

M.B. NEWS

2006 March Edition.

THE YEAR SO FAR

Christmas and the New Year have past and we hope you all received what you had all hoped for. We are about to see the end of the Commonwealth Games which has proved to be very successful for Australia and it is going to be interesting to see what they have actually cost us when Bracks releases the figures in the near future. We are now looking down the barrel of the new football season which is to start on Thursday night, the 30th of March. Geelong did a great job to win the NAB cup. I hope they don't get carried away with that success and focus on the *real* cup being offered at the end of the year. This year so far has just absolutely flown. We are seeing the introduction of new Industrial Laws which will be very interesting and there will be more of that in the later editions.

The largest supplier of roof trusses and wall frames in Australia has been sold to Bunning's for some \$9.5 million. It was inevitable that they would have to find a buyer, as I believe they couldn't afford to sustain the losses for much longer (some 30 million since 2001). Just before they were purchased their value of their shares had dropped from about \$1.47 in 2001 to just 6 cents in 2006. Bunning's have already closed two of their manufacturing operations in NSW and we have heard that the Benalla manufacturing plant is on the market. It will take some time for the new owners to finalize the restructuring of the business, but the end result should be good for everyone.

The TMA (Timber Merchants Association) which we were a member of and the FTMA (Frame & Truss Manufacturers of Australia) who came under their umbrella, has now decided to go it alone and have formed a National Association. This will enhance our industry and in time not only increase our numbers (memberships) but we will find that there will be more pressure on those that are not members, to improve their overall operational techniques. It will also want to bring pressure to bear on the nail plate manufacturers to stop giving out licences so willy nilly.

You may or may not remember that Pryda was sold some time ago to ITW which is an absolutely huge concern in America and has a number of large companies around the world. It has been the best thing for Pryda as it has freed up their cash flow up considerably allowing them to spend more on their research and development areas especially in the computer side where they are just about to release their new software package and tracking system, which will reduce our time and costs in certain areas and make us more efficient. ITW has also announced it has just purchased Alpine, a manufacturer of equipment that is one of the top two in America.

TIMBER

Timber (Pine) has gone up some 3.5% and there is talk about a further increase in the third quarter of this year. I don't expect it to happen and if it does I believe it will be in the fourth quarter when we are getting ready for the xmas rush. We saw steel prices rise 22.5% in one go some 18 months ago and I

read that steel was now at its cheapest price for many a year, yet we still haven't seen any reduction in the price of steel products that we use. I wonder why that is?

CCA TIMBERS

CCA preservative chemical may *not* be used for treating timber intended for use as garden furniture, picnic tables, exterior seating, children's playground equipment, patio or domestic decking boards or handrails as from March 12, 2006. AS 1604 states that each piece of timber should have "legible and sufficiently permanently marked" with the following information: a) Treatment plant number, b) Preservative code number, c) Hazard class number. In addition, for all timber that is treated with CCA, the timber shall be legibly marked with the words "*Treated with copper chrome arsenate*".

Exemptions: Battens, fence palings and droppers. Timber 1500 mm 2 and less in cross section, timber less than 15 mm nominal sawn thickness dimension. These exemptions do *not* have to be individually marked, *but* must be marked on the packs.

EBA COST INCREASES

We will see an increase in our costs as of the 1st April will the EBA increases to our labour costs. Fortunately this one is well below the previous increases, with us being able to achieve the Victorian CPI levels some 12 months ago, rather than the Australian CPI or the previous increases of 3.5% to 4%. An example of the increase would be for a \$4,000 job the increase would be around \$39.00 including GST.

ANOTHER 5 STAR SHOCK

The announcement made on February 16 this year by the ACT's Planning Minister Simon Corbell that a mandatory Five Star Energy rating scheme will be adopted in the ACT has been met with opposition by the Australian timber industry, says Catherine Murphy, CEO of the National Association of Forest Industries (NAFI).

"The timber industry is a supporter of energy rating schemes aimed at reducing green house gases, but is opposed to the new 5 Star Rating system in its current form" she said. "The software used in generating the star rating only takes into account the *operational* energy savings and it does not address the *embodied* energy used in producing building materials. This means that building materials that emit large amounts of green house gases in their production are actually promoted under the 5 Star scheme. For example, an extra 15 tonnes of Co² is emitted in the production of a concrete slab when compared to a timber floor. The Australian Green House Offices estimates that it would take 64 years to recover this carbon debt in energy savings. The ultimate purpose of the Five Star rating is to reduce greenhouse gas emissions. The modelling underlying the new system promotes the use of building materials which contribute significantly to Co² emissions", stated Catherine.

