



Annual Report AND Financial Statements

**TIMBER AND BUILDING MATERIALS
ASSOCIATION (NSW) LIMITED**



President's Report

At the end of my first year as President of TABMA (NSW) I am pleased to present the President's Report on behalf of the Board of Directors.

Whilst it has been another challenging year for many Associations and organizations in NSW, the good news is that after 12 consecutive interest rate rises over the last 6 years, indications are the Reserve Bank will gradually reduce interest rates over the next 12 to 18 months. This hopefully will be the catalyst which will spark the beginning of a gradual recovery in consumer confidence and in turn key housing markets. Fortunately the renovations sector remains relatively stable; however increased investment in new housing, infrastructure and business is necessary to ensure a long term sustainable improvement for the industry.

To ensure TABMA was positioned to better assist members, the Board decided last year to change its strategic direction and as part of the review appointed a new CEO. Colin Fitzpatrick started in February 2008 and by now would have visited most members. The common feedback received by Colin was that TABMA had stopped communicating with the membership. Accordingly, TABMA appointed a Membership Officer in June 2008, whose responsibility it is to be on the road visiting members to ensure TABMA builds on its relationship and gathers valuable feedback to prioritise what is required in the form of membership services. Furthermore, a merchant sub-committee was established to specifically focus on related industry issues and report its findings back to the Board.

On the financial side the Group reported a profit of \$30,498 that included a one off abnormal cost of \$120,000 for restructuring. All commercial divisions traded profitably. TABMA's waterfront operation Timber Tallying (NSW) Pty Ltd handled 10 million superfeet of imported West Coast of America timber for the year. Our credit information bureau, BTC, maintained its member base and will embark on a membership drive in the coming year. TABMA Training Pty Ltd continued to offer its services to industry, employing over 100 apprentices and trainees and TABMA Consultancy is striving to expand its much valued OH&S site audits.

While it is important that TABMA's commercial operations remain profitable we must not lose sight of the importance of providing value for the membership dollar. It is important that we remember that TABMA's value is really only built by the actual performance of the product, by delivery of the service and most importantly by the ultimate experience of the member.

A 3 year business plan was formulated and adopted by the Board in June. Performance to the business plan will be closely monitored to ensure TABMA consistently strives to meet and even surpass member expectations in the year ahead.

Finally, I would like to thank the Board for the support needed to achieve the change in strategic direction required to start the re-building process for TABMA to become a brand of choice and consolidate its position through renewed relevance.

A handwritten signature in black ink, appearing to read 'Peter Hutchison'.

Peter Hutchison

2008

Chief Executive Officer's Report

Upon joining TABMA in February this year it became apparent that communication between the TABMA office and our members is of paramount importance. To this end I have endeavoured to meet and regularly communicate with as many members as possible.

To further increase the awareness of TABMA among existing and potential members we have appointed a membership manager whose role is to continually call and discuss TABMA membership benefits and the services we provide.

A 3 year business plan was compiled by management effective from July 2008. This plan summarises each of our divisions and calls for a gradual improvement in earnings by 2010/11. Our Timber Tallying division has had a strong 6 months with timber shipments from Canada and the West Coast of the USA on the rise. Finding a permanent "home" for Timber Tallying in Port Kembla has not proven so easy owing to confusion by the only shipping company on the route nominating Brisbane as their preferred Australian port of discharge. Although the major importers have requested that Port Kembla is their preferred port of discharge the current uncertainty has delayed us from leasing the required 1.5 hectares of land needed to establish a Port Kembla base. It is to be hoped that the shipping issue will be resolved early in 2009 and we can proceed.

In August the Windows & Doors Industry Council

(WADIC) formed an alliance with TABMA. WADIC has over 100 members throughout Australia and in forming the alliance both associations have emphasized their strong mutual interest in promoting the substantial benefits of timber in a market that is becoming increasingly aware of environmental issues and the related credentials that timber products are able to claim.

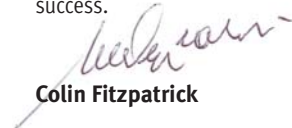
After three changes in Executive Officer this year, TABMA Western Australia now under the local guidance of Kate Proffitt and with greater input from NSW, will begin to make a positive contribution over the next two years.

In recent months your association has rebuilt relations with associations such as TDA, FPA, TTIA and FWPA. On going meetings between these groups can only enhance cooperation and further empower the strength of the timber industry with government.

As well I have met with representatives from TMA Victoria and it is to be hoped that a unifying relationship can emerge from regular discussions. It has been decided that our Annual Awards will now be held every 2 years rather than annually. As such this year we will be holding an Annual Dinner only. This will be held on November 7 at Luna Park. Group Training, OH&S audits, recruitment and BTC continue to make substantial contributions to TABMA.

The continued support of timber merchants and importers to our association is gratefully acknowledged along with the outstanding advice and input proffered by the TABMA board of directors under the leadership of Peter Hutchison.

