

M.B. NEWS

2005 Xmas Edition.

THE YEAR IT HAS BEEN.

What a year it has been, like no other. It has been a year that has been surprisingly full of highs and lows. We have seen a year that has had changes that we haven't and probably won't see happen again in the near future. On a personal note we saw the passing of the *last* original *founding* member of M.B. Pre Fab Framing, my mother Anne Martella.

Timber prices have risen and fallen, then risen again, only to fall weeks later and on more than one occasion. We were informed of a 7.5% timber increase due in November, which ended up being a 2.5% increase and only by some timber producers. We have seen what can be described as a *price war* come to the fore front in the LVL and engineered floor joist area (Hybeam / Trus Joist) due to the introduction into the market place of "Wesbeam" from Western Australia. There are prices in Geelong that are 12-15% less than what they are achieving in the Melbourne market. International demands have caused record high prices for steel.

There has been a number of Truss plants start up and a record number close down. Thirteen in NSW have closed their doors. We are seeing Truss plants that are out in the market place competing and are quoting jobs under cost. One last year had loses of over 4 million dollars. As far as our industry is concerned the market has never been in such a competitive state and in some areas, such *disarray*. There hasn't really been a run up to Christmas. The market place has changed and not necessarily for the better.

In our last MB News we had just moved into our new factory. After initial "teething" problems with new equipment and processes everything is running smoothly. We believe we will see more rationalization in our industry and hopefully it will be a benefit to everyone.

Further development in our industry will bring about "Accreditation" of Truss erections. This is an issue that was highlighted and pushed for since 2002 when there was the disaster in S.A., where the roof collapsed at a Golf Club and killed the two women. Civil proceedings are still pending.

TIMBER

With all the price rises and decreases over the past 12 months with timber, there will be some more *major* changes some time next year. We believe that early next year the Timber suppliers will try and get more for their product, as I believe that they cannot sustain the prices they are getting at the present time. There will be changes in the "grading" of timber. MGP 8 will be brought in and I understand there may be a MGP 11. We will have one set of grades for "framing" and one set for "trusses". Changes are already in place in the design of the trusses in regards to top chord panel lengths and this will develop further next year.

We see that there is a major player for the “Carter Holt Harvey” ownership. It is understood that they only need some 3-5% more stock to have *complete* control of the company and they could go one of two ways. Break the company up or open up more mills and value added areas to develop their market further, even overseas. If they decide to keep the company as a *whole*, we may see the re entry of timber from New Zealand on our shores. Carter Holt Harvey are a major player in the timber industry, not just because of their framing material, but because of all their other products that they manufacturer and their large timber holdings of forests. Whatever the outcome of the whole thing, I hope that it is to the benefit of the industry as a whole.

NEW LINES

With the development of the “truss” programmes due to changes in the structural designing and use of timber, we will see an increase in the use of “web” stiffeners. These will be used in the cases where we have *long* webs that are required to be restrained from buckling or bending and could cause the truss to collapse. In the past we would use timber to tie back a “web tie” to another truss. In some cases it wasn’t done even though it was supposed to be. In some cases the design of the trusses either side of the one requiring a ‘web’ tie, had a web configuration that prevented it from being done and done properly, so none was put on. Now it has been shown that to do it correctly and to make sure it is done, the *nail plate suppliers* have developed a *metal web stiffener*. This will be put on in the factory. The other option is to make the whole truss 45 mm thick or put in a much larger web (eg 140 or 190 f 17) which is not always a viable or cost effective option.

DEVELOPMENTS

Pryda is at the present working to complete for March next year an updated software package that will be far advanced to anything available on the market. Now you may think – So! We have been waiting and having some input into this for 5 years now. We will have the capacity when you phone up to see how your job is going, without moving from our work station, bring up the job as it is being manufactured and see what stage they are up to and the approximate time it will be completed. We will have the ability to monitor production levels and more importantly design some trusses that we would normally have had to send to Pryda to have designed and that had a cost attached to it. There will be savings in a number of other areas, such as downtime, increase in overall service response time, and a decrease in the cost of production monitoring time. All these, although small, but put together will help reduce the overall costs throughout.

HIA GEELONG AND WESTERN DISTRICT BRANCH

This year we saw the opening of local HIA office. Local member Brian O’Donnell, manager of Hamlan Homes in Geelong has the role as the Victorian ‘El Presidenta’ There have been a number of issues over the year that the HIA and builders have been faced with and I believe that those and other issues will continue into next year.

If you haven’t been to one of the meetings or you don’t think that you will get anything out of being at one, come along as you may be pleasantly surprised. You may not want to hear some of the things that are talked about, as it can sometimes be depressing to think that you have to do something extra or it will impose an extra cost, but at least you will be given the facts and assisted where possible to minimize the effect on you and your business.

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

LIGHT HEARTED

Year 1981

- 1) Prince Charles got married.
- 2) Liverpool crowned Champions of Europe.
- 3) Australia lost the Ashes.
- 4) Pope Died.

Year 2005

- 1) Prince Charles got married (again).
- 2) Liverpool crowned Champions of Europe (again).
- 3) Australia lost the Ashes.
- 4) Pope Died.

In future, if Prince Charles decides to re-marry and Liverpool wins another European crown.... please warn the Pope ... Oh yes... and better let the Aussies know too!!!!

A man staggered home late after another evening with his drinking mates. Shoes in hand to avoid waking his wife, he tiptoed as quietly as he could toward the stairs leading to their upstairs bedroom, but misjudged the bottom step in the darkened entry way.

As he caught himself by grabbing the banister, his body swung around and he landed heavily on his rump. A whiskey bottle in each back pocket broke and made the landing especially painful. Managing to suppress a yelp, the man sprung up, pulled down his pants, and examined his lacerated and bleeding cheeks in the mirror of a nearby darkened hallway, then managed to find a large full box of Band-aids and proceeding to place a patch as best he could on each place he saw blood. After hiding the now almost empty box, he managed to shuffle and stumble his way to bed. In the morning, the man awoke with searing pain in the head and butt and his wife staring at him from across the room.

She said, "You were drunk again last night".

Forcing himself to ignore his agony, he looked meekly at her and replied, 'Now, honey, why you would say such a mean thing?'

'Well,' she said, 'it could be the open front door, it could be the glass at the bottom of the stairs, it could be the drops of blood trailing through the house, it could be your bloodshot eyes, but, mostly....it's all those Band-aids stuck on the downstairs mirror!'

THANK YOU

In closing Doug, and I, along with everyone at M.B, thank you for your support over the past year and years previous, we hope that this continues in the future and that we develop stronger and more positive relationships for the future. We wish you and your families a wonderful Christmas and a prosperous and safe New Year. We look forward to being able to serve you and not only be part of your growth, but in some small way be able to assist in your growth, next year and for many years to come.

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 Line 5223 1022 |
| Clive Martella | | 5249 4412 Direct Fax Line 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 |
| Alex | Estimator | 5249 4406 |
| Matt | Estimator / Truss Detailer | 5249 4407 |
| Lisa | CDO / Estimator | 0409 940 757 |
| Tim | CDO / Estimator | 0407 232 884 |
| Gary | Sales / TJ Floor joist | 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 |