

May 2004.

The Market.

The predicted slow down still has not hit yet and the *BIS Shrapnel* group believes it won't happen until next year, with an improvement in 2006. I have noticed in the Melbourne areas large increases on the "extension" side of things.

Prices.

Timber prices are stable, but the price of **steel** is still very unstable. We have seen an increase of some 20% plus with more increases of 30% to come over the next few weeks. Its funny they are all saying it's because of the Chinese economy and world demand, yet they have only in the past few weeks stated that the Chinese economy is starting to slow down. Metal effects the building industry through a variety of ways; including trusses as we use metal claw plates to manufacture them. We have found that some of the price increases have been partly absorbed by suppliers of claw plates, including associated lines such as multi grips, wall brackets, girder brackets, speed brace etc., thus there have been only increases of some 4% on this type of products.

The difference this time is that this year we will see more increases rather than just the usual one we would normally see. In real terms a price increase of say 4% on plates and associated lines means that you would see on a \$4,000 job, an increase of \$30 to \$35.

Fuel is the next thing that is effecting everyone's business and with the prices already on the increase (diesel has gone up over 10% wholesale). The prediction of fuel hitting \$1.00 and over will mean an increase in the cost of transport. If you were to have a local delivery it would effectively add around \$8.00 to a delivery. We seem to be getting hit from all sides because now there is also a wage increase of \$19.00 per week to contend with. This does not effect us but as of this week we are having an automatic increase to the factory workers of 4% due to the conditions set out in their EBA. Once again to put in perspective and using the example of a job around \$4,000 it would mean around a \$40 increase in the cost of that job. The good news is that we will not have another wage increase in the factory for some 18 months or so.

Light hearted.

Here is a maths trick which is pretty unbelievable.

1. Grab a calculator, one that has 9 or 10 digits.
2. Key in the first 4 digits of your telephone number (do not include the area code).
3. Multiply that figure by 80.
4. Add 1 to that answer.
5. Multiply that answer by 250.
6. Add the last 4 digits of your phone number.
7. Repeat number 6.
8. Subtract 250.
9. Divide by 2.
10. Do you recognize the answer - pretty amazing!

New Lines

Late last year we spoke about a new line to come on the market called the "truss spacer". If you get up on the top plate and mark out where your trusses go, with the truss spacer this would not be necessary, as all you do is set up your hip end (if it is a hip end or if a gable, your first gable truss) and put the truss spacer on the TG truss and move the first standard into position with the truss spacer.

This assures you that they are the correct distance apart and by putting one on each top chord it will help you keep the truss straight to insure its ultimate performance. You can place a couple on the bottom chords of the trusses also, so as to make it easier and quicker, making sure the truss is straight both vertically and horizontally.

Remember you still have to put in temporary bracing on the bottom chords as these are not designed to be bottom chord ties and **under no circumstances** should they be walked on.

They will sell for around the \$1.25 each depending on the spacings. 4 per truss (2 on the top and 2 on the bottom) would equate to \$5.00 per standard truss, remembering there wouldn't be too many times you would have a run of 15 to 20 standards, with the house designs of today.

So if you are interested in trying some of these out or any other information on them, give me a call and I will see what I can do for you.

Staff Changes

In looking to further increase our service to our clients in regards to a faster turn around in quoting, we are changing the system a little to have less down time and create more time available to the estimators.

You will shortly see that the front sheets that come with your quote will still have the name of the estimator that did your quote, but it will not be signed. At present they are printing out all the details after the quote has been finalized and signing them. Then they are copied and then put in an envelope to be mailed out to you. We will have some one trained in the "Pryda" system to print these out, make copies and then organize them for mailing. Estimators spend a lot of time at reception taking down information for quoting, of which in the end all we are doing is gathering information on a form to enable us to prepare that quote. This creates a lot of down time for the estimators, as the estimator that takes the information doesn't necessarily do the quote. We are going to have the same person who prints out the quotes performing those duties (as well as others). You will still be able to speak to an estimator if required.

We believe we can increase our output of quotes by a minimum of 30%. We have already started to have Alex Fida trained in the Trus joist system, Foilboard, flooring, verandah and fascia areas, which he will look after, so we create further time available to the estimators to get the quotes out much faster than we are at the present time.

We are also employing two new trainee estimators.

On a sad note, Alistair Elliott after nearly 16 years with us has decided to leave our employment to go and work for himself as a draftsman. He is Registered Building Practitioner so if you need anything drawn give him a call, as he has an excellent understanding of building in general. To replace Alistair we have just employed young Davin Pate, who comes to us with some 9 years experience. We believe that Davin will fit in well with our group and we look forward to a long and fruitful association with him.

Greg Purcell has been employed with us since January. He comes to us with a great deal of knowledge in a number of areas. He has taken up the position of C.H.O.P.A (Credit, HR, OH&S, Production monitor and Action reports). We look forward to a long and fruitful association with him.

Phone numbers.

Estimating: Steve Grant 5249 4405
 Matthew Lauder 5249 4407
 Damien Marchant 5249 4410

Customer Development Officers:
 Tim Watson 0407 232 884
 Lisa Montagnat 0409 940 757 or direct line 5249 4406.

Trusses Detailing: Davin Pate 5249 4409
 Damien Marchant 5249 4410

Logistics Manager & Head Wall Detailer: Darren Benn 5249 4403.

Directors direct lines: Doug Maxwell 5249 4411 or 0417 506 075
 Clive Martella 5249 4412 or 0409 946 093.

New works

Finally things are starting to take shape. We have the new timber shed up and as I type up this newsletter they are putting in the new shelving, which should be finished sometime this week and then we will be able to start transferring stock to the new shed. This will free up the existing shed to put in the Trus joist stock. Next we can look at the renovations and extensions to the offices and having a new reception area put in.

Whilst all of this is happening we will be starting the two new factories out the back. The initial erection should be finished off in some 8 to 10 weeks or so, and then we have the concrete etc to go.

To finish off:

A woman has to love a bad man once or twice in her life to be thankful for a good one. - Mae West.