I would also like to take this opportunity of thanking all the staff of TABMA for their efforts and the fine contribution they make to ensure our success.



Colin Fitzpatrick



ASSOCIATION ACTIVITIES

■ Email Information

TABMA is endeavouring to improve its communication with members and as part of this we have sent out many email information circulars during the year.

■ Chain of Responsibility Seminar

With changes to Chain of Responsibility and road fatigue laws TABMA held a seminar to inform members of their requirements. The seminar was presented by representatives from the RTA and Australian Logistics Council.

■ Finished Size & Profiles Book

TABMA received funding to update the existing Finished Sizes and Profiles 2005 book. This work commenced during 07/08 and is planned for completion in December 2008. The publication is a marvellous promotional tool for members assisting their customers to more easily specify timber products.

■ Website

The new TABMA website at time of writing was due for release. Members get improved exposure with postcode searches for nearest TABMA member as well as access to relevant and up to date industry information.

MEMBERSHIP SERVICES

■ Fuel savings

TABMA has an excellent arrangement with MOBIL who provide substantial discounts on Unleaded and Diesel fuels and LP gas to members.

Members have a facility to save over 5% on their annual fuel bill.

■ Internet exposure

All TABMA members are listed on our website www.tabma.com.au.

■ RYDA.com **NEW**

We have negotiated an arrangement with RYDA.com whereby you can purchase any of the products they market including GPS, telephones, electrical products etc at a 5% discount when you purchase through www.ryda.com.

■ DIY project sheets

A full set of handyman projects sheets including the stand are available to all members. These are a fantastic "add on" sales tool.

■ Technical advice

Through TABMA's relationship with the Timber Development Association you can obtain expert advice on complex issues relating to the correct use and/or specifications of timber products.

■ Publications

We publish a quarterly newsletter which is distributed to all Members. The Association subscribes to many national and international publications of which relevant details are passed on to the various sectors of Membership.

■ TABMA recruitment

We can save you the time of advertising, vetting and interviewing for new staff. This service comes with rates well below the industry average.

■ Group training & employment

The training division of TABMA is one of the greatest assets held by our industry. The quality

of your staff, in terms of skills and attitude, are an important factor in your success.

The TABMA timber or hardware trainees and apprentices are recruited, inducted, trained and monitored by us. You can add an employee to the business without a long term commitment. TABMA Training will, without charge or obligation, evaluate your staff skills and provide a training proposal to suit your business.

■ Corporate clothing **NEW**

Members can take advantage of discounted corporate clothing with our arrangement with CK Sports. On top of the negotiated discount there is an additional \$2.00 rebate for every item purchased.

■ Speed-e-gas **NEW**

15 kg gas cyclinders are also available at very preferential rates from speed-e-gas.

■ Electricity **NEW**

If your annual electricity spend, per meter, is more than \$2,000 we can help you save on your energy bills through our alliance with NUS Consulting Group.

■ Debtors control and collection

Building Trade Credit Service (BTC) is a fully owned subsidiary of TABMA and the foremost credit monitoring and reporting bureau in the building industry. All members are offered a 10% discount on subscription to BTC.

■ OH&S services

We have OH&S specialist on our staff and provide a service which covers annual work place inspections, reports, reference manual and information hotlines.

■ Research & surveys

We subscribe to a variety of surveys and statistical data on timber products and the building industry. This information is summarised and published in the newsletter, it is also available in depth to any member.

We conduct quarterly Customer Service Surveys for both timber and hardware aspects of customer services. Comprehensive reports are provided to participating members.

■ Group buying discounts

We are continuously reviewing opportunities to use our membership base as leverage to buy commercial commodities or services at reduced rates and are keen to explore any product or services put forward by members.

■ Members activities

Regular networking and information meetings are held in Sydney and regional locations and we encourage all members to attend these meetings. From time to time we conduct study tours in places of industry interest.

■ Gow Gates – Insurance savings

Gow Gates Insurance Brokers are Australian owned and endorsed by TABMA. They have substantial industry experience, provide excellent service, select reputable and reliable underwriters and most importantly are saving TABMA members substantially on premiums. An obligation free evaluation of your current insurance is available at no cost to members.

■ Trade Credit Insurance

TABMA has joined forces with QBE Trade Credit and negotiated a very competitive Trade Insurance package for members. This new service offering will benefit your business in two ways:

- Firstly, QBE will quote you a competitive premium for a policy that will protect your debtor assets.
- Secondly, TABMA has negotiated a number of additional pricing benefits that will apply to you as a policyholder and to the Association.

This insurance package has been established to cover both large and small businesses.

■ Business software

Accesses to specialist timber knowledge and customised software for the timber industry through the expert services provided by Disprax. Disprax's in-depth understanding of the timber industry can enhance your business processes through specialised inventory management and eCommerce, as Disprax has done for many TABMA members across Australia.

