

M.B. NEWS

March 2008 Edition

"Without prejudice"

INTRODUCTION

Welcome back to everyone for another year, another challenge and we hope a successful one. We hope you all enjoyed your Christmas break, had plenty of good cheer, food and drinks, got what you wanted from Santa and more importantly relaxed and enjoyed your break with your families.

THE BUILDING INDUSTRY OUTLOOK

Things have really picked up. We cannot understand why it has really snowballed since we have come back. Other truss manufacturers are in the same boat. Some are out to 6 or 7 weeks and others 3 or 4 weeks. Other trades such as plasterers, electricians etc, are also finding it extremely busy. We have seen one roof truss manufacturer on the Peninsula close their doors. This has put pressure on a number of manufacturers who are involved in the commercial side of things as the majority of that manufacturers work was as I understand it in the commercial field. They had been around for probably 15 or more years and last year the owner had a stroke, so he retired and I believe sold out of the business. Others are also getting increased enquiries from a number of builders from that area in relation to doing quotes for commercial jobs.

Timber prices have stabilized for the present and we hope that it does so for the balance of the year. There has been word that it may go up again in the last quarter of this year, but we will have to wait and see. It has been a nightmare with the increases as to the amount of work it puts back on to their customers. The gap between one of the suppliers and the others has narrowed, but there is still a gap. Imported timber is now starting to become more freely available which we require as timber has not been readily available in a number of grades and lengths. There is still a shortage out there. Certain grades you just can't get, such as P15 and some lengths are demanding a premium from suppliers. The opposite is happening in the USA market and we will probably see more coming from over there, especially if our prices remain at this level. It will make it worthwhile for them to ship it over to us although they would prefer our dollar to be weaker.

There are not too many timber mills out there that still produce "HI" studs for the building market, but those who do supply it are still finding the same problems as the users are of that product, especially with the weather we are having. The timber is twisting, even if the plates are trenched and to a point that if it is at a door or window opening the studs have to be replaced. It is a cheaper timber and not only just in its price. This product is a problem and all it does is degrade the overall view of timber quality. It should be banned for use in the building industry.

I was unable to attend the HIA breakfast meeting the other week, but talking to those who did pointed out that out of all the country areas over the next few years, Geelong is the only one with any real and strong positive growth.

ENTERPRISE BARGAINING AGREEMENT

The new E.B.A. increases have now come into force with the factory labour rate having gone up some 3%.

UPDATE

In the last newsletter I mentioned the new AdvantageCard. The loyalty program is now operational although it took a couple of months longer than AdvantageCard originally planned to be launched. We look forward to it developing over the next couple of years and being a success we all envisage it to be. We had a number of enquiries in the first week of its release with people wanting to open new accounts. At that stage we hadn't had the opportunity to have our staff trained or properly informed of its full details. All of our account holders should have received their AdvantageCards by now. If you haven't received one, please let us know.

To receive points all you have to do is place an order and pay the account on time (strictly adhered to). Points are calculated on each dollar of the pre-GST amount of your invoice. The points are never lost and they can be used to pay for future purchases with any merchant that has the AdvantageCard. For example you continue to buy from us and also buy from four other AdvantageCard merchants and you accumulate 20,000 points over say a year. Then you decide you wish to purchase a Ute. One of the card merchants from memory is a Mitsubishi Dealer. You can go to him and use all the points you have gathered from the AdvantageCard merchants and put those points towards the price of the Ute. You can pay the balance in cash and you still get points for that purchase. I believe you can earn Bonus points from that merchant. Instead of a Ute you may choose to spend the 20,000 points with AdvantageCard Travel - allowing you to redeem your points for any flight, any time, anywhere, as well as car hire. It is a loyalty programme that actually works.

We are hearing rumours in the market place that the price of steel is about to increase again and this time we could be looking at a 15-17% increase around June. A 15% increase would see the price on a \$4,000 job increase by \$90. Last year we saw not only the steel price but also the zinc price go up considerably due to the demand in China. I understand that although their demand has shrunk a little, India is the next country to put pressure on the cost of this product due to their increasing demand for it.

Oil prices are also having an effect. We have seen increases in the price of diesel and after listening to the radio the other day, we shouldn't complain. The price in Marble Bar in Western Australia was \$1.95/L. Mind you that is one of the hottest places in Australia and apparently they had a cool change the other day, the temperature dropped from 45°C to 42.5°C. When we think of all those earning big money over there, you would want to, just to pay for things. I have heard stories that fast food employees are getting as much as \$30 per hour to flip hamburgers. Then they would want to also, to be able to pay for the cost of a hamburger over there. Everything is relevant- isn't it! Isn't the old saying true, "the grass is always greener on the other side", that is until you have to mow it?

INDUSTRY ON SITE CONCERNS

WorkSafe will soon be releasing new details on the operational procedures for work sites. Things such as the J.S.A.'s have been changed in name only. There will also be some new details in relation to loading and unloading of trucks. These can usually be obtained free of charge from the local WorkSafe Office at the Carbine building on the corner of Yarra & Brougham Streets in Geelong. I recently did a talk on the "Problems we encounter on sites" at the local M.B.A. meeting. We along with other manufacturers and suppliers, all face the same or very similar problems and the only way to get around these is to talk openly to the people concerned and that is the builders and Work Safe, whether it is one on one or through the associations like the H.I.A., M.B.A. and F.T.M.A.

