

JULY 2003.

TIMBER PRICES.

I had an interesting conversation some months ago with a Manager of a very large timber supplier who spoke to me “off the record”, stating that it was his opinion only of what may have to happen.

He stated that there was no talk of any price rises in the immediate future, but he personally thought that due to the sizes of the logs being cut, he didn't believe the timber mills could sustain the current prices. He stressed that this was his opinion and his alone. It seems that with the number of small logs being cut, that it is taking twice as much handling, twice as much time and twice as many logs to get the same number of cubic metres for sale as it was previously, due to the smaller size of the logs being cut. If they can't cut bigger logs or can't get more bigger logs in the mix, then they can't sustain the price they are getting. What he is saying is that the cubic metre price has gone up due to the number of logs they now have to process to get the same cubic metres they used to before with the bigger logs. Apparently they haven't got the number of bigger logs that they used to have available to them. To me I see this as their “stock management problem”, but it doesn't solve the problem for the immediate future. I must stress that there is at this point, no talk of increases but I just wonder if this is a reason for there to be one, but remembering that the market, I don't believe is as bullish as it was say 3, 4 or 5 months ago, so I personally can't see it happening --- BUT that's not to say it won't. I firmly believe if anything there will be a decrease as demand is reduced.

THE MARKET.

Talking to a number of builders they still have plenty in front of them for quite some time. I think this is because they are in the “boutique” section of the market and are not exposed as a number of others are. The same state manager I was talking to earlier went to visit a very large builder with a manufacturer who supplied that builder, just to get a feel of the market and the builders views on what was happening. He was a bit taken back that the builder seemed concerned that their sales for the past month had fallen by 18 sales from the previous months. There could have been a number of reasons for this but his immediate reaction was that the market had changed, remembering it was on one months sales results only. The state manager of the timber company asked him if he closed the books to sales today, how long would it take for them to complete the total buildings they would be contracted to build. His reply was “we would need a minimum of some 11 months”. There is no moral to this story, but I don't believe we can judge the future by one months sales. It will obviously start to slow down but when and by how much is the big question. I do believe if there was an increase in interest rates, plus a pine increase then this would effect the future sales, but as when interest rates were at 18-20%, the market was strong due to “confidence”, and I still believe there is a reasonable amount of confidence in the market at the present and defiantly more than is in the stock market. Lets hope that when it hits it's going to be a gradual slide.

HIA GEELONG AND WESTERN DISTRICT BRANCH.

On Wednesday the 9th April the AGM was held and we saw the appointment of the new chairperson Stewart Owen. The position of Vice Chairperson was taken by Geoff Case and the position of Secretary by Steve Malesic. John Bethune retained the position of Treasurer. The new committee is made up of Bob Rienhart, Geoff Van Halen, Garry Watson, Francis Siegert, Paul Malishev and Clive Martella. The Geelong Branch is in a strong position with some 18 sponsors for the year already confirmed, this allows for the monthly meetings to have sponsors available to draw on and puts the branch in a very stable position financially as we don't have to be chasing money to get a project up and running. One thing it still needs is for the people to turn up. It is not just about what you will learn from the sponsors on the night (which by the way I am often amazed by what I pick up) but also the ability to meet new contacts and renew some old ones. I look forward to seeing you there.

NEW LINES.

In our last news letter we stated that we would be wholesaling “MITTOS” products. We spoke to Mittos on a number of occasions to produce a price list for us to start wholesaling. We have had some 3 different price lists and each time we have found the prices have just kept going up. It has taken an fair amount of time and money setting up a display shed which should be completed in the next week or so and because of this we are still going to sell a range of these products, but it will also be with another supplier, whom we have dealt with for some time and the products such as the verandah and eave brackets are the most cost effective in Geelong. All of these products are LOSP treated. Find enclosed a product range and price list of goods available for any of your future projects.

Due to the large range of vents available not all vents are carried as stock lines, but it's only a matter of a few days from order to get what you want. Note that wood grain stainable lines take up to 10 days.

We will be sponsoring one of the upcoming HIA meetings which we will be featuring some new products and some not so new making a come back and some different uses for some current products on the market.

LIGHT HEARTED.

Mrs Papadopoulos comes to visit her son Costa for dinner...who lives with a female roommate, Soula. During the course of the meal, his mother couldn't help but notice how pretty Costa's roommate was. She had long hair, long legs and she was slim and extremely pretty. She had been suspicious of a relationship between the two, and this had only made her more curious. Over the course of the evening, while watching the two interact, she started to wonder if there was more between Costa and his roommate than meet the eye. Reading his mums thoughts, Costa volunteered, “ I know what you must be thinking, but I assure you that Soula and I are just roommates”. About a week later Soula came to Costa and told him that ever since your mum was here I haven't been able to find the silver sugar bowl. “You don't suppose she took it, do you Costa?” she asked. “Well, I doubt it, but I will email her just to make sure”.

