

M.B. NEWS

May 2007 Edition

There's never a dull moment no matter if you're busy or not. Things have picked up noticeably over the past month or so, but the uncertainty is in the strength of it. If we listen to the H.I.A. they can see it really picking up in the second half of this year and continuing over the following one to two years. I cannot see this at the present time. Talking to a few builders, draftees etc. they have noticed a considerable drop off.

It looks like that the interest rates will remain on hold at least in the short term. Pryda launched their new software system in March this year and we look forward to it being available in the next few months. The system is a huge step to what they have at the present and has been required for a number of years. Let's hope it all works.

FUEL

There has been a slight increase in the fuel prices over the past month or so, but the diesel price has still remained for once only slightly lower than the fuel price. This is great, but I only hope and wish that it continue to be below the petrol price. There is talk that the petrol price will hit \$1.45 a litre over the next week or so.

TIMBER

We told you of the potential for timber prices to rise in January/ February and they did. When they went up 5% I went and looked up an old price list from 1993 (last century) and they were getting some 23% more for their timber than the price in Jan / Feb. of 2007. We have been informed of another price rise which will come into play towards the start of June. This time it will be 6% on standard pine timber, CCA will go up 7%, ACQ 5%, L.O.S.P primed up to 9% and Stylewood boards, linings and flooring up to 10%. We are even now having pressure put on us to try and get certain grades and lengths from the suppliers.

The timber industry I believe has created its own slump, as it did with its own "over supply", which led to price cutting amongst themselves. This led to a mammoth decrease in the market value of their product, which in turn affected the longevity and the supply of our own home grown product. It was an affect that they would not wish upon themselves again.

We saw companies that were extremely profitable, loosing millions upon millions of dollars. It didn't only affect the producers. It affected the manufacturers who rely on the price to be not only stable, but the supply. Manufacturers that have fixed costs and rely on the percentage mark-up margin on their timber for their profit. I would rather get 10% margin on a piece of timber that is \$2.00, than 10% on a product that is \$1.54 per metre. Here we are buying in timber that is 23% or more below the 1993 price, but having the 2005, 2006 & 2007 fixed costs to contend with and to be covered by that margin. There is talk of another price rise on the 1st July of another 6 %. I can see at least one more price rise this year even after the July price increase. It will probably be around the 5 or 6% mark again but in about three months and I welcome it for a number of reasons. We do not want to see another timber producer selling out to another company (especially an outsider), giving that company a position in the market place where they can dictate not only the supply, but also the price. We believe we have a great natural resource that has come a long way and with the introduction of such products as H2 f to combat the white ant problem, that is perceived to be out there and the minimal environmental damage done by our products, it is in all of our interests to make sure they survive.

SP GRADE UPDATE

Whilst on the subject of timber, in the last newsletter I stated that the progress of the SP Grades had come to a halt. I was lead to believe one producer had some 1,100 packs of 90x45 pine that had the SP Grade

stamped on it, sitting in a yard. They could not sell it in the local market without restamping it with the MGP grade. Once they did that any user would have to take the lower of the two grades, which would have been the SP grade, which is not a recognised Grade in Australia. This would more than likely mean the producer would have had to look to another market place, overseas or downgrade it as merch. We have heard rumblings that the suppliers of SP grades is about to have another go at launching it. I don't think this will happen. As a member of the national Frame & Truss Manufacturers Association of Australia (F.T.M.A.) and more importantly a user of the product, we cannot have this grade in the market place without some qualified changes. From the start the greatest users of pine were not involved in any way about the implementation of the grades or their uses. Until this happens you will probably see a boycott on this product. We want not only to protect ourselves, but our end users, our customers.

NAIL PLATES

The steel price did go up as we said and now we hope that some stability to this area is recognized. Hopefully we will not see another increase for at least twelve months or longer. A lot will depend on the universal demand on steel and at this point, especially zinc. How big is the Chinese market? They will have 22 million babies born this year. They have 98 Kentucky Fried stores in Beijing alone. China has the biggest McDonalds store in the world. It is 6 stories high. They have a G.N.P. surplus of over One Trillion American dollars. The house values are going up at a rate of 100 to 150% each year. Every major car manufacturer in the world is in there due to the potential of car sales. They buy some three billion dollars worth of produce off us for export and we import some 25 billion dollars from them. Their market and market potential is so big, it is scary how much they can control things.

FRAME & TRUSS MANUFACTURERS ASSOCIATION OF AUSTRALIA

The FTMA has really started to get some momentum. In the last newsletter I stated that the numbers in some states have been slow and I would say this was mainly due to a number of reasons, such as a lot of manufacturers are still members of other industry groups and the uncertainty of some in knowing and understanding what and where the Association is going.