■ Code of Ethics

Code of ethics were reviewed during the year.

■ Industry Specific or Commercial Advice

TABMA keeps abreast of all technical, commercial, legislative and bureaucratic issues that impact on our industry and possibly your business. While important and critical issues are communicated as they occur, members are invited to seek advice from TABMA anytime.

■ Publications

We publish a quarterly newsletter which is distributed to all members. The Association subscribes to many national and international publications from which relevant details are passed on to the various sectors of membership.

■ Annual Awards

The Annual Awards Dinner was held on 10th November 2007 at The Four Seasons Hotel Sydney. Positive feedback was again received about the event. It has been decided for future years that awards will be held every two years so this year an annual dinner will be held instead. The location is Luna Park and the date, November 7th 2008.

Award winners from last year were:

Member Awards

Wholesaler of the Year – Hyne; Supplier of the Year – John Cook & Sons, St Marys; Sales Representative of the Year – Mike Hill, John Cook & Sons; Best Building Materials Centre, City Region – New Line Building Supplies; Best Building Materials Centre, Country Region – Brennan's Mitre 10 Home & Trade, Dubbo; Best Building Materials Centre, State Wide – Brennan's Mitre 10 Home & Trade, Dubbo; Best Building Supplies Warehouse over 6,000 sq m – Magnet Mart, Gunghalin; Best Frame & Truss Operation, City – Austek Frames &

Trusses; Best Frame & Truss Operation, Country – B & J McNamara; Best Frame & Truss Operation, State Wide – B & J McNamara; Best Traditional Timber Yard – Peninsula Timbers; Best Specialist Timber Merchant – Fedwood.

Training Awards

Host Trainer of the Year – Mister Ply & Wood; Trainee of the Year – Jamal Ferrer-McGee trainee at Swan Le Messurier; Apprentice of the Year – Ryan Greener apprentice at A.W. Edwards, Rintoul.

COMMERCIAL ACTIVITIES

■ TABMA Training Pty Ltd

We still support Equal Employment Opportunity for Women (EEOW) and again submitted our report to Government in this area. Trainee and apprentice numbers remained relatively constant during the year with on average just over 100 trainees/apprentices employed by TABMA Training. Our group training company continues to be a cost effective means for members to employ new staff being a vehicle to increase the skills base in our industry.

■ TABMA Consulting Pty Ltd

Through this division we provided a permanent placement service where members used TABMA to find people to fill permanent and casual vacancies. TABMA also offers an OH&S safety audit program through TABMA Consulting.

■ Timber Tally (NSW) Pty Ltd

Volumes of American West Coast timber imported into NSW and handled on the wharf at Port Kembla by Timber Tally remained steady with 10.0 million superfeet being handled for the year ending June 30th 2008.

■ Building Trade Credit (BTC)

BTC continued its service to industry providing valuable credit referencing information to suppliers to the building and construction industry via its new Web database www.btconline.com.au. BTC members now have instant access to the BTC credit database using sophisticated searching tools and user friendly interfaces and reports.



TIMBER AND BUILDING MATERIALS ASSOCIATION (NSW) LIMITED

Incorporated in New South Wales • Associated Not For Gain • Limited by Guarantee

COUNCILLORS 2007/08 Peter Hutchison, President – MiTek Australia Ltd; Simon Olding, Vice President – Simon B Olding Pty Ltd; John Harrison, Vice President – Harrison's Timber Pty Ltd; Danny Gattone, Past President – Swadlings Timber & Hardware Pty Ltd; Ian Halliday – Harper Timber; Norm Harrison – Australian Timber Industries Pty Ltd; John Walker – Belmont Timber Co Pty Ltd; Ron Gattone – Crescent Timber & Hardware Pty Ltd; John Wilson – Hardware & General Supplies Ltd; Michael Swan – Swan Le Messurier Pty Ltd; Bob Frost – Tasman KB Pty Ltd; Nils Koren – Gunnersen; Brian Ziebel – The Laminex Group

Chief Executive Officer Colin Fitzpatrick

Company Secretary & Registered Office John Theoharris, Level 7, 28 Foveaux Street, Surry Hills NSW 2010. Tel: (02) 9277 3100, Fax: (02) 9277 3199, Email: info@tabma.com.au

Staff Kate Proffitt – Executive Officer TABMA (WA); Werner Robb – Group Training Manager; Kevin Kelly – Manager Timber Tallying; Kevin Lui – Company Accountant; David Jones – Group Training & OH&S Consultant; Scott Stanford – Membership Officer; Melanie Firke – Group Training Administration; Joyce Lopez – Receptionist

Bankers ANZ Banking Group

Auditors Forsythes, Level 5, Hunter Mall Chambers, Newcastle NSW 2300

Subsidiary Companies Timber Tallying (NSW) Pty Ltd; TABMA-Consulting Pty Ltd; TABMA Properties Pty Ltd; TABMA Training Pty Ltd