We ate Trevally for tea, which was so yummy and so fresh! Meet a nice family at Caravan Park and had a few drinks with them. We had planned to stay at a few 'cheap' or free sites along the way to Streaky Bay, but it was so hot and the places very uninviting, so we rang ahead to get into Streaky Bay earlier. Glad we did! We had a counter meal at the local pub which was a real treat for us! We are used to going out for tea quite a bit and missed it! Here for four days and then off to Ceduna. We haven't got any mobile reception here so hopefully can contact us at Ceduna on the weekend. Plan to do a bit of fishing here too, including crab fishing. So far we have loved every minute and seeing some great places, but it is so dry and desperate out here too! Hope everyone is well!”

DIRECT LINES

If you need to know something or require any assistance please do not hesitate to use the contacts set out below.

Contact	Area	Phone Number
Doug Maxwell	Longreach Floor Trusses	5249 4411 Direct Fax 5223 1022
Clive Martella		5249 4412 Direct Fax 5223 1022
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Davin	Truss Detailer	5249 4410 *
Steve	Supervisor / Estimator	5249 4405
David	Estimator	5249 4407 *
Matt	Estimator / Truss Detailer	5249 4409 *
Tim	Customer Development Officer / Estimator	0407 232 884
Gary	Customer Development Officer / Estimator	0409 818 287/ 5249 4408
Brad	Wall Detailer	5222 6188
Andrew	Wall Detailer	5222 6339
Anne	Deliveries / General Enquiries / Orders	5223 2888
Lauren	General Enquiries / Orders /Accounts	5223 2888
Louise	General Enquires / Accounts / Orders	5223 2888

* Please note that these numbers have changed in 2007