FRAME & TRUSS MANUFACTURERS OF AUSTRALIA

Now that Nick our Executive Officer has had time to settle into the job, he has been kept extremely busy with a number of issues and a variety of challenges. As with any Association we are always looking to improve the membership and looking for Sponsorship Partners. The FTMA is not that far off releasing a DVD on the correct and safe erection of roof trusses. Whilst at Pryda Australia in Melbourne the other week, I was shown a new "contraption" that is being trialled by some builders in Melbourne that assist in the erection of trusses and you don't have to walk on the top plate to erect them. A Pryda employee was filming the use of this item as it was being used in a live situation and when and if it becomes available we will see what we can do to get it out in the market place, whether through the FTMA or other sources.

H.I.A. GEELONG AND WESTERN DISTRICT BRANCH

As I type this, the Annual General Meeting of the HIA Geelong & Western District Branch is just around the corner. The committee has been busy finalising the meeting dates for the next 12 months, guest speakers along with the coming years sponsor partners. They have also organised this year's Awards Night so it doesn't clash with the football. The venue and entertainment have been organised. Last meeting we had WHK Day Neilson (Accountants) speak to us and give us some insight into their business. This past year they have been bronze sponsors and we have appreciated their support as well as all the sponsors, Pryda Australia (gold), Hardings Hardware (gold) and Weathertex (silver).

Hardings Hardware & Pryda Australia will both return as gold sponsors, WHK Day Neilson will renew their bronze sponsorship, and Weathertext is renewing their silver sponsorship. M.B. Pre-Fab Framing will go from a bronze sponsor to become a silver sponsor. As you would be aware it would not be possible to continue to run the association without support from the above sponsors. I myself have decided after some 12 or 13 years on the committee to step down and let some more new blood in. I thank the HIA committee for the time I have spent with them and wish them every success in the future.

LIGHT HEARTED

THE NEXT SURVIVOR SERIES - To be fair this Survivor series has been designed by a woman, it will be produced & directed by women.

Six married men will be dropped on an island with one car and 3 kids each for six weeks.

Each kid will play two sports and either take music or dance classes.

There is no fast food.

Each man must take care of his 3 kids; keep his assigned house clean, correct all homework, and complete science projects, cook, do laundry, and pay a list of 'pretend' bills with not enough money.

In addition, each man will have to budget in money for groceries each week.

Each man must remember the birthdays of all their friends and relatives, and send cards out on time.

Each man must also take each child to a doctor's appointment, a dentist appointment and a haircut appointment.

He must make one unscheduled and inconvenient visit per child to the Urgent Care.

He must also make cookies or cupcakes for a social function. Each man will be responsible for decorating his own assigned house, planting flowers outside and keeping it presentable at all times.

The men will only have access to television when the kids are asleep and all chores are done.

The men must shave their legs, wear uncomfortable yet stylish shoes and keep fingernails manicured and eyebrows groomed.

During one of the six weeks, the men will have to endure severe abdominal cramps, back aches, and have extreme, unexplained mood swings but never once complain or slow down from other duties.

They must attend weekly school meetings, church, and find time at least once to spend the afternoon at the park or a similar setting.

They will need to read a book and then pray with the children each night and in the morning, feed them, dress them, brush their teeth and comb their hair by 7:00 am.

A test will be given at the end of the six weeks, and each father will be required to know all of the following information: each child's birthday, height, weight, shoe size, clothes size and doctor's name.

Also the child's weight at birth, length, time of birth, and length of labour, each child's favourite colour, middle name, favourite snack, favourite song, favourite drink, favourite toy, biggest fear and what they want to be when they grow up.

The kids vote them off the island based on performance. The last man wins only if...he still has enough energy to be intimate with his spouse at a moment's notice.

If the last man does win, he can play the game over and over and over again for the next 18-25 years eventually earning the right to be called Mother!

After you get done laughing, pass this to as many females as you think will get a kick out of it and as many men as you think can handle it.

Just don't pass it back to me.... I'm going to bed!

STAFF

We have two new trainees, James and Michael. They started training on the 2nd January this year. Both seem to be picking things up and we look forward to them developing their skills even further.

We had our original employee Ron Veldhuizen passing the 30 year mark in February this year. He was employed some 4 months after the Company was started. Congratulations to him on his achievement. We have been fortunate enough to have Damo back from his 12 month + trip around Australia on a part time / casual basis to get some more detailing done.

RENOVATIONS

We have started the renovations of the office area. The first stage is the Estimators and Detailers areas where we are virtually doubling their work space. The finished area will be some 9 squares. It will comfortably accommodate some 11 or so Estimators and Detailers, not including the Wall Detailers. We will as time progresses start working our way up to the front and finishing with the reception area. Our reception area will increase by some 6 metres in length and afford much more area to our clients when they come in. We will then put a new facade on the front. As with everything, these things take time and money to achieve what we want. When completed it will give it a fresher and more modern look.

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
Tim	Customer Development Officer / Estimator	0407 232 884
Paul	Customer Development Officer / Estimator	0409 940 757 or 5249 4408
Davin	Truss Detailer	5249 4410
Matt	Truss Detailer / Estimator	5249 4409
Brad	Wall Detailer	5249 4414
Andrew	Wall Detailer	5249 4415
Steve	Supervisor / Estimator	5249 4405
Anne	Deliveries / Orders / General Enquiries	5223 2888
Lauren	Accounts / General Enquiries / Orders	5223 2888

Remember if you need a set of plans picked up; give one of the C.D.O.'s a call or our office. We will arrange a time and place convenient to you.