We were at a Pryda Conference in Queensland in March and there were a number of Western Australian manufacturers there who approached our President and told him they were very interested in joining and wanted him to go and talk to the other manufacturers.

By the time this newsletter gets to you we will have our web site up and running. We have just voted in a new board of some 12 members including one from NSW and one from Tasmania. The next thing to come to completion is the new DVD on safe erection of pre-fabricated walls, engineered floor systems and roof trusses. This is not that far off.

We are in the process of searching for a full time executive officer. Our first inaugural National Awards night will be held in October this year on Saturday the 13th. It will have a well known MC and some great entertainment. The judging of the awards themselves is going to be a mammoth job for someone. It will be run in conjunction with the Victorian Awards Night. We look forward to the night.

EBA

Our E.B.A. has been finalized and we are extremely happy with the way our employees conducted themselves, were realistic and worked as one. They have seen what the industry has been like for the past two years and have a better understanding of what is required in the future. They are prepared to work with us as they know that it is not only in the company's interest, but theirs too. Great to see and we thank them for it.

HIA GEELONG AND WESTERN DISTRICT BRANCH

The HIA Geelong and Western District Branch has a new Chairperson in Michael Dahm. He has taken over from Stewart Owen and we have a couple of new committee members.

STAFF

Gary Monteith has decided to move on. He has gone to Fagg's Mitre 10 and taken over the position that is to be vacated, with Jeff Stevens retiring. We wish them both all the best.

We have employed Paul Christie to take on one of the roles of C.D.O. Paul has returned from Queensland where he went for some 9 years ago after working for us in the factory. He went there to further his golf career, with the outlook of turning pro. Unfortunately he had a number of operations on his shoulder. He then pursued the Real Estate area selling land for a number of years for a company both in Queensland and New Zealand. We look forward to a long and fruitful relationship. Paul can be contacted on 0409 940 757.

You may have noticed in the media in the last couple of months that we have provided Anne Preston as a Loaned Executive to United Way for the Workplace Giving campaign. Anne has been making presentations to some of the companies that participate in Workplace Giving. United Way is Geelong's largest not for profit charity. Donations to United Way are tax deductible and 100% of the money goes back to people in our own community through funding provided on a proof of needs basis to over 60 Health and Human Care organisations. Funding provides support to children, youth, the aged, families, people with disabilities and people in crisis situations. For more information visit <http://www.uwgeelong.com.au>

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	5222 6188
Andrew	Wall Detailer	5222 6339
Steve	Supervisor / Estimator	5249 4405
David	Estimator	5249 4407
Anne	Deliveries / General Enquiries / Orders	5223 2888
Lauren	General Enquiries / Orders /Accounts	5223 2888
Louise	General Enquires / Accounts / 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.

This page has been left blank intentionally
so you can keep the
Direct Line Phone Numbers
for our staff.

LIGHT HEARTED

My New Car Recently I bought a new Subaru Forrester but I had to return it to the dealer the next day because I couldn't get the radio to work. The car salesman explained that the radio was voice activated and demonstrated this brilliant feature. "Nelson," the salesman called to the radio. The radio then responded "Ricky or Willie?" "Willie!" he called back and immediately the radio burst into song "On the Road Again".

Then the salesman calls "Ray Charles," and in an instant "Georgia on my Mind" - immediately replaces the Willie Nelson song. I drove away very happy, and for the next few days, every time I'd say, "Beethoven," I'd receive beautiful classical music for the afternoon. Then I would say "Beatles," and I would hear a multitude of those great awesome songs from the 60-80's.

It was fun and even my wife even got into it too. "Billy Joel" and up came "The Piano Man"- "Rolling Stones" and up came "Jumping Jack Flash" plus many other great Stone's hits. But yesterday, I had the best experience of all.

A couple tried to run a red light and I nearly creamed my new car, but luckily I managed to swerve in time to avoid hitting them. I immediately yelled in anger, "Arseholes! Guess what!! Immediately up came the Collingwood Football Club Team Song through my speakers!! Goddamnit, I just LOVE this new car!

Female Compassion Barry returned from a doctor's visit one day and told his wife Jean that the doctor said he only had 24 hours to live. Wiping away her tears, he asked her to make love with him. Of course she agreed and they made passionate love. Six hours later, Barry went to her again, and said, "Honey, now I only have 18 hours left to live. Maybe we could make love again?" Jean agreed and again they made love. Later, Barry was getting into bed when he realized he now had only eight hours of life left. He touched Jean's shoulder and said, "Honey? Please? Just one more time before I die. "She agreed, and then afterward she rolled over and fell asleep.

Barry, however, heard the clock ticking in his head, and he tossed and turned until he was down to only four more hours. He tapped his wife on the shoulder to wake her up. "Honey, I only have four hours left! Could we...?"