Dear Mother, I'm not saying you did take the sugar bowl from my house , and I'm not saying you didn't take it , but the fact is that it has been missing ever since you were here for dinner. Love, Costa.

Several days later, Costa received a response email from his mother, which read:

Dear Son, I'm not saying that you do sleep with Soula, and I'm not saying that you don't, but the fact remains that if she was sleeping in her OWN bed, she would have found the sugar bowl by now. Love, Mum.

Lesson of the day... Don't lie to your mother.

PRICE INCREASES.

Our Cartage contractor informed us that there will be an increase in Cartage rates. There has been fuel increases, wage increases, insurance has gone up and other ongoing costs which has forced the cartage contractor to increase his prices. The problem was that the immediate Geelong area was to go up 33%. During discussions with the contractor we found numerous anomalies which to us were not valid and so we decided to look else where and we now have MMR Transport P/L delivering our goods for us. Both Jason (12 years experience) and Kingy (about 5 years experience) have left the other transport company to go and work for MMR Transport, so we have not lost anything in regards to service and experience. The costs that were going to be incurred have now been reduced some what.

EBA.

We are in negotiations with the union in regards to their EBA, which was due out some time ago (the delays have not been due to us) and hopefully this will be completed in the immediate future. Unfortunately we will see a slight increase in our charge out rate due to this, which will probably come into force sometime in the next month or so.

PRICES TO NEW PRODUCTS as at July 2003

Verandah brackets.

VBO1	\$14.00
VBO2	\$14.95
VBO3	\$ 8.70
VB04	\$12.35
VB05	\$19.80
VB06	\$20.20
VB07	\$19.30
VB08	\$11.60
VB09	\$18.15
VB10	\$10.15
VB11	\$16.30
VB12	\$35.60
VB12A	\$42.80

Eave brackets.

WEB 1-180 x 130 x 32	\$8.00
WEB 2-180 x 130 x 32	\$10.80
WEB 3-180 x 130 x 32	\$10.80
WEB 4-180 x 130 x 32	\$12.95
WEB 5-180 x 130 x 32	\$7.65
WEB 6-180 x 130 x 32	\$8.00
WEB 1-240 x 180 x 42	\$10.90
WEB 2-240 x 180 x 42	\$14.15
WEB 3-240 x 180 x 42	\$14.15
WEB 4-240 x 180 x 42	\$16.50
WEB 5-240 x 180 x 42	\$8.70
WEB 6-240 x 180 x 42	\$10.90

FEDTRIM FUNCTIONAL GABLE VENTS.

OCTAGONAL

550 X 550 DIA. \$90.00

440 X 440 DIA. \$87.30

SQUARE.

330mm \$102.00

ROUNDTOP.

420 X 620MM. \$90.00

730 MM. \$125.00

RECTANGULAR.

400 x 550mm \$90.00

FULL MOON.

335 mm DIA. \$77.60

440 mm DIA. \$87.30

550mm DIA. \$90.00

HALF MOON

840 x 530 mm \$108.00

700 x 400 mm \$97.00

PLUS A FULL RANGE OF STYLE – VENT FUNCTIONAL GABLE LOUVRES.

See styles enclosed and do not hesitate to phone re the best price in town.

******* ALL PRICES QUOTED INCLUDE GST.*******

DIRECT LINES.

We now have direct lines available for our customers. Please see the numbers below if you wish to speak directly to a person without having to go through the main reception area.

Doug Maxwell 5249 4411

Clive Martella 5249 4412

Darren Benn – Logistics Manager and Head Wall Detailer. 5249 4403

Alistair Elliott - Head Truss Detailer. 5249 4410

Shannyn Gourley – Head Estimator. 5249 4408

***Damien Marchant – Estimator (walls, trusses, longreach) – Detailer (roof & floor trusses)
5249 4409***

Steve Grant – Estimator. 5249 4405

Matthew Lauder – Estimator. 5249 4407

Lisa Montagnat – Customer Development Officer. 5249 4406

Tim Watson – Customer Development Officer. 5249 4402

If for any reason you can't get through on the direct line, use the "voice mail" available and the person you are trying to contact should get back to you ASAP.

Please note that any correspondence by "FAX" to either Doug or Clive is now to be on 5223 1022. (This is a direct fax line for the express purpose of confidentiality and is separate from our normal fax number).