An enquiry into energy efficiency and the Five Star system by the Productivity Commission in October 2005 cast doubts over the software used in calculating energy loads within buildings. The Productivity Commission recommended in their report that the ABCB should commission an independent valuation of the system "as a matter of urgency". They also recommended that an evaluation be undertaken on whether the financial benefits to individual producers and consumers have outweighed the associated costs. Catherine stated "the ABCB has ignored the Productivity Commission's recommendations and

has pressed ahead with the scheme anyway". The 5 Star scheme discriminates against timber, which is a renewable resource, grown using solar power and less energy is used in preparing timber for market than the alternative products.

Where are the benefits of the proposed system if the environment and the homeowners are going to be worse off? A survey of 600 builders in Victoria showed that the construction cost would increase \$15,000 or 6% on an average home.

Maybe it is my suspicious nature, but I would question what influence if any the concrete and the steel people had in this, as they would be the two biggest losers if this did not go thru. Both of these produce enormous greenhouse gases and use a huge amount of energy in producing their products. Why is the ABCB so reluctant to follow the recommendations of the Productivity Commission? It just doesn't make sense!

HIA GEELONG AND WESTERN DISTRICT BRANCH

The Housing Awards will be held on Friday the 8th of September this year. There will be a change of venue, and a change of band. You will be kept abreast of this and other information such as times, venue and cost at your local HIA meetings. Make sure you keep that date free and come along and enjoy the night. You don't have to have an entry (although that would be nice) to go to this event. The position of Treasurer held by John Bethune has now been taken over by Diane Dahm (Blue Cove Homes). We thank John for his time and effort whilst he held the position and we look forward to it continuing to run smoothly with the introduction of Diane.

Come along and support your local HIA, as they are there to support you.

LIGHT HEARTED

(Please be aware that this is slightly rude in the mind of the reader)

A young man wished to purchase a gift for his new sweethearts birthday and as they had not been dating very long, after careful consideration he decided a pair of gloves would strike the right note...romantic, but not too personal. Accompanied by his sweetheart's younger sister, he went to Sears and bought a pair of white gloves. Whilst there, the younger sister bought a pair of panties for herself. Without checking the contents he sealed the package and mailed it to his sweetheart along with this note:

My Dearest,

I choose these because I noticed you weren't in the habit of wearing them when you went out in the evenings. If it had not been for your sister, I would have chosen the long ones with the buttons, but she wears the short ones that are easy to remove. These are a delicate shade, but the lady I bought these from showed me the pair she had been wearing for the past three weeks and they are hardly soiled. I had her try yours on for me and she looked really smart. I wish I was there to put them on for you the first time, as no doubt other hands will come in contact with them before I have a chance to see you again. When you take them off, remember to blow in them before you put them away as they will naturally be a little damp from wearing them. Just think of how many time I will kiss them during the coming year. I hope you wear them for me on Friday night.

All my love,
Harry

PS. *The latest style is to wear them folded down with a little fur showing.*

WORKSAFE WITH OVERHEAD POWER LINES

We have for your information enclosed a WorkSafe brochure regarding power lines. Be aware that in some cases we will need a permit (no charge) and a spotter (fee required), it can save us all time if you advise us in advance as we do not want the situation to arise that we arrive on site and cannot unload.

STAFF CHANGES

Alex who had been a trainee for some 18 months has left to do a drafting course. He has been replaced with David who has come to us with a number of years experience in our industry. We look forward to a long and fruitful association.

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
Darren Benn	General Manager / Logistics Manager	5249 4403
Damien	Truss Detailer	5249 4410
Davin	Truss Detailer	5249 4409
Steve	Supervisor / Estimator	5249 4405
David	Estimator	5249 4406
Matt	Estimator / Truss Detailer	5249 4407
Lisa	Customer Development Officer / Estimator	0409 940 757
Tim	Customer Development Officer / Estimator	0407 232 884
Gary	Sales / Trus Joist Floor joists	0409 818 287
Cameron	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