His wife sat up abruptly, turned to him and said, "Listen Barry, I'm not being funny ...but I have to get up in the morning and you don't."

Typical Aussie Blokes A Mormon was seated next to an Australian on a flight from London to Melbourne. After the plane was airborne, drink orders were taken. The Aussie asked for a rum and Coke, which was brought and placed before him. The flight attendant then asked the Mormon if he would like a drink. He replied in disgust, "I'd rather be savagely raped by a dozen whores than let liquor touch my lips." The Aussie then quickly handed his drink back to the attendant and said: "Me too. I didn't know we had a choice"

BRINGING A BIT OF JOY INTO OUR LIVES

Don't look for a punch line, there isn't one. Read it anyway. My question is: Would you have made the same choice?

At a fundraising dinner for a school that serves learning-disabled children, the father of one of the students delivered a speech that would never be forgotten by all who attended. After extolling the school and its dedicated staff, he offered a question:

"When not interfered with by outside influences, everything nature does is done with perfection. Yet my son, Shay, cannot learn things as other children do. He cannot understand things as other children do. Where is the natural order of things in my son?" The audience was stilled by the query.

The father continued. "I believe that when a child like Shay, physically and mentally handicapped comes into the world, an opportunity to realize true human nature presents itself, and it comes in the way other people treat that child." Then he told the following story:

Shay and his father had walked past a park where some boys Shay knew were playing baseball. Shay asked, "Do you think they'll let me play?" Shay's father knew that most of the boys would not want someone like Shay on their team, but the father also understood that if his son were allowed to play, it

would give him a much-needed sense of belonging and some confidence to be accepted by others in spite of his handicaps.

Shay's father approached one of the boys on the field and asked (not expecting much) if Shay could play. The boy looked around for guidance and said, "We're losing by six runs and the game is in the eighth inning. I guess he can be on our team and we'll try to put him in to bat in the ninth inning."

Shay struggled over to the team's bench and, with a broad smile, put on a team shirt. His Father watched with a small tear in his eye and warmth in his heart. The boys saw the father's joy at his son being accepted. In the bottom of the eighth inning, Shay's team scored a few runs but was still behind by three. In the top of the ninth inning, Shay put on a glove and played in the right field. Even though no hits came his way, he was obviously ecstatic just to be in the game and on the field, grinning from ear to ear as his father waved to him from the stands. In the bottom of the ninth inning, Shay's team scored again. Now, with two outs and the bases loaded, the potential winning run was on base and Shay was scheduled to be next at bat.

At this juncture, do they let Shay bat and give away their chance to win the game? Surprisingly, Shay was given the bat. Everyone knew that a hit was all but impossible because Shay didn't even know how to hold the bat properly, much less connect with the ball.

However, as Shay stepped up to the plate, the pitcher, recognizing that the other team was putting winning aside for this moment in Shay's life, moved in a few steps to lob the ball in softly so Shay could at least make contact. The first pitch came and Shay swung clumsily and missed. The pitcher again took a few steps forward to toss the ball softly towards Shay. As the pitch came in, Shay swung at the ball and hit a slow ground ball right back to the pitcher.

The game would now be over. The pitcher picked up the soft grounder and could have easily thrown the ball to the first baseman. Shay would have been out and that would have been the end of the game.

Instead, the pitcher threw the ball right over the first baseman's head, out of reach of all team mates. Everyone from the stands and both teams started yelling, "Shay, run to first! Run to first!" Never in his life had Shay ever run that far, but he made it to first base. He scampered down the baseline, wide-eyed and startled.

Everyone yelled, "Run to second, run to second!" Catching his breath, Shay awkwardly ran towards second, gleaming and struggling to make it to the base. By the time Shay rounded towards second base, the right fielder had the ball ... the smallest guy on their team who now had his first chance to be the hero for his team. He could have thrown the ball to the second-baseman for the tag, but he understood the pitcher's intentions so he, too, intentionally threw the ball high and far over the third-baseman's head. Shay ran toward third base deliriously as the runners ahead of him circled the bases toward home. All were screaming, "Shay, Shay, Shay, all the Way Shay" Shay reached third base because the opposing shortstop ran to help him by turning him in the direction of third base, and shouted, "Run to third! Shay, run to third!"

As Shay rounded third, the boys from both teams, and the spectators, were on their feet screaming, "Shay, run home! Run home!" Shay ran to home, stepped on the plate, and was cheered as the hero who hit the grand slam and won the game for his team.

"That day", said the father softly with tears now rolling down his face, "the boys from both teams helped bring a piece of true love and humanity into this world".

Shay didn't make it to another summer. He died that winter, having never forgotten being the hero and making his father so happy and coming home and seeing his Mother tearfully embrace her little hero of the day!

May your day, be a Shay Day